

# 20<sup>th</sup>

ANNUAL REPORT 2011-2012



ASME "U" / "U2" / "S"  
NATIONAL BOARD "NB" / "R"  
Member of : HTRI - USA



ISO 9001 : 2008 COMPANY



## PATELS AIRTEMP (INDIA) LIMITED

## PATELS AIRTEMP (INDIA) LIMITED TWENTIETH ANNUAL REPORT 2011-2012

- BOARD OF DIRECTORS** : Shri Narayanbhai G. Patel : Chairman & Managing Director  
Shri Devidas C. Narumalani : Whole Time Director  
Shri Narendrabhai G. Patel : Whole Time Director  
Shri Prakash N. Patel : Whole Time Director  
Shri Sanjivkumar N. Patel : Whole Time Director  
Shri Hareshkumar I. Shah : Director  
Shri Natwarlal J. Patel : Director up to 7th February, 2012  
Shri Naimeshbhai B. Patel : Director  
Shri Girishbhai N. Desai : Director  
Shri Vinodkumar C. Desai : Director  
Shri Ramanbhai R. Patel : Additional Director w.e.f. 11th February, 2012
- STATUTORY AUDITORS** : Parikh & Majmudar  
Chartered Accountants,  
Ahmedabad.
- BANKERS** : Bank of Baroda  
Navrangpura Branch  
Ahmedabad.
- REGD. OFFICE** : 5th Floor, Kalpana Complex,  
Nr. Memnagar Fire Station,  
Navrangpura,  
Ahmedabad - 380 009.
- BRANCH** 310, Oberoi  
Chambers-II  
New Link Road,  
Oshiwara, Andheri(w)  
Mumbai - 400 053.
- WORKS** : Plot - 805, 806, 807, 810  
Rakanpur-382 721,  
Via: Sola-Bhadaj Village, Ta.: Kalol,  
Dist.: Gandhinagar, Gujarat, India
- REGISTRARS & SHARE TRANSFER AGENTS** : M/s. Bigshare Service Pvt. Ltd.  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (E), Mumbai-400 072  
Tel: 022- 28470652  
Fax: 022- 28475207  
Email: investor@bigshareonline.com  
Website: www.bigshareonline.com



## PATELS AIRTEMP (INDIA) LIMITED

### NOTICE

**NOTICE** is hereby given that the Twentieth Annual General Meeting of the Members of **PATELS AIRTEMP (INDIA) LIMITED** will be held on Friday, the 28th September, 2012 at 10.00 a.m. at the Registered Office of the Company at 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009 to transact the following business :

#### ORDINARY BUSINESS

1. To approve and adopt the Audited Balance Sheet as on 31st March, 2012 and Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a director in place of Shri Sanjivkumar N. Patel, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Shri Naimeshbhai B. Patel, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a director in place of Shri Vinodkumar C. Desai, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad having Registration No. 107525W as Statutory Auditors of the Company and to fix their Remuneration.

#### SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Shri Ramanbhai R. Patel, who was appointed as Additional Director by the Board of Directors of the Company w.e.f 11th February, 2012 under section 260 of the Companies Act, 1956 and Article 137 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

8. To consider and if, thought fit, to pass with or without modifications, the following resolution As an Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri Devidas Chelaram Narumalani as Whole Time Director of the Company for a period of three years from 14th July, 2012 to 13th July, 2015 at a remuneration of ₹ 1,80,000/- p.m. and such other terms and conditions including remuneration as set out in the explanatory statement hereto annexed.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter or vary or modify the terms and conditions of the said appointment including remuneration subject to the approval of the members in the General Meeting, so long as it does not exceed the limits specified above under part-II of Schedule XIII of the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Shri Devidas Narumalani and also to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution.”



**“RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri Devidas Narumalani as Whole Time Director of the company, the remuneration payable to him shall be in accordance with the limits prescribed as to the remuneration payable and which may be considered as minimum remuneration payable to the appointee.”

**“RESOLVED FURTHER THAT** Shri Narayanbhai G. Patel, Managing Director of the Company be and is hereby authorised to file the necessary forms in this regard with the Registrar of Companies, Gujarat, and to do all such acts, things, deeds which may be necessary in this regard.”

**By Order of the Board of Directors**

**Place :** Rakanpur  
**Date :** 26.05.2012

**NARAYANBHAI G. PATEL**  
**CHAIRMAN & MANAGING DIRECTOR**

**NOTES:-**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relevant Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business items set out in the notice is annexed hereto.
3. As required in terms of paragraph IV(G)(i) of Clause 49 of the Listing Agreement, the details of the directors seeking appointment/reappointment at the Meeting are given in detail, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, the 21st September, 2012 to Friday, the 28th September, 2012** (both days inclusive).
5. Members are requested to :
  - (i) notify promptly the change in their registered address, if any, to the Registrar and Share Transfer Agent M/s. Bigshare Services Pvt. Ltd. quoting folio number, if the shares are held in physical form and to their Depository Participant, if the shares are held in demat form.
  - (ii) notify promptly their E-mail address for speedier and faster means of communication with the company, by sending communication either to our Registrar and Share Transfer Agent M/s. Bigshare Services Pvt. Ltd. by quoting their Ledger Folio No., if the shares are held in physical mode and to their Depository Participants, if the shares are held in demat mode, quoting their DP ID and Client ID.
  - (iii) Bring their copy of the Annual Report and the attendance slips duly filled in with them, for attending the meeting. Demat holders are requested to bring their Client ID and DP ID No. for easier identification of attendance at the meeting.
  - (iv) Approach the Registrar & Share Transfer Agent for consolidation of folios, if physical shareholdings are under multiple folios.
  - (v) Address their questions/queries in writing to the Company, desirous of obtaining any information concerning the accounts and operation of the company, so as to reach at least seven days before the date of the meeting.
  - (vi) In view of the circular issued by SEBI, the Electronic Clearing Services (ECS/NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agents.



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6. Those shareholders who have not encashed their dividend warrants for the financial year 2006-07 Interim and Final, Dividend for the year 2007-08, Dividend for the year 2008-09, dividend for the financial year 2009-10 and Dividend for the Financial Year 2010-11 are advised to submit their claim to the Registrar / Company immediately quoting their folio number. The Unpaid / Unclaimed Dividend for the year 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 (including Interim Dividend) will become due for transfer to Investor Education & Protection Fund Account in October / November, 2014 & then after. Once the unclaimed dividend is transferred to the fund, no claim shall lie against the fund or the Company in respect of the individual amounts which were unclaimed or unpaid.
7. The Securities and Exchange of Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd.
8. All documents referred to in the accompanying notice and Explanatory Statements are open for inspection at the Registered Office of the Company on all working days except Saturday and Sunday between 11.00 a.m. to 3.00 p.m. up to the date of Annual General Meeting of the company.
9. The Company's Shares have been activated for dematerialization both with National Securities Depository Ltd. and Central Depository Services (India) Ltd. Those shareholders who wish to hold shares in electronic form may approach their Depository Participants. The existing ISIN No. of the Equity Shares of the company is INE082C01024.
10. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents through electronic mode.

In the spirit of the above circulars and as part of the Company's Green Initiative, we henceforth propose to send documents like Notice convening the general meetings, Financial Statements, Directors' Report, etc to the e-mail address provided by the members.

We therefore appeal to the members to be a part of the said 'Green Initiative' and request the members to register their name in getting the said documents in electronic mode by sending an email giving their Registered Folio Number and/or DP Id/Client ID to the dedicated email at [share@patelsairtemp.com](mailto:share@patelsairtemp.com), or at the R&TA on [investor@bigshareonline.com](mailto:investor@bigshareonline.com) and register their request.

11. Name and Address of the Registrar & Share Transfer Agent of the Company: **Bigshare Services Pvt. Ltd.**, Regd. Office: E-2/3, Ansa Industrial Estate, Sakivihar, Saki Naka, Andheri(E), Mumbai – 400 072 Tele. No. (022) 40430200/ 28470652, Fax No. (022) 28475207, E-mail Address: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**

**Item No.: 7**

Shri Ramanbhai R. Patel was appointed as an Additional Director of the Company w.e.f. 11th February, 2012. In terms of Section 260 of the Companies Act, 1956, he holds office as Director until the conclusion of ensuring Annual General Meeting. As required under section 257 of the Act, the Company has received a notice from the member of the Company signifying his intention to propose his appointment as a Director of the Company. Shri Ramanbhai R. Patel is holding degree of M.S.C in Chemistry and is having vast experience in field of Education. He has distinguished career and academic attainments. Looking to his vast Professional experience, it will be in the best interest of the Company to appoint him as a Director liable to retire by rotation.



The Directors recommend the said resolution for your approval.

Shri Ramanbhai R. Patel is not related to any of the Directors of the Company. Shri Ramanbhai R. Patel does not hold any share in the Company.

**Item No.: 8**

At the 17th Annual General Meeting of the Company held on 19th September, 2009 where Shri Devidas C. Narumalani, has been re-appointed as Whole Time Director for a period of three years from 14th July, 2009. The present term of office of Shri Devidas C. Narumalani expires on 13th July, 2012.

Shri Devidas C. Narumalani, aged 63 years having Bachelor Degree in Technology, Mumbai and Diploma in Business Management. He has been associated with the group for last 20 years and is a Director of the Company since inception. He looks after overall marketing of the products of the Company as well as day to day administration of the Mumbai branch.

It is in the interest of the Company to continue to avail his services for the growth and conduction of affairs and business of the Company and take advantage of his wide and rich experience, by re-appointing him as a Whole Time Director of the Company for a further period of three years from 14th July, 2012 to 13th July, 2015 and at remuneration of ₹ 1,80,000/- p.m. and on such terms and conditions of the remuneration as determined and approved by the Remuneration Committee of the Board of Directors.

Considering the same, the consent of the board be and is hereby accorded subject to the approval of the members in the General Meeting to the re-appointment of Shri Devidas Chelaram Narumalani as Whole Time Director of the Company. The Board recommended the terms and conditions as given below:

I. PERIOD: From 14.07.2012 to 13.07.2015.

II. REMUNERATION :

- A. Salary: ₹ 1,80,000/- per month including Dearness and other allowances.
- B. Perquisites: Perquisites are allowed in addition to salary. It shall be restricted to an amount equal to the annual salary subject to ceiling prescribed in Part II of Schedule XIII to the Companies Act, 1956.
- (i) Housing – Rent free furnished residential accommodation or House Rent Allowance as may be decided by the Board or Committee.
  - (ii) Reimbursement of expenses on gas, electricity, water and furnishings.
  - (iii) Reimbursement of medical expenses incurred for self and members of his family as per the rules of the company.
  - (iv) Leave travel concession for self and members if his family as per rules of the company.
  - (v) Fees of clubs subject to maximum of two clubs.
  - (vi) Personal Accident Insurance premium as per the rules of the Company.
  - (vii) Provision of car and telephone at residence. The expenditure on use of car for private purpose and long distance calls on telephone shall billed by the Company.
  - (viii) Company's contribution to Provident Fund, Superannuation fund or annuity fund, gratuity and encashment of leave, as per the rules of Company.
  - (ix) Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.



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- C. The Board shall have the authority to alter or vary the terms of re-appointment and remuneration including perquisites and benefits payable to the aforesaid Managerial Personal within the overall limits under Section 198, 309 and Schedule XIII of the Companies Act, 1956.
- D. In the absence or inadequacy of profits in any financial year, the salary mentioned in paragraph (A) & perquisite (B) above shall be minimum remuneration payable to the appointee subject to the provisions of Part-II, Section -II of Schedule-XIII of the Companies Act, 1956. A statement is hereby appended as required under clause (B) (iv) of Part II, Section II of Schedule XIII of the Companies Act, 1956.
- E. The appointee shall not so long as function as such, become interested or otherwise connected directly or through his wife and / or minor children in any selling agency of the Company without the prior approval of the Central Government.
- F. The appointee shall subject to supervision, direction and control of the Board of Directors of the Company be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him.
- G. The appointment may be terminated by either party giving to the other party three months remuneration in lieu thereof.

Your directors therefore, recommended the resolution for the approval of the Members. The above may be treated as an abstract as required under Section 302 of the Companies Act, 1956.

Resolutions of the Board Meeting and Remuneration Committee Meeting stating the terms and conditions of appointment and remuneration of the above appointee shall be available for inspection at the Registered Office of the Company on all working days except Sunday and Friday between 11.00 a.m. to 3.00 p.m. up to the date of the meeting.

Shri Devidas C. Narumalani is not related to any of the Directors of the Company.

None of the Directors except Shri Devidas C. Narumalani, himself may be considered as interested in the passing of this resolution.

**By Order of the Board of Directors**

**Place :** Rakanpur  
**Date :** 26.05.2012

**NARAYANBHAI G. PATEL**  
**CHAIRMAN & MANAGING DIRECTOR**

### **Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting**

(Pursuant to Clause 49 VII A of the Listing Agreement)

Name of Director	Date of Birth	Date of Appointment	Experience in specific functional areas	Qualifications	Directorship held in other Public Limited Companies	Member / Chairman of Committees in other Public Limited Companies
Shri Devidas C. Narumalani	01.06.1949	10.06.1992	Engineering Industry	B.Tech (IIT Bombay)	Nil	Nil
Shri Naimeshbhai B. Patel	22.02.1957	30.10.2009	Engineering Industry	B.E. (Mech)	Nil	Nil
Shri Vinodkumar Desai	16.02.1959	30.10.2009	Engineering Industry	B.E (Production)	Nil	Nil
Shri Ramanbhai R. Patel	07.08.1943	11.02.2012	Education	M.S.C. (Chem)	Nil	Nil
Shri Sanjivkumar N. Patel	11.09.1972	01.04.2011	Management Engg. Industry	B.E. (Chem) MBA	Nil	Nil



### DIRECTORS' REPORT

**Dear Members,**  
Patels Airtemp (India) Ltd

Your Directors have pleasure in presenting this 20th Annual Report together with the Audited Statements of Accounts for the year ended on March 31, 2012. Your Directors always try to maximize the value to the share holders. We have maintained our tradition of coming forth with high quality content and services. Our tradition in no way inhibits our capacity for innovations.

As trustees of the Company, we share our vision of growth with you. Our guiding principles are a blend of realism and optimism which has been and will be the guiding force of all our future endeavours. The summary of operating results for the year and appropriation of divisible profits is given below:

#### FINANCIAL RESULTS:

(₹ in Lacs)

Particulars	2011-12	2010-11
Sales and Other Income (Including Excise Duties)	8023.64	8475.60
Profit before Interest and Finance Charges	1234.07	1617.74
Depreciation and Taxes & prior period Adjustment		
Less : Interest & Finance Charges	305.03	177.33
Depreciation	132.62	110.04
Profit before Taxation	796.42	1330.37
Provision for Taxation - Current	235.91	417.71
- Deferred	18.48	24.27
- Wealth Tax	0.90	0.70
- Short / (Excess) Provision of earlier year W/O	1.26	(0.50)
- Short / (Excess) Provision of Wealth Tax	(0.10)	(0.15)
Profit after Tax	539.97	888.34
Less : Prior Period Adjustment	3.87	0.90
	536.10	887.44
Balance brought forward from previous year	2893.39	2214.20
Less : Corporate Dividend Tax	16.45	16.84
Less : Proposed Dividend	101.41	101.41
Less : Transfer to General Reserve	90.00	90.00
Surplus carried forward to Balance Sheet	3221.63	2893.39
Earning Per Share	10.57	17.50

#### DIVIDEND

Your Directors has recommended dividend @ 20% i.e. ₹.2/- per Equity Share for the year 2011-12 subject to the approval of members in the General Meeting. The Corporate Dividend Tax works out to ₹ 16.45 lacs.

#### PERFORMANCE

The performance of your company for the fiscal year 2011-12 was impacted partly owing to the rising cost of inputs and partly owing to the dull sentiments prevailing in the capital goods sector in the industry. Net sales inclusive of Exports of the Company is ₹ 7133.58 against ₹ 7802.29 lacs of the previous year. Profit Before Tax is ₹ 796.42 lacs against ₹ 1330.37 lacs during the previous year. Net Profit of the Company is ₹ 536.10 lacs against ₹ 887.44 lacs during the previous year.

#### FUTURE PROSPECTS

As you are aware, your Company is focusing on the business of manufacturing a range of shell and tube Heat exchangers, Air cooled Heat Exchangers, Refrigeration and Air Conditioning equipments,





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pressure vessels, etc. which broadly fall under the category of capital goods. They have multifarious applications in several industries.

Your Company has started focusing not only on the domestic market but also on the international market and your directors are pleased to inform the members that in the current fiscal year FY 2012-13 your company has entered into a long term supply arrangements with a leading global manufacturer of heat exchangers whereby your company has started manufacturing and supplying heat exchangers to entered into after an exhaustive audit of your Company's facilities and capabilities and this augurs very well for your company and it is a testimony that your company's facilities and capabilities are capable to meet very strict international standards.

On an average your company expects to export heat exchangers valued at around ₹ 20/- crores per annum. Further in the current year, the domestic demand has also revived and as of June, 2012 your company's order book position was quite healthy and it has stood at ₹ 72/- crores which included domestic orders of ₹ 62/- crores and export order of ₹ 10/- crores. Going forward, your company expects to sustain a reasonably good growth rate in future both in the domestic market as well as in the export market.

### DEPOSITS

The Company has not invited / accepted any deposits from the public under the provisions of Section 58A of the Companies Act, 1956 and rules made there under.

### DIRECTORS

Shri Sanjivkumar N. Patel, Shri Naimeshbhai B. Patel and Shri Vinodkumar C. Desai, retire by rotation and being eligible offer themselves for the reappointment. Your Directors has approved in its Board meeting held on 11th February, 2012, appointment of Shri Ramanbhai Patel as Additional Director of the Company w.e.f. 11th February, 2012. Your directors has approved in its board meeting held on 26th May, 2012, appointment of Shri Devidas C. Narumalani as Whole Time Director of the Company for further period of three years from 14th July, 2012 to 13th July, 2015 on terms and conditions as mentioned in Notice of the forthcoming Annual General Meeting.

The particulars of the directors retiring by rotation are given in the notice / explanatory statement portion of the accompanying notice.

### CORPORATE GOVERNANCE

The report on Corporate Governance as per Clause 49 of the Listing Agreement is annexed herewith.

### LISTING OF SECURITIES:

Your company's Equity shares are listed on Bombay Stock Exchange Ltd. (BSE). The Company has paid Annual Listing Fees for the year 2012-13 to the Stock Exchange.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in preparation of the annual accounts, all the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fairview of the state of affairs of the company at the end of the financial year and of the profit and loss account of the Company for the year under review ;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities ;
- (iv) that the Directors have prepared the Annual Accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

**STATUTORY AUDITORS**

M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter to the effect that their appointment would be within the prescribed limits under Section 224(1-B) of the companies Act, 1956. The said auditors will be appointed as auditors of the Company at the ensuing Annual General Meeting. The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

Your Directors request you to appoint Auditors as proposed and as set out in the accompanying notice of the Annual General Meeting.

**COST AUDITORS**

Pursuant to Section 233-B of the Companies Act, 1956 and Circular No. F No. 52/26/cab-2010 dated 24.01.2012 issued by the Ministry of Corporate affairs, Cost Audit Branch ordering the Cost Audit of the Listed Companies for its "Engineering machinery (including electrical & electronic product)" every year. Hence to comply the said order, the Company has appointed M/s. Rajendra Patel and Associates, Ahmedabad as a Cost Accountant for the year 2012-13. The Company has received a letter to the effect that their appointment would be within the prescribed limits under Section 224(1-B) of the companies Act, 1956. The Report will be submitted to the Central Government on or before the due date.

**PERSONNEL**

There is no employee drawing remuneration for which information is required to be submitted under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, hence not given.

**CONSERVATION OF ENERGY**

The main source of energy is power. However, power is not a major input in the manufacturing process and therefore, no substantial conservation of energy is possible. Again the Company is not required to give the particulars in the prescribed Form A under Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

**RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION**

The particulars as required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to Research & Development and Technology Absorption are given in Annexure to this report.

**APPRECIATION**

Your Directors wish to place on record their deep appreciation of the continued support and guidance provided by the Central and State Governments and all Regulatory bodies.

Your Directors also take opportunity to thanks the esteemed shareholders, customers, business associates, and Company's Banks for the faith reposed by them in your Company and its management.

Your Directors place on record their deep appreciation of the dedication and commitment of your Company's employees at all levels and look forward to their support in the future as well.

**For and on behalf of the Board of Directors,**

**Place:** Rakanpur  
**Date:** 26.05.2012

**NARAYANBHAI G. PATEL**  
**CHAIRMAN & MANAGING DIRECTOR**



## PATELS AIRTEMP (INDIA) LIMITED

### ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of Particulars with respect to Technology Absorption and Research & Development as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

#### Form – B

#### Technology Absorption

**(1) Research & Development (R & D)**

The Company has established a well equipped testing & NDE laboratory with the number of sophisticated instruments for testing and non destructive examination related to the product being manufactured. To upgrade the technology and technical qualifications, your Company has renewed ASME "U" and "NB"/"R" Stamp of National Board of USA and added ASME "U2"/"S" Stamp authorization for improving the system and quality. Your Company is ISO 9001-2008 certified. Various technical softwares like PVElite, Auto Desk Mechanical, Microprotol, Paulin Research Group etc were updated for design & development of various products.

**(2) Technology Absorption, Adaptation & Innovation**

The company has invested about Rs. 243 Lacs for Plant & Machinerics to upgrade HI-tech equipments. The Company has HTRI Membership agreement for Catagory - II and Licence agreement for EHT (for enhanced heat transfer) and Honeywell Uni Sim UHX (for feed water heater) for latest technology in Heat Transfer from U.S.A. For Air cooled Heat Exchangers, another finning machine is added for fast delivery period. In-house, systems and operations are being innovated for better quality and to perform up to customers' requirement.

**For and on behalf of the Board of Directors,**

**Place :** Rakanpur  
**Date :** 26.05.2012

**NARAYANBHAI G. PATEL**  
**CHAIRMAN & MANAGING DIRECTOR**



**CORPORATE GOVERNANCE REPORT**  
(Pursuant to Clause 49 of the Listing Agreement)

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

**1. CORPORATE GOVERNANCE PHILOSOPHY**

The Company is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. The Company in pursuance of Code of Corporate Governance strongly believes that it must organize its affairs to the optimum satisfaction of its members and also ensure that the interest of lenders, suppliers, customers and employees are well taken care of. Our governance practices are product of self-desire, reflecting the culture of the trusteeship that is deeply ingrained in our value system and reflected in our strategic thought process.

The Company in pursuance of Code of Corporate Governance, strongly believe that it must organize its affairs to the utmost satisfaction of all the concerned. The Company believes that the governance norms originating in the stock market institutions as an integral part of its Corporate Governance Philosophy should be respected both in letter and spirit. The Company endeavor to ensure transparency, control and accountability, in all areas of its operations.

**2. BOARD OF DIRECTORS**

The Board of Directors of the company comprises of the combination of Executive and Non-Executive Directors. Out of total strength of ten Directors, five Directors are Promoter/ Executive Directors and five Directors are Non-executive and Independent Directors. Committees like Audit Committee, Remuneration Committee and Investors' Grievance and Share Transfer Committee comprise majority of Independence Directors, being their Chairman and members.

The names and category of Directors on the Board as on 31st March, 2012 and as on the date of this report, the number of Directorship and Committee Membership held by them in other Public Companies, their attendance at the Board Meetings held during the financial year 2011-12 and also at the last AGM held is given below :

	Name of Directors	Attendance Particulars		Nos. of Directorship and Committee Membership / Chairmanship held in other Public Companies		
		Board Meeting	Last Annual General Meeting	Other Directorship	Committee Membership	Committee Chairman
	<b>Promoter Executive Directors</b>					
1.	Shri Narayanbhai G. Patel -MD	8	Present	-	-	-
2.	Shri Devidas C. Narumalani #	8	Present	-	-	-
	<b>Executive Directors</b>					
3.	Shri Narendra G. Patel #	8	Present	-	-	-
4.	Shri Prakash N. Patel #	8	Present	-	-	-
5.	Shri Sanjivkumar Patel #	5	Absent	-	-	-
	<b>Non Executive / Independent Directors</b>					
6.	Shri Natwarlal J. Patel *	7	Present	-	-	-
7.	Shri Girish Desai	5	Absent	-	-	-
8.	Shri H.I. Shah	7	Absent	-	-	-
9.	Shri Naimish Patel	1	Absent	-	-	-
10.	Shri Vinod Desai	7	Absent	-	-	-
11.	Shri Ramanbhai Patel**	0	-	-	-	-
	MD - Managing Director	# WTD – Whole Time Director, *Shri Natwarlal Patel up to 07.02.2012 **Shri Ramanbhai Patel w.e.f. 11.02.2012				



## PATELS AIRTEMP (INDIA) LIMITED

During the financial year 2011-12, Eight (8) Board Meetings were held Viz. on 28th May, 2011, 14th August, 2011, 24th September, 2011, 9th November, 2011, 12th November, 2011, 5th December, 2011, 30th December, 2011 and 11th February, 2012.

As required by Clause 49 VI A of the Listing Agreement, the particulars of Directors seeking re-appointment are given in the accompanied notice portion.

### 3. AUDIT COMMITTEE

The audit committee was constituted on 30th March, 2003, which currently comprises three independent Non – executive Directors viz. Shri Hareshkumar Shah as Chairman w.e.f. 11th February, 2012, Shri Girish Desai, Shri Ramanbhai Patel w.e.f. 11th February, 2012 and one Executive Director Shri Narayanbhai G. Patel as members and Shri Hardik Modi as secretary w.e.f. 27th February, 2012. As Shri Natwarlal J. Patel has resigned from directorship of the Company w.e.f. 7th February, 2012, consequently he ceases from Chairman/Member of the Committee. Shri Hareshkumar Shah is being appointed as Chairman/Member of the committee w.e.f. 11th February, 2012. The terms of reference of Audit Committee are to cover the matters specified under Clause 49 of the Listing Agreement and in Section 292A of the Companies Act, 1956 and the functions of the Committee that *inter alia* include the overview of the Company's financial reporting processes, review of the half yearly and yearly financial statements, review of adequacy of internal control system, review of the financial and risk management policies and review of significant findings and adequacy of internal audit function cover.

### 4. REMUNERATION COMMITTEE

The Board of the Company has constituted Remuneration Committee as per Clause 49 of the Listing Agreement on 30th March, 2003 which currently comprises of three independent and non – executive Directors Viz. Shri Hareshkumar Shah as Chairman w.e.f. 11th February, 2012 and Shri Ramanbhai Patel and Shri Vinodkumar Desai as member w.e.f. 11th February, 2012 and one executive Director, Shri Narayanbhai G. Patel as a member of the Committee. As Shri Natwarlal J. Patel has resigned from directorship of the Company w.e.f. 7th February, 2012, consequently he ceases from Chairman/Member of the Committee. Shri Hareshkumar Shah is being appointed as Chairman/Member of the committee w.e.f. 11th February, 2012. The Remuneration Committee has been constituted to recommend / review the remuneration package of the Managing and Whole Time Directors based on performance and detailed criteria and also empowered to decide on Employees' Stock Option Scheme. No stock options have been granted to executive Directors and Non- executive Directors. The Non-Executive Directors do not draw any remuneration from the Company other than sitting fees.

DETAILS OF REMUNERATION PAID TO MANAGING DIRECTORS / WHOLE TIME DIRECTORS DURING THE FINANCIAL YEAR 2011-12 IS GIVEN BELOW:

(in ₹)

NAME OF DIRECTOR	REMUNERATION	SITTING FEES	TOTAL
Shri Narayanbhai G. Patel	24,19,200/-	NIL	24,19,200/-
Shri D.C. Narumalani	24,19,200/-	NIL	24,19,200/-
Shri Narendra G. Patel	24,19,200/-	NIL	24,19,200/-
Shri Prakash N. Patel	24,19,200/-	NIL	24,19,200/-
Shri Sanjivkumar Patel	24,19,200/-	NIL	24,19,200/-

### 5. INVESTORS' GRIEVANCE COMMITTEE

In compliance with the Corporate Governance Code, the Company has constituted the Investors' Grievance Committee on 30th March, 2003 by constituting the Share Transfer Committee as the "Share Transfer – cum – Investors' Grievance Committee. The scope of the committee was



extended to include overview of all matters connected with Investors Grievance and redressal mechanism of members such as, dematerialization, transfer / transmission of shares, non- receipt of Annual Report / dividends etc. beside the function of the share transfer approval etc. The minutes of the Committee Meetings were placed at the Board Meeting from time to time. The Committee oversee the performance of M/s. Bigshare Services Pvt. Ltd. –Registrar and Share Transfer Agent of the Company and recommends measure to improve the level of investor related services. Though the powers to approve share transfer / transmission have been delegated to the Registrar & Share Transfer Agent and also to Shri Narayanbhai G. Patel, Chairman & Managing Director of the Company for quick action.

The Committee comprises of three independent Directors; Shri Hareshkumar Shah as Chairman w.e.f. 11th February, 2012, Shri Ramanbhai Patel and Shri Vinodkumar Desai w.e.f. 11th February, 2012 as member and one Executive Director, Shri Narayanbhai G. Patel as member and Shri Hardik Modi, Company secretary acts as compliance officer of the committee w.e.f. 27th February, 2012. As Shri Natwarlal J. Patel has resigned from directorship of the Company w.e.f. 7th February, 2012, consequently he ceases from Chairman/Member of the Committee. Shri Hareshkumar Shah is being appointed as Chairman/Member of the committee w.e.f. 11th February, 2012. The Committee meets regularly at reasonable interval to approve transfer and also to consider shareholders complaints.

**Name and designation of Compliance Officer:**

Mr. Hardik Modi, Company Secretary

No. of shareholders' complaints received during the year: 38 Complaints

No. of complaints not resolved to the satisfaction of shareholders: Nil

No. of pending share transfers: Nil

All valid transfer received during the financial year 2011-12 have been acted upon by the Company and there is no pending share transfers.

**6. GENERAL BODY MEETINGS**

Date, time and venue where Annual General Meetings / Extra Ordinary General Meetings were held in last three years.

Financial Year	Date and Time	Venue	No. of Special Resolution Passed
2008-09 17 <sup>th</sup> AGM	19 <sup>th</sup> September, 2009 at 10.00 A.M.	5 <sup>th</sup> Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad-380 009.	No
2009-10 18 <sup>th</sup> AGM	28 <sup>th</sup> August, 2010 at 10.00 A.M.	5 <sup>th</sup> Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad-380 009.	No
2010-11 19 <sup>th</sup> AGM	30 <sup>th</sup> September, 2011 at 10.00 A.M.	5 <sup>th</sup> Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad-380 009.	1

No Extra Ordinary General Meeting was held during last three years. The Company has not passed any resolutions through Postal Ballot.

**7. DISCLOSURES**

- There are no material transactions with its promoters, directors or the management, their subsidiaries or relatives, except as given in Notes on Accounts, which may have potential, conflict with the interest of the Company at large.
- No penalties have been imposed on the Company by the Stock Exchange/s or SEBI or any statutory authority, on the matter related to capital market during the last three years.



## PATELS AIRTEMP (INDIA) LIMITED

### 8. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results were taken on record by the Board of Directors and submitted to the Stock Exchange in terms of the requirements of Clause 41 of the Listing Agreement. These were published in the newspaper as per the prescribed guidelines. The Management Discussion & Analysis Report forms a part of this Annual Report. In pursuance of Clause 54 of the Listing Agreement, the company is maintaining its website [www.patelsairtemp.com](http://www.patelsairtemp.com) containing basic information about the company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance. The company also agrees to ensure that the contents of the said website are updated at any given point of time.

### 9. GENERAL SHAREHOLDERS INFORMATION

#### a) Annual General Meeting:

**Date** : Friday, 28th September, 2012  
**Time** : 10.00 a. m.  
**Venue** : Registered Office: 5th Floor, Kalpana Complex,  
Nr. Memnagar Fire Station, Navrangpura, Ahmedabad: 380 009

b) **Financial Calendar:** The Company follows April – March as its financial year. The results for every quarter beginning from April is declared in the month following the quarter, however, the result for the fourth quarter are clubbed with the declaration of audited accounts within 60 days of the year, whenever possible.

c) **Book Closure Date(s):** Friday, the 21st September, 2012 to Friday, the 28th September, 2012 (both days inclusive). Entitlement for payment of dividend for the year 2011-12 would be on the close of the day of 21st September 2012, for both physical and demat shareholders.

d) **Listing on Stock Exchange :** The equity shares of the company are listed on the Bombay Stock Exchange Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

The Company has paid the listing fees for the year 2012-13 to the Bombay Stock Exchange Ltd., Mumbai.

e) **Stock Code / Name: BSE 517417, Scrip Name: PATELSAI,**

The ISIN Number of the Company on both the depositories, NSDL and CDSL is INE082C01024.

f) **Stock Market Price / Data :** The details of monthly high / low price of the Company's Shares traded on the Mumbai Stock Exchange during the financial year 2011-12 is furnished below :

Month	High Price (₹.)	Low Price (₹.)
Apr-11	121.90	73.00
May-11	89.50	76.00
Jun-11	79.90	65.25
Jul-11	75.40	67.40
Aug-11	70.00	52.00
Sep-11	66.00	53.10
Oct-11	57.75	51.10
Nov-11	55.00	39.10
Dec-11	49.95	40.10
Jan-12	55.55	39.00
Feb-12	58.95	45.60
Mar-12	54.95	42.30



- g) **Registrar & Share Transfer Agents:** In terms of SEBI Circulars dated 27.12.2002 & dated 12.02.2003 on appointment of common agency for share registry works, the Company has appointed the below mentioned agency as Registrar & Share Transfer Agent, for both physical and demat segment of equity shares of the company, which provides all shareholders related services :

**Bigshare Services Pvt. Ltd.,**

Regd. Office : E-2/3, Ansa Industrial Estate,  
Sakivihar, Saki Naka, Andheri(E),  
Mumbai – 400 072 Tele. No. (022) 40430200/ 28470652, Fax No. (022) 28475207,  
E-mail Address: [www.bigshareonline.com](http://www.bigshareonline.com)

- h) **Share Transfer System:** The transfer of shares in physical form is processed and completed by **M/s.Bigshare Services Pvt. Ltd.** within a period of 30 days from the date of receipt thereof. In case of shares in electronic form, the transfer is processed by NSDL/CDSL through the respective Depository Participants. Demat requests are normally confirmed within an average period of 25 days from the date of receipt.

- (a) Distribution of Shareholding as on 31st March, 2012.

Shareholding of Nominal Share	Number of Shareholders	% of Total	Share	% of Total
1 500	7145	88.97	896631	17.6842
501 1000	460	5.72	377001	7.4356
1001 2000	189	2.35	282793	5.5775
2001 3000	76	0.95	192662	3.7999
3001 4000	49	0.61	175881	3.4689
4001 5000	29	0.37	136881	2.6997
5001 10000	45	0.56	313787	6.1888
10001 9999999999	38	0.47	2694604	53.1455
	<b>8031</b>	<b>100.00</b>	<b>5070240</b>	<b>100.0000</b>

- (b) Category of Equity Shareholders as on 31st March, 2012.

Sr. No.	Category	No. of Shares	% to Share Capital
<b>A.</b>	<b>PROMOTERS SHAREHOLDING</b>		
1	Promoters, Promoters Group, Directors & Their Relatives	1926871	38.00
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>		
2	Mutual Funds / UTI	0	0.00
3	Banks / Financial Institutions	0	0.00
4	Foreign Institutional Investors	0	0.00
5	Bodies Corporate	203427	4.01
6	NRIs	127948	2.52
7	Clearing Members	5563	0.11
8	Trust	1000	0.02
9	Indian Public	2805431	55.34
	<b>TOTAL</b>	<b>5070240</b>	<b>100.00</b>





## PATELS AIRTEMP (INDIA) LIMITED

- i) **Dematerialisation of Shares:** The Company's shares are under demat mode. The ISIN No. of the Company is INE082C01024. Members who are desirous of holding their shares in demat form are requested to apply to their Depository Participants in prescribed demat requisition form along with original share certificate. About 96.57% of the total Equity capital of the Company is held in demat form as on 31st March, 2012.
- j) **Plant Location(s):** The Company's plants are located at:  
**Plant:**  
805,806, 807, 810, Rakanpur, Via: Sola-Bhadaj Village, Ta: Kalol, Dist. Gandhinagar, Gujarat.  
**Project Division:**  
5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009  
**Mumbai Office:**  
310, Oberoi Chambers-II, New Link Road, Oshiwara, Andheri (W), Mumbai 400 053
- k) **Address for Correspondence:** For both physical & Electronic form :  
M/S. Bigshare Services Private Limited  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400 072  
Tel: 022-28470652 Fax No: 022-2875207  
Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)
- l) For any assistance regarding dematerialization of shares, share transfers, change of address, non-receipt of dividend or any other query, relating to shares:  
**Patels Airtemp (India) Ltd.**  
Regd. Office : 5th Floor, Kalpana Complex,  
Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.  
Ph. No. : (079) 27913694/5/6, Fax No. (079) 27913693  
Website : [www.patelsairtemp.com](http://www.patelsairtemp.com)
- m) As required by Clause 49 of the Listing Agreement with the stock exchange the Auditors' Certificate on Corporate Governance is given as Annexure to this report.



**Corporate Governance Compliance Certificate**

To,  
The Members  
Patels Airtemp (India) Limited

In accordance with Clause 49 of the Listing Agreement entered into by Patels Airtemp (I) Limited with the Bombay Stock Exchange Limited, Mumbai, We have examined all relevant records of the Company relating to its compliance of condition of Corporate Governance as stipulated in clause 49 for the financial year ended 31.03.2012.

It is the responsibility of the Company to prepare and maintain the relevant necessary records under the SEBI Guidelines, Listing agreement and other applicable laws. Our responsibility to carry out an examination on the basis of our professional judgment so as to award a responsible assurance of the correctness and completeness of the records for the purpose of this certificate.

We have obtained all the information and explanation which to the best of our knowledge and belief where necessary for the purpose of the certificates and have been provided with such records, documents, certificates etc. as had been required by us.

The company is yet to lay down a Risk Management Policy and Procedures thereof and therefore we are unable comment on the same.

We certified that from the records produced and explanation given to us by the company for the purposes of this certificate and to the best of our information the company has generally complied with the mandatory requirements of the said clause 49 of the Listing Agreement except stated as above.

**FOR PARIKH & MAJMUDAR**  
CHARTERED ACCOUNTANTS

**Place:** Ahmedabad  
**Date:** 26th May, 2012

**C.A. Dr. HITEN PARIKH**  
PARTNER  
M. No. 40230  
FRM No. : 107525W



**MANAGEMENT DISCUSSION AND ANALYSIS**

**INDUSTRY STRUCTURE AND DEVELOPMENT**

The Company is engaged in the manufacture and sale of extensive range of Heat Exchangers such as Shell & Tube type, Finned tube type and Air cooled Heat Exchangers, Pressure Vessels, Air-conditioning and Refrigeration equipments and Turnkey HVAC Projects in India & marketing of equipments even outside India. The Company has technical collaboration with M/S. TEK FINS Inc. USA for design and manufacture of Air cooled Heat Exchangers. All these products are supplied to leading Industrial Sections like Power Projects, Refineries, Fertilizers, Cements, Petrochemicals, Pharmaceuticals, Textile and Chemical Industries.

With the highly innovative environment, the Company could sustain its sales even in highly cut-thought competition and the prevailing market conditions.

**PRODUCT – WISE PERFORMANCE**

The Company is operating in one segment i.e. engineering fabrication having different products, such as Heat Exchangers, Air Cooled Heat Exchangers, Pressure Vessels, Air-conditioning & Refrigeration Equipments, Turnkey HVAC projects and other Misc. products, the turnover of which are given in Notes on Accounts portion of the Annual Report. Your company has decided to stick to high value added engineering products. These products are regularly procured by the Industrial Process Plants / Units. These products has ASME “U”/ “U2”/ “S” Stamp authorization, it is expected to improve profitability of the company in the future. For updating Heat Transfer Technology, Company has become member of HTRI (Heat Transfer Research, Inc, U.S.A.).

**FUTURE OUTLOOK**

The long-term fundamentals of the Indian economy which is expected to remain strong. Key fundamentals generally include demographics, rising income and purchasing power of population and large investment in pipeline. The growth of the economy is being driven primarily by domestic investment and consumption, with limited dependence on exports or the demand situation in other economies. At the same time, there are some concerns, particularly with regard to inflation. Inflationary pressures emerging from commodity and food prices have shown signs of becoming more generalised, leading to the containing of inflation becoming the key priority of policy makers. In addition, the global economic environment continues to remain uncertain with slow recovery and fiscal concerns in developed markets. Keeping in mind the aforesaid factors, your company will make all efforts to encash the opportunities which come across.

**OPPORTUNITIES**

Export in the developed countries like USA & Europe and other countries like Italy, China, Japan, etc is to be developed and it is expected to provide large impetus to engineering exports to these countries after obtaining the ASME “U”/ “U2”/ “S” Stamp Authorisation. Your company is preparing itself to meet the increased demand in the years to come through efficient production management system which will enable to minimize the risk of raw materials price fluctuations.

**RISK FACTORS**

Risk is an integral part of every business and your company always tries to deliver superior shareholder value by achieving an appropriate trade-off between risk and returns. Our risk management strategy is based on a clear understanding of various risks i.e. operational risk, marketing risk involved, systematic risk assessment and taking steps to overcome risks and continuous monitoring.

The industry is facing stiff competition from big players who are producing on large scale production and have the advantage of economies in cost, facing challenges from cheaper imports and the industry is also facing risks from unorganized sector particularly from the marketing in the state and nearby states which have major thrust on Air-conditioning and Refrigerator parts. However, Your Company



does not foresee any risk due to its concentration on quality commitment for better products and prompt after sales and service. The Government of India's measures to curb cheaper imports imposing anti dumping duties and other restrictions will give much needed relief to the domestic industry.

**QUALITY CONTROL**

The Company features its achievements to adherence to strict quality standards. This has been achieved through our efforts to strike the balance between resources and technology to develop products at same level in excellence with international standards. The quality standard is taken care from the initial stage of production to ensure high end product quality.

**INTERNAL CONTROL SYSTEM**

The Company has adequate internal control system in operation commensurate with the size and nature of its business for enduring efficiency of operation and protection of Company's assets. The Audit Committee formed by the company review on periodical basis the compliance with the Company's policies, procedures and prevailing laws.

**INDUSTRIAL RELATION & HUMAN RESOURCES**

To praise the sophisticated production process, we have a team of experienced workers who are skilled and trained to get best out of it. Regular orientation programs are being conducted by the company wherein workers are directly exposed to the experts, which keep them with the latest technology and development.

The Company's philosophy is to provide to its employees friendly working environment and a performance oriented work culture. The company believes that human resources are important asset for giving Company a competitive edge in a competitive environment.

The Company's relations with the employees at all levels are very cordial and peaceful. The company has about 250 employees working with them as on 31<sup>st</sup> March, 2012 on permanent as well as contractual basis.

**CAUTIONARY STATEMENT**

The statement given in this report, describing the Company's objectives, estimates and expectations and future plans may contribute towards forward looking statement within the meaning of applicable laws and / or regulations. Actual performance may differ materially from those either expressed or implied.



## PATELS AIRTEMP (INDIA) LIMITED

### AUDITORS' REPORT

To  
The Members  
**M/s PATELS AIRTEMP (INDIA) LIMITED**  
AHMEDABAD

- 1) We have audited the attached Balance Sheet of **M/s PATELS AIRTEMP (INDIA) LIMITED** as at 31st March 2012, the Profit and Loss A/c and the Cash-flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts & disclosures in the financial statements. An audit also includes assessing the accounting principles used & significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the companies (Auditor's Report) order 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the companies Act 1956, we annex here to a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable.
- 4) Further to our comments in the Annexure referred to in paragraph-3 above, we report as under: -
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of the books.
  - (c) The Balance Sheet and the Profit and Loss Account & Cash flow statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Profit & Loss Account & Cash Flow Statement comply with Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
  - (e) On the basis of the written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors of the company are disqualified as on March, 31 2012 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India. :-
    - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2012 and
    - ii) In the case of the profit and loss account, of the profit of the company for the year ended on that date and
    - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR PARIKH & MAJMUDAR  
CHARTERED ACCOUNTANTS**

**PLACE : AHMEDABAD  
DATE : 26/05/2012**

**C.A. Dr. HITEN PARIKH  
PARTNER  
M. No. : 40230  
FRN No. 107525W**

**Referred to in Paragraph 3 of our report of even date**

- i) a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- b) As explained to us, a major portion of the fixed assets has been physically verified by the management during the year in accordance with a phased programme of verification adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the company & nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
- c) According to the information and explanation given to us, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected
- ii) a) As explained to us, inventories were physically verified by the management at reasonable intervals during the year.
- b) In our opinion & according to the information & explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable & adequate in relation to the size of the company & nature of its business.
- c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the Physical stocks and the book records were not material.
- iii) In respect of loans secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- a) According to the information and explanation given to us, the company has not granted any loan, secured or unsecured, to any company or firm or other party covered in the register maintained under section 301 of the Companies Act, 1956.
- b) The company has taken Unsecured Loan from one party covered under register maintained u/s 301 of the Companies Act, 1956 during the year. [closing balance ₹ 461.00 lacs] [Maximum balance during the year ₹ 479.40 lacs]
- c) In our opinion and according to the information and explanation given to us, the rate of interest & other terms and conditions of the unsecured loan taken by the company from the parties covered under the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the company.
- d) The Loan taken by the Company is repayable on demand and therefore the question of any over due amount does not arise.
- iv) In our opinion & according to the information & explanations given to us, there is adequate internal control system commensurate with the size of the company & nature of its business for the purchase of inventory, fixed assets & also for the sales of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in Internal control system.
- v) In our opinion & according to the informations & explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered in the register required to be maintain u/s 301 of the Companies Act, 1956.
- vi) The Company has not accepted any deposit from the public during the year.
- vii) The Company has appointed a firm of Chartered Accountants for Internal Audit. In our opinion, the internal audit is commensurate with its size & nature of its business.
- viii) The Central Government has prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956. On the basis of report received from the practicing cost accountant we are of the opinion the company has prima facie maintained prescribed records & accounts. We have not, however made detailed examination of the same.



## PATELS AIRTEMP (INDIA) LIMITED

- ix) a) According to the records of the company, undisputed statutory dues including provident fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess & Other Statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information & explanation given to us, no un-disputed amounts were outstanding as at 31st March 2012 for a period of more than six months from the date of becoming payable.
- b) On the basis of records produced before us for our verification and according to the information and explanations given to us, the details of disputed Income Tax dues aggregating to ₹ 45.69 lacs (net of payments) that have not been deposited as on 31st March, 2012 on account of matters pending before appropriate authorities, the details of which are as under.

Name of Statute	Nature of Dues	Amount (Net of Payment) (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Department	Income Tax	₹ 45.69 lacs	F. Y. 2008-09	Commissioner of Income Tax (Appeals)-XI, Ahmedabad

- x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xi) According to information & explanations given to us, the company has not defaulted in repayment of dues to Banks.
- xii) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debenture and other securities.
- xiii) According to the information & explanations given to us, the company is not a chit fund or a nidhi /mutual benefit fund/society.
- xiv) According to the information & explanations given to us, the company is not dealing or trading in shares, securities, debentures & other investments.
- xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) According to the Information & explanations given to us the term loans have been broadly applied for the purpose for which they have been raised.
- xvii) On the basis of information and explanations given to us and on the basis of over all examination of the Balance Sheet and the Cash flow Statement of the Company, we report that no funds raised on short term basis have been used during the year for long term investments.
- xviii) The Company has not made any Preferential allotment of shares during the year under review.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issue during the year.
- xxi) According to the information & explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR PARIKH & MAJMUDAR  
CHARTERED ACCOUNTANTS**

**PLACE: AHMEDABAD  
DATE: 26/05/2012**

**C.A. Dr. HITEN PARIKH  
PARTNER  
M. No. : 40230  
FRN No. 107525W**



## BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31 March,2012 ₹	As at 31 March,2011 ₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	50,702,400	50,702,400
(b) Reserves and surplus	2	369,164,168	327,339,782
		<u>419,866,568</u>	<u>378,042,182</u>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	48,493,318	31,347,826
(b) Deferred tax liabilities (net)	4	22,274,264	20,425,778
(c) Other long-term liabilities	5	2,701,928	2,134,448
(d) Long-term provisions	6	2,469,861	2,258,043
		<u>75,939,371</u>	<u>56,166,095</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	111,548,727	122,803,075
(b) Trade payables	8	185,136,093	155,943,823
(c) Other current liabilities	9	43,227,146	14,866,308
(d) Short-term provisions	10	13,006,208	13,915,840
		<u>352,918,174</u>	<u>307,529,046</u>
<b>TOTAL</b>		<u><u>848,724,114</u></u>	<u><u>741,737,323</u></u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		193,942,072	173,392,904
(ii) Intangible assets		3,861,527	1,451,642
(iii) Capital work-in-progress		-----	2,197
		<u>197,803,599</u>	<u>174,846,743</u>
(b) Non-current investments	12	280,000	280,000
(c) Long-term loans and advances	13	10,608,023	12,279,148
(d) Other non-current assets	14	26,545,906	26,591,675
		<u>37,433,929</u>	<u>39,150,823</u>
<b>2 Current assets</b>			
(a) Current investments		-----	-----
(b) Inventories	15	291,955,950	138,349,854
(c) Trade receivables	16	250,617,237	347,861,891
(d) Cash and cash equivalents	17	57,321,830	29,354,436
(e) Short-term loans and advances	18	13,591,569	12,173,576
(f) Other current assets		-----	-----
		<u>613,486,586</u>	<u>527,739,757</u>
<b>TOTAL</b>		<u><u>848,724,114</u></u>	<u><u>741,737,323</u></u>
Significant Accounting Policies	A		
Notes on Financial Statements	1 to 42		

As per our report of even date  
For, PARIKH & MAJMUDAR  
Chartered Accountants

C.A. Dr. HITEN PARIKH  
PARTNER  
M NO. 040230  
F R NO. 107525W  
Place : Ahmedabad  
Date: 26.05.2012

For and on behalf of the Board of Directors of  
PATELS AIRTEMP (INDIA) LIMITED

NARAYANBHAI G. PATEL  
CHAIRMAN & MANAGING DIRECTOR

SANJIVKUMAR N. PATEL  
DIRECTOR

H. J. MODI  
COMPANY SECRETARY

Place : Rakanpur  
Date: 26.05.2012





## PATELS AIRTEMP (INDIA) LIMITED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012

Particulars	Note No.	For the year ended 31 March, 2012 ₹	For the year ended 31 March, 2011 ₹
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from Operations (Gross)	19	800,656,171	846,400,345
Less: Excise duty		<u>87,297,913</u>	<u>66,171,047</u>
Revenue from Operations (Net)		713,358,258	780,229,298
2 Other income	20	<u>1,707,965</u>	<u>1,147,625</u>
<b>3 Total revenue (1+2)</b>		<u>715,066,223</u>	<u>781,376,923</u>
<b>4 Expenses</b>			
(a) Cost of Materials Consumed	21	477,704,509	441,434,025
(b) Purchases of Stock-in-Trade	22	3,566,965	23,656,232
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(139,498,330)	(48,658,443)
(d) Employee benefits Expenses	24	48,201,624	45,175,365
(e) Other Manufacturing Expenses	25	71,334,157	55,686,137
(f) Depreciation and Amortisation Expense	11	13,262,113	11,003,990
(g) Finance Cost	26	30,503,585	17,732,834
(h) Other Expenses	27	130,173,565	102,321,805
(i) Prior Period Expenses		<u>386,588</u>	<u>90,462</u>
<b>Total expenses</b>		<u>635,634,776</u>	<u>648,442,407</u>
<b>5 Profit before exceptional and extraordinary items and tax (3 - 4)</b>		79,431,447	132,934,516
<b>6 Exceptional items</b>		-----	-----
<b>7 Profit before extraordinary items and tax (5 ± 6)</b>		79,431,447	132,934,516
<b>8 Extraordinary items</b>			
a) Profit / (Loss) on sale of Fixed Assets		<u>(175,149)</u>	<u>12,329</u>
<b>9 Profit / (Loss) before tax (7 ± 8)</b>		<u>79,256,298</u>	<u>132,946,845</u>
<b>10 Tax expense:</b>			
(a) Current tax expense for current year (incl Wealth Tax Provision)		23,681,342	41,841,315
(b) Current tax expense relating to prior years		<u>116,564</u>	<u>(64,993)</u>
(c) Net current tax expense		23,797,906	41,776,322
(d) Deferred tax		<u>1,848,486</u>	<u>2,426,868</u>
		<u>25,646,392</u>	<u>44,203,190</u>
<b>11 Profit from continuing operations (9 ± 10)</b>		<u>53,609,906</u>	<u>88,743,655</u>
<b>12 Profit for the year (11)</b>		<u>53,609,906</u>	<u>88,743,655</u>
<b>13 Earnings per share (of ₹ 10/- each): Basic &amp; Diluted</b>		10.57	17.50
Significant Accounting Policies	A		
Notes on Financial Statements	1 to 42		

As per our report of even date  
For, PARIKH & MAJMUDAR  
Chartered Accountants

**C.A. Dr. HITEN PARIKH**  
PARTNER  
M NO. 040230  
F R NO. 107525W  
Place : Ahmedabad  
Date: 26.05.2012

For and on behalf of the Board of Directors of  
PATELS AIRTEMP (INDIA) LIMITED

**NARAYANBHAI G. PATEL**  
CHAIRMAN & MANAGING DIRECTOR

**SANJIVKUMAR N. PATEL**  
DIRECTOR

Place : Rakanpur  
Date: 26.05.2012

**H. J. MODI**  
COMPANY SECRETARY

## SIGNIFICANT ACCOUNTING POLICIES

### A. SIGNIFICANT ACCOUNTING POLICIES

#### i) METHOD OF ACCOUNTING

The financial statements are prepared under the historical cost convention in accordance with generally accepted Accounting Principles in India & the Provisions of the Companies Act, 1956 and the applicable accounting standards notified under the Companies Accounting Standards Rule, 2006.

#### ii) Use of Estimates

The preparation of the financial statements in conformity with GAPP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### iii) RECOGNITION OF INCOME & EXPENDITURE

Revenues/Incomes and costs / expenditures are generally accounted on accrual, as they are earned or incurred. Sales are inclusive of excise duty but exclusive of Sales Tax / VAT collected. With regard to sale of product, Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

#### iv) EXCISE DUTY

Excise duty is accounted on the bases of both, payment made in respect of goods cleared and also provision made for goods lying in bonded warehouses. Excise duties in respect of Finished Goods lying in stock are shown separately as an item of Other Manufacturing Expenses.

#### v) FIXED ASSETS

- (a) Fixed assets are stated at cost (net off of Cenvat & VAT), less accumulated depreciation (other than land and goodwill where no depreciation is charged).
- (b) Capital Work in Progress is stated at cost.
- (c) Intangible assets are recorded at the consideration paid for acquisition.

#### vi) INVESTMENTS

Current investment are carried at the lower of cost or quoted/fair value. Long Term Investments are stated at cost of acquisition. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary.

#### vii) VALUATION OF INVENTORIES

- a) Raw materials are valued at lower of cost or net realizable value whichever is lower.
- b) Work in progress is valued at cost of materials and labour charges together with relevant factory overheads.



- c) Finished Goods are valued at lower of cost or net realizable value which ever is lower. (Inclusive of Excise Duty).
- d) Goods in transit are valued at cost.

**viii) METHOD OF DEPRECIATION**

- (a) Depreciation on fixed assets (other than land & goodwill where no depreciation is provided) has been provided on straight line method in accordance with the provisions of section 205(2)(b) of the Companies Act, 1956, at the rates specified in Schedule XIV to the Companies Act, 1956.
- (b) Depreciation in respect of fixed assets put to use during the year/period is charged on pro-rata basis with reference to the installation of the assets.
- (c) No depreciation has been provided on the assets where the accumulated depreciation has exceeded 95% of its original cost.
- (d) No depreciation has been provided in respect of Capital Work In Progress.
- (e) No depreciation has been provided on self generated intangible assets.
- (f) Intangible assets acquired during the year are written off over a period of five year.

**ix) FOREIGN CURRENCY TRANSACTIONS**

Transactions in the foreign currency which are covered by forward contracts are accounted for at the contracted rate; the difference between the forward rate and the exchange rate at the date of transaction is recognized in the profit & loss account over the life of the contract. Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

**x) IMPAIRMENT OF ASSETS**

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset other than goodwill is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss recognized. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment losses been recognized for the asset in prior years.

**xi) TAXATION**

- Income-tax expense comprise of current tax, wealth tax and deferred tax charge or credit.
- Provision for current tax is made on the basis of the assessable income at the tax rate applicable for the relevant assessment year.
- The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each balance sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realization.

**xii) RETIREMENT BENEFITS****a) Short Term**

Short term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

**b) Long Term**

The company has both defined contribution and defined benefit plans, of which some have assets in approved funds. These plans are financed by the Company in the case of defined contribution plans.

**c) Defined Contribution Plans**

These are the plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contribution to Employees Provident Fund. The Company's payments to the defined contribution plans are reported as expenses during the period under which an employee perform the services that the payment covers.

**d) Defined Benefit Plans**

Expenses for defined benefit gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increase, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining terms i.e. almost equivalent to the average balance working period of employees.

**e) Leave Encashment**

The company is providing for Leave Encashment on the basis of unavailed leave by the employees.

**xiii) CONTINGENT LIABILITES/ CONTINGENT ASSETS**

- a) Contingent liabilities are disclosed by way of note in the Balance Sheet.
- b) Contingent Assets are neither recognized nor disclosed in the Financial Statements.



## PATELS AIRTEMP (INDIA) LIMITED

**ix) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.. The Cash flows from operating, investing and financing activities of the Group are segregated.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

**x) Earning per Share :**

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares in issue during the year. Diluted earning per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

**xi) PROPOSED DIVIDEND & CORPORATE DIVIDEND TAX**

Dividend proposed by the Board of Directors along with corporate dividend tax is provided in the books of accounts. Approval in the General Meeting is pending for the same.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note 1 Share capital

PARTICULARS	As at 31 March, 2012		As at 31 March, 2011	
	Number of Shares	₹	Number of Shares	₹
(a) Authorised 7000000 (P. Y. 7000000) Equity shares of ₹ 10/- each	7,000,000	70,000,000	7,000,000	70,000,000
(b) Issued 5070240 (P. Y. 5070240) Equity shares of ₹ 10/- each	5,070,240	50,702,400	5,070,240	50,702,400
(c) Subscribed and fully paid up 5070240 (P. Y. 5070240) Equity shares of ₹ 10/- each	5,070,240	50,702,400	5,070,240	50,702,400
<b>Total</b>	<b>5,070,240</b>	<b>50,702,400</b>	<b>5,070,240</b>	<b>50,702,400</b>

## Note 1 Share capital (contd.)

PARTICULARS								
PARTICULARS	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes give details	Closing Balance
Equity shares with voting rights Year ended 31 March, 2012								
• Number of shares	5070240	-	-	-	-	-	0	5070240
• Amount (₹)	50702400	-	-	-	-	-	0	50702400
Year ended 31 March, 2011								
• Number of shares	5070240	-	-	-	-	-	0	5070240
• Amount (₹)	50702400	-	-	-	-	-	0	50702400

## Note 1 Share capital (contd.)

Details of shares held by each shareholder holding more than 5% shares:

Class of shares/ Name of share holder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	%holding in that class of shares	Number of shares held	%holding in that class of shares
Equity shares with voting rights				
Therm Flow Engineers Pvt. Ltd.	713750	14.08	710000	14.00
Devidas Chelaram Narumalani	290145	5.72	290145	5.72
Patel Prakash Narayanbhai	280000	5.52	280000	5.52
Narendrabhai Gopalbhai Patel	268500	5.30	268500	5.30

## Note 2 Reserves and surplus

PARTICULARS	As at	As at
	31-3-2012	31-3-2011
	₹	₹
(a) General reserve		
Opening balance	36,500,000	27,500,000
Add: Transferred from surplus in Statement of Profit and Loss	9,000,000	9,000,000
Less: Utilised / transferred during the year for:		
Closing balance	<b>45,500,000</b>	<b>36,500,000</b>
(b) Other reserves -CAPITAL INVESTMENT SUBSIDY		
Opening balance	1,500,000	1,500,000
Add: Additions / transfers during the year	-----	-----



## PATELS AIRTEMP (INDIA) LIMITED

PARTICULAR	As at 31-3-2012 ₹	As at 31-3-2011 ₹
Less: Utilisations / transfers during the year	-----	-----
Closing balance	<u>1,500,000</u>	<u>1,500,000</u>
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	289,339,782	221,420,814
Add: Profit / (Loss) for the year	53,609,906	88,743,655
Less: Final dividend	-----	-----
Dividends proposed to be distributed to equity shareholders [(₹. 2/- per share)(31st March 2012, ₹. 2/- per Share)]	10,140,480	10,140,480
Tax on dividend	1,645,039	1,684,207
Transferred to:		
General reserve	9,000,000	9,000,000
Closing balance	<u>322,164,168</u>	<u>289,339,782</u>
<b>Total</b>	<u><u>369,164,168</u></u>	<u><u>327,339,782</u></u>
<b>Note 3 Long-term borrowings</b>		
(a) Term loans		
Vehicle Loan From Bank (Refer Note 1 below)	2,393,162	-----
	<u>2,393,162</u>	-----
(b) Loans and advances from related parties		
Inter Corporate Deposits	46,100,156	31,347,826
[Includes dues to Company in which directors are interested ]	46,100,156	31,347,826
<b>Total</b>	<u><u>48,493,318</u></u>	<u><u>31,347,826</u></u>
Note: 1 (Vehicles acquired under hire purchase scheme are secured against vehicles purchased under the agreement)		
<b>Note No. 4 - Notes forming part of the financial statements</b>		
<b>Deferred tax (liability) / asset (Refer note 34)</b>		
<u>Deferred tax liability</u>		
On Depreciation Difference	23,105,842	21,179,437
Deferred tax asset	831,578	753,659
Disallowances under Section 43B of the Income Tax Act, 1961	<u>22,274,264</u>	<u>20,425,778</u>
<b>Net deferred tax (liability) / asset</b>	<u><u>22,274,264</u></u>	<u><u>20,425,778</u></u>
<b>Note 5 Other long-term liabilities</b>		
(a) Trade Payables: *		
(i) Creditors	1,548,934	981,453
(b) Others:		
(i) Others : Long term payables	1,152,994	1,152,995
<b>Total</b>	<u><u>2,701,928</u></u>	<u><u>2,134,448</u></u>
<b>Note 6 Long-term provisions</b>		
(a) Provision for employee benefits:		
(i) Provision for Leave encashment	1,464,449	1,225,743
(ii) Provision for gratuity	1,005,412	1,032,300
<b>Total</b>	<u><u>2,469,861</u></u>	<u><u>2,258,043</u></u>
<b>Note 7 Short-term borrowings</b>		
(a) Loans repayable on demand		
From Bank of Baroda (Refer Note 1 below)		
Secured	111,548,727	108,750,901

## 20TH ANNUAL REPORT 2011-2012



PARTICULAR	As at 31-3-2012 ₹	As at 31-3-2011 ₹
(b) Inter Corporate Deposit	-----	14,052,174
<b>Total</b>	<u>111,548,727</u>	<u>122,803,075</u>

Note: 1: Working Capital facilities from Bank of Baroda is secured by way of hypothecation of raw-materials, stores and spares, work-in-progress of finished goods and book debts of the company both present and future and first charge on company's plant & machinery, other movable assets of the company as well as secured by mortgage of company's factory land and building situated at Plot no. 805, 806, 807, and 810 at Rakanpur, Tal. Kalol, Dist. Gandhinagar and also equitable mortgage on plot no 811 of the company situated at village Rakanpur Taluka Kalol Dist Gandhinagar as collateral security and is also personally guaranteed by the Promoters of the company.

### Note 8 Trade payables

Trade payables:

Acceptances	-----	-----
Other than Acceptances {Refer Note No. 36}	185,136,093	155,943,823
<b>Total</b>	<u>185,136,093</u>	<u>155,943,823</u>

### Note 9 Other current liabilities

(a) Current maturities of long-term debt	491,876	-----
(b) Unpaid dividends	1,232,040	1,028,466
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	2,203,632	6,393,136
(ii) Payables on purchase of fixed assets	1,844,031	578,302
(iii) Advances from customers	37,455,567	6,866,404
<b>Total</b>	<u>43,227,146</u>	<u>14,866,308</u>

### Note 10 Short-term provisions

(a) Provision for employee benefits:		
(i) For bonus	1,130,689	1,045,153
	<u>1,130,689</u>	<u>1,045,153</u>
(b) Provision - Others:		
(i) Provision for tax (net of Advance Tax and TDS)	-----	976,000
(ii) Provision for proposed equity dividend	10,140,480	10,140,480
(iii) Provision for tax on proposed dividends	1,645,039	1,684,207
(iv) Provision - others ( Wealth tax)	90,000	70,000
	<u>11,875,519</u>	<u>12,870,687</u>
<b>Total</b>	<u>13,006,208</u>	<u>13,915,840</u>





**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**NOTE - 11 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	Op. Bal. as at 01-04-2011 (₹)	Additions during the year (₹)	Deductions during the year (₹)	Total as on 31-03-2012 (₹)	Balance as at 01-04-2011 (₹)	For the Year (₹)	Deductions during the year (₹)	Total as on 31-03-2012 (₹)	As on 31-03-2012 (₹)	As on 31-03-2011 (₹)
Goodwill	37,040	-	-	37,040	-	-	-	-	37,040	37,040
Land	2,642,034	-	-	2,642,034	-	-	-	-	2,642,034	2,642,034
Road	2,177,865	2,261,501	-	4,439,366	-	82,276	-	82,276	4,357,090	2,177,865
Buildings (including Office Building & lift)	52,548,581	227,386	-	52,775,967	15,121,103	1,523,433	-	16,644,536	36,131,431	37,427,478
Plant & Machinery	162,985,771	24,296,482	225,454	187,056,799	54,123,925	8,117,731	-	62,241,656	124,815,143	108,861,846
Electrical Installation	6,381,371	26,277	-	6,407,648	2,696,436	303,986	-	3,000,422	3,407,226	3,684,935
Furniture, Fixtures & Office Equip.	15,436,857	1,650,842	2,828,025	14,259,674	7,857,674	1,076,056	2,606,791	6,326,939	7,932,735	7,579,183
Vehicles	14,364,482	5,283,834	2,825	19,645,491	3,344,920	1,646,939	2,782	4,989,077	14,656,414	11,019,562
Software	2,007,718	2,921,577	-	4,929,295	593,117	511,691	-	1,104,808	3,824,487	1,414,601
<b>TOTAL :</b>	<b>258,581,720</b>	<b>36,667,899</b>	<b>3,056,304</b>	<b>292,193,314</b>	<b>83,737,175</b>	<b>13,262,113</b>	<b>2,609,573</b>	<b>94,389,715</b>	<b>197,803,599</b>	<b>174,844,544</b>
<b>P.Y</b>	<b>208,443,680</b>	<b>51,132,848</b>	<b>994,808</b>	<b>258,581,720</b>	<b>73,385,321</b>	<b>11,003,990</b>	<b>652,136</b>	<b>83,737,175</b>	<b>174,844,544</b>	<b>135,058,357</b>



**Note 12 Non-current investments**

PARTICULARS	As at 31 March, 2012			As at 31 March, 2011		
	Quoted ₹	Unquoted ₹	Total ₹	Quoted ₹	Unquoted ₹	Total ₹
B. Other investments						
(b) Investment in equity instruments						
(i) 14,000 Equity Shares of M/s. Gujarat State Financial Corporation of ₹.10/- each purchased @ 20/- per share	280,000	-----	280,000	280,000	-----	280,000
<b>Total</b>	<b>280,000</b>	<b>-----</b>	<b>280,000</b>	<b>280,000</b>	<b>-----</b>	<b>280,000</b>
Aggregate amount of quoted investments			280,000			280,000
Market Value			36,680			

PARTICULAR	As at 31-3-2012 ₹	As at 31-3-2011 ₹
<b>Note 13 Long-term loans and advances</b>		
(a) Capital advances	-----	2,677,353
(b) Deposits	2,743,523	2,737,295
(c) Advance income tax	3,500,000	2,500,000
(d) Other loans and advances Advance for Suppliers	4,364,500	4,364,500
<b>Total</b>	<b>10,608,023</b>	<b>12,279,148</b>
<b>Note 14 Other non-current assets</b>		
(a) Long-term trade receivables	14,625,223	9,747,149
(b) Accruals		
(i) Interest accrued on deposits	1,773,858	1,494,332
(c) Others		
(i) FD Maturing after Twelve Months from Reporting Date	10,146,825	15,350,194
<b>Total</b>	<b>26,545,906</b>	<b>26,591,675</b>
<b>Note 15 Inventories</b> (As taken, Valued and Certified by a Director)		
(a) Raw materials (Including Goods in Transit of ₹. 4581161 (P. Y. ₹. 2132499)	85,014,767	70,907,001
(b) Work-in-progress	205,526,506	65,115,067
(c) Finished goods	504,423	1,136,460
(d) Stock-in-trade (acquired for trading)	910,254	1,191,326
<b>Total</b>	<b>291,955,950</b>	<b>138,349,854</b>
<b>Note 16 Trade receivables</b>		
(i) Trade receivables outstanding for a period exceeding six months	44,097,508	61,668,756
(ii) Other Trade receivables	206,519,729	286,193,135
<b>Total</b>	<b>250,617,237</b>	<b>347,861,891</b>
<b>Note 17 Cash and cash equivalents</b>		
(a) Cash on hand	804,374	642,317
(c) Balances with banks		
(i) In current accounts	40,402,683	24,607,093
(ii) In deposit accounts / Margin Money A/c	14,882,733	3,076,560



## PATELS AIRTEMP (INDIA) LIMITED

PARTICULAR	As at 31-3-2012 ₹	As at 31-3-2011 ₹
(iii) In earmarked accounts		
- Unpaid dividend accounts	1,232,040	1,028,466
<b>Total</b>	<u>57,321,830</u>	<u>29,354,436</u>
<b>Note 18 Short-term loans and advances</b>		
(a) Prepaid expenses	1,897,082	1,676,121
(b) Balances with government authorities	6,636,949	8,216,391
(c) Advance to Suppliers	5,006,825	2,281,064
(d) Others Advances	50,713	-----
<b>Total</b>	<u>13,591,569</u>	<u>12,173,576</u>

PARTICULAR	YEAR ENDED 31-3-2012 ₹	YEAR ENDED 31-3-2011 ₹
<b>Note 19 Revenue from operations</b>		
(a) Sale of products (Refer Note (i) below)	790,693,440	834,609,444
(b) Sale of services (Refer Note (ii) below)	4,260,701	7,433,893
(c) Other operating revenues (Refer Note (iii) below)	5,702,030	4,357,008
	<u>800,656,171</u>	<u>846,400,345</u>
<b>Less:</b>		
(d) Excise duty	87,297,913	66,171,047
<b>Total</b>	<u>713,358,258</u>	<u>780,229,298</u>
(i) Sale of products comprises (Net) <b>Manufactured goods</b>		
1. Industrial Fan & Accessories	-----	3,500
2. Heat Exchanger & Accessories	512,132,869	446,874,720
3. Steam Coil / Heaters	29,102,307	44,507,310
4. Air Conditioning & Refrigeration	5,517,116	9,449,619
5. Other Plants Equipments & Accessories	3,078,227	2,743,627
6. Compressor & Extra Accessories Controls	-----	7,459
7. Window & Split AC	5,492,268	18,516,205
8. Pressure Vessels & Accessories	54,912,582	40,723,076
9. Humidification Ventilation and Air Cooling Plant Equipment	37,931,267	89,729,821
10. Air Cooled Heat Exchanger & Accessories	19,828,780	84,736,445
11. Finned Tubes / Fine Tube Bundles / Elements	29,634,344	23,120,071
12. Transportation Charges	5,765,767	8,026,544
<b>Total - Sale of manufactured goods</b>	<u>703,395,527</u>	<u>768,438,397</u>
(ii) Sale of services comprises: Processing Charges	4,260,701	7,433,893
<b>Total - Sale of services</b>	<u>4,260,701</u>	<u>7,433,893</u>
(iii) Other operating revenues comprise:		
Insurance Charges Received	118,507	21,371
Inspection Charges Received	713,071	298,271
Octroi Charges Received	126,967	-----
Packing Charges Received	283,447	177,262
Service Tax Set Off	4,460,038	3,830,933
Sales Commission	-----	29,171
<b>Total - Other operating revenues</b>	<u>5,702,030</u>	<u>4,357,008</u>
<b>Total Revenue From Operations</b>	<u>713,358,258</u>	<u>780,229,298</u>

## 20TH ANNUAL REPORT 2011-2012



PARTICULAR	YEAR ENDED	YEAR ENDED
	31-3-2012	31-3-2011
	₹	₹
<b>Note 20 Other income</b>		
(a) Interest income (TDS of ₹. 149445/- (P. Y. 109909/-)	1,696,753	1,147,625
(f) Other non-operating income (net of expenses directly attributable to such income)	11,212	-----
<b>Total</b>	<u>1,707,965</u>	<u>1,147,625</u>
(i) Interest income comprises: Interest from banks on: deposits	1,639,742	1,042,076
other balances	-----	48,538
Interest on Deposit with GEB	57,011	57,011
<b>Total - Interest income</b>	<u>1,696,753</u>	<u>1,147,625</u>
<b>Note 21 Cost of materials consumed</b>		
Opening stock	70,907,001	31,388,217
Add: Purchases	491,812,275	480,952,809
	<u>562,719,276</u>	<u>512,341,026</u>
Less: Closing stock	85,014,767	70,907,001
<b>Cost of material consumed</b>	<u>477,704,509</u>	<u>441,434,025</u>
Material consumed comprises:		
Iron & Steel Flanges	194,519,419	126,174,393
Non Ferrous (Copper / Brass Tubes)	60,380,857	33,997,243
Non Ferrous (Copper / Allu / Brass Plates)	36,932,455	27,344,176
Pipes & Tubes	109,618,158	129,151,368
Air Washer Equipments	22,891,650	60,166,389
Other Material	116,145,809	124,548,087
Less	<u>540,488,348</u>	<u>501,381,656</u>
Cenvat & Vat Setoff	62,783,838	59,947,631
<b>Total</b>	<u>477,704,510</u>	<u>441,434,025</u>
<b>Note 22 Purchase of traded goods</b>		
Traded good	3,566,965	23,656,232
<b>Total</b>	<u>3,566,965</u>	<u>23,656,232</u>
<b>Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<u>Inventories at the end of the year:</u>		
Finished goods	504,423	1,136,460
Work-in-progress	205,526,506	65,115,067
Stock-in-trade	910,254	1,191,326
	<u>206,941,183</u>	<u>67,442,853</u>
Less		
<u>Inventories at the beginning of the year:</u>		
Finished goods	1,136,460	147,364
Work-in-progress	65,115,067	18,369,940
Stock-in-trade	1,191,326	267,106
	<u>67,442,853</u>	<u>18,784,410</u>
<b>Net (increase) / decrease</b>	<u>139,498,330</u>	<u>48,658,443</u>
<b>23.a Details of Finished Goods</b>		
Heat Exchanger & Accessories	504,423	495,176
Finished Tube/Fine T Bundle / Element	-----	641,284
	<u>504,423</u>	<u>1,136,460</u>
<b>Note 24 Employee benefits expense</b>		
Salaries and wages	42,334,522	39,700,187



## PATELS AIRTEMP (INDIA) LIMITED

PARTICULAR	YEAR ENDED 31-3-2012 ₹	YEAR ENDED 31-3-2011 ₹
Contributions to provident and other funds	4,011,947	3,902,489
Staff welfare expenses	1,855,155	1,572,689
<b>Total</b>	<b><u>48,201,624</u></b>	<b><u>45,175,365</u></b>
<b>Note 25 Other Manufacturing Expense</b>		
Labour Charges	61,592,991	51,084,234
Factory Expenses	9,741,166	4,601,903
<b>Total</b>	<b><u>71,334,157</u></b>	<b><u>55,686,137</u></b>
<b>Note 26 Finance costs</b>		
(a) Interest expense on:		
(i) Borrowings	20,810,912	14,526,736
(ii) Trade payables	1,235,090	0
(iii) Others		
- Interest on delayed / deferred payment of income tax	9,507	72,296
- Others	49,152	46,464
(b) Other borrowing costs (Other financial charges)	7,304,205	5,234,870
(c) Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	1,094,719	(2,147,532)
<b>Total</b>	<b><u>30,503,585</u></b>	<b><u>17,732,834</u></b>
<b>Note 27 Other expenses</b>		
Consumption of stores and spare parts	38,921,201	29,017,175
Consumption of loose tools	15,313,618	13,672,528
Consumption of packing materials	3,324,199	2,916,946
Increase / (decrease) of excise duty on inventory	(50,637)	92,364
Late Delivery Charges	6,424,534	0
Sitting Fees	14,000	14,000
Power and fuel	8,559,288	5,818,306
Repairs and maintenance - Buildings	550,170	994,845
Repairs and maintenance - Machinery	6,757,965	5,147,039
Repairs and maintenance - Others	2,114,978	2,296,116
Insurance	186,996	169,587
Rates and taxes	235,803	873,765
Communication and Telephone Expenses	1,911,990	1,959,638
Travelling and conveyance	6,142,262	5,499,068
Printing and stationery	1,757,749	1,879,538
Freight and forwarding	15,019,343	16,076,675
Sales Tax Expenses	713,973	1,511,469
Service Tax Expenses	2,917,911	2,440,546
Sales commission	622,739	270,476
Business promotion	624,336	433,349
Donations and contributions	-----	384,789
Legal and professional	10,076,403	4,992,465
Payments to auditors	67,416	66,180
Bad trade and other receivables, loans and advances written off	2,427,245	199,456
Miscellaneous expenses	5,540,083	5,595,485
<b>Total</b>	<b><u>130,173,565</u></b>	<b><u>102,321,805</u></b>

**28) Capital Commitments & Contingent Liabilities not provided for:**a) Capital Commitments:

Estimated amount of Contracts remaining to be executed on Capital Account (net of advances) & not provided for ₹. NIL/- (P. Y. 94,40,000/-)

b) Contingent Liabilities

(₹ in lacs)

	As at 31/03/2012	As at 31/03/2011
Outstanding Bank Guarantees	2,088.76	1,411.56
Out standing Inland Letter of Credit	262.73 & 109486 US\$	157.83
Outstanding Income Tax Demand (Gross)	45.69	106.77

**29. RELATED PARTY INFORMATION**

The company has transactions with following related parties

<b>a) Associates</b>	Thermflow Engineers Pvt. Ltd.
<b>b) Key Management Personal</b>	1. Narayanbhai G.Patel
	2. Narendrabhai G. Patel
	3. D.C.Narumalani
	4. Prakash N. Patel
	5. Sanjivkumar N. Patel

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year
Narayanbhai G. Patel	Chairman & M.D	Remuneration & Contribution to funds	2,575,044 (2,558,196)	Nil
Narendrabhai G. Patel	Director	— do —	2,452,650 (2,443,236)	Nil
D.C. Narumalani	Director	— do —	2,482,810 (2,476,920)	Nil
Prakash N. Patel	Director	— do —	2,519,445 (2,419,200)	Nil
Sanjivkumar N. Patel	Director	— do —	2,419,200 (2,419,200)	Nil
Thermflow Engineers Pvt. Ltd.	Associate Concern	Interest Accrued	4,567,983 (2,552,174)	
		Loan taken	3,540,000 (33,500,000)	46,100,156 (45,400,000)
		Loan Repaid	2,900,000 (11,500,000)	



## PATELS AIRTEMP (INDIA) LIMITED

30. As per the informations given by the management the Company has only one reportable business segment. And hence segment wise information is not given.

31. **EARNING PER SHARE**

	31-03-2012	31-03-2011
- Net Profit for the year	53,609,906	88,743,655
- Number of Equity Shares	5,070,240	5,070,240
Basic & Diluted Earning per Share (Price per share ₹. 10)	10.57	17.50

32. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.

33. Balances of Sundry debtors, Creditors and loans and advances are subject to confirmation from respective parties.

34. **EMPLOYEE BENEFIT OBLIGATION**

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below :

**Defined Contribution Plan:**

Contribution to Defined Contribution Plan, recognized as expense for the year is as under :

(₹)

	2011-12	2010-11
Employer's Contribution to Provident Fund	2,212,978	2,148,678

The company has taken defined benefit plan i.e. Employee Group Gratuity Scheme from the Life Insurance Corporation (LIC) of India which provides Gratuity linked to the final salaries and is funded in a manner such that the contribution are set at a level that is expected to be sufficient to pay the benefits falling due in the same period. It is not practicable to determine the present value of the Company's obligation or the related current service cost as the LIC compute its obligation on its own basis that differ materially from the basis used in the Company's financial statements i.e. the company recognized / charged only the amount paid to the LIC as a contribution towards Gratuity Scheme. The expense recognized in the statement of Profit & Loss, which is equal to the contribution due / paid for the year.

35. **AUDITOR'S REMUNERATION**

	Year 2011-12 (₹)	Year 2010-11 (₹)
a) Audit Fees	56,916	55,680
b) Tax Audit Fees	10,500	10,500

**36. Micro, Small & Medium Enterprise**

As per the Micro, Small & Medium Development Act, 2006 and to the extent of the information available, amounts unpaid as at the year end together with the interest paid / payable, is as follows:

Particulars	2011-12	2010-11
The Principal Amount	18,977,630	12,690,330
Interest Paid under MSMED Act, 2006	NIL	NIL
Interest due (Other than 23.3 (b))	NIL	NIL
Interest accrued and unpaid	NIL	NIL
Interest due and payable till actual payment	NIL	NIL

**37. Value of Imported And Indigenous - Materials, Stores And Spare Parts Consumed And Percentage Thereof.****[1] MANUFACTURING ACTIVITY**

(₹ in Lacs)

Raw Materials	2011-12		2010-11	
	Value (₹)	(%)	Value (₹)	(%)
a) Imported	45,323,642	9.49	36,688,612	8.31
b) Indigenous	432,380,868	90.51	404,745,413	91.69
<b>TOTAL:-</b>	<b>477,704,510</b>	<b>100</b>	<b>441,434,025</b>	<b>100</b>
<b>P.Y</b>	<b>(441,434,025)</b>	<b>100</b>	<b>(392,028,113)</b>	<b>100</b>

**[2] STORES CONSUMED**

(₹ in Lacs)

Particulars	2011-12		2010-11	
	Value (₹)	(%)	Value (₹)	(%)
a) Imported	294,206	0.54	3,555,419	26.71
b) Indigenous	53,940,613	99.46	10,113,094	73.99
<b>TOTAL :-</b>	<b>54,234,819</b>	<b>100</b>	<b>13,668,513</b>	<b>100</b>
<b>P.Y</b>	<b>(13,668,513)</b>	<b>100</b>	<b>(28,443,616)</b>	<b>100</b>

**38. C.I.F. value of Imports**

	Year ended 31.03.2012 (₹)	Year ended 31.03.2011 (₹)
i) Capital Goods	NIL	5,719,722
ii) Raw Materials	51,028,613	42,242,538
iii) Consumable Tools	294,206	3,555,419





## PATELS AIRTEMP (INDIA) LIMITED

### 39. Expenditure in foreign currency

i) Subscription and Registration Fees	2,266,122	1,184,091
ii) Repairs to Plant & M/c.	1,077,567	2,064,426
iii) Foreign Travelling Expenditure	589,932	37,490
iv) Software	58,089	257,671
v) Books & Periodicals	18,795	NIL
vi) Trainee Fees	18,829	NIL

### 40. Earning in Foreign Exchange

Earning in foreign Exchange (FOB Value of Exports)	24311105	4031560
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41. Previous year's figures have been re-grouped/rearranged wherever necessary so as to confirm to current year's grouping.

42. Information required in terms of Part IV of Schedule VI to the Companies Act 1956 as compiled by the Company is attached.

As per our report attached to the Balance Sheet

#### Signatories to Schedules - 1 to 42

PLACE : AHMEDABAD  
DATE: 26/05/2012

FOR PARIKH & MAJMUDAR  
CHARTERED ACCOUNTANTS

C.A. Dr. HITEN PARIKH  
PARTNER  
M. No.: 40230  
FRN NO :107525W

PLACE:- RAKANPUR  
DATE:- 26/05/2012

FOR PATELS AIRTEMP (INDIA) LIMITED

NARAYANBHAI G. PATEL  
CHAIRMAN & MANAGING DIRECTOR

SANJIVKUMAR N. PATEL H. J. MODI  
DIRECTOR COMPANY SECRETARY


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

	2011-2012		2010-2011	
	₹	₹	₹	₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and Extra Ordinary Items		79,818,036		133,037,308
Adjustments for:				
Depreciation	13,262,113		11,003,990	
Interest expenses	19,118,226		12,500,301	
Interest Income	(1,696,753)		(1,147,625)	
		<u>30,683,586</u>		<u>22,356,666</u>
OPERATING PROFIT BEFORE WORKING		110,501,622		155,393,974
<b>CAPITAL CHANGES</b>				
Adjustment for:				
Trade and other receivables	96,218,250		(85,209,139)	
Inventories	(153,606,096)		(88,177,227)	
Trade Payable	53,052,834		81,281,612	
		<u>(4,335,012)</u>		<u>(92,104,754)</u>
CASH GENERATED FROM OPERATIONS		106,166,610		63,289,220
Direct Taxes paid /Payable	(23,797,906)		(41,776,322)	
		<u>(23,797,906)</u>		<u>(41,776,322)</u>
CASH FLOW BEFORE EXTRAORDINARY ITEMS		82,368,704		21,512,898
Extraordinary items:				
Prior period adjustments	(386,588)	<u>(386,588)</u>	(90,462)	<u>(90,462)</u>
NET CASH FROM OPERATING ACTIVITIES		81,982,116		21,422,436
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets (Net of Modvat benefit)	(36,665,702)		(41,124,445)	
Sale of Fixed Asset	271,582		342,671	
Interest Received	1,696,753		1,147,625	
		<u>(34,697,367)</u>		<u>(39,634,149)</u>
NET CASH USED IN INVESTING ACTIVITIES		(34,697,367)		(39,634,149)



## PATELS AIRTEMP (INDIA) LIMITED

### C CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds/(Repayment) from secured Borrowings	0	0
Proceeds/(Repayment) from Unsecured Borrowings	700,156	22,000,000
Proceeds from Bank borrowings for Working Capital Facilities	3,118,419	27,930,644
Deferred payment credits against vehicles (Net of repayment)	2,564,445	(528,880)
Corporate Dividend Paid	(11,785,519)	(11,824,687)
Interest Paid	(19,118,226)	(12,500,301)
	<u>(24,520,725)</u>	<u>25,076,776</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(24,520,725)</u>	<u>25,076,776</u>
NET INCREASE/(DECREASE) IN CASH AND CASH CASH AND CASH EQUIVELANTS AS AT THE BEGINING OF THE YEAR	<u>22,764,024</u>	<u>6,865,063</u>
CASH AND CASH EQUIVELANTS AS AT THE CLOSING OF THE YEAR	<u>44,704,630</u>	<u>37,839,567</u>
	<u>67,468,654</u>	<u>44,704,630</u>

FOR PARIKH & MAJMUDAR  
CHARTERED ACCOUNTANTS

C.A. Dr. HITEN PARIKH  
PARTNER  
M.No. : 40230  
FRN No. : 107525W

DATE : 26/05/2012  
PLACE : AHMEDABAD

FOR PATELS AIRTEMP (INDIA) LIMITED

NARAYANBHAI G. PATEL  
CHAIRMAN & MANAGING DIRECTOR  
SANJIVKUMAR N. PATEL  
DIRECTOR

H. J. MODI  
COMPANY SECRETARY

DATE : 26/05/2012  
PLACE : RAKANPUR



## GREEN INITIATIVE

Dear Shareholder,

### **RE: Green Initiative in Corporate Governance: Go Paperless**

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No.17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit. All the respected shareholders are requested to register their e-mail id with their Depository Participant (DP with whom you maintain your Demat Account) to receive communication through electronic mode.

In the spirit of the above circulars issued by MCA, we propose to send all documents/notices including Annual Report, etc to all shareholders through electronic mode to the email addresses of the shareholders.

Please note that these documents will also be available on the Company's website: [www.patelsairtemp.com](http://www.patelsairtemp.com). Any physical copies of the same will also be available at the Registered Office in Ahmedabad for inspection during office hours.

Please note that as a shareholder, you are entitled to receive all these documents free of cost upon receipt of a requisition from you in physical form.

We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and co-operate with the Company to make it a success.

Thanking You,

Yours Faithfully,

**For, Patels Airtemp (India) Limited**

**Narayanbhai G. Patel**  
**Chairman and Managing Director**



# PATELS AIRTEMP (INDIA) LIMITED



## PATELS AIRTEMP (INDIA) LIMITED

Regd. Office : 5<sup>th</sup> Floor, Kalpana Complex, Nr. Memnagar Fire Station,  
Navrangpura, Ahmedabad – 380 009.

Client ID : \_\_\_\_\_ Folio No. : \_\_\_\_\_  
DP ID : \_\_\_\_\_ Nos. of Shares held : \_\_\_\_\_

### ATTENDANCE SLIP

I hereby record my presence at the Twentieth Annual General Meeting of the Company held at the Regd. Office : 5<sup>th</sup> Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad - 380 009. at 10.00 A.M. on Friday the 28th September, 2012.

FULL NAME OF MEMBER / PROXY (IN BLOCK LETTERS)	
MEMBER'S / PROXY SIGNATURE	

- NOTES: 1. You are requested to sign and hand over this attendance slip at the entrance.  
2. If you intend to appoint a proxy to attend the meeting instead of yourself the proxy form must be deposited at the Registered Office of the Company at 5<sup>th</sup> Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad - 380 009 not less than 48 hours before the time fixed for holding the meeting.

## PATELS AIRTEMP (INDIA) LIMITED

Regd. Office : 5<sup>th</sup> Floor, Kalpana Complex, Nr. Memnagar Fire Station,  
Navrangpura, Ahmedabad – 380 009.

Client ID : \_\_\_\_\_ Folio No. : \_\_\_\_\_  
DP ID : \_\_\_\_\_ Nos. of Shares held : \_\_\_\_\_

### PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ being a member/members of the above  
named Company hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him / her \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ as my /our Proxy to attend and  
vote for me / us and on my / our behalf at the Twentieth Annual General Meeting of the Company to be  
held on **Friday, 28th September, 2012.** at 10.00 A.M. at the Registered Office of the Company and at any  
adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature \_\_\_\_\_

Affix  
Revenue  
Stamp of  
₹ 1/-

### NOTES:

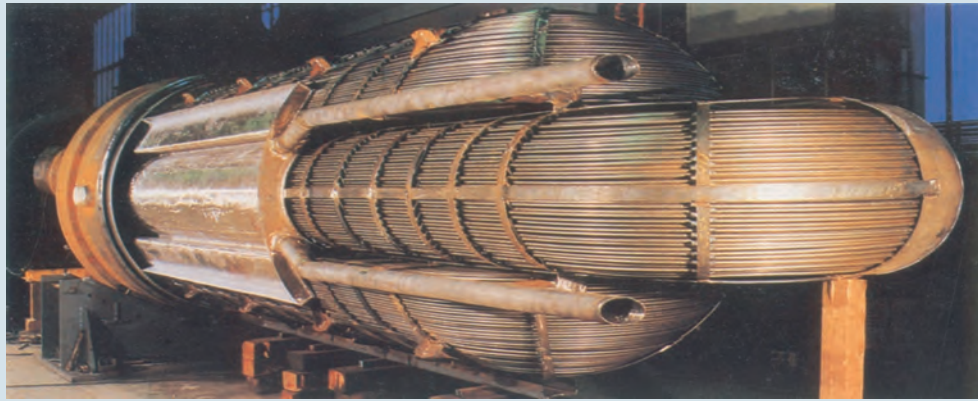
1. The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting.



ASME "U" / "U2" / "S"  
NATIONAL BOARD "NB" / "R"  
Member of : HTRI - USA



ISO 9001 : 2008 COMPANY



**Shell & Tube Heat Exchanger (HP Feed Water Heater)**

## **ENGINEERING EXCELLENCE**

- **Air Fin Coolers for :-**  
Refineries, Oil & Gas Industries, Chemicals, Fertilizers, Steel & Power Plants
- **Steam Coil Air Pre Heaters, Surface Condensers, HP & LP Feed Water Heaters for :**  
Power Plants
- **Shell & Tube and Finned Tube Heat Exchangers :-**  
Inter Coolers, After Coolers, Oil Coolers for Air & Gas Compressors
- **Pressure Vessels :-**  
Columns, LPG Bullets, Receivers, Separators & Filters
- **G-Type, L-Type & Crimped Fin Tubes**
- **Air Conditioning & Refrigeration Equipments :-**  
Condensers, Chillers, Cooling / Heating Coils, Fan Coil Units & Air Handling Units
- **Pressurization, Ventilation, Humidification & Air Conditioning Systems**
- **Window, Split & Packaged Air Conditioners, Ductable & VRF Air Conditioning**

## **PATELS AIRTEMP (INDIA) LIMITED**

**Regd. Office :**

5th Floor, Kalpana Complex,  
Navrangpura, Ahmedabad - 380 009.  
Ph. : +91-79-27913694 / 95 / 96  
E-mail : project@patelsairtemp.co.in

**Mumbai Office :**

310, Oberoi Chambers-II,  
Andheri (W), Mumbai - 400 053  
Ph. : +91-22-2673 4162, 2673 4163  
E-mail : patbom@bom2.vsnl.net.in

**Works:**

805-806-807-810, Rakanpur 382 721,  
Tal : Kalol, Dist. : Gandhinagar, Gujarat.  
Ph. : + 91-2764-286634 / 35, 286480 / 81  
E-mail : works@patelsairtemp.com

**Website : [www.patelsairtemp.com](http://www.patelsairtemp.com)**

BOOK-POST  
(Printed Matter)

To,



If undelivered please return to :

**PATELS AIRTEMP (INDIA) LIMITED**

Registered Office : 5th Floor, Kalpana Complex,  
Nr. Memnagar Fire Station,  
Navrangpura, Ahmedabad - 380 009.