

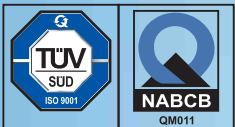
26th

Annual Report 2017-2018



Air Cooled Heat Exchanger

ISO 9001 : 2015 COMPANY



ASME "N" / "NPT" / "MO" / "U" / "U2" / "S"
NATIONAL BOARD "NB" / "R"
MEMBER OF : HTRI - USA



Patels Airtemp (India) Ltd.

CIN : L29190GJ1992PLC017801

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Narayanbhai G. Patel	Chairman & Whole-time Director
Prakash N. Patel	Managing Director
Sanjiv N. Patel	Managing Director
Narendra G. Patel	Whole-time Director
Apurva V. Shah	Whole-time Director (w.e.f. 11-8-2018)

INDEPENDENT DIRECTORS

Hareshkumar I. Shah	(Chairman of Board Committees)
Vinodkumar C. Desai	
Ramanbhai R. Patel	
Veenaben B. Patel	
Himanshu N. Rawal	

COMPANY SECRETARY Nikhil M. Patel

CHIEF FINANCIAL OFFICER (CFO) Kamlesh R. Shah

STATUTORY AUDITORS M/s. Shah & Shah Associates,
(Firm Registration No. 113742W)
Chartered Accountants,
Ahmedabad

COST AUDITOR M/s. Rajendra Patel &
Associates,
(Registration No. 29021)
Cost Accountant
Ahmedabad

SECRETARIAL AUDITOR Mr. Punit Lath,
(COP No. 11139)
Practicing Company Secretary
Ahmedabad

BANKER Bank of Baroda,
Axis Bank Ltd.

REGISTERED OFFICE & A.C. DIVISION

5th Floor, Kalpana Complex, Nr. Memnagar Fire Station,
Navrangpura, Ahmedabad : 380 009
Ph. No.: +91-79 27913694/95/96, Fax No. : +91-79 27913693
Email: share@patelsairtemp.com
Website: www.patelsairtemp.com

WORKS (FACTORY)

Plot: 805, 806, 807, 810, Rakanpur – 382 721,
Via: Sola-Bhadaj Village, Ta: Kalol,
Dist: Gandhinagar, Gujarat, India
Ph. No.: +91-2764286634/35 Fax No. : +91-2764286301,
Email : share@patelsairtemp.com,
Website: www.patelsairtemp.com

BRANCH OFFICE

310, Oberoi Chambers - II, New Link Road,
Oshiwara, Andheri (W), Mumbai - 400 053.

LISTING BSE Limited
Script Code 517417
Script Name PATELSAI
ISIN INE082C01024
CIN L29190GJ1992PLC017801

26th ANNUAL GENERAL MEETING

Day - Saturday
Date - 29th September, 2018
Time - 10.00 a.m.
Venue - At Registered Office :
5th Floor, Kalpana Complex,
Nr. Memnagar Fire Station, Navrangpura,
Ahmedabad : 380 009.

REGISTRAR & TRANSFER AGENT (RTA)

M/S. Bigshare Services Pvt. Ltd.

Ahmedabad Office

A/802, Samudra Complex, Near Klassic Gold,
Girish Cold Drink, Off C.G Road,
Navrangpura, Ahmedabad-380009.
Tel: 079-40024135, 079-400392570
Email: bssahd@bigshareonline.com
Website: www.bigshareonline.com

Mumbai Office

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai-400059
Tel: 022-6263 8200, Fax: 022-6263 8299
Email: investor@bigshareonline.com
Website: www.bigshareonline.com

E-mail for Investor Grievances :
share@patelsairtemp.com

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26TH ANNUAL GENERAL MEETING

NOTICE

NOTICE is hereby given that the 26th **ANNUAL GENERAL MEETING** of the members of **PATELS AIRTEMP (INDIA) LIMITED** will be held on Saturday, the 29th day of September, 2018, at 10.00 a.m., at the Registered Office of the Company situated at 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad - 380009, to transact the following business :

ORDINARY BUSINESS :

- 1) To consider and adopt the Audited Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
- 2) To declare dividend on Equity Shares for the financial year ended on March 31, 2018.
- 3) To appoint a Director in place of Mr. Narendra G. Patel (DIN: 00023205), who retires by rotation at this Annual General Meeting in terms of Section 152(6)(d) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

- 4) To re-appoint Mr. Himanshu N. Rawal (DIN : 06631728) as an Independent Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Himanshu N. Rawal (DIN : 06631728), who was appointed as an Independent Director of the Company for a term up to the conclusion of this Annual General Meeting and being eligible and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five years up to the conclusion of the 31st Annual General Meeting of the Company in the calendar year 2023."

- 5) Payment and Ratification of remuneration to Cost Auditors for the financial year ending 31st March, 2019 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Rajendra Patel & Associates, Cost Accountant, Ahmedabad (Registration No. 29021), appointed as the Cost Auditors of the Company by the Board of Directors to conduct an audit of the Cost Records of the Company for the financial year ending 31st March, 2019 (2018-2019), be paid and ratified the payment of remuneration of ₹ 80,000/- (Rupees Eighty Thousand only) for the said financial year excluding applicable taxes and out of pocket expenses, if any, as recommended by the Audit Committee and approved by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- 6) Revision in remuneration of Mr. Narayanbhai G. Patel (DIN: 00023107), Chairman & Whole-time Director of the Company by way of increase in remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and pursuant to the provisions of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and subject to the requisite approvals, if any required and in continuation and partial modification to the special resolution passed by the Shareholders at the 23rd Annual General Meeting of the Company held on 19th September, 2015 and special resolution passed by the Shareholders at the 24th Annual General Meeting of the Company held on 30th July, 2016 and on the basis of recommendation and approval by Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded to the revision in the terms of remuneration of Mr. Narayanbhai G. Patel (DIN: 00023107), Chairman & Whole-time Director of the Company by way of increase in the remuneration from existing ₹ 2,50,000/- per month to ₹ 3,00,000/- per month with perquisites and allowances for the period from 20th May, 2018 to 19th May, 2020 as set out in the Explanatory Statement annexed to the Notice convening this meeting.”

“RESOLVED FURTHER THAT except for the aforesaid revision in remuneration, all other terms and conditions of his appointment as Whole-time Director, designated as “Chairman & Whole-time Director” of the Company, as approved by the Special Resolution passed at the 23rd Annual General Meeting of the Company held on 19th September, 2015, shall remain unchanged and shall continue to remain in full force and effect.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Narayanbhai G. Patel, Chairman & Whole-time Director, including the monetary value thereof, to the extent recommended by Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified under the Companies Act, 2013, Rules and Schedule made thereunder.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein to the Directors or Officers of the Company or to any Committee of Directors to give effect to this Resolution.”

- 7) Revision in remuneration of Mr. Prakash N. Patel (DIN: 00249210), Managing Director of the Company by way of increase in remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and pursuant to the provisions of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and subject to the requisite approvals, if any required and in continuation and partial modification to the special resolution passed by the Shareholders at the 23rd Annual General Meeting of the Company held on 19th September, 2015 and special resolution passed by the Shareholders at the 24th Annual General Meeting of the Company held on 30th July, 2016 and on the basis of recommendation and approval by Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded to the revision in the terms of remuneration of Mr. Prakash N. Patel (DIN: 00249210), Managing Director of the Company by way of increase in the remuneration from existing ₹ 2,50,000/- per month to ₹ 3,00,000/- per month with perquisites and allowances for the period from 20th May, 2018 to 19th May, 2020 as set out in the Explanatory Statement annexed to the Notice convening this meeting.”

“RESOLVED FURTHER THAT except for the aforesaid revision in remuneration, all other terms and conditions of his appointment as Managing Director of the Company, as approved by the Special Resolution passed at the 23rd Annual General Meeting of the Company held on 19th September, 2015, shall remain unchanged and shall continue to remain in full force and effect.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Prakash N. Patel, Managing Director, including the monetary value thereof, to the extent recommended by Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified under the Companies Act, 2013, Rules and Schedule made thereunder.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein to the Directors or Officers of the Company or to any Committee of Directors to give effect to this Resolution.”

- 8) Revision in remuneration of Mr. Sanjiv N. Patel (DIN: 02794095), Managing Director of the Company by way of increase in remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and pursuant to the provisions of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and subject to the requisite approvals, if any required and in continuation and partial modification to the special resolution passed by the Shareholders at the 23rd Annual General Meeting of the Company held on 19th September, 2015 and special resolution passed by the Shareholders at the 24th Annual General Meeting of the Company held on 30th July, 2016 and on the basis of recommendation and approval by Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded to the revision in the terms of remuneration of Mr. Sanjiv N. Patel (DIN: 02794095), Managing Director of the Company by way of increase in the remuneration from existing ₹ 2,50,000/- per month to ₹ 3,00,000/- per month with perquisites and allowances for the period from 20th May, 2018 to 19th May, 2020 as set out in the Explanatory Statement annexed to the Notice convening this meeting.”

“RESOLVED FURTHER THAT except for the aforesaid revision in remuneration, all other terms and conditions of his appointment as Managing Director of the Company, as approved by the Special Resolution passed at the 23rd Annual General Meeting of the Company held on 19th September, 2015, shall remain unchanged and shall continue to remain in full force and effect.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Sanjiv N. Patel, Managing Director, including the monetary value thereof, to the extent recommended by Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified under the Companies Act, 2013, Rules and Schedule made thereunder.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein to the Directors or Officers of the Company or to any Committee of Directors to give effect to this Resolution.”

- 9) Revision in remuneration of Mr. Narendra G. Patel (DIN: 00023205), Whole-time Director of the Company by way of increase in remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and pursuant to the provisions of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and subject to the requisite approvals, if any required and in continuation and partial modification to the special resolution passed by the Shareholders at the 24th Annual General Meeting of the Company held on 30th July, 2016 for the re-appointment and terms of remuneration and on the basis of recommendation and approval by Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded to the revision in the terms of remuneration of Mr. Narendra G. Patel (DIN: 00023205), Whole-time Director of the Company by way of increase in the remuneration from existing ₹ 2,50,000/- per month to ₹ 3,00,000/- per month with perquisites and allowances for the period from 20th May, 2018 to 1st August, 2019 as set out in the Explanatory Statement annexed to the Notice convening this meeting.”

“RESOLVED FURTHER THAT except for the aforesaid revision in remuneration, all other terms and conditions of his re-appointment as Whole-time Director of the Company, as approved by the Special Resolution passed at the 24th Annual General Meeting of the Company held on 30th July, 2016, shall remain unchanged and shall continue to remain in full force and effect.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Narendra G. Patel, Whole-time Director, including the monetary value thereof, to the extent recommended by Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified under the Companies Act, 2013, Rules and Schedule made thereunder.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein to the Directors or Officers of the Company or to any Committee of Directors to give effect to this Resolution.”

- 10) Approval for continuing the directorship of Mr. Ramanbhai R. Patel (DIN: 05224867) as Non-executive Independent Director who has attained the age of 75 years and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, approval of the Company be and is hereby accorded for continuing the directorship of Mr. Ramanbhai R. Patel (DIN: 05224867) as Non-executive Independent Director of the Company who has attained the age of 75 years during his tenure as an Independent Director upto 29th August, 2019.”

- 11) Appointment of Mr. Apurva V. Shah (DIN: 0008197983) as a Director of the Company liable to retire by rotation and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Apurva V. Shah (DIN: 0008197983), who was appointed as an Additional Director on the Board of the Company, pursuant to Section 161(1) of the Companies Act, 2013 and Rules made thereunder and Article 162 of Articles of Association of the Company, by the Board of Directors on 11th August, 2018 and holds office upto the date of this Annual General Meeting and eligible for appointment and has consented to act as a Director of the

Company and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, in writing from a Member, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

- 12) Appointment of Mr. Apurva V. Shah (DIN: 0008197983) as Whole-time Director of the Company for a period of 3 years w.e.f. 11th August, 2018 with payment of remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force) and as approved and recommended by Nomination and Remuneration Committee and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Mr. Apurva V. Shah (DIN : 0008197983) as an Whole-time Director of the Company for a period of 3 (Three) years with effect from 11th August, 2018 upto 10th August, 2021, upon the terms and conditions including remuneration for the said period of 3 years as recommended by Nomination and Remuneration Committee and as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "Board") be and is hereby authorized to vary and/or modify the terms and conditions of the appointment including remuneration payable to Mr. Apurva V. Shah in such manner as recommended by Nomination and Remuneration Committee and as may be agreed between the Board and Mr. Apurva V. Shah and within the limits as prescribed in Schedule V of the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof.”

“**RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of the profits of the Company in any financial year during the period of 3 (three) years with effect from 11th August, 2018 upto 10th August, 2021, the remuneration mentioned in the Explanatory Statement hereunder shall be paid to Mr. Apurva V. Shah as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be amended from time to time.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein to the Directors or Officers of the Company or to any Committee of Directors to give effect to this Resolution.”

**By Order of the Board
For PATELS AIRTEMP (INDIA) LIMITED**

**NARAYANBHAI G. PATEL
Chairman & Whole-time Director**

Factory (Works) :

Plot: 805, 806, 807, 810,
Rakanpur – 382 721,
Via: Sola-Bhadaj Village, Ta: Kalol,
Dist: Gandhinagar, Gujarat.
CIN : L29190GJ1992PLC017801
Dated : 11th August, 2018

NOTES :

- 1) **A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting (on or before 27th September, 2018, 10.00 a.m. IST).**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / letter of authority, as applicable.

A proxy form is attached with this Annual Report.

- 2) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution.
- 3) A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 4) Members of the Company had approved the appointment of M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad, having Firm Registration No. 113742W as the Statutory Auditors of the Company at the 25th AGM of the Company held on 19th September, 2017 which is valid till 30th AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
- 5) Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
- 6) In case of joint holders attending the Meeting, only such joint holder who is upper in the order of names will be entitled to vote.
- 7) (a) The Company has notified closure of Register of Members and Share Transfer Books from 24th September, 2018 to 29th September, 2018 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
(b) Dividend of Re. 2.50 per share (@ 25 %) on Equity Shares for the year ended on 31st March, 2018 as recommended by the Board, if declared at the meeting, will be paid :
 - # to those members, whose names appear on the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company/Share Transfer Agent on or before 22nd September, 2018, or
 - # in respect of shares held in electronic form, to those "Beneficial Owners" whose names appear in the Statement of Beneficial Ownership furnished by NSDL and CDSL as at the end of business hours on 22nd September, 2018.
- 8) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agent, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
- 9) Electronic copy of the Notice of the 26th Annual General Meeting of the Company along with Annual Report, inter-alia, including the Remote e-voting instructions, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company /

Depository Participant(s) for communication purposes unless any member has specifically requested for a hard copy of the same. For members, who have not registered their email address, physical copy of the Notice of the 26th Annual General Meeting of the Company along with Annual Report, inter-alia, including the Remote e-voting instructions, Attendance Slip and Proxy Form is being sent by the permitted mode.

- 10) Annual Report 2017-2018 including Notice of 26th Annual General Meeting will also be available on the Company's website www.patelsairtemp.com for download by the members. The physical copies of the Notice and Annual Report will also be available at the Company's Factory (Works)/ Registered Office for inspection during working hours on all working days, except Saturdays, upto the date of this Annual General Meeting.
- 11) **Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
- 12) The Unpaid / Unclaimed Dividend for the year 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016 & 2016-2017 will become due for transfer to Investor Education & Protection Fund (IEPF) in subsequent years. Those shareholders who have so far not en-cash their dividend warrants for the aforesaid financial years are advised to submit their claim to the Registrar and Transfer Agent / Company immediately quoting their folio number. Once the unclaimed/unpaid dividend is transferred to IEPF, no claim shall lie against the Company in respect of the individual amounts which were unclaimed or unpaid.

The Company has transferred the unpaid or unclaimed dividends declared up to the financial year 2009-2010, from time to time, to IEPF established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on 19th September, 2017 (date of the previous Annual General Meeting) on the website of the Company i.e. www.patelsairtemp.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2017-18, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more. Details of shares transferred to the IEPF Authority are available on the website of the Company. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> for lodging claim for refund of shares and / or dividend from the IEPF Authority.

- 13) **SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.**
- 14) **Members, who hold shares in dematerialised form, are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.**
- 15) SEBI vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to Registrar and Transfer Agent, M/s. Bigshare Services Pvt. Ltd. or to the Company by sending a duly signed

letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook / statement attested by the Bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

- 16) Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company or Share Transfer Agent, in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.
- 17) Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection for the members at the Factory (Works) / Registered Office of the Company on all working days, except Saturdays, during normal business hours, upto the date of this Annual General Meeting.
- 18) **Members are requested to bring their copy of Annual Report to the meeting, as the copies of Annual Report will not be distributed at the meeting.**
- 19) Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its Factory (Works) / Registered Office, at least 10 days before the date of the meeting.
- 20) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ('the Act'), and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
- 21) Mr. Narendra G. Patel (DIN: 00023205), Whole-time Director of the Company, shall retire by rotation at this Annual General Meeting in terms of Section 152(6)(d) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

At this Annual General Meeting, Mr. Himanshu N. Rawal is to be re-appointed as Independent Director of the Company, not liable to retire by rotation.

At this Annual General Meeting, Mr. Apurva V. Shah is to be appointed as a Director and also Whole-time Director of the Company for a period of 3 years w.e.f. 11th August, 2018.

A brief resume of the aforesaid Directors proposed to be appointed/re-appointed, nature of his expertise in specific functional areas, names of companies in which he hold directorships and memberships / chairmanships of Board, Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and Clause 1.2.5 of Secretarial Standards-2 on General Meetings, are given here under :-

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
Narendra G. Patel	13-2-1958	21-6-1994	Engineering Industry	B.E. (Mechanical), DBM	Nil	Nil
Himanshu N. Rawal	14-4-1970	13-2-2016	Engineering Industry	Diploma in Mechanical Engineer	Nil	Nil
Apurva V. Shah	6-5-1963	11-8-2018	Engineering Industry	B.E. (Mechanical) & Post Diploma in Refrigeration and Air Conditioning	Nil	Nil

Relationship between the Directors :-

- Mr. Narayanbhai G. Patel, Chairman & Whole-time Director is a father of Mr. Prakash N. Patel and Mr. Sanjiv N. Patel, both Managing Directors of the Company.
- None of the other Directors including Mr. Narendra G. Patel, Mr. Himanshu N. Rawal and Mr. Apurva V. Shah are related to any other Director on the Board.

Mr. Narendra G. Patel holds 3,03,801 Equity Shares of ₹ 10/- each in Patels Airtemp (India) Limited in his individual capacity.

Mr. Apurva V. Shah holds 600 Equity Shares of ₹ 10/- each in Patels Airtemp (India) Limited in his individual capacity.

Shares held by Non-Executive Directors :-

There is no Non-Executive Director (Non-Independent Director) on the Board of the Company. Mrs. Veenaben B. Patel, Independent Director, holds 1,079 Equity Shares of ₹ 10/- each of the Company.

- 22) The Company shall provide facility for voting through polling paper at Annual General Meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be eligible to exercise their right to vote at the meeting through ballot paper.
- 23) The cut-off date for the purpose of remote e-voting and voting at the AGM shall be 22nd September, 2018. Please note that members can opt for only one mode of voting i.e., either by voting at the meeting or remote e-voting. If Members opt for remote e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again.

24) Voting through electronic means:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 26th Annual General Meeting (AGM) of the Company by electronic means and all the business may be transacted as set forth in the accompanying Notice of AGM through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Company has signed an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their vote electronically.

The e-voting facility is available at the link www.evotingindia.co.in

A. The instructions for members for voting electronically:-

- (i) The remote e-voting period begins on Wednesday, 26th September, 2018 (9.00 a.m. IST) and ends on Friday, 28th September, 2018 (5.00 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2018, may cast their vote electronically. The e-voting shall not be allowed beyond the said time and date and e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders" tab to cast your vote(s).
- (v) Now enter your User ID
 - (a) For account holders of CDSL: 16 digits beneficiary ID,
 - (b) For account holders of NSDL: 8 character DP ID followed by 8 digits client ID,
 - (c) Members holding shares in physical form should enter folio number registered with the Company.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If Demat account holder has forgotten his/her existing password then enter the User ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.
- (ix) If you are a first time user, follow the steps given below:

For Members holding Shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>A) Members who have not updated their PAN with Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number in the PAN Field. <u>The Sequence Number (Sr. No.) is printed on the sticker of mailing slip pasted on the back side of Annual Report.</u></p> <p>B) In case of Sequence Number (Sr. No.) is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or registered with the company records for the said demat account or folio in dd/mm/yyyy format. If the correct information is not registered with the Depositories / Company, please do not enter any value in this field.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

This is mandatory field to be entered.

Please enter the DOB or Dividend Bank details in order to login.

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for evoting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for 'PATELS AIRTEMP (INDIA) LTD.'

- (xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xix) Note for Non-Individual Shareholders & Custodians:
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s)/folio numbers on which they wish to vote.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Name, Designation, Address, E Mail ID and Phone no. of official responsible for grievances connected with facility of e voting :

Name of Official – Mr. Rakesh Dalvi

Designation – Manager

Address - 25th Floor, A Wing, Marathon Futurex, Mafatal Mills Compound, NM Joshi Marg, Lower Parel (E), Mumbai - 400 013

E Mail ID -helpdesk.evoting@cdslindia.com

Phone No. - 1800225533

- (xxi) Any person who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as on the cut-off date 22nd September, 2018 may obtain the login details and password/sequence number sending a request at investor@bigshareonline.com.

- B. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2018.
- C. Mr. Punit Lath, Practising Company Secretary (ACS No. 26238 & COP No. 11139) has been appointed by the Board as the Scrutinizer to scrutinize the voting through Poll in the meeting and remote e-voting process in a fair and transparent manner.

- D. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than twenty four hours from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- E. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.patelsairtemp.com and on website of CDSL e-Voting www.evotingindia.com within two days of the passing of the Resolutions at the Annual General Meeting of the Company and will also be communicated to BSE Limited, where the shares of the Company are listed.
- F. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to the same being passed with requisite majority.
- G. Shareholders can also cast their vote using CDSL's mobile App m-Voting available for android based mobiles. The m-Voting App can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile App while voting on your mobile.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act") :

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice :

ITEM NO. 4

Mr. Himanshu N. Rawal (DIN : 06631728) aged 48 years was appointed as an Independent Director on the Board of the Company by the shareholders at the 24th Annual General Meeting held on 30th July, 2016 for a first term of 2 (two) consecutive years up to the conclusion of this i.e. 26th Annual General Meeting of the Company. ("first term" in line with the explanation to Section 149(10) and 149(11) of the Act). However, Listing Regulations which are in line with the Companies Act, 2013 provides two terms for all Independent Directors.

The Board of Directors at its meeting held on 11th August, 2018 taking into account the recommendation of the Nomination and Remuneration Committee and on the basis of the report of performance evaluation of Independent Directors, approved the re-appointment of Mr. Himanshu N. Rawal as Independent Director of the Company not liable to retire by rotation, for a second and final term of five years up to the conclusion of the 31st Annual General Meeting of the Company in the calendar year 2023 based on his experience and his performance evaluation. His re-appointment is subject to the approval of the shareholders at this Annual General Meeting by way of a Special Resolution.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("LODR Regulations") an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board Report.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company.

Section 149 of the Act and provisions of LODR Regulations inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. The Company has also received declaration from Mr. Himanshu N. Rawal that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the LODR Regulations.

In the opinion of the Board, Mr. Himanshu N. Rawal fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and LODR Regulations for his re-appointment as an Independent

Director of the Company and is independent of the management. The copy of the letter for appointment of Mr. Himanshu N. Rawal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Works (Facotry)/Registered Office of the Company.

Mr. Himanshu N. Rawal is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Board considers that his continued association would be benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. Himanshu N. Rawal as an Independent Director. Accordingly, the Board recommends the resolution for the approval by the shareholders in relation to re-appointment of Mr. Himanshu N. Rawal as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Details of Director whose re-appointment as Independent Director is proposed at Item No. 4, are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the LODR Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Except Mr. Himanshu N. Rawal, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 4. The relatives of Mr. Himanshu N. Rawal may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

This statement may also be regarded as an appropriate disclosure under the LODR Regulations.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

ITEM NO. 5

The Board of Directors at the Board Meeting held on 26th April, 2018, on the recommendation of Audit Committee, has appointed M/s. Rajendra Patel & Associates, Cost Accountant, Ahmedabad (Firm Registration No. FRN101163 and Membership No. 29021) as the Cost Auditor of the Company to conduct audit of cost accounting records maintained by the Company for the current financial year 2018-2019 ending on 31st March, 2019, at a remuneration of ₹ 80,000/- (Rupees Eighty Thousand Only) plus applicable taxes and out-of-pocket expenses, subject to the approval of the Shareholders in General Meeting for payment of remuneration.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the Shareholders of the Company.

The Board therefore recommends the Ordinary Resolution as set out at Item No. 5 of the accompanying notice for approval of the members.

None of the Directors of the Company, the Key Managerial Personnel of the Company or their Relatives are concerned or interested financially or otherwise in the aforesaid Ordinary Resolution.

ITEM NO. 6, 7 & 8

(i) Mr. Narayanbhai G. Patel (DIN: 00023107) was appointed as Whole-time Director of the Company designated as "Chairman & Whole-time Director", (ii) Mr. Prakash N. Patel (DIN: 00249210) and (iii) Mr. Sanjiv N. Patel (DIN: 02794095) were appointed as Managing Directors of the Company at the 23rd Annual General Meeting of the Company held on 19th September, 2015 with payment of salary of ₹ 1,80,000/- per month and perquisites and allowances to each of them for a period of 5 years with effect from 20th May, 2015 up to 19th May, 2020.

However, as per provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule V to the Companies Act, 2013, the remuneration could be paid to the above Whole-time Director & Managing Directors for a period of 3 years only from 20th May, 2015 up to 19th May, 2018 instead of for a period of 5 years as approved by the Shareholders.

The salary of the above Whole-time Director & Managing Directors were increased from ₹ 1,80,000/- per month to ₹ 2,50,000/- per month with perquisites and allowances for the period from 1st August, 2015 to 19th May, 2018 on the recommendations of Nomination and Remuneration Committee and duly approved by the Shareholders at the 24th Annual General Meeting held on 30th July, 2016 by passing Special Resolutions.

Taking into consideration the increased business activities of the Company and the responsibilities cast on (i) Mr. Narayanbhai G. Patel, (ii) Mr. Prakash N. Patel and (iii) Mr. Sanjiv N. Patel and their contribution in the overall progress of the Company and looking to the growth of the Company in recent years and on the recommendation of Nomination & Remuneration Committee (NRC) of the Company, the Board, at its meeting held on 10th February, 2018, increased the remuneration payable to (i) Mr. Narayanbhai G. Patel, (ii) Mr. Prakash N. Patel and (iii) Mr. Sanjiv N. Patel from existing ₹ 2,50,000/- per month to ₹ 3,00,000/- per month with perquisites and allowances for the period from 20th May, 2018 to 19th May, 2020 as under, subject to the approval of the members of the Company :-

- (A) Period : From 20th May, 2018 to 19th May, 2020
- (B) Salary: ₹ 3,00,000/- per month including Dearness and other allowances.
- (C) Perquisites & Allowances: Perquisites & Allowances are allowed as under in addition to the above salary. It shall be restricted to an amount equal to the annual salary subject to ceiling prescribed in Part II of Schedule V to the Companies Act, 2013.
- (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 Rules of the Company.
 - (iv) Leave travel concession for self and members of his family as per Rules of the Company.
 - (v) Fees of clubs subject to maximum of two clubs.
 - (vi) Personal Accident Insurance and Mediclaim Insurance premium as per 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 Rules of Company.
 - (ix) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company.
- (D) Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the Company in any financial year during the period from 20th May, 2018 to 19th May, 2020, the remuneration as above shall be paid to Mr. Narayanbhai G. Patel, Mr. Prakash N. Patel & Mr. Sanjiv N. Patel as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

- (E) The terms and conditions of payment of remuneration, perquisites and allowances specified herein above including their appointments may be enhanced, enlarged, widened, altered or varied from time to time by Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act and/ or the rules and regulations made thereunder from time to time in future and/or such guidelines as may be announced by the Central Government from time to time.
- (F) The Whole-time Directors/Managing Directors shall subject to the 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 them.
- (G) The appointment may be terminated by either party giving to the other party three months' notice or the Company paying the three months' remuneration in lieu thereof.
- (H) A Statement as per requirement of Section II of Part II of Schedule V of the Companies Act, 2013 containing the information of the Company and Mr. Narayanbhai G. Patel, Mr. Prakash N. Patel & Mr. Sanjiv N. Patel is annexed with this Notice as per Annexure - I.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Section 197 and all other applicable provisions, if any, of the Act read with Schedule V to the Act, as amended and as in force from time to time.

However as per Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015 requires the company to obtain the approval of the shareholders by Special Resolution in General Meeting in case of fees or compensation payable to Executive Directors who are promoters or members of the promoter group, if-

- (i) the fees or compensation payable to such Executive Director exceeds Rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- (ii) where there is more than one such Director, the aggregate fees or compensation to such directors exceeds 5 per cent of the net profits of the listed entity.

Except for the aforesaid revision in remuneration, all other terms and conditions of their appointment as Whole-time and Managing Directors of the Company, as approved by the Special Resolution passed at the 23rd Annual General Meeting of the Company held on 19th September, 2015, remain unchanged and shall continue to remain in full force and effect.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the revised terms of remuneration specified above are now being placed before the members for their approval.

The Directors are of the view that the remuneration payable to Mr. Narayanbhai G. Patel, Mr. Prakash N. Patel & Mr. Sanjiv N. Patel is commensurate with their abilities and experience and, accordingly, commend the Resolution at Item No.6, 7 and 8 respectively of the accompanying Notice for approval by the members of the Company.

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of revision of remuneration as mentioned above as per Section 190 of the Companies Act, 2013.

Mr. Narayanbhai G. Patel, Mr. Prakash N. Patel and Mr. Sanjiv N. Patel are interested in the resolutions set out at Item No. 6, 7 and 8 of the Notice. The relatives of Mr. Narayanbhai G. Patel, Mr. Prakash N. Patel and Mr. Sanjiv N. Patel may be deemed to be interested in the said resolutions, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 9

Mr. Narendra G. Patel (DIN: 00023205) was re-appointed as Whole-time Director of the Company for a period of 3 years with effect from 2nd August, 2016 up to 1st August, 2019 with payment of salary of ₹ 2,50,000/- per month and perquisites and allowances duly approved by the Board of Directors at their meeting held on 28th May, 2016 on the recommendation of Nomination and Remuneration Committee and duly approved by the Shareholders at the 24th Annual General Meeting held on 30th July, 2016 by passing Special Resolution.

Taking into consideration the increased business activities of the Company and the responsibilities cast on Mr. Narendra G. Patel and his contribution in the overall progress of the Company and looking to the growth of the Company in recent years and on the recommendation of Nomination & Remuneration Committee (NRC) of the Company, the Board, at its meeting held on 10th February, 2018, increased the remuneration payable to Mr. Narendra G. Patel from existing ₹ 2,50,000/- per month to ₹ 3,00,000/- per month with perquisites and allowances for the period from 20th May, 2018 to 1st August, 2019 as under, subject to the approval of the members of the Company :-

- (A) Period : From 20th May, 2018 to 1st August, 2019
- (B) Salary: ₹ 3,00,000/- per month including Dearness and other allowances.
- (C) Perquisites & Allowances: Perquisites & Allowances are allowed as under in addition to the above salary. It shall be restricted to an amount equal to the annual salary subject to ceiling prescribed in Part II of Schedule V to the Companies Act, 2013.
- (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 Rules of the Company.
 - (iv) Leave travel concession for self and members of his family as per Rules of the Company.
 - (v) Fees of clubs subject to maximum of two clubs.
 - (vi) Personal Accident Insurance and Mediclaim Insurance premium as per 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 Rules of Company.
 - (ix) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company.
- (D) Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the Company in any financial year during the period from 20th May, 2018 to 1st August, 2019, the remuneration as above shall be paid to Mr. Narendra G. Patel as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

- (E) The terms and conditions of payment of remuneration, perquisites and allowances specified herein above including their appointments may be enhanced, enlarged, widened, altered or varied from time to time by Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act and/ or the rules and regulations made thereunder from time to time in future and/or such guidelines as may be announced by the Central Government from time to time.
- (F) The Whole-time Director shall subject to the 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' notice or the Company paying the three months' remuneration in lieu thereof.
- (H) A Statement as per requirement of Section II of Part II of Schedule V of the Companies Act, 2013 containing the information of the Company and Mr. Narendra G. Patel, is annexed with this Notice as per Annexure - I.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Section 197 and all other applicable provisions, if any, of the Act read with Schedule V to the Act, as amended and as in force from time to time.

However as per Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015 requires the company to obtain the approval of the shareholders by Special Resolution in General Meeting in case of fees or compensation payable to Executive Directors who are promoters or members of the promoter group, if-

- (i) the fees or compensation payable to such Executive Director exceeds Rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- (ii) where there is more than one such Director, the aggregate fees or compensation to such directors exceeds 5 per cent of the net profits of the listed entity.

Except for the aforesaid revision in remuneration, all other terms and conditions of his re-appointment as Whole-time Director of the Company, as approved by the Special Resolution passed at the 24th Annual General Meeting of the Company held on 30th July, 2016, remain unchanged and shall continue to remain in full force and effect.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the revised terms of remuneration specified above are now being placed before the members for their approval.

The Directors are of the view that the remuneration payable to Mr. Narendra G. Patel as Whole-time Director is commensurate with his abilities and experience and, accordingly, commend the Resolution at Item No.9 of the accompanying Notice for approval by the members of the Company.

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of revision of remuneration as mentioned above as per Section 190 of the Companies Act, 2013.

Mr. Narendra G. Patel is interested in the resolution set out at Item No. 9 of the Notice. The relatives of Mr. Narendra G. Patel may be deemed to be interested in the resolution set out at Item No. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 10

Mr. Ramanbhai R. Patel (DIN : 05224867) aged 74 years was appointed as an Independent Director on the Board of the Company by the shareholders at the 22nd Annual General Meeting held on 30th August, 2014 for a first term up to 29th August, 2019.

Pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, in case the NEDs/ IDs of such listed entities are individuals who have already attained the age of 75 years or will be attaining the age before April 1, 2019, such listed entities will have to seek approval of shareholders by special resolution. In this regard, Mr. Ramanbhai R. Patel will continue as Non-executive Independent Director of the Company who has attained the age of 75 years during his tenure as an Independent Director of the Company upto 29th August, 2019.

Mr. Ramanbhai R. Patel is holding a degree of M.S.C. (Chemistry). He worked as chemistry professor in various engineering colleges. He is serving as an Independent Director of the Company since 2012. The Board considers that given his background and experience and contributions made by him during his tenure, his continued association would be beneficial to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. Ramanbhai R. Patel as an Independent Director.

The Board of Directors recommends the Special Resolution set out in Item No. 10 of the accompanying notice for approval of the members.

Except Mr. Ramanbhai R. Patel, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 10.

The relatives of Mr. Ramanbhai R. Patel may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

ITEM NO. 11

On the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Apurva V. Shah as an Additional Director on the Board of the Company with effect from 11th August, 2018 liable to retire by rotation.

In terms of the provisions of Section 161(1) of the Act, Mr. Apurva V. Shah would hold office up to the date of this Annual General Meeting and is eligible to be appointed as a Director of the Company.

It is proposed to appoint Mr. Apurva V. Shah as a Director of the Company under Section 149 of the Act liable to retire by rotation.

The Company has received notice in writing from a member under Section 160 of the Act, proposing the candidature of Mr. Apurva V. Shah for the office of Director of the Company.

Mr. Apurva V. Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014. He holds 600 Equity Shares of Rs. 10/- each of the Company in his individual capacity.

Brief resume of Mr. Apurva V. Shah, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), are provided in the notes to the Notice of this meeting accompanying with this statement forming part of the Annual Report.

Mr. Apurva V. Shah, aged about 55 years, is holding degree of B.E. (Mechanical) and Post Diploma in Refrigeration and Air-conditioning (PDRA). He is having around 34 years of experience in complete designing (Thermal and Mechanical including review of FE Analysis) and Estimation/Costing of pressure vessels, Column, Shell & Tube Heat Exchangers, Air cooled Heat Exchangers as per National & International Codes like ASME, TEMA, HEI, API, BS, EN, IS, IBR used in Hydrocarbon Sector, Refineries, Petrochemicals, Fertilizers, Power Plants, Textiles, Air-Conditioning, Compressor, Packaging manufacturers etc. He also took training in USA for Designing & Estimation of Air Cooled Heat Exchangers for water cooling, Steam Condensing, Oil Cooling, Refinery Coolers and Condensers.

Before becoming Whole-time Director, he was Vice President (Operation) of the Company (joined the Company as a Sr. Design Engineer in 1992) handling various departments including Design, Proposal & Offer, Marketing, Shop Operation etc. for various products of the Company namely pressure vessels, Column, Shell & Tube Heat Exchangers, Air cooled Heat Exchangers, Power Plant Heat Exchanger, Inter Coolers, After Coolers, Oil Coolers, Air Pre-heaters, LPG Bullets, Ammonia Storage Tanks, Condenser.

Copy of the draft letter for appointment of a Director setting out the terms and conditions is available for inspection by members at the Works (Factory) / Registered Office of the Company.

This Statement may also be regarded as a disclosure under Listing Regulations.

Mr. Apurva V. Shah is interested in the resolution set out at Item No. 11 of the Notice with regard to his appointment. The relatives of Mr. Apurva V. Shah may be deemed to be interested in the said resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their Relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

ITEM NO. 12

The Board of Directors at their meeting held on 11th August, 2018 have, subject to the approval of the Shareholders, appointed Mr. Apurva V. Shah (DIN: 0008197983) as Whole-time Director of the Company for a period of 3 (Three) years with effect from 11th August, 2018 upto 10th August, 2021 on the remuneration and terms and conditions recommended and approved by Nomination and Remuneration Committee as set out herein.

Mr. Apurva V. Shah, aged about 55 years, is holding degree of B.E. (Mechanical) and Post Diploma in Refrigeration and Air-conditioning (PDRA). He is having around 34 years of experience in complete designing (Thermal and Mechanical including review of FE Analysis) and Estimation/Costing of pressure vessels, Column, Shell & Tube Heat Exchangers, Air cooled Heat Exchangers as per National & International Codes like ASME, TEMA, HEI, API, BS, EN, IS, IBR used in Hydrocarbon Sector, Refineries, Petrochemicals, Fertilizers, Power Plants, Textiles, Air-Conditioning, Compressor, Packaging manufacturers etc. He also took training in USA for Designing & Estimation of Air Cooled Heat Exchangers for water cooling, Steam Condensing, Oil Cooling, Refinery Coolers and Condensers.

Before becoming an Whole-time Director, he was Vice President (Operation) of the Company (joined the Company as a Sr. Design Engineer in 1992) handling various departments including Design, Proposal & Offer, Marketing, Shop Operation etc. for various products of the Company namely pressure vessels, Column, Shell & Tube Heat Exchangers, Air cooled Heat Exchangers, Power Plant Heat Exchanger, Inter Coolers, After Coolers, Oil Coolers, Air Pre-heaters, LPG Bullets, Ammonia Storage Tanks, Condenser.

The Board is of the opinion that his services should continue to be availed by the Company, by appointing him as Whole-time Director of the Company as mentioned in the resolution, subject to the approval of Shareholders. Taking into consideration the increased business activities and the duties and responsibilities of the Whole-time Director and his contribution in the overall progress of the Company, the prevailing managerial remuneration in industry and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 11th August, 2018 approved the remuneration payable to Mr. Apurva V. Shah for a period of 3 years from 11th August, 2018 upto 10th August, 2021 as under, subject to approval of the Shareholders including minimum remuneration and other terms and conditions given hereunder:

- (A) Salary: Rs. 2,30,000/- per month including Dearness and other allowances.
- (B) Perquisites: Perquisites and allowances are allowed as under 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 V to the Companies Act, 2013.
- (i) Reimbursement of medical expenses incurred for self and members of his family as per Rules of the Company.
 - (ii) Personal Accident Insurance and Mediclaim Insurance premium as per Rules of the Company.
 - (iii) 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 as per Rules of the Company.
 - (iv) Company's contribution to Provident Fund as per Rules of Company.
 - (v) Reimbursement of expenses on Electricity as per Rules of the Company.
- (C) Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the Company in any financial year during the period of 3 years from 11th August, 2018 upto 10th August, 2021, the remuneration as above shall be paid to Mr. Apurva V. Shah as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.
- (D) The terms and conditions of appointment and payment of remuneration, perquisites and allowances specified herein above may be enhanced, enlarged, widened, altered or varied from time to time by Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made thereunder from time to time in future and/or such guidelines as may be announced by the Central Government from time to time.
- (E) The Whole-time Director shall subject to the 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.
- (F) The appointment may be terminated by either party giving to the other party three months' notice or the Company paying the three months' remuneration in lieu thereof.
- (G) A Statement as per requirement of Section II of Part II of Schedule V of the Companies Act, 2013 containing the information of the Company and Mr. Apurva V. Shah is annexed with this Notice as per Annexure I.



The aggregate of remuneration as aforesaid shall be within the maximum limits as laid down under Section 197 and all other applicable provisions of the Act read with Schedule V to the Act as amended and as in force from time to time.

The Board therefore recommends approval of the appointment of Mr. Apurva V. Shah as Whole-time Director of the Company with payment of remuneration and perquisites and allowances as mentioned above.

Your Directors recommend passing of the resolution proposed at Item No. 12. This explanation together with the accompanying notice is and should be treated as an abstract of the terms of appointment and payment of remuneration as mentioned above as per Section 190 of the Companies Act, 2013.

Mr. Apurva V. Shah holds 600 Equity Shares of Rs. 10/- each in Patels Airtemp (India) Limited in his individual capacity.

Mr. Apurva V. Shah is interested in the resolution set out at Item No. 12 of the Notice. The relatives of Mr. Apurva V. Shah may be deemed to be interested in the resolution set out at Item No. 12 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

**By Order of the Board
For PATELS AIRTEMP (INDIA) LIMITED**

**NARAYANBHAIG. PATEL
Chairman & Whole-time Director**

Factory (Works) :

Plot: 805, 806, 807, 810,
Rakanpur – 382 721,
Via: Sola-Bhadaj Village, Ta: Kalol,
Dist: Gandhinagar, Gujarat.
CIN : L29190GJ1992PLC017801

Dated : 11th August, 2018

ANNEXURE – I TO AGM NOTICE

I. GENERAL INFORMATION:

(1) **Nature of industry**

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.

(2) **Date of commencement of commercial production**

The Company commenced its operation in 1993.

(3) **In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus**

The Company is in existence since 1992.

(4) **Financial performance based on given indicators**

Following is the financial performance of the Company since last 3 years : (₹ in Lacs)

Financial Year	Revenue from Operations	Profit before Tax	Net Profit after Tax
2017-2018	15938.44	1264.93	861.15
2016-2017	14860.71	1224.22	791.19
2015-2016	12664.71	1108.73	714.82

(5) **Foreign investments or collaborators, if any.**

The Company does not have foreign investment or collaboration.

II. INFORMATION ABOUT THE APPOINTEES:

(1) **Background details:**

Name	Narayanbhai G. Patel	Prakash N. Patel	Sanjiv N. Patel	Narendra G. Patel	Apurva V. Shah
Designation	Chairman & Whole-time Director	Managing Director	Managing Director	Whole-time Director	Whole-time Director
Age	78 years	52 years	46 years	59 years	55 years
Experience	52 years	24 years	22 years	24 years	34 years

(2) **Past Remuneration:**

The details of managerial remuneration paid to Mr. Narayanbhai G. Patel, Mr. Prakash N. Patel, Mr. Sanjiv N. Patel and Mr. Narendra G. Patel during the previous financial year ended on 31st March, 2018, are as under:

(₹ in Lacs)

Particulars	Narayanbhai G. Patel	Prakash N. Patel	Sanjiv N. Patel	Narendra G. Patel
Salary	30.00	30.00	30.00	30.00
Perquisites/ Allowances	1.28	1.59	0.46	0.72
Total	31.28	31.59	30.46	30.72

Mr. Apurva V. Shah has been appointed as Whole-time Director of the Company w.e.f. 11th August, 2018.

(3) **Recognition or awards:**

The Company's products have ASME (American Society of Mechanical Engineers-USA) "U"/ "U2"/ "S" and "N & NPT" Stamp authorization. The Company is also a member of HTRI (Heat Transfer Research, Inc, U.S.A.) for updating Heat Transfer Technology.

Last year ASME accredited N & NPT authorization to the Company, a Global Qualification to manufacture Heat Exchangers & Pressure Vessels for Nuclear Power Plant. The Company is the 3rd Company in India with "N-NPT" authorization to manufacture above equipments which has put the Company in elite League of Critical Nuclear Power Plant Equipments.

Due to "U"/ "U2"/ "S" and "N & NPT" Stamp authorization, it is expected to improve the Quality of the products/equipments of the Company and to achieve higher growth and profitability of the Company in future.

The Company has upgraded the ISO certification from ISO 9001:2008 to ISO 9001-2015 certified.

(4) **Job profile and his suitability**

Mr. Narayanbhai G. Patel holds a Mechanical Engineering degree with specialization in Air-conditioning and Refrigeration, Heat Transfer Equipments and has about 52 years of experience in this field. He is the Chairman of the Group and associated with the Company since inception and play key role in establishing the strategy particularly with respect to the design, development and marketing of the products. He is specialist in the design of Heat Exchangers as per the international codes like TEMA, ASME and BBS.

Mr. Prakash N. Patel is having Bachelor Degree in Mechanical. He has vast experience in engineering field since last 24 years and associated with the Company and he is a Director of the Company since 2004. He looks after marketing of the Project & A.C. Division of the Company as well as day to day administration of the Project & A.C. Division of the Company.

Mr. Sanjivkumar N. Patel is holding a Degree in B.E. Chemical and MBA. He has worked as a Business Consultant in the field of Management Information System (MIS) and also worked as a Business Analyst. He has experience of working with ERP System and has more than 22 years of experience in different areas. He is associated with the Company and he is a Director of the Company since 2009.

Mr. Narendra G. Patel is having Bachelor Degree in Mechanical Engineering. He has been associated with the Company since last 24 years and is a Director of the Company since 1994. He looks after marketing of various products of the Company.

Mr. Apurva V. Shah, aged about 55 years, is holding degree of B.E. (Mechanical) and Post Diploma in Refrigeration and Air-conditioning (PDRA). He is having around 34 years of experience in complete designing (Thermal and Mechanical including review of FE Analysis) and Estimation/ Costing of pressure vessels, Column, Shell & Tube Heat Exchangers, Air cooled Heat Exchangers as per National & International Codes like ASME, TEMA, HEI, API, BS, EN, IS, IBR used in Hydrocarbon Sector, Refineries, Petrochemicals, Fertilizers, Power Plants, Textiles, Air-Conditioning, Compressor, Packaging manufacturers etc. He also took training in USA for Designing & Estimation of Air Cooled Heat Exchangers for water cooling, Steam Condensing, Oil Cooling, Refinery Coolers and Condensers. Before becoming an Whole-time Director, he was Vice President (Operation) of the Company (joined the Company as a Sr. Design Engineer in 1992) handling various departments including Design, Proposal & Offer, Marketing, Shop Operation etc. for various products of the Company namely pressure vessels, Column, Shell & Tube Heat Exchangers, Air cooled Heat Exchangers, Power Plant Heat Exchanger, Inter Coolers, After Coolers, Oil Coolers, Air Pre-heaters, LPG Bullets, Ammonia Storage Tanks, Condenser.

(5) **Remuneration proposed**

It is proposed to increase the remuneration of Mr. Narayanbhai G. Patel, Mr. Prakash N. Patel and Mr. Sanjiv N. Patel from ₹ 2,50,000/- p.m. to ₹ 3,00,000/- p.m. plus perquisite and allowances for the period from 20-5-2018 to 19-5-2020, the details of which are mentioned in the explanatory statement as above.

It is proposed to increase the remuneration of Mr. Narendra G. Patel from ₹ 2,50,000/- p.m. to ₹ 3,00,000/- p.m. plus perquisite and allowances for the period from 20-5-2018 to 1-8-2019, the details of which are mentioned in the explanatory statement as above.

It is proposed to pay remuneration to Mr. Apurva V. Shah of ₹ 2,30,000/- p.m. plus perquisite and allowances for the period of 3 years from 11-8-2018 to 10-8-2021, the details of which are mentioned in the explanatory statement as above.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

The proposed remuneration to be paid to Mr. Narayanbhai G. Patel, Mr. Prakash N. Patel, Mr. Sanjiv N. Patel, Mr. Narendra G. Patel and Mr. Apurva V. Shah is adequate and at par with the industry scale, size and profitability of the Company.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Apart from Mr. Narayanbhai G. Patel, who is Chairman & Whole-time Director of the Company and receiving managerial remuneration, he holds 1,20,000 Equity Shares of ₹ 10/- each of the Company in his individual capacity.

Apart from Mr. Prakash N. Patel, who is Managing Director of the Company and receiving managerial remuneration, he holds 1,20,000 Equity Shares of ₹ 10/- each of the Company in his individual capacity.

Apart from Mr. Sanjiv N. Patel, who is Managing Director of the Company and receiving managerial remuneration, he holds 16,000 Equity Shares of ₹ 10/- each of the Company in his individual capacity.

Apart from Mr. Narendra G. Patel, who is Whole-time Director of the Company and receiving managerial remuneration, he holds 3,03,801 Equity Shares of ₹ 10/- each of the Company in his individual capacity.

Apart from Mr. Apurva V. Shah, who is Whole-time Director of the Company and receiving managerial remuneration, he holds 600 Equity Shares of ₹ 10/- each of the Company in his individual capacity.

III. OTHER INFORMATION :

(1) Reasons of loss or inadequate profits

Due to competition and increase in the cost of materials, the profit of the Company during the year ended on 31st March, 2018 is inadequate.

(2) Steps taken or proposed to be taken for improvement

The Company is planning to increase the profitability through various initiatives in product development, marketing, distribution and trade promotions.

(3) Expected increase in productivity and profits in measurable terms

Due to the aforesaid steps, the Company has continuously improve its performance during the last three financial years in terms of revenue from operations and profits as mentioned in para I(4) above and expects a significant in productivity and profits of the Company in next financial year.

IV. DISCLOSURES:

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc., of all the directors;

Apart from remuneration payable to Whole-time Directors & Managing Directors, the Company does not pay any remuneration including bonus, stock options, pension, etc. to the other Directors of the Company. The Company only pays sitting fees to the Non-executive Directors of the Company for attending the meeting of Board of Directors.

(ii) Details of fix component and performance linked incentive along with the performance criteria

The Company does not pay performance linked incentive to the Whole-time Directors and Managing Directors of the Company.

(iii) Service contracts, notice period, severance fees;

The appointment may be terminated by either party giving to the other party three months' notice or the Company paying the three months' remuneration in lieu thereof.

(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable

The Company has not issued any stock options to any Directors of the Company.

DIRECTORS' REPORT

To,
The Members,
Patels Airtemp (India) Ltd.,
Ahmedabad

Your Directors have pleasure in presenting herewith the 26th Annual Report together with the Audited Financial Statements for the year ended on 31st March, 2018.

FINANCIAL RESULTS:

(₹ in Lacs)

Particulars	Year ended on 31-03-2018	Year ended on 31-03-2017
Revenue from Operations	15938.44	14860.71
Other Income	42.85	50.71
Total Income	15981.29	14911.42
Less: Depreciation & Amortisation Expenses	259.41	258.16
Finance Cost	485.89	302.54
Other Expenses	13971.06	13126.50
Total Expenses	14716.36	13687.20
Profit before Tax	1264.93	1224.22
Less: Tax Expenses	403.78	433.03
Net Profit for the year	861.15	791.19
Balance brought forward from previous year	5370.28	4714.14
Profit available for Appropriation	6231.43	5505.33
Other Comprehensive Income	(13.59)	(0.79)
Less: Proposed Dividend	126.76	111.55
Less: Tax on Dividend	25.80	22.71
Less: Transfer to General Reserve	--	--
Surplus carried forward to Balance Sheet	6065.28	5370.28
Total Comprehensive Income	847.56	790.39
Earning Per Share (₹)	16.98	15.60

The Company has adopted Ind AS w.e.f. 1st April, 2017 with a transition date of 1st April, 2016. Accordingly, results for the year ended 31st March, 2018 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

Consequent to introduction of Goods and Services Tax ("GST") effect from 1st July, 2017, Central Excise, VAT etc. have been subsumed into GST. In accordance with Ind AS 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duty, levies like GST, VAT etc. are not part of revenue. Accordingly, the figures for the year ended on 31st March, 2018 are not strictly relatable to previous year.

STATE OF COMPANY'S AFFAIRS

The Company has earned revenue from operations (gross) of ₹ 159.38 crores during the year ended on 31st March, 2018 as against ₹ 148.61 crores earned during the previous year ended on 31st March, 2017, giving a rise of 7.25 % as compared to previous year. The Company has also earned other income of ₹ 42.85 lakhs during the year under review as against ₹ 50.71 lakhs earned during the previous year.

Out of the revenue from operations of ₹ 159.38 crores earned by the Company during the year under review, ₹ 152.62 crores represents sale of products (Domestic & Export), ₹ 2.52 crores represents sale of Services (Processing Charges) and ₹ 4.24 crores represents other operating revenues.

The Company has earned the Profit before Tax of ₹ 12.65 crores during the year ended on 31st March, 2018 as compared to ₹ 12.24 crores earned during the previous year ended on 31st March, 2017.

The Company has earned Net Profit of ₹ 8.61 crores for the year ended on 31st March, 2018 after making Provision for Tax Expenses of ₹ 4.04 crores and other adjustments, as compared to Net Profit of ₹ 7.91 crores earned by the Company during the previous year ended on 31st March, 2017, a rise of 8.85 %.

After adding the Surplus in the Statement of Profit & Loss of ₹ 53.70 crores brought forward from the previous year to the profit of ₹ 8.61 crores earned by the Company during the year under review and other adjustment, the total amount of ₹ 62.31 crores is available for appropriation.

The Audited Financial Statements of the Company and all other documents required to be attached thereto is put on the Company's website.

FUTURE PROSPECTS

As you aware that the Company is in engineering industry and is engaged in manufacturing/fabricating tailor made machines and therefore, the order book position of such type of company can play pivotal role in the growth of the Company. Your Directors are pleased to state that continuing the past trend, the Company is having confirmed orders of about ₹ 240.37 Crores on hand as on 1st August, 2018. Thus your Directors are quite bullish on repeating similar performance in future. Your Directors are cautious and making untiring efforts so as not to compromise on growth, quality, and profitability of the Company.

CHANGE IN SHARE CAPITAL

There is no change in the Share Capital of the Company during the year under review. During the year under review, the Company has not issued any shares.

DIVIDEND

The Directors have recommended dividend of ₹ 2.50 per share (@ 25 %) on 50,70,240 Equity Shares of ₹ 10/- each of the Company for the Financial Year ended on 31st March, 2018 (2017-2018), as compared to Dividend of ₹ 2.50 per share (@ 25 %) declared for the previous Financial Year ended on 31st March, 2017. This will absorb ₹ 126.76 lakhs. The corporate dividend tax payable by the Company on the said dividend will be ₹ 25.80 lakhs.

A resolution to that effect has been placed for the approval of the members at this Annual General Meeting of the Company and that the same, when declared, shall be paid to the Members.

TRANSFER TO RESERVE

In view of above, the Company has not transferred any amount to the General Reserve for the year ended on 31st March, 2018 and the total amount of ₹ 60.65 crores is proposed to be retained as the Surplus in the Statement of Profit and Loss.

MATERIAL CHANGES AND COMMITMENTS

In terms of Section 134(3)(l) of the Companies Act, 2013, no material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this Report. There has been no change in the nature of business of the Company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

The Company has not received any significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company as required under Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, in the prescribed Form MGT-9, is annexed herewith as **Annexure - A**, to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report has been enclosed herewith as per **Annexure – B** and forming part of the Directors' Report.

RECOGNITION OR AWARDS

The Company's products have ASME (American Society of Mechanical Engineers-USA) "U"/ "U2"/ "S" and "N & NPT" Stamp authorization. The Company is also a member of HTRI (Heat Transfer Research, Inc, U.S.A.) for updating Heat Transfer Technology.

Last year ASME accredited N & NPT authorization to the Company, a Global Qualification to manufacture Heat Exchangers & Pressure Vessels for Nuclear Power Plant. The Company is the 3rd Company in India with "N-NPT" authorization to manufacture above equipments which has put the Company in elite League of Critical Nuclear Power Plant Equipments.

Due to "U"/ "U2"/ "S" and "N & NPT" Stamp authorization, it is expected to improve the Quality of the products/equipments of the Company and to achieve higher growth and profitability of the Company in future.

The Company has upgraded the ISO certification from ISO 9001:2008 to ISO 9001-2015 certified.

FINANCE

UNDER CONSORTIUM ARRANGEMENT WITH BANK OF BARODA & AXIS BANK

Bank of Baroda and AXIS Bank have sanctioned additional Credit facility of ₹ 10.00 Crores (₹ 5.00 Crores from BOB and ₹ 5.00 Crores from AXIS Bank) making aggregate Working Capital facilities of ₹ 112.00 Crores from BOB and AXIS Bank. As such, the Company is availing Working Capital facilities aggregating to ₹ 112.00 Crores under consortium arrangement with Bank of Baroda and Axis Bank. The Company has made regular repayment of Loan & interest and there is no any overdue payment to the said Banks.

During the year under review, HDFC Bank Ltd. has also granted to the Company Bill Discounting facility to the extent of ₹ 7,00,00,000/-.

ACCEPTANCE OF DEPOSITS

During the year under review, the Company has not accepted any deposits from the Public and Members of the Company and therefore not required to comply with the requirement under the Companies Act, 2013 and the Rules made thereunder. As such, no amount of principal or interest was outstanding to the Public and Members of the Company as on March 31, 2018 and the Company is not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

During the year under review, the Company has accepted deposits from the Directors of the Company which are exempted deposits under Rule 2(1)(c)(viii) of Companies (Acceptance of Deposits) Rules, 2014, subject to compliance of the provisions of the Companies Act, 2013 and the Rules made thereunder.

During the year under review, the Relatives of the Directors also brought in unsecured loan/deposits by way of contribution to bring additional long term funds as a part of conditions imposed by Bank of Baroda on the Directors and their relatives, while reviewing working capital facilities to the Company vide its letter dated 20-12-2016 and 27-3-2018, which are exempted deposits under Rule 2(1)(c)(xiii) of Companies (Acceptance of Deposits) Rules, 2014.

Details of deposits accepted and repaid by the Company including interest to the Directors & their Relatives during the financial year 2017-2018 are mentioned in Note No. 30 (Related party information) of the Notes to the Financial Statements attached with this Annual Report.

TRANSFER OF UNCLAIMED DIVIDEND TO IEPF

In terms of the provisions of Investor Education and Protection Fund Rules, 2001 (IEPF), during the year under review, the Company has transferred the amount of unclaimed/unpaid Dividend of ₹ 1,85,102/- for the financial year 2009-2010 to IEPF established by the Central Government under Section 124 & 125 of the Companies Act, 2013 and Rules made thereunder.

Pursuant to provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 19th September, 2017 (date of the previous Annual General Meeting) on the Company's website: <http://www.patelsairtemp.com>.

TRANSFER OF SHARES TO IEPF DEMAT AUTHORITY ACCOUNT

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2017-18, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more. Details of shares transferred to the IEPF Authority are available on the website of the Company. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in. In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

SUBSIDIARY, ASSOCIATE OR JOINT VENTURE COMPANY

The Company does not have any subsidiary, joint venture or associate companies within the meaning of Section 2(6) and 2(87) of the Companies Act, 2013. As such, a report in the prescribed Form AOC-1 as per first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 and Rules made thereunder is not required to be attached and a Policy for determining material subsidiaries is not required to be framed by the Company.

CONSOLIDATED FINANCIAL STATEMENTS

Since the Company does not have any subsidiary, joint venture or associate companies as mentioned above, Consolidated Financial Statements are not required to be prepared and attached with the financial statement of the Company pursuant to the requirements of Section 129 read with Schedule III of the Companies Act, 2013 and Rules made thereunder and Listing Regulations and applicable Accounting Standards.

CORPORATE GOVERNANCE

Being a Listed Company, the Company has taken necessary measures to comply with the provisions of Listing Regulations regarding Corporate Governance as amended from time to time. A separate report on Corporate Governance for the year ended on 31st March, 2018 is attached herewith as a part of this Annual Report viz **Annexure - C**. A certificate from Statutory Auditors of the Company regarding compliance of the aforesaid provisions of Corporate Governance is obtained by the Company and annexed to the Corporate Governance Report. The Auditors' Certificate for the financial year 2017-2018 does not contain any qualification, reservation or adverse remark in respect of Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the confirmation and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(C) and 134(5) of the Companies Act, 2013 and confirm that :

- (a) in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts for the year ended on 31st March, 2018 on a going concern basis ;

- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided by the Company under Section 186 of the Companies Act, 2013 are not provided, as during the year under review, the Company has not given any loan nor made any investment nor given any guarantee nor provided any security to any person.

RELATED PARTY TRANSACTIONS

Information on transaction with related party referred to under sub-section (1) of Section 188 of the Companies Act, 2013 in the prescribed Form AOC-2 is attached herewith viz **Annexure - D** and forming part of the Directors' Report pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

Transaction with related parties pursuant to the provisions of Listing Regulations and erstwhile Listing Agreement are disclosed in Note No. 30 of the Notes to the Financial Statements for the year ended on 31st March, 2018, in the Annual Report as required by the Accounting Standard (AS) 18 issued by ICAI.

However, there are no materially significant related party transactions made/entered into by the Company with its related parties including promoters, directors or the management etc. that may have potential conflict with the interests of the Company at large.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website viz. www.patelsairtemp.com.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. However, the Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder and Listing Regulations and as such no approval of the Shareholders require.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 152(6)(d) of the Companies Act, 2013 and Rules made thereunder, Mr. Narendra G. Patel (DIN: 00023205), Whole-time Director of the Company, shall retire by rotation as a Director of the Company at this Annual General Meeting as determined by lot at the Board Meeting of the Company held on 14th August, 2017 between himself and Mr. Prakash N. Patel (DIN: 00249210), Managing Director of the Company, as they became Directors on the same day at the time of their last appointment, and being eligible, offer himself for re-appointment, for which necessary resolution has been incorporated in the notice of the meeting. The Board of Directors recommends re-appointment of Mr. Narendra G. Patel as a Director of the Company. The brief resume/details relating to the said Director, who is to be re-appointed are furnished in the Notes to the Notice of the Annual General Meeting.

Mr. Himanshu N. Rawal (DIN : 06631728) who was appointed as an Independent Director of the Company, holds office up to the conclusion of this i.e. 26th Annual General Meeting of the Company ("first term" in terms of Sections 149(10) of the Companies Act, 2013). The Company has received notice under Section 160 of the Companies Act, 2013 from a shareholder of the Company proposing the re-appointment of Mr. Himanshu N. Rawal for the Office of Director of the Company in the category of Independent Director for a second term of 5 (five) consecutive years up to the conclusion of the 31st Annual General Meeting of the Company in the calendar year 2023. A brief profile of Mr. Himanshu N. Rawal is given in the notice convening the 26th AGM, for the reference of the shareholders. The Board taking into account the recommendation of the Nomination and Remuneration Committee and on the

basis of the report of performance evaluation of Independent Directors, has recommended the re-appointment of Mr. Himanshu N. Rawal as an Independent Director of the Company, for the aforesaid term.

The remuneration payable to (i) Mr. Narayanbhai G. Patel, Chairman & Whole-time Director, (ii) Mr. Prakash N. Patel, Managing Director, (iii) Mr. Sanjiv N. Patel, Managing Director and (iv) Mr. Narendra G. Patel, Whole-time Director of the Company, has been increased from ₹ 2,50,000/- per month to ₹ 3,00,000/- per month with perquisites and allowances, subject to the approval of the shareholders, for which, necessary resolutions have been incorporated in the Notice of the Meeting seeking Members approval for the same.

Pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and Rules made thereunder and on the recommendation of the Nomination and Remuneration Committee, the Company proposes to appoint Mr. Apurva V. Shah (DIN :0008197983), who was appointed as Additional Director at the Board Meeting held on 11th August, 2018, as Director of the Company (Non-independent Director), liable to retire by rotation. The Company has received requisite notice in writing from a Member proposing his candidature for appointment as a Director of the Company. Mr. Apurva V. Shah (DIN :0008197983) has been appointed as Whole-time Director of the Company for period of 3 years w.e.f. 11th August, 2018 with payment of remuneration. Necessary resolutions have been incorporated in the Notice of the Meeting seeking Members approval for the same.

In accordance, with the recently notified changes in the Listing Regulations, the Company shall ensure that the appointment of any Non-Executive Director who has attained the age of 75 years is approved by the Members by way of a Special Resolution. In this regard, Mr. Ramanbhai R. Patel will continue as Non-executive Independent Director of the Company who has attained the age of 75 years during his tenure as an Independent Director of the Company. The Board of Directors therefore recommends the Special Resolution for approval of the members.

The Company has received declarations from all the Independent Directors of the Company in terms of Section 149(7) of the Act, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(b) & 25 of SEBI Listing Regulations, 2015.

COMMITTEES OF DIRECTORS

The Board of Directors has the following Committees:

1. Audit Committee (AC)
2. Nomination and Remuneration Committee (NRC)
3. Stakeholders' Relationship Committee (SRC)
4. Corporate Social Responsibility Committee (CSR)

The details of various Committees of Directors constituted by the Board of Directors under various provisions of Companies Act, 2013 and Rules made thereunder and Listing Regulations, Meetings & Attendance, terms of reference and other details are provided in the Corporate Governance Report annexed with the Directors' Report.

The composition of various Committees and their terms of references may be accessed on the Company's website viz. www.patelsairtemp.com.

BOARD EVALUATION

The Board has carried out an evaluation of its own performance and that of its Committees and Directors and also Chairperson in terms of Section 134(3)(p) of the Companies Act, 2013 and Rules made thereunder and Listing Regulations. The Board has approved a policy (NRC Policy) for criteria of determining qualifications, selection, appointment and remuneration of Directors, KMP and Senior Management and the same has been uploaded on the Company's web-site www.patelsairtemp.com.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors and assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Policy on appointment and remuneration of Directors, KMP and other employees and other matters as required under Section 178(3) of the Companies Act, 2013 is available on the web-site of the Company viz. www.patelsairtemp.com.

NUMBER OF BOARD MEETINGS

During the financial year 2017-2018, 5 (Five) Board Meetings were held on 30/05/2017, 14/08/2017, 14/09/2017, 08/12/2017 & 10/02/2018. The gap between two Board Meetings did not exceed 120 days as prescribed in the Companies Act, 2013 and Regulations 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The particulars of number of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report. Agenda of the meetings were prepared and all necessary papers were circulated to Members of the Board in advance. Necessary disclosures were made by the Directors in the Board Meeting whenever required. The Company has complied with Secretarial Standards 1 (SS-1) related to Board Meeting of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the **Annexure – E** attached herewith and forming part of the Directors' Report.

RISK MANAGEMENT

Business risk evaluation and management, covering the business operations of the Company, is an ongoing process within the Company and the management reviewed frequently risk assessment and to minimize them. The ultimate goal of risk management is the preservation of physical and human assets of the organization for successful continuation of its operations. Pursuant to the provisions of Regulation 21 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, at present, the Company is not required to constitute Risk Management Committee of the Directors of the Company.

CORPORATE SOCIAL RESPONSIBILITY

In terms of provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, a Committee of the Directors of the Company has been constituted as Corporate Social Responsibility (CSR) Committee. CSR Committee has formulated a policy on the Corporate Social Responsibility measures to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013. The Corporate Social Responsibility Policy is available on the Company's web-site viz. www.patelsairtemp.com.

The Company has duly spent the required amount during the financial year ended on 31st March, 2018 towards CSR activities. The Annual Report on CSR activities including Responsibility Statement of the CSR Committee is annexed herewith marked as **Annexure - F**.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

The Company's internal control system is commensurate with its size, scale and complexities of its operations.

STATUTORY AUDITORS & AUDIT REPORT

M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad, having Firm Registration No. 113742W were appointed as Statutory Auditors of your Company at the 25th Annual General Meeting held on 19th September, 2017, for a term of five consecutive years. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. Accordingly, no

resolution has been proposed for ratification of the Statutory Auditors. No fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Section 204 of the Companies Act, 2013 and Rules made thereunder inter alia requires every Listed Company to annex with its Board Report a Secretarial Audit Report given by a Company Secretary in Practice in the prescribed form. The Board had appointed Mr. Punit Lath, Practicing Company Secretary, Ahmedabad (COP No. 11139) as the Secretarial Auditor to conduct Secretarial Audit of the records of the Company for the financial year 2017-2018 and to submit his report to the Company. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as **Annexure – G** to this Report.

The Board at its meeting held on 10th February, 2018, has reappointed Punit Lath, as Secretarial Auditor, for conducting Secretarial Audit of the Company for FY 2018-2019. The Company has received his written consent that the appointment is in accordance with the applicable provisions of the Act and Rules framed thereunder.

The Secretarial Audit Report for the financial year 2017-2018 does not contain any qualification, reservation or adverse remark. During the year under review, the Secretarial Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

COST AUDIT

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Amendment Rules 2014, your Company is required to get its cost accounting records audited by a Cost Auditor.

Accordingly, the Board at its meeting held on 26th April, 2018, has on the recommendation of the Audit Committee, appointed M/s. Rajendra Patel & Associates, Cost Accountant, Ahmedabad (Firm Registration No. FRN101163 and Membership No. 29021) to conduct the audit of the cost accounting records of the Company for FY 2018-2019 on a remuneration of ₹ 80,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

The Cost Audit Report for the Financial Year ended 31st March, 2017 has been duly filed in XBRL mode. The cost audit report of the Company for financial year ended March 31, 2018 will be filed with Central Government on or before the due date as prescribed under Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014.

INSURANCE

All insurable interests of the Company including buildings, plant and machinery, furniture & fixtures and other insurable interest are adequately insured.

LISTING FEES

Pursuant to the provisions of Listing Regulations, the Company declares that the Equity Shares of the Company are listed on the BSE Limited (BSE). The Company confirms that it has paid Annual Listing Fees to BSE up to the Financial Year 2018-2019.

PARTICULARS OF EMPLOYEES

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is annexed as **Annexure - H** and forms an integral part of this Report.

A statement showing the names of top 10 employees in terms of remuneration drawn as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is annexed as **Annexure - H** and forms an integral part of this Report.

The Statement of particulars of employees under Section 197(12) read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as, during the financial year under review, no employee of the Company including Whole-time Directors and Managing Directors were in receipt of remuneration in excess of the limits set out in the said rules.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report any act of serious misconduct or wrongful activity being occurred or suspected to occur within the organization, to his immediate HOD or the HR Head or directly to the concern Whole-time Directors or Managing Directors of the Company, as he may desire. No employee of the Company is denied access to the Audit Committee. The vigil mechanism/whistle blower policy is also available on the web-site of the Company viz. www.patelsairtemp.com.

GENERAL

- During the year under review, there was no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial position of the Company, during the period from 31st March, 2018 till the date of this report.
- The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under Section 67(3)(c) of the Companies Act, 2013 does not require.
- The disclosure in terms of Rule 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.
- The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints pertaining to sexual harassment were received during FY 2017-2018.

- No fraud has been reported by the Auditors to the Audit Committee or the Board.

ACKNOWLEDGEMENT

The Directors place on record the appreciation and gratitude for the co-operation and assistance extended by various departments of the Union Government, State Government, Bankers and Financial Institutions.

The Directors also place on record their appreciation of dedicated and sincere services of the employees of the Company at all levels.

The Company will make every effort to meet the aspirations of its Shareholders and wish to sincerely thank them for their whole hearted co-operation and support at all times.

By order of the Board of Directors

NARAYANBHAI G. PATEL
Chairman & Whole-time Director

Date : 11th August, 2018
Place : Rakanpur, Dist. Gandhinagar

ANNEXURE-A TO DIRECTORS'REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS**REGISTRATION DETAILS**

1.	CIN No.	L29190GJ1992PLC017801
2.	Registration Date	10-06-1992
3.	Company Name	PATELS AIRTEMP (INDIA) LIMITED
4.	Category/ Sub Category of the Company	Public Company Limited by Shares
5.	Address of the Registered Office & contact details	5 th Floor, Kalpana Complex, Near Memnagar Fire Station, Navrangpura, Ahmedabad-380 009, Gujarat, India Tel. No: 079-27913694-95-96 Fax No.+91-79-27913694 Website : www.patelsairtemp.com E-mail : share@patelsairtemp.com
6.	Whether Listed Company	Yes. Listed at BSE Ltd.
7.	Name, Address and Contact details of Registrar and Transfer	Bigshare Services Pvt. Ltd., Ahmedabad Office Bigshare Services Pvt. Ltd. A-802 Samudra Complex Near Klassic Gold, Girish Cold Drink , Off C. G. Road, Navrangpura Ahmedabad-380009, Gujarat Tele. No. 079 400 24135/079 400392570, Fax No. (022) 28475207, E-mail Address: investor@bigshareonline.com; bssahd2@bigshareonline.com Web-site : www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Air Cooled Heat Exchangers & Accessories	359.6 (NIC - 1997)	44.19%
2	Heat Exchangers & Accessories	359.6 (NIC - 1997)	30.48%
3	Pressure Vessels & Accessories	359.6 (NIC - 1997)	18.41%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
Not Applicable					
The Company does not have any Holding/Subsidiary/Associate Companies					

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
A1. Indian									
(A) Individual / HUF	961746	0	961746	18.9684	961746	0	961746	18.9684	0.0000
(B) Central / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(C) Bodies Corporate	1433954	0	1433954	28.2818	1433954	0	1433954	28.2818	0.0000
(D) Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(E) Any Others (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub Total (A)(1) :	2395700	0	2395700	47.2502	2395700	0	2395700	47.2502	0.0000
A2. Foreign									
(A) Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
(B) Individual	0	0	0	0.0000	0	0	0	0.0000	0.0000
(C) Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(D) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(E) Any Others (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub Total (A)(2) :	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total Holding for Promoters and promoter Group (A)=(A)(1)+(A)(2)	2395700	0	2395700	47.2502	2395700	0	2395700	47.2502	0.0000
(B) Public Shareholding									
B1. Institutions									
(A) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(B) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(C) Alternate Investment Fund	0	0	0	0.0000	0	0	0	0.0000	0.0000
(D) Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(E) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(F) Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(G) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(H) Provident Funds Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub Total (B)(1) :	0	0	0	0.0000	0	0	0	0.0000	0.0000
B2. Central / State Government(s)/ President of India - IEPF									
	0	0	0	0.0000	26339	0	26339	0.5195	0.5195
Sub Total (B)(2) :	0	0	0	0.0000	26339	0	26339	0.5195	0.5195

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B3. Non-institutions									
(A) Individual shareholders holding									
(I) (Share Capital upto to ₹ 2 Lakhs)	1804474	146509	1950983	38.4791	1863675	112303	1975978	38.9721	0.4930
(II) (Share Capital Greater than ₹ 2 Lakhs)	460835	0	460835	9.0890	444643	0	444643	8.7697	-0.3193
(B) NBFCs registered with RBI	5	0	5	0.0001	0	0	0	0.0000	-0.0001
(C) Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(D) Overseas Depositories (holding DRs) (Balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(E) Any Others (Specify)									
(I) Bodies Corporate	136646	2850	139496	2.7513	102871	825	103696	2.0452	-0.7061
(II) Clearing Member	16490	0	16490	0.3252	20098	0	20098	0.3964	0.0712
(III) Non Resident Indians (Non Repat)	24596	0	24596	0.4851	25680	0	25680	0.5065	0.0214
(IV) Non Resident Indians (NRI)	75851	0	75851	1.4960	64900	0	64900	1.2800	-0.2160
(V) Non Resident Indians (Repat)	6284	0	6284	0.1239	13206	0	13206	0.2605	0.1365
Sub Total (B)(3) :	2525181	149359	2674540	52.7498	2535073	113128	2648201	52.7498	0.0000
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	2525181	149359	2674540	52.7498	2561412	113128	2674540	52.2303	-0.5195
(C) Shares Held By Custodians and against which Depository Receipts have been Issued									
(A) Shares Held By Custodians	0	0	0	0.0000	0	0	0	0.0000	0.0000
(I) Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
(II) Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub Total (C)(1) : (C)=(C)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Grand Total (A)+(B)+(C)	4920881	149359	5070240	100.0000	4957112	113128	5070240	100.0000	0.0000

(ii) Shareholding of Promoters

Sr. No.	Name of Shareholder's	Shareholding at the beginning of the year 01-04-2017			Share holding at the end of the year 31-3-2018			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Therm Flow Engineers Pvt Ltd	1364512	26.91	0.00	1364512	26.91	0.00	0.00
2	Devidas Chelaram Narumalani	290145	5.72	0.00	290145	5.72	0.00	0.00
3	Patel Prakash Narayanbhai	120000	2.37	0.00	120000	2.37	0.00	0.00
4	Narendrabhai Gopalbhai Patel	303801	5.99	0.00	303801	5.99	0.00	0.00
5	Patel Narayanbhai Gangaram	120000	2.37	0.00	120000	2.37	0.00	0.00
6	Shiv Fintrade Pvt. Ltd.	69442	1.37	0.00	69442	1.37	0.00	0.00
7	Patel Sitaben Narayanbhai	55000	1.08	0.00	55000	1.08	0.00	0.00
8	Patel Narayanbhai Gangaram-HUF	17700	0.35	0.00	17700	0.35	0.00	0.00
9	Sanjiv Narayanbhai Patel	16000	0.32	0.00	16000	0.32	0.00	0.00
10	Aarty P. Patel	14000	0.28	0.00	14000	0.28	0.00	0.00
11	Rashmika Narendr Patel	6525	0.13	0.00	6525	0.13	0.00	0.00
12	Pushpa D Narumalani	5775	0.11	0.00	5775	0.11	0.00	0.00
13	Prakash N. Patel - HUF	5000	0.10	0.00	5000	0.10	0.00	0.00
14	Kanayalal Gagandas Narumalani	3750	0.07	0.00	3750	0.07	0.00	0.00
15	Khushal Gagandas Narumalani	3750	0.07	0.00	3750	0.07	0.00	0.00
16	Jalpa Sanjiv Patel	100	0.00	0.00	100	0.00	0.00	0.00
17	Sanjivkumar N Patel - HUF	100	0.00	0.00	100	0.00	0.00	0.00
18	Shivang Prakash Patel	100	0.00	0.00	100	0.00	0.00	0.00
	Total	2395700	47.25	0.00	2395700	47.25	0.00	0.00

(iii) Change in Promoters' Shareholding

Sr. No.	Name of the Promoters	Shareholding Beginning of the year 01.04.2017 End of the Year 31.03.2018		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding During the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
	At the beginning of the year - 01.04.2017	2395700	47.25				2395700	47.25
	At the end of the year - 31.03.2018	2395700	47.25	-	No Change	-	2395700	47.25

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the top ten Shareholders	Shareholding Beginning of the year 01.04.16 End of the Year 31.03.17	Date	Increase/ Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the company
1	DEENAR KRISHNARAO TORASKAR	45,082	31-Mar-17	0	Transfer	45,082	0.89
			22-Sep-17	2555		47,637	0.94
			29-Sep-17	2660		50,297	0.99
			6-Oct-17	5000		55,297	1.09
			13-Oct-17	5815		61,112	1.21
			31-Mar-18	0		61,112	1.21
2	SHARAD KANAYALAL SHAH	61,000	31-Mar-17	0	Transfer	61,000	1.20
			31-Mar-18	0		61,000	1.20
3	SNEHAL BHUPENDRA SHAH	54,000	31-Mar-17	0	Transfer	54,000	1.07
			20-Oct-17	-54000		0	0.00
			31-Mar-18	0		0	0.00
4	PATEL BHARAT CHHABILDAS	47,412	31-Mar-17	0	Transfer	47,412	0.94
			28-Apr-17	500		47,912	0.95
			5-May-17	200		48,112	0.95
			18-Aug-17	180		48,292	0.95
			25-Aug-17	100		48,392	0.95
			8-Sep-17	800		49,192	0.97
			29-Sep-17	400		49,592	0.98
			13-Oct-17	400		49,992	0.99
			24-Nov-17	100		50,092	0.99
			8-Dec-17	150		50,242	0.99
			5-Jan-18	200		50,442	0.99
			12-Jan-18	-400		50,042	0.99
			19-Jan-18	800		50,842	1.00
			26-Jan-18	400		51,242	1.01
			2-Feb-18	100		51,342	1.01
23-Feb-18	582	51,924	1.02				
31-Mar-18	0	51,924	1.02				
5	MANOJ MURARKA	38,000	31-Mar-17	0	Transfer	38,000	0.75
			9-Jun-17	-1400		36,600	0.72
			23-Jun-17	-75		36,525	0.72
			28-Jul-17	8060		44,585	0.88
			13-Oct-17	-475		44,110	0.87
			31-Mar-18	0		44,110	0.87

6	GAUTAM JAIN	40,828	31-Mar-17	0	Transfer	40,828	0.81				
		40,828	31-Mar-18	0		40,828	0.81				
7	SUDHIR LAXMAN NAYAK	23,449	31-Mar-17	0	Transfer	23,449	0.46				
			18-Aug-17	1200		24,649	0.49				
			29-Sep-17	2000		26,649	0.53				
			6-Oct-17	391		27,040	0.53				
			20-Oct-17	1005		28,045	0.55				
			17-Nov-17	356		28,401	0.56				
			24-Nov-17	2880		31,281	0.62				
			1-Dec-17	350		31,631	0.62				
			19-Jan-18	-3364		28,267	0.56				
			26-Jan-18	3364		31,631	0.62				
			9-Feb-18	1000		32,631	0.64				
			31-Mar-18	0		32,631	0.64				
			8	SAAHIL MURARKA		31,806	31-Mar-17	0	Transfer	31,806	0.63
26-May-17	-650	31,156			0.61						
2-Jun-17	-3850	27,306			0.54						
30-Jun-17	-1200	26,106			0.51						
28-Jul-17	675	26,781			0.53						
4-Aug-17	424	27,205			0.54						
11-Aug-17	76	27,281			0.54						
1-Sep-17	-1500	25,781			0.51						
15-Sep-17	-500	25,281			0.50						
29-Sep-17	-4500	20,781			0.41						
6-Oct-17	-1085	19,696			0.39						
13-Oct-17	-4500	15,196			0.30						
24-Nov-17	-2000	13,196			0.26						
31-Mar-18	0	13,196			0.26						
9	BATLIVALA & KARANI CAPITAL PVT LTD	31,694	31-Mar-17	0	Transfer	31,694	0.63				
			28-Jul-17	4500		36,194	0.71				
			1-Sep-17	-7500		28,694	0.57				
			29-Sep-17	28694		28,694	0.57				
			17-Nov-17	-9000		19,694	0.39				
			8-Dec-17	-3260		16,434	0.32				
			15-Dec-17	-3740		12,694	0.25				
			12-Jan-18	-7200		5,494	0.11				
			31-Mar-18	0		5,494	0.11				
			10	SUNIL KUMAR GUPTA		30,000	31-Mar-17	0	Transfer	30,000	0.59
						30,000	31-Mar-18	0		30,000	0.59
11	KIRTIDA CHHABILDAS PATEL	28,595	31-Mar-17	0	Transfer	28,595	0.56				
			5-May-17	100		28,695	0.57				
			19-May-17	50		28,745	0.57				
			20-Oct-17	195		28,940	0.57				
			27-Oct-17	100		29,040	0.57				
			8-Dec-17	200		29,240	0.58				
			15-Dec-17	-150		29,090	0.57				
			22-Dec-17	-100		28,990	0.57				
			29-Dec-17	150		29,140	0.57				
			5-Jan-18	-100		29,040	0.57				
			12-Jan-18	-400		28,640	0.56				
			31-Mar-18	0		28,640	0.56				
			12	PANKAJ JAJU		26,000	31-Mar-17	0	Transfer	26,000	0.51
26,000	31-Mar-18	0			26,000	0.51					
13	KAYZAD SIRUS EGHLM	25,000	31-Mar-17	0	Transfer	25,000	0.49				
		25,000	31-Mar-18	0		25,000	0.49				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors & KMP	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding During the year	
		Beginning of the year 01.04.2017					No. of shares	% of total shares of the company
		End of the Year 31.03.2018						
Directors								
1	PATEL NARAYANBHAI GANGARAM	120000	2.37	No transaction	-	120000	2.37	
		120000	2.37					
2	NARENDRABHAI GOPALBHAI PATEL	303801	5.99	No transaction	-	303801	5.99	
		303801	5.99					
3	PATEL PRAKASH NARAYANBHAI	120000	2.37	No transaction	-	120000	2.37	
		120000	2.37					
4	SANJIV NARAYANBHAI PATEL	16000	0.32	No transaction	-	16000	0.32	
		16000	0.32					
5	HARESHKUMAR ISHWARLAL SHAH	NIL	NIL	NIL	-	NIL	NIL	
6	VINODKUMAR CHOTUBHAI PATEL	NIL	NIL	NIL	-	NIL	NIL	
7	RAMANBHAI RAMDAS PATEL	NIL	NIL	NIL	-	NIL	NIL	
8	VEENABEN BHUPENDRABHAI PATEL	1079	0.02	No transaction	-	1079	0.02	
		1079	0.02					
9	HIMANSHU N. RAWAL	NIL	NIL	NIL	-	NIL	NIL	
10	APURVA V. SHAH	600	0.01	No transaction	-	600	0.01	
		600	0.01					
Key Managerial Personnel								
11	KAMLESH RASIKLAL SHAH (CFO)	1050	0.02	No transaction	-	1050	0.02	
		1050	0.02					
12	NIKHIL M. APTEL (CS)	NIL	NIL	NIL	-	NIL	NIL	

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors, Whole-time Directors and/or Manager : (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Narayanbhai G. Patel (Chairman & WTD)	Narendra G. Patel (WTD)	Prakash N. Patel (MD)	Sanjiv N. Patel (MD)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000	30,00,000	30,00,000	30,00,000	1,20,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,27,980	71,761	1,58,772	46,379	4,04,892
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2.	Stock Option	NA	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA	NA
4.	Commission - as % of profit - others, specify...	NA	NA	NA	NA	NA
5.	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total	31,27,980	30,71,761	31,58,772	30,46,379	1,24,04,892

Mr. Apurva V. Shah has been appointed as Whole-time Director of the Company for a period of 3 years w.e.f. 11th August, 2018 with Salary of ₹ 2,30,000/- p.m. and perquisites and allowances.

B. Remuneration to other Directors :

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Haresh kumar I Shah	Vinod kumar C. Desai	Raman bhai R. Patel	Himanshu N. Rawal	Veena ben B. Patel	
1.	Independent Directors						
	- Fee for attending Board Meetings	12,500	12,500	12,500	12,500	12,500	62,500
	- Commission	Nil	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	12,500	12,500	12,500	12,500	12,500	62,500
2.	Other Non-Executive Directors						
	- Fee for attending Board Meetings	NA	NA	NA	NA	NA	NA
	- Commission	Nil	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1+2)	12,500	12,500	12,500	12,500	12,500	62,500

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**(Amount in ₹)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Nikhil M. Patel (CS)	Kamlesh R. Shah (CFO)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,73,400	9,44,623	20,18,023
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	NA	NA	NA
3.	Sweat Equity	NA	NA	NA
4.	Commission	NA	NA	NA
	- as % of profit			
	- others, specify...			
5.	Others, please specify	NA	NA	NA
	Total	10,73,400	9,44,623	20,18,023

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences on Company, Directors and other Officers in Default for the Financial Year ended on 31st March, 2018.

ANNEXURE-B TO DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OUTLOOK

FY 2017-18 marked a significant economic measure by the government: The Goods and Services Tax (GST) was implemented from July, 2017 as the nation moved to 'one nation-one tax'. The reform measure has helped India move into the Top 100 Club in World Bank's 'Global Ease of Doing Business' rankings. The Indian economy continued to grow strongly, as the economy recovered in the 2nd half post stabilization of the GST regime. Gross Domestic Product growth rate in FY 2017-18 was 6.7%, supported by consumption growth and Government spending. With improving investments, there are signs that a recovery is underway. Industrial activity has rebounded with strong industrial production growth, led by a rise in consumption, manufacturing and electricity generation. Strong vehicle sales growth and improvement in road freight transport following stabilization of GST are further positive signs for continuing demand growth. Services indicators also show positive trends with services credit, services exports and imports clocking double digit growth.

The International Monetary Fund (IMF), World Economic Outlook stated that stronger momentum experienced in 2017 is expected to carry into 2018 and 2019, with global growth revised up to 3.9 percent for both years. IMF further stated that for the two-year forecast horizon, the upward revisions to the global outlook result mainly from advanced economies, where growth is now expected to exceed 2 percent in 2018 and 2019. Key emerging market and developing economies, including Brazil, China, and South Africa, also posted third-quarter growth stronger than the forecasts. However, risks to the global growth forecast appear broadly balanced in the near term, but remain skewed to the downside over the medium term. On the downside, rich asset Valuations raise the possibility of a financial market correction, which could dampen growth and confidence. Inward-looking policies, geopolitical tensions, and political uncertainty in some countries also pose downside risks.

FINANCIAL AND OPERATIONAL PERFORMANCE

Your Company is operating in single segment namely engineering fabrication. Therefore, Company has been reporting Standalone Results. This discussion, therefore, covers the financial results and other developments during April 2017 to March 2018, in respect of the Company.

Although tough economic conditions continued in the year under review, your Company was able to record significant improvement in performance owing to growth in the areas of Manufacturing of Industrial Machineries and fabrication. Manufacturing of Industrial Machineries and fabrication having different products maintained its performance while protective coatings continued to face tough market demand conditions.

The Company has earned revenue from operations (gross) of ₹ 159.38 crores during the year ended on 31st March, 2018 as against ₹ 148.61 crores earned during the previous year ended on 31st March, 2017, giving a rise of 7.25 % as compared to previous year. The Company has also earned other income of ₹ 42.85 lakhs during the year under review as against ₹ 50.71 lakhs earned during the previous year.

Out of the revenue from operations of ₹ 159.38 crores earned by the Company during the year under review, ₹ 152.62 crores represents sale of products (Domestic & Export), ₹ 2.52 crores represents sale of Services (Processing Charges) and ₹ 4.24 crores represents other operating revenues.

The Company has earned the Profit before Tax of ₹ 12.65 crores during the year ended on 31st March, 2018 as compared to ₹ 12.24 crores earned during the previous year ended on 31st March, 2017.

The Company has earned Net Profit of ₹ 8.61 crores for the year ended on 31st March, 2018 after making Provision for Tax Expenses of ₹ 4.04 crores and other adjustments, as compared to Net Profit of ₹ 7.91 crores earned by the Company during the previous year ended on 31st March, 2017, a rise of 8.85 %.

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. 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" and "N & NPT" 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 (from OECD)

Growth is increasing, making India the fastest-growing G20 economy. Investment and exports, supported by the smoother implementation of the new goods and services tax (GST), are becoming major growth engines. Inflation will hover within the target band, with upside risks reflecting rising oil prices and an increase in housing allowance for public employees. The current account deficit will increase. Job creation in the formal sector will remain sluggish, leaving the vast majority of workers in low-productivity, low-paid activities.

Fiscal and monetary policies are projected to remain broadly neutral. To reduce the relatively high public debt-to-GDP ratio, containing contingent fiscal liabilities is key, including through better governance of public enterprises. Better risk assessment in banks would allow allocating financial resources to the best projects and avoiding a new increase in non-performing loans. Investing more in education and training, combined with a modernization of labour laws, would help create better jobs and make growth more inclusive.

OPPORTUNITIES

Export in the developed countries like USA, Canada & Europe and other countries like Nigeria, Indonesia, Zambia 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" and "N & NPT" Stamp Authorization. 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.

To enrich the skills of employees and enrich their experience, the Company arranges, Practical Training Courses by Internal and External Faculty.

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. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated on account of various factors such as changes in government regulations, tax regimes, economic developments, exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints.

**ANNEXURE-C TO DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT**

**Report on Corporate Governance for the year ended on 31st March, 2018 (2017-2018)
Pursuant to SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015
as amended from time to time**

In September, 2015, the Securities and Exchange Board of India (SEBI) introduced comprehensive Regulations, namely, SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015 (herein after referred to as "LODR" or "Listing Regulations"), in place of Listing Agreement with Stock Exchanges, which have come into force from 1st December, 2015 and thereafter amended from time to time and detailed report on Corporate Governance is set out below as per Listing Regulations complying with Regulation 17 to 27 read with Schedule V and Clause (b) to (i) of Regulation 46(2) of Listing Regulations.

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company's philosophy on Corporate Governance envisages the attainment of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including its interaction with employees, shareholders, creditors, consumers and institutional and other lenders and places due emphasis on regulatory compliance.

Traditional views of governance as a regulatory and compliance requirement have given a way for adoption of governance as an integral part of the Company. 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 endeavor to ensure transparency, control and accountability, in all areas of its operations.

Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct for Directors and Senior Management Personnel
- Code of Conduct for Prohibition of Insider Trading
- Vigil Mechanism and Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Corporate Social Responsibility Policy
- Policy for Selection of Directors and determining Directors Independence
- Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy for Preservation of Documents
- Policy on Determination and Disclosure of Materiality of Events and Information

2. BOARD OF DIRECTORS

(i) Composition and category of Directors as on 31st March, 2018 :

As per Listing Regulations, the Board of Directors of the Company comprises of the combination of Executive and Non-Executive Directors. Out of total strength of 9 Directors as on 31st March, 2018, 4 Directors are Executive Directors and 5 Directors are Independent Directors. The majority Directors are Non-Executive Directors and one half of the total Directors are Independent Directors including one woman Director. The Chairman of the Board is Promoter-Executive Director. The members of the Committees like Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility (CSR) Committee comprise majority of Independent Directors with Chairman, being Independent Director. The composition of the Board is in conformity with Regulation 17 of SEBI Listing Regulation read with Section 149 of the Companies Act, 2013.

The Chairman & Whole-time Director provides overall direction and guidance to the Board. In the operations and functioning of the Company, the Chairman & Whole-time Director is assisted by other three Executive Directors and a core group of senior level executives. The Chairman guides the Board for effective governance structure in the Company. In doing so, the Chairman presides at the meetings of the Board and the Shareholders of the Company.

The Chairman takes a lead role in managing the Board and facilitating effective communication among Directors. The Chairman is responsible for matters pertaining to governance, including the organization and composition of the Board, the organization and conduct of Board meetings, effectiveness of the Board, Board Committees and individual Directors in fulfilling their responsibilities. The Company Secretary assists the Chairman in management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.

The composition of the Board as on 31st March, 2018, details of other Directorship and Committee Membership/Chairmanship held by them in other Public Companies, their attendance at the Board Meetings held during the financial year 2017-2018 and also at the last Annual General Meeting (AGM) held are given below :

Name of Directors and Category		Designation	Attendance Particulars			No. of Directorship and Committee Membership / Chairmanship held in other Public Companies		
			Board Meetings Held	Board Meeting Attended	Last Annual General Meeting	Other Directorship	Committee Membership	Committee Chairman
Promoters & Executive Directors								
1.	Mr. Narayanbhai G. Patel	Chairman & Whole-time Director	5	5	Yes	NIL	NIL	NIL
2.	Mr. Narendra G. Patel	Whole-time Director	5	5	Yes	NIL	NIL	NIL
3.	Mr. Prakash N. Patel	Managing Director	5	4	Yes	NIL	NIL	NIL
4.	Mr. Sanjiv N. Patel	Managing Director	5	5	Yes	NIL	NIL	NIL
Independent Directors								
5.	Mr. Hareshkumar I. Shah	Independent Director	5	5	Yes	NIL	NIL	NIL
6.	Mr. Vinodkumar C. Desai	Independent Director	5	5	No	NIL	NIL	NIL
7.	Mr. Ramanbhai R. Patel	Independent Director	5	5	No	NIL	NIL	NIL
8.	Mrs. Veenaben B. Patel	Independent Director	5	5	No	NIL	NIL	NIL
9.	Mr. Himanshu N. Rawal	Independent Director	5	5	Yes	NIL	NIL	NIL

None of the Directors of the Company is a member of Board of more than 20 Companies and more than 10 Public Limited Companies in terms of Section 165 of the Companies Act, 2013. None of the Directors is a member of more than 10 Board level Committees or a Chairman of more than 5 such Committees in Public Companies as required under Regulation 26(1) of Listing Regulations. None of the Directors of the Company is a Director in other Public Companies.

The number of directorship(s), committee membership(s) / chairmanship(s) of all Directors is / are within the respective limits prescribed under the Companies Act, 2013 and the Listing Regulations. Mr. Apurva V. Shah has been appointed as Whole-time Director of the Company for a period of 3 years w.e.f. 11th August, 2018 with payment of Remuneration.

(ii) Relationship between the Directors

Mr. Prakash N. Patel and Mr. Sanjiv N. Patel, Managing Directors, are the son of Mr. Narayanbhai G. Patel, Chairman & Whole-time Director of the Company.

None of the other Directors are related to any other Director on the Board.

(iii) Shares held by Non-Executive Directors

Mrs. Veenaben B. Patel, Independent Director, holds 1,079 Equity Shares of ₹ 10/- each of the Company. None of the other Non-Executive Directors held the Shares of the Company.

(iv) Number of Board Meetings held and the dates on which held :

During the financial year 2017-2018, 5 (Five) Board Meetings were held on 30/05/2017, 14/08/2017, 14/09/2017, 08/12/2017 & 10/02/2018. The gap between two Board Meetings did not exceed 120 days as prescribed in the Companies Act, 2013 and Regulation 17 of Listing Regulations. The Board Meetings were generally held at the Factory (Works) of the Company situated at Rakanpur, Dist. Gandhinagar, Gujarat.

(v) Performance Evaluation of the Board as a whole and its Committees

The Companies Act, 2013 and SEBI Listing Regulations contain broad provisions on Board Evaluation i.e. evaluation of the performance of (i) the Board as a whole, (ii) Individual Directors (including Independent Directors and Chairperson) and (iii) various Committees of the Board. The purpose is to improve their overall performance as well as corporate governance standards to benefit all stakeholders.

The Board has carried out an evaluation of its own performance and that of its Committees and Directors and also Chairperson in terms of Section 134(3)(p) of the Companies Act, 2013 and Rules made thereunder and Listing Regulations. The Board has approved a policy (NRC Policy) for criteria of determining qualifications, selection, appointment and remuneration of Directors, KMP and Senior Management and the same has been uploaded on the Company's web-site www.patelsairtemp.com.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors and assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(vi) Minimum Information

Board members are informed well in advance about the schedule of the Meeting. Appropriate information/details and documents are sent in advance to each Director and normally submitted as a part of Agenda papers, except in case of matters/documents which are Unpublished Price Sensitive Information (UPSI), in order to enable the Board to discharge its responsibilities effectively. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted and place before the Board under other business with the permission of the Chairman and with the consent of the majority Directors including Independent Directors. Minutes of proceedings of Committee meetings are circulated to the respective committee members and placed before Board meetings for noting. Draft minutes are circulated to Board/Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

Action taken report on decisions / minutes of the previous meeting(s) is placed at the succeeding meeting of the Board / Committees for noting.

The Company follows the Secretarial Standards – 1 related to Board & Committee meetings which are effective from 1st July, 2015 and binding to the Company.

The following minimum information are placed before the Board for their consideration apart from other information/business :-

- Quarterly results of the Company
- Company's Annual Financial Results, Financial Statements, Auditors' Report and Board's Report
- Minutes of meetings of the Audit Committee and other Committees of the Board
- Non-compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as non-payment of dividend, delay in, share transfer, etc.
- Appointment, remuneration and resignation of Directors
- Formation/reconstitution of Committees
- Terms of reference of Committees
- Declaration of Independent Directors at the time of appointment/annually
- Disclosure of Directors' interest and their shareholding
- Appointment or removal of the Key Managerial Personnel
- Appointment of Internal Auditors and Secretarial Auditors
- Annual Secretarial Audit reports submitted by Secretarial Auditors
- Dividend declaration
- Recommending appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee
- Borrowing of monies, giving guarantees or providing security in respect of loans
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996
- Annual operating plans of businesses and budgets
- Show cause, demand, prosecution notices and penalty notices, if any, which are materially important
- Fatal or serious accidents, dangerous occurrences, and any material effluent or pollution problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like requiring of wage agreements, implementation of Voluntary Retirement Scheme, and so on
- Sale of investments, subsidiaries and assets which are material in nature and not in normal course of business
- Details of foreign exchange exposures, and steps taken by management to limit risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as non-payment of dividend, delay in, share transfer, etc.
- Recruitment and remuneration of senior officers just below the level of board of directors, if any

(vii) Independent Directors & Separate Meeting

All Independent Directors have been appointed for a term of 5 years, except in case of appointment of Mr. Himanshu N. Rawal for a term of 2 years. The terms & conditions of their appointment as Independent Directors is available on the web-site of the Company www.patelsairtemp.com.

None of the Independent Directors hold Directorship in more than 7 listed companies. None of the Whole-time Directors of the Company serve as an Independent Directors in more than 3 listed companies.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law. The Company has obtained declarations from all the Independent Directors pursuant to Section 149 (7) of the Companies Act, 2013. Every Independent Director is abide by the provisions specified in Schedule – IV to the Companies Act, 2013 related to Code of Conduct for Independent Directors.

The policy decisions are considered by the Nomination and Remuneration Committee for appointment of Independent Director on the Board. The Board considers the committee's recommendation and takes appropriate decision/action.

As per Regulation 25(3) of Listing Regulations and under the Companies Act, 2013 and Rules made thereunder read with Schedule IV (VII), the Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors, Non-Independent Directors or management personnel. Such meeting was held on 31st March, 2018 and all Independent Directors were present at the meeting. The following issues were discussed in detail:

- Purpose and applicable provisions for holding meeting of Independent Directors.
- Reviewed the performance of Non-independent Directors and the Board as a whole.
- Performance of the Executive Directors vis-à-vis Board as a whole.
- Reviewed the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-executive Directors.
- Assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(viii) Familiarization programme for Independent/Non-Executive Directors

As per Regulation 25(7) of Listing Regulations, whenever Independent Directors are inducted in the Board, they are introduced to the Company's organization structure, business and nature of industry, constitution, board procedures and roles, rights and responsibilities of Independent Directors, etc.

As per Regulation 46 of Listing Regulations, details of familiarization programmes for Independent Directors of the Company is uploaded on the Company's website www.patelsairtemp.com.

(ix) Remuneration/Sitting Fees to the Directors:

The Policy (NRC Policy) on appointment and remuneration of Directors is uploaded on the Company's website www.patelsairtemp.com.

The remuneration of Executive Directors is decided by the Board on the recommendation of Nomination & Remuneration Committee, subject to approval of the Shareholders in General Meeting.

The aggregate amount of salary and perquisites & allowances paid to the following Whole-time Directors & Managing Directors of the Company during the year ended on 31-03-2018 (i.e. from 1-4-2017 to 31-3-2018) are as under :-

(Amount in ₹)

Name of Whole-time & Managing Directors	Designation	Salary	Perquisites & Allowances	Total
Mr. Narayanbhai G. Patel	Whole-time Director	30,00,000	1,27,980	31,27,980
Mr. Prakash N. Patel	Managing Director	30,00,000	1,58,772	31,58,772
Mr. Sanjiv N. Patel	Managing Director	30,00,000	46,379	30,46,379
Mr. Narendra G. Patel	Whole-time Director	30,00,000	71,761	30,71,761

Besides this, the above Whole-time Directors & Managing Directors are also entitled to Superannuation or Annuity Fund, to the extent not taxable and Gratuity and encashment of Leave as per Rules of the Company.

The appointment of Whole-time Directors & Managing Directors may be terminated by either party giving to the other party three months' notice or the Company paying three months' remuneration in lieu thereof. The Company does not have a scheme for grant of stock options either to the Whole-time Directors & Managing Directors or Employees. None of the other Directors are paid remuneration except sitting fees for attending Board Meetings.

The Company has paid sitting fees as under to Non-executive Director and Independent Directors of the Company apart from travelling expenses for attending Board Meetings held during the year ended on 31-03-2018.

Sr. No.	Name of the Director	Amount in (Rs.)
1	Mr.Hareshkumar I. Shah	12,500
2	Mr.Vinodkumar C. Desai	12,500
3	Mr.Ramanbhai R. Patel	12,500
4	Mrs.Veenaben B. Patel	12,500
5	Mr. Himanshu N. Rawal	12,500

There were no pecuniary relationship or transactions by Independent Directors with the Company, its promoters or its management.

Criteria of making payments to Independent and /or Non-executive Directors are uploaded on the Company website at www.patelsairtemp.com.

3. **COMMITTEES OF THE BOARD**

The Board of Directors of the Company has constituted the following Committees in terms of the provisions of Listing Regulations and Companies Act, 2013 and Rules made there under :

1. Audit Committee (AC)
2. Nomination and Remuneration Committee (NRC)
3. Stakeholders' Relationship Committee (SRC)
4. Corporate Social Responsibility Committee (CSR)

The composition, meetings, attendance and terms of reference of the said Committees formed as per Companies Act, 2013, Rules made thereunder and Listing Regulations are as under:

A) **AUDIT COMMITTEE**

i) **Composition of Committee and Meetings and Attendance:**

As on 31st March, 2018 and as on the date of this report, the Audit Committee consists of 4 members, out of which, 3 are Independent Directors and 1 is Executive Director as under. The Committee's composition and terms of reference are in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The composition of Committee is given in this Report.

Independent Director is the Chairman of the Audit Committee and all members are financially literate and ability to read and understand the financial statements and one member has accounting or related financial management expertise.

Mr. Nikhil Patel, who is a Company Secretary of the Company, is the Secretary to the Audit Committee.

During the financial year 2017-2018, 5 (Five) Audit Committee Meetings were held on 30/05/2017, 14/08/2017, 14/09/2017, 08/12/2017 & 10/02/2018. The maximum gap between any two meetings was not more than 4 months. The Audit Committee Meetings were generally held at the Factory (Works) of the Company situated at Rakanpur, Dist. Gandhinagar, Gujarat.

The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review.

There are no recommendations of the Audit Committee which have not been accepted by the Board.

The presence of the Members at the meeting are as under:

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Hareshkumar I. Shah	Chairman	Independent Director	5	5
Mr. Narayanbhai G. Patel	Member	Executive Director	5	5
Mr. Ramanbhai R. Patel	Member	Independent Director	5	5
Mr. Himanshu N. Rawal	Member	Independent Director	5	5

- Whole-time Directors, Managing Directors and Chief Financial Officer (CFO) of the Company were generally invited to attend the Audit Committee meetings. The Minutes of the Audit Committee Meetings are placed before the Board in the next Board Meeting and noted the same.
- The Chairman of the Audit Committee was present at the last Annual General Meeting held on 19th September, 2017.

ii) Terms of reference:

The terms of reference of Audit Committee are to cover the matters specified under Listing Regulations and the Companies Act, 2013 and Rules made thereunder and more particularly redefined and approved by the Board of Directors at their meeting held on 12th November, 2016 in view of the provisions of Section 177(4) of the Companies Act, 2013 and Rules made thereunder and Listing Regulations. The functions of the Committee *inter alia* include the overview of the Company's financial reporting processes, review of the quarterly, 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, approval or any subsequent modification of transactions with related parties of the Company.

B) NOMINATION & REMUNERATION COMMITTEE (NRC)

The erstwhile Remuneration Committee of the Directors of the Company was re-nomenclature as "Nomination and Remuneration Committee" at the meeting of the Board of Directors held on 9th August, 2014, pursuant to the provisions of Clause – 49 (IC) of erstwhile Listing Agreement with Stock Exchange and Section 178 of the Companies Act, 2013 and Rules made thereunder.

i) Composition of Committee and Meeting and Attendance:

As on 31st March, 2018 and as on the date of this report, NRC Committee consists of 3 Independent Directors and 1 Executive Director as under. Independent Director is the Chairman of NRC Committee and Executive Director, who is a Chairman of the Company, is not a Chairman of NRC Committee. The constitution of NRC Committee fulfills the requirements of Section 178 of the Companies Act, 2013, Rules made thereunder and Regulation 19 of Listing Regulations.

During the year under review, NRC Committee met 1 time on 10/02/2018. The presence of the Members at the meeting are as under. NRC Committee normally meets for considering proposal related to appointment and/or remuneration of Key Managerial Personnel and Directors of the Company and for considering any other matter as may be specified under the terms of reference of the committee.

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Hareshkumar I. Shah	Chairman	Independent Director	1	1
Mr. Ramanbhai R. Patel	Member	Independent Director	1	1
Mr. Vinodkumar C. Desai	Member	Independent Director	1	1
Mr. Narayanbhai G. Patel	Member	Executive Director	1	1

Mr. Nikhil Patel, who is a Company Secretary of the Company, is the Secretary to the NRC Committee.

ii) Terms of reference:

NRC Committee shall identify the persons, who are qualified to become Directors of the Company/ who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every Director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees and such other things prescribed as per Section 178 of the Companies Act, 2013, Rules made thereunder and Listing Regulations. The terms of reference of NRC Committee are to cover the matters specified under Listing Regulations and Section 178 of the Companies Act, 2013 and Rules made thereunder and more particularly role and scope of work defined by the Board of Directors at their meeting held on 12th November, 2016.

The Policy on appointment and remuneration of Directors, KMP and other employees of the Company and other matters is uploaded on the Company's website www.patelsairtemp.com.

C) STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

i) Composition of Committee and Meeting and Attendance:

The erstwhile Share Transfer and Investors' Grievance Committee of the Directors of the Company was re-nomenclature as a Stakeholders' Relationship Committee, at the meeting of Board of Directors held on 9th August, 2014.

The Committee consists of 3 Independent Directors and 1 Executive Director as under. Independent Director is the Chairman of the Committee. The constitution of Stakeholders' Relationship Committee fulfills the requirements of Regulation 20 of Listing Regulations and Section 178 of the Companies Act, 2013 and Rules made thereunder.

During the year under review, the Stakeholders Relationship Committee met 6 times on 27/04/2017, 10/06/2017, 25/07/2017, 12/09/2017/, 30/12/2017 and 12/03/2018. The presence of the Members at the meeting are as under :

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Hareshkumar I. Shah	Chairman	Independent Director	6	6
Mr. Ramanbhai R. Patel	Member	Independent Director	6	6
Mr. Vinodkumar C. Desai	Member	Independent Director	6	6
Mr. Narayanbhai G. Patel	Member	Executive Director	6	6

Mr. Nikhil Patel, who is Company Secretary, is the Secretary to Stakeholder's Relationship Committee.

ii) Terms of Reference:

Pursuant to Section 178 of the Companies Act, 2013, Rules made thereunder and Listing Regulations, the Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also functions in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly.

The Committee, inter alia, approves the transfer of Shares, issue of duplicate Share Certificates, splitting and consolidation of Shares etc. The Committee also looks after redressal of Shareholder's complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends, etc. The Board of Directors has delegated the power of approving transfer of Shares etc. to the Stakeholders' Relationship Committee.

iii) Name and designation of Compliance Officer:

The Board has appointed Mr. Nikhil Patel, being Company Secretary, as Compliance Officer of the Company pursuant to Listing Regulations.

iv) No. of Shareholders complaints received and not resolved to the satisfaction of the Shareholders:

The total number of complaints received and resolved to the satisfaction of Shareholders during the year under review were as under :

No. of complaints outstanding as on 31-03-2017	- Nil
No. of complaints received during the year under review	- 1
No. of complaints disposed off during the year under review	- 1
No. of complaints outstanding as on 31-03-2018	- Nil

The Company interacts with Bigshare Services Pvt. Ltd., Registrar & Transfer Agent and takes effective steps/actions for resolving queries/complaints of the shareholders.

v) Number of pending transfers :

No requests for transfer and dematerialization of shares were pending for approval as on 31st March, 2018.

D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

i) Composition of Committee and Meeting and Attendance:

In terms of provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder, a committee of the Directors of the Company has been constituted as Corporate Social Responsibility Committee (CSR). CSR Committee consists of 2 Independent Directors and 1 Executive Director with Chairman, being Independent Director. CSR Committee fulfills the requirements of Section 135 of the Companies Act, 2013 and the Rules made thereunder.

In terms of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014 as amended ("CSR Rules") and in accordance with the CSR Policy, during the year 2017-2018, your Company had spent above two percent of the average net profits of the Company during the three immediately preceding financial years. Annual report on CSR activities as required under the Rules has been appended with Board's Report.

In this regard, Responsibility Statement has been issued and signed by Mr. Narayanbhai G. Patel, Chairman & Whole-time Director and Mr. Hareshkumar I. Shah, Chairman of CSR Committee that the implementation and monitoring of CSR policy by the Company is in compliance with CSR objectives and policy of the Company during the financial year 2017-2018.

During the year under review, CSR Committee met 2 times on 30/05/2017 & 14/09/2017. The presence of the members at the meeting are as under.

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Hareshkumar I. Shah	Chairman	Independent Director	2	2
Mr. Ramanbhai R. Patel	Member	Independent Director	2	2
Mr. Narayanbhai G. Patel	Member	Executive Director	2	2

ii) Terms of reference :

The Committee formulate and recommend to the Board, a CSR Policy and recommend the amount of expenditure to be incurred on CSR activities as per Section 135, read with Schedule VII of the Companies Act, 2013 and Rules made thereunder. Committee framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company, recommend the amount of expenditure to be incurred on the activities and also monitors CSR policy from time to time.

Mr. Nikhil Patel, who is a Company Secretary of the Company, is the Secretary to CSR Committee.

iii) Corporate Social Responsibility Policy:

CSR Committee has formulated a policy on the Corporate Social Responsibility measures to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and is available on the web-site of the Company i.e. www.patelsairtemp.com.

4. **GENERAL BODY MEETINGS**

Details of Annual General Meetings of the members of the Company held in last three years are as under :-

Financial Year	Date and Time	Venue	No. of Special Resolution Passed
2014-15 23rd AGM	19th September, 2015 at 10.00 a.m.	5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	3 #
2015-16 24th AGM	30th July, 2016 at 10.00 a.m.	5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	6 ##
2016-17 25th AGM	19 th September, 2017 at 10.00 a.m.	5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	1 ###

- # 1) For appointment of Mr. Narayanbhai G. Patel (DIN: 00023107) as Whole-time Director of the Company for a period of 5 years w.e.f. 20th May, 2015 with payment of remuneration.
- 2) For appointment of Mr. Prakash N. Patel (DIN: 00249210) as Managing Director of the Company for a period of 5 years w.e.f. 20th May, 2015 with payment of remuneration.
- 3) For appointment of Mr. Sanjiv N. Patel (DIN: 02794095) as Managing Director of the Company for a period of 5 years w.e.f. 20th May, 2015 with payment of remuneration.
- ## 1) Adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.
- 2) Revision in the remuneration payable to Mr. Narendra G. Patel (DIN: 00023205), Whole-time Director of the Company for the period from 1st August, 2015 to 1st August, 2016.
- 3) Re-appointment of Mr. Narendra G. Patel (DIN: 00023205) as Whole-time Director of the Company for a further period of 3 years w.e.f. 2nd August, 2016 and payment of remuneration for the period of 3 years.
- 4) Revision in the remuneration payable to Mr. Narayanbhai G. Patel (DIN: 00023107), Chairman & Whole-time Director of the Company for the period from 1st August, 2015 to 19th May, 2018.
- 5) Revision in the remuneration payable to Mr. Prakash N. Patel (DIN: 00249210), Managing Director of the Company for the period from 1st August, 2015 to 19th May, 2018.
- 6) Revision in the remuneration payable to Mr. Sanjiv N. Patel (DIN: 02794095), Managing Director of the Company for the period from 1st August, 2015 to 19th May, 2018.
- ### 1) To keep Register and Index of Members at the place of RTA instead of at the Regd. Office of the Company.

No Extra Ordinary General Meeting was held during last three years.

No postal ballots were used/invited for voting at the above meetings in respect of Special Resolutions passed in the above said meetings.

At the forthcoming 26th AGM, no resolution is proposed to be passed through Postal Ballot.

5. **DISCLOSURES**

i) **Related Party Transactions**

Policy on materiality of related party transactions and dealing with related party transactions has been uploaded on Company website www.patelsairtemp.com.

Transaction with related parties are disclosed in Note No. 30 of the Notes to the Financial Statements for the year ended on 31st March, 2018, in the Annual Report as required by the Accounting Standard (AS) 18 issued by ICAI.

However, there are no materially significant related party transactions made/entered into by the Company with its related parties including promoters, directors or the management etc. that may have potential conflict with the interests of the Company at large.

The Independent Directors, who apart from receiving sitting fees for attending Board Meetings, do not have any other material pecuniary relationship or transactions with the company, its promoters or its management, which in the judgment of the Board may affect independence of the judgment of the Directors.

The Directors as and when required make full disclosures to the Board regarding nature of their interest in other Companies, firms etc. in which they are Directors or Members or Partners. Full particulars of contract, if any, entered with the Companies / Partnership Firms, in which the Directors are directly or indirectly concerned or interested, if any, are entered in the Register of Contract maintained under Section 189 of the Companies Act, 2013 and the same, as and when required, is placed in the Board Meeting for the noting and signature of the Directors present in the meeting.

ii) Risk Management :

Business risk evaluation and management covering the business operations of the Company is an ongoing process within the Company and the management reviewed frequently risk assessment and to minimize them. The Company is not required to constitute Risk Management Committee of its Directors.

iii) CEO/CFO Certification :

In terms of Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Chairman & Whole-time Director and CFO of the Company have furnished certificate on the financial statements and internal controls relating to financial reporting of the Company to the Board for the year ended on 31st March, 2018 and attached to this Report. The Chairman & Whole-time Director and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

iv) 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.

v) The Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this report.

vi) Code of Conduct :

In compliance with Regulation 26(3) of SEBI LODR Regulations, 2015, the Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management Personnel including Chief Financial Officer & Company Secretary, being KMP. The said Code has been communicated to all the Directors and Senior Management Personnel. They have also affirmed to the Company about the compliance of the said Code during the Financial Year ended on 31st March, 2018. The Code has also been posted on the Company's website - www.patelsairtemp.com. The declaration from Chairman & Whole-time Director & Managing Director of the Company, affirming compliance of the said Code of Conduct by all the Board Members and Senior Management Personnel is annexed separately to this Report.

The Code is applicable to Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities.

vii) Whistle Blower policy / Vigil Mechanism:

The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report any act of serious misconduct or wrongful activity being occurred or suspected to occur within the organization, to his immediate HOD or the HR Head or directly to the concern Whole-time Directors/Managing Directors of the Company, as he may desire. No employee of the Company is denied access to the Audit Committee. The Whistle Blower Policy has been placed on the web-site of the Company www.patelsairtemp.com.

viii) Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 1992/2015:

The Company has formulated Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders including therein Code of Conduct for fair disclosures of price sensitive information of the Company, in terms of provisions of SEBI (Prohibition of Insider Trading) Regulation, 1992/2015. The same has also been uploaded on the web-site of the Company viz. www.patelsairtemp.com. The policy lays down guidelines and procedure to be followed and disclosures to be made while dealing with the Shares of the Company.

6. MEANS OF COMMUNICATION

The Company's quarterly, half yearly and yearly financial results were taken on record and approved by the Board of Directors after reviewed by Audit Committee and submitted to the Stock Exchange in terms of the requirements of Listing Regulations. These were published in the newspapers as per prescribed guidelines and uploaded on the web-site of the Company. In pursuance of Regulation 33 (3) read with Schedule V of Listing Regulations, the Company is maintaining its website www.patelsairtemp.com contains a separate dedicated section 'Investor Relations' where shareholders' information is available and basic information about the company e.g. details of its business, financial information, shareholding pattern, etc. The company also agrees to ensure that the contents of the said website are updated at any given point of time. The Company's Annual Report is also available in downloadable form.

The Company has total 6,449 Shareholders as on 31st March, 2018. The main channel of communication to the shareholders is through its web-site as mentioned above and Annual Report, which includes inter alia, the Director's Report, Management Discussions & Analysis and Report on Corporate Governance and Audited Financial Statements. The Annual Report is also posted on the web-site of the Company viz. www.patelsairtemp.com.

BSE CORPORATE COMPLIANCE & LISTING CENTRE (LISTING CENTRE)

BSE's Listing Centre viz. www.listing.bseindia.com is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, financial results, corporate governance report, investors & shares related matters, among others are also filed electronically on the Listing Centre and wherever required in XBRL form.

SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

USAGE OF ELECTRONIC PAYMENT MODES FOR MAKING PAYMENTS TO INVESTORS

In view of SEBI Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013, 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 such as Bank & Branch Name, MICR, IFSC codes etc. to the Company or its Registrar and Share Transfer Agents (R&T).

DESIGNATED EXCLUSIVE EMAIL-ID:

The Company has designated email-id viz. share@patelsairtemp.com exclusively for resolving investor grievance.

GREEN INITIATIVE IN CORPORATE GOVERNANCE: GO PAPERLESS

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling annual general meeting, Corporate Governance Report, Directors Report, audited Financial statements, auditors report, dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with **Bigshare Services Pvt. Ltd.** Registrar and transfer agent / **concerned depository** to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

7. GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting:

Date : Saturday, 29th September, 2018
 Time : 10.00 a.m.
 Venue : At the Registered Office of the Company situated at 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.

ii) Financial Calendar (from 01-04-2018 to 31-03-2019) (Tentative) :

Results for quarter ended on 30-06-2018 : on or before 14th August, 2018
 Results for quarter ending on 30-09-2018 : On or before 14th November, 2018
 Results for quarter ending on 31-12-2018 : On or before 14th February, 2019
 Audited Results for the year ending on 31-03-2019 : On or before 30th May, 2019
 AGM for the year ending on 31-03-2019 : In the month of September, 2019

iii) Book Closure Date(s):

Book-closure shall be from 24th September, 2018 to 29th September, 2018 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2018.

iv) Dividend payment date :

The Dividend of ₹ 2.50 per share (@ 25%) on 50,70,240 Equity Shares of ₹ 10/- each for the year ended on 31st March, 2018, if approved and declared, will be paid within the prescribed time limit.

v) Listing on Stock Exchange :

The equity shares of the company are listed on BSE Ltd. (BSE). BSE Limited, Corporate Relation Dept., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001.

Listing fees upto the Financial Year 2018-2019 has already been paid to the Stock Exchange. The Annual Custody/Issuer fee for the year 2018-2019 has also been paid by the Company to NSDL and CDSL.

vi) Stock Code / Name:

BSE 517417. Script Name: PATELSAI.
 The ISIN Number of the Company on both the depositories, NSDL and CDSL is INE082C01024.

vii) Corporate Identity Number (CIN)

Our Corporate Identity Number as allotted by Ministry of Corporate Affairs is L29190GJ1992PLC017801 and our Company is registered in the state of Gujarat.

viii) Stock Market Data :

The monthly High, Low and Closing Price of Shares of the Company at BSE Limited (BSE), during the financial year 2017-2018 are as under:

Months	High (Rs.)	Low (Rs.)	Closing (Rs.)
April, 2017	205.00	180.00	181.05
May, 2017	194.70	176.00	184.90
June, 2017	201.20	180.00	188.70
July, 2017	214.00	178.40	197.20
August, 2017	207.00	172.20	187.70
September, 2017	197.15	171.30	178.00
October, 2017	186.95	171.00	181.25
November, 2017	189.95	170.05	182.00
December, 2017	199.00	179.00	193.80
January, 2018	227.00	176.00	183.00
February, 2018	200.90	171.65	180.55
March, 2018	186.85	156.95	162.70

ix) **Share price performance in comparison to BSE Sensex based on share price on 31-03-2018:**

Market - Price data : The monthly high, low and closing prices of the shares of the Company, during the financial year under review and performance of the same in comparison to BSE Sensex are given below :

Months	Share price of the Company at BSE			SENSEX		
	High (Rs.)	Low (Rs.)	Closing (Rs.)	High (Rs.)	Low (Rs.)	Closing (Rs.)
April, 2017	205.00	180.00	181.05	30184.22	29241.48	29918.40
May, 2017	194.70	176.00	184.90	31255.28	29804.12	31145.80
June, 2017	201.20	180.00	188.70	31522.87	30680.66	30921.61
July, 2017	214.00	178.40	197.20	32672.66	31017.11	32514.94
August, 2017	207.00	172.20	187.70	32686.48	31128.02	31730.49
September, 2017	197.15	171.30	178.00	32524.11	31081.83	31283.72
October, 2017	186.95	171.00	181.25	33340.17	31440.48	33213.13
November, 2017	189.95	170.05	182.00	33865.95	32683.59	33149.35
December, 2017	199.00	179.00	193.80	34137.97	32565.16	34056.83
January, 2018	227.00	176.00	183.00	36443.98	33703.37	35965.02
February, 2018	200.90	171.65	180.55	36256.83	33482.81	34184.04
March, 2018	186.85	156.95	162.70	34278.63	32483.84	32968.68

x) **Registrar & Share Transfer Agent of the Company**

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 (RTA), for both physical and demat segment of equity shares of the company, which provides all shareholders related services.

All investor's/shareholders related services including Transfer, Transmission, Issue of Duplicate Share Certificates, Change of Address, Redressal of Investors Complaint, etc. are being handled by Ahmedabad Office of M/s. Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent of the Company as under instead of their Mumbai Office:-

Ahmedabad Office

M/s. Bigshare Services Pvt. Ltd.

A-802, Samudra Complex, Near Klassic Gold, Girish Cold Drink ,

Off C. G. Road, Navrangpura, Ahmedabad-380009, Gujarat

Tel : (079) 400 24135 / 403 92570

Email id : bssahd@bigshareonline.com, Website : www.bigshareonline.com

Mumbai Office

Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,

Makwana Road, Marol, Andheri East, Mumbai-400 059.

Tele. No. (022) 6263 8200, Fax No. (022) 6263 8299

Patels Airtemp (India) Ltd.

Plot 805, 806,807, 810 Rakanpur - 382721, Via: Sola-Bhadaj Village,

Ta: Kalol, Dist. Gandhinagar, Gujarat.

Contact Person : Nikhil M. Patel, Company Secretary

Tele. No. : +91-2764286634 / 35, Fax No. : +91-2764286301

Email: share@patelsairtemp.com, Website: www.patelsairtemp.com

All Investors/ Shareholders are requested to contact at the above mention Ahmedabad Office of M/s. Bigshare Services Pvt. Ltd. in addition to Mumbai Office and also to the Company.

The Company has submitted to BSE Ltd. Compliance Certificate for half-yearly ended on 30th September, 2017 and 31st March, 2018 issued by RTA and Company Secretary that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar as per Regulation 7(3) of Listing Regulations.

xi) **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 15 days from the date of receipt all concern documents thereof. In case of shares in electronic form, the transfer is processed by NSDL/CDSL through the respective Depository Participants.

A summary of transfer / transmission of securities of the Company so approved by the Managing Director/ Company Secretary is placed at quarterly Board meeting and Stakeholders' Relationship Committee.

Pursuant to Regulation 40(9) of Listing Regulations, certificates, on half-yearly basis, have been issued by the Company for due compliance of share transfer formalities by the Company and files a copy of the said certificate with Stock Exchanges.

xii) **Shareholding Details:**

(a) **Distribution of Shareholding as on 31st March, 2018 :**

No. of Equity Shares held	No. of Shareholders	% of total Shareholders	No. of Shares	% of Shareholding
1-500	5,635	87.38	7,38,961	14.57
501-1000	400	6.20	3,15,927	6.23
1001-2000	199	3.09	2,95,294	5.82
2001-3000	72	1.12	1,81,525	3.58
3001-4000	41	0.63	1,47,673	2.91
4001-5000	28	0.43	1,25,987	2.48
5001-10000	38	0.59	2,76,177	5.45
10001 & above	36	0.56	29,88,696	58.96
Total:	6,449	100.00	50,70,240	100.00

(b) **Categories of Shareholders as on 31st March, 2018 :**

Category of Shareholders	No. of Equity Shares held	Percentage of total paid-up capital
A : Promoters and Promoters Group :		
Promoters	8,49,946	16.76
Promoters' Relatives	89,000	1.76
Group Companies	14,33,954	28.28
HUFs	22,800	0.45
Total (A) :	23,95,700	47.25
B : Public :		
Mutual Funds / UTI	0	0.00
Banks / Financial Institutions	0	0.00
Foreign Institutional Investors	0	0.00
Bodies Corporate	1,03,696	2.05
Body Corporate-NBFC	0	0.00
NRIs	1,03,786	2.05
Clearing Members	20,098	0.40
Trust	0	0.00
IEPF	26,339	0.52
Directors & Directors Relatives	1,079	0.02
Indian Public	24,19,542	47.71
Total (B) :	26,74,540	52.75
Total (A+B)	50,70,240	100.00

xiii) Dematerialization 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 97.77 % of the total Equity Capital of the Company is held in demat form as on 31st March, 2018. 100 % shares held by the Promoters & Promoters' Group have been dematerialized.

xiv) Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid-up capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchange and is placed before the Board of Directors of the Company. The audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and the total number of shares in physical form.

(xv) Dividend History for last 11 years :

Financial year	Dividend Per Share (₹)
2007-08	₹ 0.50 (5% Interim) and ₹ 1.50 (15% Final Dividend)
2008-09	₹ 1.80 (18%)
2009-10	₹ 2.00 (20%)
2010-11	₹ 2.00 (20%)
2011-12	₹ 2.00 (20%)
2012-13	₹ 2.00 (20%)
2013-14	₹ 2.00 (20%)
2014-15	₹ 2.20 (22%)
2015-16	₹ 2.20 (22%)
2016-17	₹ 2.50 (25%)
2017-18	₹ 2.50 (25%) (Recommended)

xvi) Plant Location(s):

The Company's plants/offices are located at:

Plant:

Plot 805, 806,807, 810 Rakanpur, Via: Sola-Bhadaj Village, Ta: Kalol, Dist. Gandhinagar, Gujarat.

AC. Division Office:

5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009

xviii) Nomination facility :

As per provisions of Section 72 of the Act, your Company has already offered the facility of nomination to the members. Individual Shareholders can avail of the facility of nomination and may submit to the Company the prescribed Form SH-13 at the above mentioned address. It is advisable to avail of this facility especially by Shareholders who currently hold Shares in single name.

xix) Compliance Certificate of the Auditors :

The Certificate from the Company's Auditors, M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad, having Firm Registration No. 113742W, confirming compliance with conditions of Corporate Governance as stipulated under Listing Regulations, is attached to this Report.

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 regarding Corporate Governance, we hereby confirm that all Board Members and Senior Management Personnel of Patels Airtemp (India) Ltd. including Chief Financial Officer & Company Secretary, being KMP have affirmed the compliance of Code of Business Conduct and Ethics during the financial year ended on 31st March, 2018 (2017-2018).

Place : Rakanpur, Dist. Gandhinagar	Sd/- Narayanbhai G. Patel	Sd/- Sanjiv N. Patel
Date : 26th May, 2018	Chairman & Whole-time Director	Managing Director

CEO AND CFO CERTIFICATION

To,
The Board of Directors
Patels Airtemp (I) Ltd.
Rakanpur, Dist: Gandhinagar

We, Mr. Narayanbhai G. Patel, Chairman & Whole-time Director and Mr. Kamlesh R. Shah, Chief Financial Officer (CFO) of the Company, in our respective capacities certify that:

- a) We have reviewed the financial statements and cash flow statement of Patels Airtemp (I) Ltd. for the year ended 31st March, 2018 and to the best of our Knowledge and belief, we state that:
 - i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These Statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our Knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2018 are fraudulent, illegal or violative the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operations of such internal controls.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference.
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Rakanpur, Dist. Gandhinagar	Sd/- Narayanbhai G. Patel	Sd/- Kamlesh R. Shah
Date : 26th May, 2018	Chairman & Whole-time Director	Chief Financial Officer

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
PATELS AIRTEMP (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by **PATELS AIRTEMP (INDIA) LIMITED**, (hereinafter referred to as "the Company") for the year ended on 31st March, 2018 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchange.

Management's Responsibility for Compliance with the conditions of Listing Regulations

The Compliance of the terms and conditions contained in the Corporate Governance is the responsibility of the management of the Company including preparation and maintenance of all the relevant supporting records and documents.

Auditor's Responsibility

Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March, 2018.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 24, 27, Schedule II, Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For SHAH & SHAH ASSOCIATES

Chartered Accountants
Firm Regn. No. 113742W

VASANT C. TANNA
PARTNER

Membership No.100422

Place : Ahmedabad.
Date : 11th August, 2018

ANNEXURE – D TO THE DIRECTORS’ REPORT

FORM NO. AOC-2

(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<p>(i) The Company has paid remuneration of Rs. 5,48,918/- to Mr. Mukund G. Patel, an employee of the Company and brother of Mr. Narendra G. Patel, Whole-time Director of the Company during the financial year ended on 31st March, 2018.</p> <p>(ii) Monthly charges maximum upto Rs. 6,00,000/- including labour wages, expenses and taxes to Mr. Amratbhai Patel, being the Contractor and Brother of Mrs. Veenaben B. Patel, Independent Director of the Company, towards manpower supplied by him for various jobs required for the Company's factory situated at Rakanpur, Dist. Gandhinagar during the financial year 2017-2018.</p> <p>No amount was paid as advance to above Related Parties.</p> <p>The transactions have been approved by the Audit Committee and Board of Directors at their meetings held on 3rd February, 2017 & 26th April, 2018.</p> <p>Approval of Shareholders not required, being not material transactions.</p>
b)	Nature of contracts/arrangements/ transaction	
c)	Duration of the contracts/ arrangements/ transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	<p>There were no material contracts or arrangements or transactions at arm's length basis entered into by the Company with related parties during the year ended on 31st March, 2018.</p>
b	Nature of contracts/ arrangements/ transaction	
c	Duration of the contracts/ arrangements/ transaction	
d	Salient terms of the contracts or arrangements or transaction including the value, if any	
e	Date of approval by the Board	
f	Amount paid as advances, if any	

ANNEXURE-E TO DIRECTORS' REPORT

Details of particulars under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended on 31st March, 2018 are given as under

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, ETC.

A) CONSERVATION OF ENERGY

The main source of energy is power. Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques. Uses of natural lights are resorted at factory premises to save energy. The Company is also looking forward, in adopting the technology by which consumption of energy can reduce and also promote the usage of natural sources of energy.

As part of Green Initiative, the Company has installed 130 KW Rooftop PV Solar Power Plant after getting required permissions from Govt. Authorities and UGVCL (Power Distribution Company in Local Area). The Solar Plant will generate nearly 190,000 Units of Energy every year; which equals to reduction of CO₂ absorbed by 190 trees or plantation of 341 trees.

The Solar Plant being a stationary item renders almost negligible maintenance cost and has long life of around 25 years.

B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

The particulars as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3)(A) of the Companies (Accounts) Rules, 2014 with respect to Research & Development and Technology Absorption are given hereunder :

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", "U2"/ "S" and "NB"/"R" Stamp of National Board of USA and added ASME "N/NPT" Stamp authorization for improving the system and quality. Your Company has upgraded the ISO certification from ISO 9001:2008 to ISO 9001-2015 certified. Various technical software's like PVElite, Auto Desk Mechanical, Microprotol, Pro-e, FE-Pipe/Nozzle Pro, etc. were updated for design & development of various products.

The Company's products have ASME (American Society of Mechanical Engineers-USA) "U"/ "U2"/ "S" "N & NPT" Stamps authorization. Our Company is also a member of HTRI (Heat Transfer Research, Inc, U.S.A.) for updating Heat Transfer Technology.

Last year ASME (American Society of Mechanical Engineers-USA) Accredited N & NPT authorization to our Company, a Global Qualification to Manufacture of Heat Exchangers & Pressure Vessels for Nuclear Power Plant. Our Company is the 3rd Company in India with "N-NPT" authorization to manufacture of above equipments which has put our Company in elite League of Critical Nuclear Power Plant Equipments. Due to "U"/ "U2"/ "S" and "N & NPT" Stamp authorization, it is expected to improve the Quality of the products/equipments of the Company and to achieve higher growth and profitability of the Company in future.

(2) Technology Absorption, Adaptation & Innovation

Updation of Technology is a Continuous process, absorption implemented and adapted by the Company for innovation. Efforts are continuously made to develop new products required in the Engineering Industry.

The Company has invested about ₹ 28.71 Lakhs for Plant & Equipments 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 UniSim UHX (for feed water heater) for latest technology in Heat Transfer from U.S.A. To increase productivity, Company has invested in Hydraulic Expander for tube to tube sheet expansion for higher tube sheet thickness and finned tube expansion. In-house, systems and operations are being innovated for better quality and to perform up to customers' requirement.

C) FOREIGN EXCHANGE EARNING AND OUTGO

The details of Foreign Exchange Earnings and Outgo by the Company during the year ended 31th March, 2018 (2017-2018) are as under :

CIF value of Imports : ₹ 1505.11 lacs as against ₹ 699.38 lacs in previous year.

Expenditure in foreign currency : ₹ 80.32 lacs as against ₹ 46.98 lacs in previous year

Earning in foreign exchange : ₹ 898.88 lacs as against ₹ 2078.12 lacs in previous year

Annexure-F to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-2018

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes	Refer Section on Corporate Social Responsibility in Corporate Governance Report and Directors' Report . The Company has framed CSR policy and available on the web-site of the Company viz. www.patelsairtemp.com .
2.	Composition of CSR Committee as on 31 st March, 2018 and as on the date of this report	Mr. Hareshkumar I. Shah – Chairman Mr. Ramanbhai R. Patel Mr. Narayanbhai G. Patel
3.	Average net profit of the Company for last three financial years	₹ 10,97,48,740/-
4.	Prescribed CSR expenditure (2 % of the amount mentioned in item 3 above)	₹ 21,94,975/-
5.	Details of CSR spent during the financial year:	
	a. Total amount spent during the financial year	₹ 25,91,000/-
	b. Amount unspent, if any	NIL
	c. Manner in which the amount spent during the financial year	As under

Details of Amount Spent on CSR Activities during the Financial Year 2017-2018:

1	2	3	4	5	6	7	8
Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (Clause No. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise (Rs. in lacs)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (Rs.in lacs)	Cumulative Expenditure upto the reporting period (Rs. in lacs)	Amount Spent Direct or through Implementing Agency
1	Contribution to Educational Trust & Skill Development Program	CI (ii) Promoting Education and Vocational Skilled	Ahmedabad and North Gujarat	Rs. 30 Lacs	Rs. 25.91 Lacs	Rs. 25.91 Lacs	Direct/ Implementing Agency

REASONS FOR NOT SPENDING THE TWO PER CENT OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF : Not Applicable

RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE

We hereby declare that the implementation and monitoring of Corporate Social Responsibility (CSR) Policy during the financial year ended on 31st March, 2018 (2017-2018) is in compliance with CSR objectives and policy of the Company and the Company has duly spent the required 2% of the average net profit of the preceding three financial years towards CSR activities during the financial year 2017-2018.

Sd/-
(NARAYANBHAI G. PATEL)
Chairman & Whole-time Director

Sd/-
(HARESHKUMAR I. SHAH)
Chairman of CSR Committee

Date : 26th May, 2018.
Place : Rakanpur, Dist. Gandhinagar.

ANNEXURE - G TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Patels Airtemp (India) Limited
CIN: L29190GJ1992PLC017801
5th Floor, Kalpana Complex,
Nr. Memnagar Fire Station, Navrangpura,
Ahmedabad – 380009.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Patels Airtemp (India) Limited having CIN L29190GJ1992PLC017801 (herein after called "The Company") for the year ended 31st March, 2018.**

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the Rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – There was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings by the Company during the year under review and hence the provisions in respect of the said matters are not applicable to the Company;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (vi) Looking at the nature of business of the Company and also as informed to us by the management, there are no laws which have specific applicability to the Company.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) are not applicable to the Company during the financial year under report, due to the reasons mentioned against each Regulations:
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable, as the Company has not issued any shares during the year under review;
 - (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - Not applicable, as the Company has not issued any shares/ options to directors/ employees under the said guidelines / regulations during the year under review;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable, as the Company has not issued any debt securities which are listed during the year under review;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;

- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review; and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.

3. I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards with respect to Meetings of Board of Directors and Committees (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreement entered into by the Company with BSE Limited, and SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 as amended form time to time.

4. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

OBSERVATIONS:

- (a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of:
 - i. External Commercial Borrowings are not attracted to the Company under the financial year under report;
 - ii. Foreign Direct Investment (FDI) are not attracted to the company under the financial year under report;
 - iii. Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad is not attracted to the company under the financial year under report.
 - iv. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
- (b) I further report that the Secretarial Standards on Meetings of the Board of Directors and Committees (SS-1) and General Meetings (SS-2), as approved by the Central Government, have been issued by the Institute of Company Secretaries of India (ICSI) which come into force w.e.f. 1st July 2015 are also followed by the company.
- (c) With respect of filing of E-form Form No MGT-14 in respect of appointment of Internal Auditor, E-form CHG-1 in respect of Registration of Charges, Form No AOC-4 (XBRL) with respect to filing of Balance Sheet & Profit & Loss Account for Financial Year 2016-2017 were filed late with payment of additional fees, complying the requirements of acts.
- (d) During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, mentioned hereinabove and there is adequate compliance management system for the purpose of other laws.

5. I further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors including Woman Director.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through in the Board and Committee meetings, while the dissenting members' views are captured and recorded as part of the minutes.
- (iv) During the audit period, following events or actions having a major bearing on the company's affairs were carrying out:
 - (a) Company has by passing the Special Resolution in 25th AGM of the Company on 19th September, 2017 accorded to keep, maintain and preserve Register of Members and Index of Members of the Company, at the Ahmadabad Office of M/s. Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent of the Company situated at A-802, Samudra Complex, Near Klassic Gold, Girish Cold Drink, Off C. G. Road, Navrangpura, Ahmedabad 380009, Gujarat instead of keeping and maintaining the same at the Registered Office of the Company, subject to approval of the members at 25th AGM.
 - (b) In the 25th AGM Company has by passing Ordinary Resolution appointed M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad, having Firm Registration No. 113742W as the Statutory Auditors of the Company for five years till conclusion of the 30th Annual General Meeting

in place of retiring auditors M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad (Firm Registration No. 107525W) who have completed their terms under section 139 of Companies Act, 2013

(c) Further complying with the applicability of Section 124(6) of Companies Act, 2013, company has duly transferred the 26,339 Equity Shares for which the dividend has remained unpaid or unclaimed for a consecutive period of seven years to the IEPF.

6. I have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company. I further report that the Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.
7. I further report that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, standards etc.

**Signature : Sd/-
Punit Santoshkumar Lath
Practicing Company Secretary
ACS No.: 26238, COP No.: 11139**

Date : 03/07/2018
Place : Ahmedabad

Please note that the Secretarial Audit report is to be read with our letter of even date attached as ANNEXURE-A to this report and letter also forms the integral part of report.

ANNEXURE A

To,
The Members,
Patels Airtemp (India) Limited
CIN : L29190GJ1992PLC017801
5th Floor, Kalpana Complex,
Nr. Memnagar Fire Station,
Vijay Cross Road, Navrangpura,
Ahmedabad – 380009.

Dear Sir,

Our Secretarial Audit Report of even date for the Financial Year ended on 31st March, 2018 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as are appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other laws and regulations applicable to the Company and verification of documents and records procedures on test check basis.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Signature : Sd/-
Punit Santoshkumar Lath
Practicing Company Secretary
ACS No.: 26238, COP No.: 11139**

Date : 03/07/2018
Place : Ahmedabad

ANNEXURE - H TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES:

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

A) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Sr. No.	Name of Directors & Key Managerial Personnel	Designation	Remuneration paid during the financial year 2017-2018 (Rs. In lacs)	Remuneration paid during the financial year 2016-2017 (Rs. In lacs)	Increase in Remuneration from previous year (Rs. In lacs)	% Increase in the Remuneration of Directors, CFO & CS	Ratio/Times per Median of Employee Remuneration (Rs. In lacs)
1	Narayanbhai G. Patel	Chairman & Whole-time Director	31.28	31.64	#Nil	Nil	10.16
2	Narendra G. Patel	Whole-time Director	30.72	30.82	#Nil	Nil	9.97
3	Prakash N. Patel	Managing Director	31.59	31.85	#Nil	Nil	10.26
4	Sanjiv N. Patel	Managing Director	30.46	30.29	#Nil	Nil	9.89
5	Kamlesh R. Shah	Chief Financial Officer	9.45	8.69	0.76	8.75	3.07
6	Nikhil M. Patel	Company Secretary	10.73	9.46	1.27	13.43	3.48

Note : # The Company did not increase the remuneration of Whole-time Directors and Managing Directors during the FY. 2017-18 and the variation of remuneration between 2016-17 and 2017-18 is due to perquisites paid to the said Directors.

The Company does not pay any remuneration to the Independent Directors except sitting fees for attending Board Meetings.

Median Remuneration for FY. 2017-2018 is ₹ 3.08 Lakhs.

B) The % increase in the Median Remuneration of employees in the FY. 2017-2018 : 13.65 % as compared to FY. 2016-2017

C) The number of permanent employees on the rolls of Company: 158

D) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration : Not applicable as the managerial remuneration was not increased during the financial year 2017-18.

E) Affirmation:

The Company affirms that the remuneration of the Whole-time Directors and Managing Directors and Employees of the Company are as per the remuneration policy of the Company.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

A) Top 10 Employees Remuneration

Sr. No.	Name of Employees	Designation	Age	Date of Appointment	Qualification	Remuneration (Rs. In Lacs)	Experience (Years)
1	Narayanbhai G. Patel	Chairman & Whole-time Director	78	10.06.1992	BE (Mechanical)	31.28	52
2	Narendra G. Patel	Whole-time Director	60	21.06.1994	BE (Mechanical), DBM	30.72	24
3	Prakash N. Patel	Managing Director	52	27.05.2004	BE (Mechanical)	31.59	24
4	Sanjiv N. Patel	Managing Director	46	01.04.2011	BE (Chemical), MBA	30.46	14
5	Apurva V. Shah	VP. Design	55	01.01.1996	BE (Mechanical)	16.73	30
6	Pravin G. Shah	Sr. VP	76	01.01.2013	BE (Mechanical)	15.19	31
7	Saket S. Bhatt	VP. Marketing	47	01.09.2013	BE (Mechanical)	14.45	22
8	Nikhil M. Patel	Company Secretary	54	01.01.2016	B. Com, LLB, ACS	10.73	27
9	Jatin N. Patel	Works Manager	47	19.02.2008	Diploma	10.25	22
10	Janak R. Patel	Manager (PGMNBD)	39	12.02.2010	BE (Mechanical), MBA	9.49	17

B) The statement of particulars of employees under Section 197(12) read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as, during the financial year under review, no employee of the Company including Whole-time Directors & Managing Directors was in receipt of remuneration in excess of the limits set out in the said rules.

INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF
PATELS AIRTEMP (INDIA) LIMITED**

Report on the Ind As Financial Statements:

We have audited the accompanying Ind AS Financial Statements of **M/s. PATELS AIRTEMP (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its Profits, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other matter:

The Comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by predecessor auditor whose reports for the years ended 31st March, 2017 and 31st March, 2016 dated 30th May, 2017 and 28th May, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure-"A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and 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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act,
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements as referred to in Note No. 29 to the Ind AS Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR SHAH & SHAH ASSOCIATES

Chartered Accountants
Firm Regn. No. 113742W

VASANT C. TANNA

PARTNER

Membership Number: 100422

Place : Ahmedabad
Date : 26th May, 2018

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Ind AS financial statements of the Company for the year ended March 31, 2018):

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets are verified in a phased manner by the management, during the year which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. The discrepancies noticed on verification between physical stocks and the books of accounts were not material and have been dealt with in books of account.
- (iii) The company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, the company has not made any investment or given any loans during the year. The Company has not provided any guarantee or security during the year under review. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit nor has any unclaimed deposit within the meaning of the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Sub-section (1) of Section 148 of the Act applicable in respect of activities undertaken by the Company and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including provident fund, employees state Insurance, income-tax, sales tax, value added tax, Goods & Service Tax, duty of customs, duty of excise, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, value added tax, Goods & Service Tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, duty of excise, service tax, value added tax Goods & Service Tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to information & explanations given to us, the company has not defaulted in repayment of dues to Banks. The company has not taken any loan or borrowings from Financial Institutions and Government and has not issued any debentures.
- (ix) According to the information & explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under review. Accordingly, paragraph 3(ix) of the Order is not applicable.

- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR SHAH & SHAH ASSOCIATES

Chartered Accountants
Firm Regn. No. 113742W

VASANT C. TANNA

PARTNER

Membership Number: 100422

Place : Ahmedabad
Date : 26th May, 2018

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT
(REFERRED TO IN OUR REPORT OF EVEN DATE)**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **M/s PATELS AIRTEMP (INDIA) LIMITED** (“the Company”) as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on

Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information & according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR SHAH & SHAH ASSOCIATES

Chartered Accountants
Firm Regn. No. 113742W

VASANT C. TANNA

PARTNER

Membership Number: 100422

Place : Ahmedabad
Date : 26th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	As at 31 st March, 2018 (₹)	As at 31 st March, 2017 (₹)	As at 1 st April, 2016 (₹)
ASSETS				
1 Non-current assets				
a) Property, plant and equipment	3(A)	21,37,94,839	22,70,38,435	22,87,43,202
b) Capital work-in-progress		-	50,98,770	9,81,990
c) Intangible assets	3(B)	2,28,594	12,40,436	27,90,006
d) <u>Financial Assets</u>				
Investments	4	-	-	20,300
e) Other non-current assets	5	25,62,465	23,64,615	39,19,507
		21,65,85,898	23,57,42,256	23,64,55,005
2) Current assets				
a) Inventories	6	50,80,35,420	29,31,23,346	22,79,85,379
b) <u>Financial Assets</u>				
(i) Trade receivables	7	62,38,65,848	56,80,68,126	40,94,22,452
(ii) Cash and cash equivalents	8	4,25,80,136	8,30,61,555	2,39,32,336
(iii) Bank balances other than (ii) above		5,45,14,895	5,85,71,895	3,52,29,558
(iv) Short term Loans & Advances	9	2,22,67,702	3,48,32,464	1,96,82,828
c) Other current assets	10	1,28,77,642	80,84,798	1,53,76,482
		1,26,41,41,643	1,04,57,42,184	73,16,29,035
TOTAL ASSETS		1,48,07,27,541	1,28,14,84,440	96,80,84,040
EQUITY & LIABILITIES :				
EQUITY:				
a) Equity Share capital	11	5,07,02,400	5,07,02,400	5,07,02,400
b) Other Equity	12	68,95,27,653	62,00,27,977	55,44,14,305
LIABILITIES :		74,02,30,053	67,07,30,377	60,51,16,705
1) Non-Current Liabilities				
a) <u>Financial Liabilities</u>				
Long Term Borrowings	13	7,98,30,000	6,44,42,000	5,66,25,000
b) Long Term Provisions	14	29,12,574	35,47,993	23,75,192
c) Deferred tax liabilities (Net)	15	2,04,15,307	2,53,89,254	2,50,72,504
		10,31,57,881	9,33,79,247	8,40,72,696
2) Current liabilities				
a) <u>Financial Liabilities</u>				
(i) Short Term Borrowings	16	22,40,51,451	17,11,83,916	4,58,73,433
(ii) Trade payables	17	31,19,07,627	19,56,68,562	12,16,51,823
b) Other current liabilities	18	9,34,30,572	14,67,16,745	10,65,91,760
c) Short Term Provisions	19	29,11,864	5,27,339	9,02,948
d) Current Tax Liabilities (Net)	20	50,38,092	32,78,254	38,74,675
		63,73,39,606	51,73,74,816	27,88,94,639
TOTAL EQUITY AND LIABILITIES		1,48,07,27,541	1,28,14,84,440	96,80,84,040

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For and on behalf of the Board of Directors

For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
Firm's Registration Number : 113742W

VASANT C. TANNA
PARTNER
Membership No.100422

Place : AHMEDABAD
Date : 26th May, 2018

NARAYANBHAI G. PATEL
Chairman & Whole-time Director
Din : 00023071

KAMLESH R. SHAH
Chief Financial Officer

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 26th May, 2018

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

NIKHIL PATEL
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2018

Particulars	Note No.	For the year ended 31 st March, 2018 (₹)	For the year ended 31 st March, 2017 (₹)
INCOME:			
Revenue from Operations	21	1,59,38,44,080	1,48,60,70,955
Other Income	22	42,84,830	50,70,735
Total Income		1,59,81,28,910	1,49,11,41,690
EXPENSES:			
Cost of Materials consumed	23	1,00,67,40,641	74,11,07,992
Purchases of traded goods	24	3,61,05,682	4,42,57,769
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	25	(21,55,79,907)	(7,05,02,272)
Excise Duty		1,12,69,824	12,46,11,357
Employee benefits expense	26	8,37,68,487	7,85,42,677
Finance costs	27	4,85,89,472	3,02,53,563
Depreciation and amortization expense		2,59,40,825	2,58,15,693
Other expenses	28	47,48,01,223	39,46,33,279
Total Expenses		1,47,16,36,247	1,36,87,20,058
Profit Before Tax		12,64,92,663	12,24,21,632
Tax Expense:			
Current tax		4,61,00,000	4,29,00,000
Deferred tax (Credit)/Charge (Excess)/Short Provision of Earlier Years		(44,15,703) (13,06,162)	3,58,765 44,480
Total Tax Expenses		4,03,78,135	4,33,03,245
Net Profit for the year		8,61,14,528	7,91,18,387
Other Comprehensive Income			
<u>Items that will not be reclassified to profit or loss</u>			
Remeasurement of defined benefit Plan		(19,17,048)	(1,21,403)
Income tax relating to above item		5,58,244	42,015
Total Other Comprehensive Income		(13,58,804)	(79,388)
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)		8,47,55,724	7,90,38,999
<u>Earnings per equity share (Face value of ₹ 10/- each)</u>			
Basic & Diluted		16.98	15.60

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For and on behalf of the Board of Directors

For SHAH & SHAH ASSOCIATES
Chartered Accountants
Firm's Registration Number : 113742W

VASANT C. TANNA
PARTNER
Membership No.100422

Place : AHMEDABAD
Date : 26th May, 2018

NARAYANBHAI G. PATEL
Chairman & Whole-time Director
Din : 00023071

KAMLESH R. SHAH
Chief Financial Officer

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 26th May, 2018

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

NIKHIL PATEL
Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	For the year ended 31 st March, 2018 (₹)	For the year ended 31 st March, 2017 (₹)
A. Cash flow from operating activities		
Profit / (Loss) before extraordinary items and tax	12,64,92,663	12,24,21,632
<u>Adjustments for:</u>		
Depreciation and amortisation expense	2,59,40,825	2,58,15,693
(Profit) / loss on assets sold and discarded	10,72,087	2,62,669
Interest Paid	3,11,44,373	1,36,32,521
Interest income	(42,81,379)	(50,70,735)
Provision for diminution in the value of investment	-	20,300
Operating profit / (loss) before working capital changes	18,03,68,570	15,70,82,080
<u>Changes in working capital:</u>		
Inventories	(21,49,12,074)	(6,51,37,967)
Trade receivables	(5,57,97,722)	(15,86,45,674)
Short-term loans and advances	1,25,64,762	(1,51,49,636)
Other Non- current assets	2,23,872	15,22,612
Other current assets	(11,55,827)	2,86,459
	40,57,000	(2,33,42,337)
Trade payables	11,62,39,065	7,40,16,739
Other current liabilities	(5,32,86,173)	4,01,24,985
Short-term provisions	4,67,477	(4,97,012)
Long-term provisions	(6,35,419)	11,72,801
Cash generated from operations	(1,18,66,468)	1,14,33,050
Income tax paid (Net of refunds)	(4,30,34,000)	(4,35,40,901)
Net cash flow from operating activities (A)	(5,49,00,468)	(3,21,07,851)
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(88,20,219)	(2,74,28,525)
Proceeds from sale of fixed assets	7,39,792	5,20,001
Interest Received	6,44,362	1,20,75,960
Net cash flow used in investing activities (B)	(74,36,065)	(1,48,32,564)
C. Cash flow from financing activities		
Net increase/(Decrease) in Long Term borrowings	1,53,88,000	78,17,000
Net increase/(Decrease) in working capital borrowings	5,28,67,535	12,53,10,483
Interest Paid	(3,11,44,373)	(1,36,32,521)
Dividend Paid (incl. Tax on dividends)	(1,52,56,048)	(1,34,25,327)
Net cash flow used in Financing activities (C)	2,18,55,114	10,60,69,635
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(4,04,81,419)	5,91,29,220
Cash and cash equivalents at the beginning of the year	8,30,61,555	2,39,32,336
Cash and cash equivalents at the end of the year	4,25,80,136	8,30,61,555

The accompanying notes form an integral part of the financial statements
In terms of our report attached.

As per our report of even date attached.

For and on behalf of the Board of Directors

For SHAH & SHAH ASSOCIATES
Chartered Accountants
Firm's Registration Number : 113742W

VASANT C. TANNA
PARTNER
Membership No.100422

Place : AHMEDABAD
Date : 26th May, 2018

NARAYANBHAI G. PATEL
Chairman & Whole-time Director
Din : 00023071

KAMLESH R. SHAH
Chief Financial Officer

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 26th May, 2018

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

NIKHIL PATEL
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH, 2018

A) EQUITY SHARE CAPITAL

(₹)

	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the reporting year	5,07,02,400	5,07,02,400
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	5,07,02,400	5,07,02,400

B) OTHER EQUITY

(₹)

Particulars	Capital Investment Subsidy	General Reserve	Retained Earnings	Total
Balance as of April 1, 2016	15,00,000	8,15,00,000	47,14,14,305	55,44,14,305
Net Profit for the year			7,91,18,387	7,91,18,387
Items of Other Comprehensive income for the year, net of tax				
Remeasurement benefit of defined benefit plans			(79,388)	(79,388)
Dividend Paid			(1,11,54,528)	(1,11,54,528)
Corporate Dividend Tax			(22,70,799)	(22,70,799)
Balance as of March 31, 2017	15,00,000	8,15,00,000	53,70,27,977	62,00,27,977
Revaluation Surplus				-
Net Profit for the year			8,61,14,528	8,61,14,528
Items of Other Comprehensive income for the year, net of tax				
Remeasurement benefit of defined benefit plans (Net of Tax)			(13,58,804)	(13,58,804)
Income Tax effect				-
Dividend			(1,26,75,600)	(1,26,75,600)
Corporate Dividend Tax			(25,80,448)	(25,80,448)
Balance as of March 31, 2018	15,00,000	8,15,00,000	60,65,27,653	68,95,27,653
The accompanying notes form an integral part of the financial statements				

As per our report of even date attached.

For SHAH & SHAH ASSOCIATES

Chartered Accountants
Firm's Registration Number : 113742W

VASANT C. TANNA

PARTNER
Membership No.100422

Place : AHMEDABAD

Date : 26th May, 2018

For and on behalf of the Board of Directors

NARAYANBHAI G. PATEL

Chairman & Whole-time Director
Din : 00023071

KAMLESH R. SHAH

Chief Financial Officer

Place : RAKANPUR, DIST : GANDHINAGAR

Date : 26th May, 2018

SANJIVKUMAR N. PATEL

Managing Director
Din : 02794095

NIKHIL PATEL

Company Secretary

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a Public Company domiciled in India and incorporated Company incorporated on 10.06.1992 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. All these products are supplied to leading Industrial Sections like Power Projects, Refineries, Fertilizers, Cements, Petrochemicals, Pharmaceuticals, Textile and Chemical Industries.

2. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The Financial Statements up to year ended 31 March 2017 were prepared in accordance with accounting standards notified under the Company (Accounting Standards) Rules 2006 read with Rule 7(1) of the Companies (Accounts) Rules, 2014 and the provisions of the Companies Act, 2013 (hereinafter referred to as the 'previous GAAP').

These Financial Statements are the first financial statements of the company under Ind AS - the transition date being 1st April 2016. The information as to how the company has adopted Ind AS and the impact thereof on Company's financial position, financial performance and cash flows is presented in notes to financial statements.

The financial statements have been prepared under the historical cost basis.

(b) USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) PROPERTY, PLANT AND EQUIPMENT:

- i) Property, Plant and Equipment are stated at original cost (net of tax/duty credit availed) less accumulated depreciation and impairment losses. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.
- ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
- iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- iv) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

- v) Property, Plant and Equipment including continuous process plants are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
- vi) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units.
- vii) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.
- viii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :
 - Buildings - 3 to 60 years
 - Plant and Equipments - 15 to 25 years
 - Furniture and Fixtures - 10 years
 - Vehicles - 8 to 10 years
 - Office Equipments - 5 to 10 years
- ix) At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

(d) INTANGIBLE ASSETS:

- i) Intangible assets acquired by payment e.g. Computer Software are disclosed at cost less amortization on a straight-line basis over its estimated useful life.
- ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.
- iii) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.
- iv) Intangible assets are amortized on straight-line method as follows :
 - Computer Software - 5 years
- v) At each balance sheet date, the Company reviews the carrying amount of intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

(e) REVENUE RECOGNITION:

- i) Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

- ii) Sale of Goods: Revenue from sales of goods is recognised on transfer of significant risks and rewards of ownership to the customers. Excise Duty expense has been disclosed in Statement of Profit and Loss as expenditure.
- iii) Services: Revenue from Services are recognized as and when the services are rendered.
- iv) Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(f) EMPLOYEE BENEFITS:

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972.
- iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.
- iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

(g) VALUATION OF INVENTORIES

- i) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.
- ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.
- iii) Stock in respect of Work-in-process, Stores and spare parts, and Tools & Spares are valued at cost;
- iv) Stock of Finished goods and stock-in –trade is valued at lower of cost or net realizable value.

(h) CASH FLOW STATEMENT:

- i) Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.
- ii) Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments with an original maturity of three months or less.

(i) FINANCIAL ASSETS:

- i) The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortized cost.
- ii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.
- iii) A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

(j) FINANCIAL LIABILITIES:

- i) Borrowings are initially recognized and subsequently measured at amortized cost, net of transaction costs incurred. The transaction costs is amortized over the period of borrowings using the effective interest method in Capital Work in Progress upto the commencement of related Plant, Property and Equipment and subsequently under finance costs in profit and loss account.
- ii) Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.
- iii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
- iv) Trade Payables represent liabilities for goods and services provided to the Company upto to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially and subsequently measured at amortized cost.
- v) Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(k) FAIR VALUE MEASUREMENT:

- i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.
- ii) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- iii) A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- iv) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(l) FOREIGN CURRENCY TRANSACTIONS:

- i) The Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.
- ii) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.
- iii) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

(m) BORROWING COSTS:

- i) Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.
- ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.
- iii) All other borrowing costs are expensed in the period in which they are incurred.

(n) ACCOUNTING FOR TAXES ON INCOME:

- i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.
- ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.
- iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilized.
- iv) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Un recognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

- v) Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income. As such, deferred tax is also recognised in other comprehensive income.
- vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

(o) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i) Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.
- ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation;(b)when no reliable estimate is possible;(c)unless the probability of outflow of resources is remote.
- iii) Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

(p) CURRENT AND NON-CURRENT CLASSIFICATION:

- i) The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into “Current” and “Non-Current”.
- ii) The Company presents assets and liabilities in the balance sheet based on current and non-current classification.
- iii) An asset is current when it is (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within twelve months after the reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.
- iv) An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

(q) EARNING PER SHARE:

- i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(r) EXPENSES FOR CORPORATE SOCIAL RESPONSIBILITY:

In case of CSR activities undertaken by the Company, if any expenditure of revenue nature is incurred or an irrevocable contribution is made to any agency to be spent by the latter on any of the activities mentioned in Schedule VII to the Companies Act, 2013, the same is charged as an expense to its Statement of Profit and Loss.

3(A) PROPERTY, PLANT & EQUIPMENT (₹)

Particulars	Freehold Land	Buildings	Plant and Equipment	Electrical Installations	Furniture and Fixtures	Vehicles	Office equipment	Computers	Road	TOTAL
Gross Carrying Value										
As at 1st April, 2016	26,42,034	5,81,22,219	26,42,13,413	1,06,91,215	91,98,800	4,17,73,757	59,62,247	50,87,460	67,58,142	40,44,49,287
Addition	-	1,35,885	72,34,372	74,23,741	5,18,916	67,68,781	6,85,080	5,77,250	-	2,33,44,025
Disposal / Adjustments	-	-	-	-	-	23,83,918	-	-	-	23,83,918
As at 31st March, 2017	26,42,034	5,82,58,104	27,14,47,785	1,81,14,956	97,17,716	4,61,58,620	66,47,327	56,64,710	67,58,142	42,54,09,394
Addition	-	59,45,997	28,70,656	4,75,492	23,57,352	7,19,575	1,53,518	3,43,800	5,58,877	1,34,25,267
Disposal / Adjustments	-	-	-	-	-	52,64,333	-	-	-	52,64,333
As at 31st March, 2018	26,42,034	6,42,04,101	27,43,18,441	1,85,90,448	1,20,75,068	4,16,13,862	68,00,845	60,08,510	73,17,019	43,35,70,328
Depreciation										
As at 1st April, 2016	-	2,31,08,813	11,53,68,602	54,38,156	51,02,491	1,63,16,721	42,65,148	40,69,821	20,36,333	17,57,06,085
Charge for the year	-	16,53,948	1,32,84,526	9,58,442	7,85,911	54,68,818	6,46,188	5,01,710	9,66,580	2,42,66,123
Disposal / Adjustments	-	-	-	-	-	16,01,248	-	-	-	16,01,248
As at 31st March, 2017	-	2,47,62,761	12,86,53,128	63,96,598	58,88,402	2,01,84,291	49,11,336	45,71,531	30,02,913	19,83,70,960
Charge for the year	-	16,58,340	1,37,05,726	14,97,016	7,79,031	54,59,132	2,38,962	5,04,702	10,14,074	2,48,56,983
Disposal / Adjustments	-	-	-	-	-	34,52,454	-	-	-	34,52,454
As at 31st March, 2018	-	2,64,21,101	14,23,58,854	78,93,614	66,67,433	2,90,95,877	51,50,298	50,76,233	40,16,987	21,97,75,489
Net Carrying Value										
As at 1st April, 2016	26,42,034	3,50,13,406	14,88,44,811	52,53,059	40,96,309	2,54,57,036	16,97,099	10,17,639	47,21,809	22,87,43,202
As at 31st March, 2017	26,42,034	3,34,95,343	14,27,94,657	1,17,18,358	38,29,314	2,59,74,329	17,35,991	10,93,179	37,55,229	22,70,38,435
As at 31st March, 2018	26,42,034	3,77,83,000	13,19,59,587	1,06,96,834	54,07,635	1,94,22,893	16,50,547	9,32,277	33,00,032	21,37,94,839

Note:

On transition to IND AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2016, measured as per Previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment.

3(B) INTANGIBLE ASSETS

(₹)

Particulars	GOODWILL	TECHNICAL KNOWHOW	COMPUTER SOFTWARE	TOTAL
Gross Carrying Value				
As at 1st April, 2016	37,040	43,64,500	56,98,572	1,01,00,112
Addition	-	-	-	-
Disposal / Adjustments	-	-	-	-
As at 31st March, 2017	37,040	43,64,500	56,98,572	1,01,00,112
Addition	-	-	72,000	72,000
Disposal / Adjustments	-	-	-	-
As at 31st March, 2018	37,040	43,64,500	57,70,572	1,01,72,112
Amortization				
As at 1st April, 2016	-	26,18,700	46,91,406	73,10,106
Charge for the year	-	8,72,900	6,76,670	15,49,570
Disposal / Adjustments	-	-	-	-
As at 31st March, 2017	-	34,91,600	53,68,076	88,59,676
Charge for the year	-	8,72,900	2,10,942	10,83,842
Disposal / Adjustments	-	-	-	-
As at 31st March, 2018	-	43,64,500	55,79,018	99,43,518
Net Carrying Value				
As at 1st April, 2016	37,040	17,45,800	10,07,166	27,90,006
As at 31st March, 2017	37,040	8,72,900	3,30,496	12,40,436
As at 31st March, 2018	37,040	-	1,91,554	2,28,594

Particulars	As at 31st March, 2018 (₹)	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
4 INVESTMENTS (Non-Current)			
Investment in Equity instruments-quoted (Measured at FVTPL)			
14,000 Equity Shares of M/s. Gujarat State Financial Corporation of ₹ 10/- each	2,80,000	2,80,000	2,80,000
Less : Provision for diminution in the value of Investments	2,80,000	2,80,000	2,59,700
Total	-	-	20,300
Aggregate amount of quoted investments	2,80,000	2,80,000	2,80,000
Market Value of quoted investments	-	-	20,300
5 OTHER NON CURRENT ASSETS			
Capital Advances	5,00,000	78,278	1,10,558
Security Deposits	20,62,465	22,86,337	38,08,949
Total	25,62,465	23,64,615	39,19,507
6 INVENTORIES			
(As taken valued and Certified by Management)			
Raw Materials (Includes goods in transit ₹ 64,50,716/- (P.Y. ₹ 83,37,258/-)	11,81,97,937	11,83,84,052	12,74,51,423
Work In Progress	38,38,65,135	16,90,45,028	9,80,53,116
Tools and Spares	32,21,347	36,90,278	-
Finished Goods	1,02,300	1,15,088	-
Traded goods	26,48,700	18,88,900	24,80,840
Total	50,80,35,420	29,31,23,346	22,79,85,379

Particulars	As at		As at		As at	
	31 st March, 2018		31 st March, 2017		1 st April, 2016	
	(₹)		(₹)		(₹)	
7 TRADE RECEIVABLES (Unsecured, Considered Good)						
Trade Receivables	62,38,65,848		56,80,68,126		40,94,22,452	
Total	62,38,65,848		56,80,68,126		40,94,22,452	
8 CASH AND CASH EQUIVALENTS						
Balances with banks						
(i) In current accounts	3,98,67,495		6,85,80,529		52,52,193	
(ii) In deposit accounts (incl. Margin Money deposits) (Includes ₹ 54514895 [P.Y Rs 58571895] maturing after 12 Months from Reporting date)	5,45,14,895		5,85,71,895		3,52,29,558	
(iii) Other Earmarked accounts - Unpaid dividend accounts	14,39,553		13,72,447		14,84,587	
(iv) In EEFC Account Cash on hand	4,66,030		1,22,13,842		1,65,55,008	
	8,07,058		8,94,737		6,40,548	
Total	9,70,95,031		14,16,33,450		5,91,61,894	
9 SHORT TERM LOANS & ADVANCES (Unsecured, Considered good)						
Advances recoverable in cash or in kind or for value to be received	1,75,17,274		2,73,74,024		1,50,56,634	
Balance with government authorities	47,50,428		74,58,440		46,26,194	
Total	2,22,67,702		3,48,32,464		1,96,82,828	
10 OTHER CURRENT ASSETS						
Prepaid expense	36,96,864		31,77,406		34,63,865	
Group Gratuity Trust	6,36,369		-		-	
Interest accrued on deposits	85,44,409		49,07,392		1,19,12,617	
Total	1,28,77,642		80,84,798		1,53,76,482	
11 EQUITY SHARE CAPITAL						

Particulars	As At 31st March, 2018		As At 31st March, 2017		As at 1st April, 2016	
	Number	₹	Number	₹	Number	₹
Authorized Share Capital	70,00,000	7,00,00,000	70,00,000	7,00,00,000	70,00,000	7,00,00,000
Issued, Subscribed & Paid up share capital	50,70,240	5,07,02,400	50,70,240	5,07,02,400	50,70,240	5,07,02,400
Total	50,70,240	5,07,02,400	50,70,240	5,07,02,400	50,70,240	5,07,02,400

b. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Particulars	As At 31st March, 2018		As At 31st March, 2017		As at 1st April, 2016	
	Number	₹	Number	₹	Number	₹
At the beginning of the period	50,70,240	5,07,02,400	50,70,240	5,07,02,400	50,70,240	5,07,02,400
Issued during the period						
Outstanding at the end of the period	50,70,240	5,07,02,400	50,70,240	5,07,02,400	50,70,240	5,07,02,400

c. Terms/rights attached to equity shares

The Company has only one class of shares i.e. equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends, if any, in Indian rupees. The dividend, if proposed, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Share holding details of the Company as at Balance Sheet date and name of persons holding more than 5% shares.

Particulars Company	As At 31st March, 2018		As At 31st March, 2017		As at 1st April, 2016	
	No. of Shares held	%	No. of Shares held	%	Number Shares held	%
Names of person holding more than 5% shares						
Thermflow Engineers Private Limited	13,64,512	26.91	13,64,512	26.91	13,64,512	26.91
Devidas Chelaram Narumalani	2,90,145	5.72	2,90,145	5.72	2,90,145	5.72
Narendrabhai Gopalbhai Patel	3,03,801	5.99	3,03,801	5.99	3,03,801	5.99

Particulars	As at 31 st March, 2018 (₹)	As at 31 st March, 2017 (₹)	As at 1 st April, 2016 (₹)
12 OTHER EQUITY			
(Summary of Other Equity Balances-Refer Statement of Changes in Equity for detailed Movement in Equity Balances)			
General Reserve	8,15,00,000	8,15,00,000	8,15,00,000
Capital Subsidy	15,00,000	15,00,000	15,00,000
Retained earnings-Surplus in Statement of Profit & Loss	60,65,27,653	53,70,27,977	47,14,14,305
Total	68,95,27,653	62,00,27,977	55,44,14,305
13 LONG TERM BORROWINGS			
<u>Unsecured Loans from related parties</u>			
From Directors	3,63,63,000	1,48,50,000	1,14,00,000
From Relatives of Directors	4,34,67,000	4,95,92,000	4,52,25,000
Total	7,98,30,000	6,44,42,000	5,66,25,000
14 LONG TERM PROVISIONS			
Provision for Employee Benefits	29,12,574	35,47,993	23,75,192
Total	29,12,574	35,47,993	23,75,192

Particulars	As at 31 st March, 2018 (₹)	As at 31 st March, 2017 (₹)	As at 1 st April, 2016 (₹)
15 DEFERRED TAX LIABILITIES (NET)			
(a) Deferred tax Liabilities:			
Difference between book and tax depreciation	2,21,11,383	2,77,39,987	2,68,13,048
	<u>2,21,11,383</u>	<u>2,77,39,987</u>	<u>2,68,13,048</u>
(b) Deferred tax assets			
Disallowances of employee benefits u/s. 43B of the Income Tax	10,95,816	19,47,883	14,28,052
Remeasurement benefit of the defined benefit plans through OCI	6,00,260	42,015	-
Pertaining to IND AS adjustments	-	3,60,835	3,12,492
	<u>16,96,076</u>	<u>23,50,733</u>	<u>17,40,544</u>
Deferred Tax Liabilities (Net)	<u>2,04,15,307</u>	<u>2,53,89,254</u>	<u>2,50,72,504</u>
16 SHORT TERM BORROWINGS			
Secured Loans :			
Working capital facilities from Banks (Refer Note below)	22,40,51,451	17,11,83,916	4,58,73,433
Total	<u>22,40,51,451</u>	<u>17,11,83,916</u>	<u>4,58,73,433</u>
Note :			
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 companies factory land and building situated at Plot no. 805, 806, 807, and 810 at Rakanpur, Tal. Kalol, Dist. Gandhinagar and secured by equitable mortgage of 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.			
17 TRADE PAYABLES			
Outstanding dues to Micro Enterprise and Small Enterprise (Refer Note No 36)	4,46,43,198	2,34,67,246	3,15,45,642
outstanding dues to Creditors Other Than Micro Enterprise and Small Enterprise	26,72,64,429	17,22,01,316	9,01,06,181
Total	<u>31,19,07,627</u>	<u>19,56,68,562</u>	<u>12,16,51,823</u>
18 OTHER CURRENT LIABILITIES			
Unclaimed Dividend*	14,39,553	13,72,447	14,84,587
Statutory Dues	20,22,348	89,22,712	99,19,845
Payables towards capital expenditure	21,109	51,722	5,23,829
Advance Received from Customers	8,99,47,562	13,63,69,864	9,46,63,499
Total	<u>9,34,30,572</u>	<u>14,67,16,745</u>	<u>10,65,91,760</u>
* There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF)			
19 SHORT TERM PROVISIONS			
Provision for Employee Benefits	29,11,864	5,27,339	9,02,948
Total	<u>29,11,864</u>	<u>5,27,339</u>	<u>9,02,948</u>
20 CURRENT TAX LIABILITIES (NET)			
For Income Tax (net of Advance Tax and TDS)	50,38,092	32,78,254	38,74,675
Total	<u>50,38,092</u>	<u>32,78,254</u>	<u>38,74,675</u>

PARTICULARS	For the year ended 31 March, 2018 (₹)	For the year ended 31 March, 2017 (₹)
21 REVENUE FROM OPERATIONS		
Sale of products		
Domestic	1,43,62,76,599	1,22,96,44,659
Export	8,98,88,314	20,78,12,043
	1,52,61,64,913	1,43,74,56,702
Sale of Services	2,52,43,180	1,64,68,624
Other Operating Revenue	4,24,35,988	3,21,45,629
Total	1,59,38,44,080	1,48,60,70,955
<u>Sale of Products:</u>		
<u>Manufactured goods</u>		
1. Heat Exchanger & Accessories	46,16,81,284	62,85,26,629
2. Steam Coil / Heaters	2,75,02,663	4,63,36,666
3. Air Conditioning & Refrigeration	2,98,97,781	6,39,19,892
4. Air Cooled Heat Exchanger & Accessories	66,94,43,303	33,95,10,956
5. Pressure Vessels & Accessories	27,88,97,302	17,34,31,706
6. Finned Tubes / Fine Tube Bundles / Elements	-	8,11,823
7. Other Plants Equipments & Accessories	77,77,464	1,01,17,020
Add : Excise Duty	1,12,69,824	12,46,11,357
Total (a)	1,48,64,69,621	1,38,72,66,049
<u>Trading Goods</u>		
1 Window & Split AC & Accessories (b)	3,96,95,292	5,01,90,653
Total - Sale of Products (a+b)	1,52,61,64,913	1,43,74,56,702
<p>Consequent to introduction of Goods and Service Tax (GST) with effect from 1st July' 2017, Central Excise, Value Added tax (VAT) etc; have been subsumed in to GST. IN accordance with Indian Accounting Standard-18 on Revenue and Schedule III of the Companies Act, 2013, unlike excise duty levies like GST,VAT etc; are not part of revenue. Accordingly, the figures for the year ended on 31st March,2018 is not strictly relateable to previous year.</p>		
22 OTHER INCOME		
Interest received (TDS Rs 414123) (P.Y.₹ 385689)	42,81,379	50,70,735
Misc. Income	3,451	-
Total	42,84,830	50,70,735
23 COST OF MATERIALS CONSUMED		
Stocks of Raw materials at the beginning of the year	11,83,84,052	12,74,51,423
Add: Purchases during the year	1,00,65,54,527	73,20,40,621
	1,12,49,38,579	85,94,92,044
Less: Stocks of Raw materials at the end of the year	11,81,97,937	11,83,84,052
Total	1,00,67,40,641	74,11,07,992

PARTICULARS	For the year ended 31 March, 2018 (₹)	For the year ended 31 March, 2017 (₹)
<u>Break-up of Raw Materials consumed</u>		
Iron & Steel Flanges	53,05,93,480	38,45,69,955
Non Ferrous (Copper / Brass Tubes)	9,35,33,296	5,81,37,138
Non Ferrous (Copper / Allu / Brass Plates)	5,02,76,837	4,66,24,928
Pipes & Tubes	20,74,92,110	14,83,15,646
Other Material	20,96,90,227	21,20,18,905
	1,09,15,85,950	84,96,66,572
Less: Cenvat & VAT Setoff	8,48,45,309	10,85,58,580
Total	1,00,67,40,641	74,11,07,992
24 PURCHASE OF TRADED GOODS		
Window & Split AC & Accessories	3,61,05,682	4,42,57,769
Total	3,61,05,682	4,42,57,769
25 CHANGES IN INVENTORIES OF FINISHED GOODS, TRADED GOODS & WORK-IN-PROCESS		
<u>Closing Inventories</u>		
Finished Goods	1,02,300	1,15,088
Work-in-Process	38,38,65,135	16,90,45,028
Stock-in-trade	26,48,700	18,88,900
	38,66,16,135	17,10,49,016
<u>Opening Inventory</u>		
Finished Goods	1,15,088	-
Work -in-Process	16,90,45,028	9,80,53,116
Stock-in-trade	18,88,900	24,80,840
	17,10,49,016	10,05,33,956
Less : Excise duty on Opening Stock of Finished Goods	12,788	-
Add : Excise duty on Closing Stock of Finished Goods	-	12,788
Total	(21,55,79,907)	(7,05,02,272)
26 EMPLOYEE BENEFITS EXPENSES		
	For the year ended 31 March, 2018 (₹)	For the year ended 31 March, 2017 (₹)
Employee Benefits Expense		
Salaries, wages and allowances	7,53,29,330	6,95,72,245
Contributions to Provident Fund and other Funds	52,43,301	54,90,430
Staff welfare expenses	31,95,856	34,80,002
Total	8,37,68,487	7,85,42,677
27 FINANCE COSTS		
Interest expense	3,11,44,373	1,36,32,521
Other borrowing costs	1,74,45,099	1,66,21,042
Total	4,85,89,472	3,02,53,563

PARTICULARS	For the year ended 31 March, 2018 (₹)	For the year ended 31 March, 2017 (₹)
28 OTHER EXPENSES		
Rates and taxes	20,28,117	18,79,401
Insurance	1,95,690	3,23,526
Power and Fuel	1,13,55,844	1,01,39,227
Consumption of Stores & welding material	3,68,13,072	3,31,30,579
Consumption of loose tools	3,64,51,095	4,61,48,742
Consumption of Packing Materials	62,70,050	50,91,096
Labour Charges	17,42,40,140	14,16,22,735
Factory Expenses	1,77,36,564	1,93,24,984
Repairs to Buildings	16,42,835	15,77,769
Repairs to Machinery	1,31,53,963	1,38,62,297
Other repairs	62,13,651	27,08,032
Printing and stationery	26,42,951	23,02,238
Communication and Telephone Expenses	28,14,850	26,21,014
Travelling and conveyance	1,48,22,747	1,12,77,070
Legal and professional	2,42,11,055	1,67,17,170
Payments to auditors*	1,10,000	1,43,175
Freight and forwarding Charges	8,22,59,883	4,22,73,617
Commission expenses	25,78,685	30,65,690
Business Promotion Expenses	7,18,227	6,50,356
Late Delivery Charges /Liquidated damages	2,28,56,404	2,15,59,245
Charity & Donations	5,26,111	18,978
Expenditure incurred for Corporate Social Responsibility (Refer Note 35)	25,91,000	18,66,555
Sales Tax Expenses	-	13,22,500
Loss on sale of fixed assets	10,72,087	2,62,669
Foreign Exchange fluctuation (net)	4,00,884	12,47,762
Provision for diminution in value of Investment	-	20,300
General Charges	1,10,95,318	1,34,76,552
Total Other Expenses	47,48,01,223	39,46,33,279

* Auditors Remuneration Includes	(₹)	(₹)
Statutory audit	1,10,000	1,16,000
Tax Audit	-	10,500
Certification fees & Other Services	-	16,675
Reimbursement of Expenses	-	-
Total	1,10,000	1,43,175

29. Contingent Liabilities & Capital Commitments not provided for:

a) Contingent Liabilities

(₹ in lacs)

Particulars	As at 31/03/2018	As at 31/03/2017
Outstanding Bank Guarantees	4708.18	3359.98
Outstanding Foreign Bank Guarantees	US \$178115	US \$ 798618.38
Outstanding Inland Letter of Credit	NIL	31.22
Outstanding Foreign Letter of Credit		US \$713036.56

b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account [net of advances] and not provided for ₹ NIL Lacs (P.Y ₹ NIL)

30. RELATED PARTY INFORMATION

The company has transactions with following related parties

a) Associates	Thermflow Engineers Pvt. Ltd.
	Shiv Fintrade LLP
b) Key Management Personal	1. Narayanbhai G.Patel
	2. Prakashbhai N. Patel
	3. Sanjivkumar N. Patel
	4. Narendrabhai G. Patel
	5. Kamlesh R. Shah (CFO)
	6. Nikhil Patel (CS)
c) Relative of Key Managerial Person	1. Sitaben Patel
	2. Aarti Patel
	3. Jalpa Patel
	4. Shivang Patel
	5. Narayanbhai G Patel HUF
	6. Prakashbhai N. Patel HUF
	7. Sanjivkumar N. Patel HUF
	8. Mukundbhai G Patel

Note : Related Parties have been as identified by the Management and relied upon by the auditors

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
Narayanbhai G. Patel	Chairman & Whole Time Director	Remuneration	31,27,980 (31,63,820)	86,90,000 (52,50,000)
		Interest	7,39,062 (4,20,192)	
		Loan taken	60,00,000 (30,75,000)	
		Loan Repaid	25,60,000 (NIL)	
Prakashbhai N. Patel	Managing Director	Remuneration	31,58,772 (31,85,785)	29,45,000 (27,05,000)
		Interest	3,02,776 (2,57,435)	
		Loan taken	8,50,000 (29,10,000)	
		Loan Repaid	6,10,000 (9,00,000)	
Sanjivkumar N. Patel	Managing Director	Remuneration	30,46,379 (30,29,802)	20728000 (68,95,000)
		Interest	19,60,856 (8,06,947)	
		Loan taken	53,45,000 (23,90,000)	

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
		Loan Repaid	15,12,000 (40,25,000)	
Narendrabhai G. Patel	Director	Remuneration	30,71,761 (30,82,117)	40,00,000 (-)
		Loan taken	40,00,000 (-)	
		Interest	2,73,644 (-)	
Sitaben Patel	Wife of Director	Loan taken	8,50,000 (6,05,000)	1,05,45,000 (95,95,000)
		Interest	11,24,282 (10,28,117)	
Shivang Patel	Son of Director	Loan taken	1,50,000 (36,15,000)	4165000 (4015000)
		Loan Repaid	NIL (30,00,000)	
		Interest	4,44,860 (3,53,002)	
		Stipend	NIL (50,000)	
Aarti Patel	Wife of Director	Loan taken	7,00,000 (13,20,000)	84,40,000 (78,90,000)
		Loan Repaid	1,50,000 (-)	
		Interest	9,00,057 (8,15,575)	
Jalpa Patel	Wife of Director	Loan taken	4,20,000 (6,55,000)	70,000 (1,08,70,000)
		Loan Repaid	1,12,20,000 (-)	
		Interest	1,77,997 (11,55,440)	
Narayanbhai G. Patel HUF	Director is Karta of HUF	Loan taken	70,000 (22,000)	5,07,000 (4,37,000)
		Interest	51,720 (46,533)	
Prakashbhai N. Patel HUF	Director is Karta of HUF	Loan taken	1,50,000 (4,90,000)	43,80,000 (42,30,000)
		Interest	4,76,872 (4,41,012)	
Sanjivkumar N. Patel HUF	Director is Karta of HUF	Loan taken	31,65,000 (7,00,000)	1,53,60,000 (1,24,55,000)
		Loan Repaid	2,60,000 (40,000)	

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
		Interest	15,26,067 (13,29,497)	
Mukundbhai G Patel	Relative of the Director	Remuneration	5,48,918 (5,08,002)	- (-)
Kamlesh R. Shah	Chief Financial Officer	Remuneration	9,44,623 (8,69,319)	- (-)
Nikhil Patel	Company Secretary	Remuneration	10,73,400 (9,45,760)	- (-)

31. SEGMENT INFORMATION

Primary Segment – Business Segment

The Company's operation predominantly comprise of only one segment .In view of the same, separate segmental information is not required to be disclosed as per the requirement of Indian Accounting Standard 108 Operating Segment

Secondary Segment – Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

Sales within India include sales to customers located within India. Sales outside India include sales to customers located outside India.

Information pertaining to Secondary Segment

Gross revenue from operations as per Geographical Locations

(₹)

PARTICULARS	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Within India	1,43,62,76,599	1,22,96,44,659
Canada	2,11,95,177	10,61,98,239
Nigeria	6,19,92,873	9,90,52,478
Indonesia	27,25,550	24,16,326
Dubai (UAE)	—	1,45,000
Zambia	39,74,713	—
Total	1,52,61,64,913	1,43,74,56,702

32. EARNING PER SHARE

PARTICULARS	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Net Profit for the year before other Comprehensive Income (in ₹)	86,114,528	79,118,387
Number of Equity Shares	5,070,240	5,070,240
Basic & Diluted Earnings per Share (Price per share ₹ 10)	16.98	15.60

33. 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.

34. Balances of Unsecured Loan, Trade Receivable and Payables & loans and advances are subject to confirmation from respective parties.

35. Corporate Social Responsibility

(a) Gross amount required to be spent by the company during the year ₹ 21,94,975/- (Previous year ₹ 18,66,555/-)

(b) Amount spent during the year on: (₹)

	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	- (-)	- (-)	- (-)
(ii) On purposes other than (i) above	25,91,000 (18,66,555)	NIL (NIL)	25,91,000 (18,66,555)

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 yearend together with the interest paid / payable, is as follows:

Particulars	2017-18 (₹)	2016-17 (₹)
The Principal Amount	4,46,43,198	2,34,67,246
Interest Paid under MSMED Act, 2006	—	—
Interest due (Other than 23.3 (b))	—	—
Interest accrued and unpaid	—	—
Interest due and payable till actual payment	—	—

37. EMPLOYEE BENEFIT OBLIGATION

As per Indian Accounting Standard (Ind AS) 19 “Employee Benefits”, the disclosures of Employee benefits as defined in the Accounting Standard are given below :

Defined Contribution Plan:

(i) Contribution to Defined Contribution Plan, recognized as expense for the year is as under : (Amount ₹)

Particulars	2017-18	2016-17
Employer’s Contribution to Provident Fund	31,08,493	24,85,477

(ii) Defined Contribution Plan: Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, respectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.

(iii) Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

(iv) Following are the risks associated with the plan:

Interest rate risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the market value of the assets depending on the duration of asset.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk:

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(v) **Defined Benefit Cost:**

(Amount ₹)

PARTICULARS	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Current Service Cost	10,27,007	7,84,672
Net Interest Cost	38,706	72,958
Defined Benefit Cost included in Profit and Loss	10,65,713	8,57,630
Defined Benefit Cost included in Other Comprehensive Income	19,17,048	1,21,403
Total Defined Benefit Cost in Profit and Loss and OCI	29,82,761	9,79,033

(vi) **Movement in Defined benefit liability:**

(Amount ₹)

PARTICULARS	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Opening Defined Benefit Obligation	5,27,339	9,02,948
Interest Expense on Defined Benefit Obligation (DBO)	-	-
Current Service Cost	10,65,713	8,57,630
Total Remeasurements included in OCI	19,17,048	1,21,403
Less : Benefits paid	-	-
Less : Contributions to plan assets	(10,11,274)	(13,54,642)
Closing benefit obligation	24,98,826	5,27,339
Current Liabilities of Closing benefit obligation	22,95,480	5,27,339
Non-Current Liabilities of Closing benefit obligation	2,03,346	—

(vii) Sensitivity Analysis of Defined Benefit Obligation

PARTICULARS	For the year ended 31 March, 2018 (Amount In ₹)	For the year ended 31 March, 2017 (Amount In ₹)
Projected Benefit Obligation on Current Assumptions	1,15,48,070	86,52,851
Delta Effect of +1% Change in Rate of Discounting	(8,61,204)	(8,16,329)
Delta Effect of -1% Change in Rate of Discounting	10,16,878	9,67,617
Delta Effect of +1% Change in Rate of Salary Increase	10,15,135	9,61,175
Delta Effect of -1% Change in Rate of Salary Increase	(8,74,890)	(8,25,812)
Delta Effect of +1% Change in Rate of Employee Turnover	50,303	7,849
Delta Effect of -1% Change in Rate of Employee Turnover	(60,197)	(11,522)

(viii) Actuarial assumptions:
(Amount In ₹)

PARTICULARS	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Expected Return on Plan Assets	7.83%	7.34%
Rate of Discounting	7.83%	7.34%
Rate of Salary Increase	7.00%	7.00%
Rate of Employee Turnover	2%	2%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

(ix) The above details are certified by the actuary.
38. Effects of Ind AS adoption on Balance Sheet as at 31st March, 2017 and 1st April, 2016 (₹)

Particulars	Note No.	As at 31st March, 2017 (End of last period presented as per IGAAP)			As at 1st April, 2016 (Date of Transition)		
		As per IGAAP*	Adjustments on transitio to Ind AS	As per Ind AS	As per IGAAP*	Adjustments on transitio to Ind AS	As per Ind AS
ASSETS							
Non- current Assets							
Property, Plant and Equipment		22,70,38,435	-	22,70,38,435	22,87,43,202	-	22,87,43,202
Capital work-in-progress		50,98,770	-	50,98,770	9,81,990	-	9,81,990
Other Intangible assets		12,40,436	-	12,40,436	27,90,006	-	27,90,006
Financial Assets							
(i) Investments		-	-	-	20,300	-	20,300
(ii) Trade receivables		-	-	-	-	-	-
(iii) Loans	a(i)	23,64,615	(23,64,615)	-	39,19,507	(39,19,507)	-
Other non-current assets	a(i)	4,73,69,256	(4,50,04,641)	23,64,615	7,60,58,322	(7,21,38,815)	39,19,507
		28,31,11,512	(4,73,69,256)	23,57,42,256	31,25,13,327	(7,60,58,322)	23,64,55,005
Current assets							
Inventories		29,31,23,346	-	29,31,23,346	22,79,85,379	-	22,79,85,379
Financial Assets							
(i) Trade receivables		53,10,28,280	3,70,39,846	56,80,68,126	35,08,23,361	5,85,99,091	40,94,22,452
(ii) Cash and cash equivalents	a(ii)	14,16,33,449	(5,85,71,895)	8,30,61,554	5,91,61,893	(3,52,29,558)	2,39,32,335
(iii) Bank balances other than (iii) above	a(ii)	-	5,85,71,895	5,85,71,895	-	3,52,29,558	3,52,29,558
(iv) Loans		3,25,87,852	22,44,612	3,48,32,464	1,76,00,079	20,82,749	1,96,82,828
Other current assets	a(i)	-	80,84,798	80,84,798	-	1,53,76,482	1,53,76,482
		99,83,72,927	4,73,69,256	1,04,57,42,183	65,55,70,712	7,60,58,322	73,16,29,034
Total Assets		1,28,14,84,439	-	1,28,14,84,440	96,80,84,039	-	96,80,84,039

Particulars	Note No.	As at 31st March, 2017 (End of last period presented as per IGAAP)			As at 1st April, 2016 (Date of Transition)		
		As per IGAAP*	Adjustments on transitio to Ind AS	As per Ind AS	As per IGAAP*	Adjustments on transitio to Ind AS	As per Ind AS
EQUITY AND LIABILITIES							
EQUITY							
(a) Equity Share capital		5,07,02,400	-	5,07,02,400	5,07,02,400	-	5,07,02,400
(b) Other Equity		62,02,92,153	(2,64,176)	62,00,27,977	54,16,35,776	1,27,78,529	55,44,14,305
		67,09,94,553	(2,64,176)	67,07,30,377	59,23,38,176	1,27,78,529	60,51,16,705
LIABILITIES							
Non-current liabilities							
Financial Liabilities							
(i) Borrowings		6 44 42 000	-	6,44,42,000	5 66 25 000	-	5,66,25,000
(ii) Other Financial Liabilities	a(i)	11,52,994	(11,52,994)	-	11,52,992	(11,52,993)	-
Provisions		35,47,993	-	35,47,991	23,75,192	-	23,75,192
Deferred tax liabilities (Net)	c	2,57,92,104	(4,02,850)	2,53,89,254	2,53,84,997	(3,12,493)	2,50,72,504
		9,49,35,091	(15,55,844)	9,33,79,245	8,55,38,181	(14,65,486)	8,40,72,696
Current liabilities							
Financial Liabilities							
(i) Borrowings		17,11,83,916	-	17,11,83,916	4,58,73,433	-	4,58,73,433
(ii) Trade payables		19,34,48,776	22,19,787	19,56,68,563	11,98,44,549	18,07,274	12,16,51,823
(iii) Other financial liabilities	a(i)	-	-	-	-	10,65,91,760	10,65,91,760
Other current liabilities	a(i)	14 55 63 750	11,52,995	14,67,16,745	10 54 38 765	(10,45,35,818)	9,02,947
Provisions	a(i)	53 58 354	(48,31,015)	5,27,339	1 90 50 935	(1,51,76,260)	38,74,675
Current Tax Liabilities (Net)	a(i)	-	32,78,254	32,78,254	-	-	-
		51,55,54,796	18,20,021	51,73,74,817	29,02,07,682	(1,13,13,044)	27,88,94,638
Total Equity and Liabilities		1,28,14,84,439	-	1,28,14,84,439	96,80,84,039	-	96,80,84,039

* The IGAAP figures have been reclassified to conform to IND AS presentation requirements for the purposes of this note.

Statement of Reconciliation of Equity (Shareholders' Funds) as at 31st March, 2017 and 1st April, 2016:

Particulars	Note No.	As at 31st March, 2017 (₹)	As at 1st April, 2016 (₹)
Total Equity (Shareholders' Funds) as per IGAAP		67,09,94,553	59,23,38,176
Reversal of dividend and tax thereon	(e)	-	1,34,25,327
Remeasurement of Defined benefit Obligation (Net of Tax)	(h)	(79,388)	(5,90,456)
Effect on account of Prior Period expenses (Net)		(1,39,688)	(56,342)
Other IND AS Adjustments (Net)		(45,100)	-
Total Equity as per IND AS		67,07,30,377	60,51,16,705

39. Effect of Ind AS adoption on Statement of Profit & Loss for the year ended on 31st March, 2017 (₹)

Particulars	Note No.	Year ended on 31st March, 2017 (End of last period presented as per IGAAP)		
		As per IGAAP*	Adjustments on Transition to IND AS	As per Ind AS
INCOME:				
Revenue from Operations	(b)	1,36,14,59,598	12,46,11,357	1,48,60,70,955
Other Income		50,70,735	-	50,70,735
Total Income		1,36,65,30,333	12,46,11,357	1,49,11,41,690
EXPENSES:				
Cost of Materials consumed		74,11,07,992	-	74,11,07,992
Purchases of traded goods		4,42,57,769	-	4,42,57,769
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(b)	(7,05,15,060)	12,788	(7,05,02,272)
Excise Duty	(b)	-	12,46,11,357	12,46,11,357
Employee benefits expense	(h)	7,90,39,689	(4,97,012)	7,85,42,677
Finance costs	(f)	3,15,01,325	(12,47,762)	3,02,53,563
Depreciation and amortization expense		2,58,15,693	-	2,58,15,693
Other expenses	(f),(g)	39,30,52,290	15,80,989	39,46,33,279
Total Expenses		1,24,42,59,698	12,44,60,360	1,36,87,20,058

Particulars	Note No.	Year ended on 31st March, 2017 (End of last period presented as per IGAAP)		
		As per IGAAP*	Adjustments on Transition to IND AS	As per Ind AS
Profit Before Extraordinary items & Tax		12,22,70,635	1,50,997	12,24,21,632
<u>Less: Extraordinary Items</u>				
Profit/(Loss) on Sale of Fixed Assets	(g)	(2,62,669)	2,62,669	-
Profit Before Tax		12,20,07,966	4,13,666	12,24,21,632
<u>Tax Expense:</u>				
Current tax		4,29,00,000	-	4,29,00,000
Deferred tax (Credit)/Charge	(c)	4,07,108	(48,343)	3,58,765
(Excess)/Short Provision of Earlier Years		44,480	44,480	
Total Tax Expenses		4,33,51,588	-48,343	4,33,03,245
Profit for the year				
<u>Other Comprehensive Income</u>				
<u>Items that will not be reclassified to profit or loss</u>				
Remeasurement of defined benefit Plan	(h)	-	(1,21,403)	(1,21,403)
Income tax relating to above item		-	42,015	42,015
Total Other Comprehensive Income		-	(79,388)	(79,388)
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)		7,86,56,378	3,82,621	7,90,38,999
<u>Earnings per equity share</u> (Face value of ₹ 10/- each)				
Basic & Diluted		15.51	0.09	15.60

Notes to the Reconciliations of figures reported under IGAAP and IND-AS as at & for the financial year ended on 31st March,2017 (end of last period presented as per IGAAP) and as at 1st April,2016 (Date of Transition):

- (a) (i) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.
- (ii) The Company has re-classified Fixed Deposit Investment from cash and cash equivalents to other bank balances.

(b) Excise Duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of statement of profit and loss as part of expenses. The excise duty on closing stocks of finished goods also reclassified/regrouped from Other expenses.

(c) Deferred Tax

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. IND AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of IND AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction in retained earnings.”

(d) Actuarial gain/(loss) on Defined Benefit plans for Employee Benefits:

“Under Ind AS, the change in defined benefit liability is split into changes arising out of service and interest cost and changes arising out of re measurements. Changes due to service and interest cost are to be recognized in Profit and Loss account and the changes arising out of re-measurements are to be recognized directly in Other Comprehensive Income (OCI).”

(e) Proposed Dividend:

Under the Previous GAPP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognized as liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the General Meeting.

- (f) Under IGAAP, Foreign exchange rate difference was treated as Finance cost and now under IND AS the same has been reclassified to Other Expenses.
- (g) Under IGAAP, the amount of loss on sale of fixed assets shown under the head extraordinary item. In IND AS the same has been reclassified and shown under the head Other Expenses.
- (h) Re-measurement of defined benefit plan in accordance with IND AS 19 Employee Benefits and under IND AS, the actuarial gains and losses form part of re-measurement of the net defined liability/asset which is recognized in other comprehensive Income.

PARTICULARS	For the year ended 31st March, 2018 (₹)	For the year ended 31st March, 2017 (₹)
40 Income taxes		
A Income taxes recognised in Statement of Profit and Loss		
Current tax		
In respect of the current year	4,61,00,000	4,29,00,000
(Excess)/Short provision for tax of earlier years	<u>(13,06,162)</u>	<u>44,480</u>
	4,47,93,838	4,29,44,480
Deferred tax(credit)/Charged	<u>(44,15,703)</u>	<u>3,58,765</u>
Total income tax expense recognised in respect of continuing operations	<u>4,03,78,135</u>	<u>4,33,03,245</u>
B Tax reconciliation		
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before taxes	12,64,92,663	12,24,21,632
Enacted tax rate in India	34.608%	34.608%
Expected income tax benefit/(expense) at statutory tax rate	4,37,76,581	4,23,67,678
Effect of:	-	
Difference in Depreciation as per books and as per Income tax	12,62,974	9,26,939
Timing difference of amounts deductible on actual payment	(1,59,050)	(5,19,831)
Tax effect on non -deductible expenses	12,19,495	1,25,214
(Excess)/Short Provision for tax of earlier years	<u>(13,06,162)</u>	<u>44,480</u>
Income taxes recognised in the Statement of Profit and Loss	<u>4,47,93,838</u>	<u>4,29,44,480</u>

The tax rate used for the 2017-18 and 2016-17 reconciliations above is the corporate tax rate of 30% plus surcharge @ 12% and cess @ 3% payable by corporate entities in India on taxable profits under the Indian tax laws.

PARTICULARS	For the year ended 31st March, 2018 (₹)	For the year ended 31st March, 2017 (₹)
C Income tax recognised in other comprehensive income		
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	5,58,244	42,015
Total income tax recognised in other comprehensive income	5,58,244	42,015
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	5,58,244	42,015
Income tax recognised in other comprehensive income	5,58,244	42,015
D Components of Deferred Tax (charge)/benefit for the year		
Depreciation and amortisation	56,28,604	(9,26,939)
Disallowances of employee benefits u/s. 43B of the Income Tax	8,52,067	5,19,831
Others (Incl. reduction in net liability on account of changes in effective tax rate)	(20,64,968)	48,343
Total deferred tax (Charge)/benefit for the year	44,15,703	(3,58,765)
Note: Deferred tax liability has been calculated using effective tax rate of 29.12% (previous year 34.608%)		(₹)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
E Components of deferred tax assets and liabilities			
(a) Deferred tax liabilities			
Difference between book and tax depreciation	2,21,11,383	2,77,39,987	2,68,13,048
	2,21,11,383	2,77,39,987	2,68,13,048
(b) Deferred tax assets			
Disallowances of employee benefits u/s. 43B of the Income Tax	10,95,816	19,47,883	14,28,052
Remeasurement benefit of the defined benefit plans through OCI	6,00,260	42,015	-
Pertaining to IND AS adjustments	-	3,60,835	3,12,492
	16,96,076	23,50,733	17,40,544
Deferred Tax Liabilities (Net)	2,04,15,307	2,53,89,254	2,50,72,504

41. APPROVAL OF FINANCIAL STATEMENT

The financial statements were approved for issue by the board of directors on 26th May, 2018.

As per our report of even date attached.

-: Signature to Note No. 1 to 41 :-

As per our report of even date attached.

For and on behalf of the Board of Directors

For SHAH & SHAH ASSOCIATES

Chartered Accountants
Firm's Registration Number : 113742W

VASANT C. TANNA

PARTNER
Membership No.100422

Place : AHMEDABAD
Date : 26th May, 2018

NARAYANBHAI G. PATEL
Chairman & Whole-time Director
Din : 00023071

KAMLESH R. SHAH
Chief Financial Officer

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 26th May, 2018

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

NIKHIL PATEL
Company Secretary



PATELS AIRTEMP (INDIA) LIMITED

(CIN: L29190GJ1992PLC017801)

Factory (Works): Plot: 805, 806, 807, 810, Rakanpur - 382 721, Via: Sola-Bhadaj Village, Ta: Kalol,
Dist: Gandhinagar, Gujarat, India

Ph. No.: +91-2764286634/35, **Fax No. :** +91-2764286301,

Email : share@patelsairtemp.com, **Website:** www.patelsairtemp.com

E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

You are aware that the provisions of Companies Act, 2013 have been made effective. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository or with Share Transfer Agent.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow Shareholders to contribute towards a greener environment. This is a golden opportunity for every Shareholder of Patels Airtemp (India) Limited to contribute to the cause of Green Initiative.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode.

Please note that as a Member of the Company, you will be entitled to receive all such communication in physical form, upon request.

Best Regards,

Nikhil Patel
Company Secretary

Folio No. / DP ID and Client ID : _____

Name of the 1st Registered Holder : _____

Name of Joint Holder[s] : _____

Registered Address : _____

E-mail ID (to be registered) : _____

I / We Shareholder(s) of Patels Airtemp (India) Limited agree to receive communication from the Company in electronic mode. Please register my/our above e-mail ID in your records for sending communication in electronic form.

Date : _____

Signature :

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.



NECS MANDATE FORM

PLEASE FILL UP THIS FORM AND ARRANGE TO SEND IT TO :

The following address if shares are held in Physical Form OR to your DP if shares are held in Demat Form

To,
M/S. Bigshare Services Pvt. Ltd.
 Unit: **Patels Airtemp (India) Ltd.**
 A-802, Samudra Complex, Near Klassic Gold, Girish Cold Drink,
 Off C. G. Road, Navrangpura, Ahmedabad - 380009, Gujarat.

Dear Sir,

Sub: Payment of Dividend through NECS

I/we hereby give my/our mandate to credit my/our Dividend on the shares held by me/us under the Folio mentioned here under directly to my/our Bank Account through the Electronic Clearing System (ECS)/ to prepare my/our dividend warrant with details of my/our Bank Account No. and Name of the Bank & Branch.

The Details of the Bank Account are given below.

Name of First/Sole Shareholder (IN BLOCK LETTERS)										
Folio No./DP ID & Client ID No.										
Name of Bank in Full										
Branch Name										
Address & Telephone No. of the Bank										
9 MICR Code No. of the Bank & Branch as appearing on the Cheque issued by the Bank										
Type of Account with Code	Saving Bank-10			Current-11			Cash Credit.-13			
A/c No. as Appearing on Cheque Book										
PAN/GIR No.										
Address of the Shareholder										
*11-Digit IFSC Code										
Signature of the First Registered Shareholder (As per the specimen signature with the Company / DP)						Date : Place :				

*The Company, its Registrars and Bankers will make best endeavors to remit dividend through NECS. However, for non CBS branches of the banks, the IFSC Code will be utilized to remit the dividend either by National Electronic Funds Transfer (NEFT) or Real Time Gross Settlement (RTGS). The branch where you operate your bank account will assist you to provide the IFSC, a 11-digit code to enable the remittance through NEFT or RTGS.

**I/We enclose a blank cancelled cheque.



PATELS AIRTEMP (INDIA) LTD.

(CIN: L29190GJ1992PLC017801)

Regd. Off : 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad-380 009. **Ph. No.:** +91-2764286634/35 **Fax No.:** +91-2764286301

E-mail : share@patelsairtemp.com, **Website :** www.patelsairtemp.com

ATTENDANCE SLIP

26th Annual General Meeting - 29th September, 2018

Member's Folio No./Client ID & DP ID : _____

No. of Shares held : _____

I hereby record my presence at the 26th Annual General Meeting of the Members of the Company held on Saturday, the 29th September, 2018, 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.

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. Members are requested to bring their copies of the Annual Report to the meeting, since further Copies will not be available.

Route-Map of the Venue of AGM





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Ph. No.: +91-2764286634/35 **Fax No.:** +91-2764286301

E-mail : share@patelsairtemp.com, **Website :** www.patelsairtemp.com

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

26th Annual General Meeting - 29th September, 2018

Name of the Member(s) :	Folio No. / DP ID and Client ID :
Registered Address :	E-mail :

I / We, being the Member(s) of _____ Equity Shares of the above named company, hereby appoint:

1. Name & Address : _____

E-mail Id : _____ Signature : _____, or failing him/her

2. Name & Address : _____

E-mail Id : _____ Signature : _____, or failing him/her

3. Name & Address : _____

E-mail Id : _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Saturday, the 29th September, 2018, 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 and at any adjournment thereof in respect of such resolutions as are indicated below and whose signature(s) are appended below.

I wish my above proxy to vote in the manner as indicated in the box below :

Sr. No.	Resolution(s)	See Note No. 3	(Please mention No. of Shares)
		Vote for	Vote against
1	Adoption of Financial Statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Directors and Auditors thereon.		
2	Declaration of Dividend on Equity Shares for the year ended 31st March, 2018.		
3	Re-appointment of Mr. Narendra G. Patel (DIN: 00023205) as a Director of the Company, who retires by rotation in terms of Section 152(6)(d) of the Companies Act, 2013 and being eligible offers himself for re-appointment.		

CONTINUE OVERLEAF

Sr. No.	Resolution(s)	See Note No. 3	(Please mention No. of Shares)
		Vote for	Vote against
4	Re-appointment of Mr. Himanshu N. Rawal (DIN : 06631728) as an Independent Director of the Company.		
5	Payment and Ratification of remuneration to Cost Auditors for the financial year ending 31st March, 2019.		
6	Revision in remuneration of Mr. Narayanbhai G. Patel (DIN: 00023107), Chairman & Whole-time Director of the Company by way of increase in remuneration.		
7	Revision in remuneration of Mr. Prakash N. Patel (DIN: 00249210), Managing Director of the Company by way of increase in remuneration.		
8	Revision in remuneration of Mr. Sanjiv N. Patel (DIN: 02794095), Managing Director of the Company by way of increase in remuneration.		
9	Revision in remuneration of Mr. Narendra G. Patel (DIN: 00023205), Whole-time Director of the Company by way of increase in remuneration.		
10	Continuing the Directorship of Mr. Ramanbhai R. Patel, as Non-executive Independent Director, who has attained the age of 75 years.		
11	Appointment of Mr. Apurva V. Shah (DIN: 0008197983) as a Director of the Company liable to retire by rotation.		
12	Appointment of Mr. Apurva V. Shah (DIN: 0008197983) as Whole-time Director of the Company for a period of 3 years w.e.f. 11th August, 2018 with payment of remuneration.		

Signed this _____ day of _____ 2018

Signature of Shareholder(s) : _____

_____
Signature of First Proxyholder_____
Signature of Second Proxyholder_____
Signature of Third Proxyholder**NOTES:**

- 1) This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the 26th Annual General Meeting. (On or before 27th September, 2018 at 10.00 a.m. IST)
- 2) The proxy need not be a member of the company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
- 3) It is optional to indicate your preference. Please put a in the appropriate column against the resolutions indicated in the Box. If you leave the "for" or "against" column blank against any or all of the resolutions, your proxy will be entitled to vote (on poll) at the Meeting in the manner as he / she may deem appropriate.
- 4) This form of proxy will be valid only if it is duly complete in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.



KEY PERFORMANCE INDICATORS OF THE COMPANY

(₹ in Lacs except EPS)

Sr. No.	PARTICULARS	2017-18#	2016-17	2015-16	2014-15	2013-14
1	Revenue from Operations ##	15938.44	14860.71	12664.72	11274.64	7075.22
2	Profit Before Tax (PBT)	1264.93	1224.22	1108.74	961.96	722.41
3	Profit After Tax (PAT)	861.15	791.19	714.82	620.24	466.45
4	Reserves & Surplus	6895.28	6200.28	5416.36	4835.79	4417.03
5	Dividend (In %)	25%	25%	22%	22%	20%
6	Earning Per Share (EPS in Rs.)	16.98	15.60	14.10	12.23	9.20

The Company has adopted Ind AS w.e.f. 1st April, 2017 with a transition date of 1st April, 2016. Accordingly, results for the year 2017-18 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

Consequent to introduction of Goods and Services Tax ("GST") effect from 1st July, 2017, Central Excise, VAT etc. have been subsumed into GST. In accordance with Ind AS 18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duty, levies like GST, VAT etc. are not part of revenue. Accordingly, the figures for the year ended on 31st March, 2018 are not strictly relatable to previous year.

DIVIDEND HISTORY FOR LAST 11 YEARS

FINANCIAL YEARS	DIVIDEND PER SHARE (₹)
2007-08	₹ 0.50 (5% Interim) and ₹ 1.50 (15% Final Dividend)
2008-09	₹ 1.80 (18%)
2009-10	₹ 2.00 (20%)
2010-11	₹ 2.00 (20%)
2011-12	₹ 2.00 (20%)
2012-13	₹ 2.00 (20%)
2013-14	₹ 2.00 (20%)
2014-15	₹ 2.20 (22%)
2015-16	₹ 2.20 (22%)
2016-17	₹ 2.50 (25%)
2017-18	₹ 2.50 (25%) (Recommended)

Courier

To,



If undelivered please return to :

Patels Airtemp (India) Ltd.

Registered Office : 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station,
Navrangpura, Ahmedabad - 380 009. Phone : 079-27913694 / 95 / 96 Fax : 079-27913693
Email : share@patelsairtemp.com Website : www.patelsairtemp.com