

27th

Annual Report 2018-2019



CRUDE/LGO CR SHELL & TUBE 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 (upto 14-2-2019)
Sanjiv N. Patel	Managing Director
Narendra G. Patel	Whole-time Director
Apurva V. Shah	Whole-time Director (from 11-8-2018)
Shivang P. Patel	Whole-time Director (from 1-6-2019)

INDEPENDENT DIRECTORS

Hareshkumar I. Shah	(Chairman of Board Committees)
Vinodkumar C. Desai	
Ramanbhai R. Patel	(upto 11-6-2019)
Veenaben B. Patel	
Himanshu N. Rawal	
Rajendrakumar C. Patel	(from 10-8-2019)

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 – 382 722,
Via: Sola-Bhadaj Village, Ta: Kalol,
Dist: Gandhinagar, Gujarat, India
Ph. No.: +91-2764286634/35 Fax No. : +91-2764286301,
Email : share@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

27th ANNUAL GENERAL MEETING

Day - Saturday
Date - 28th September, 2019
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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NOTICE

27TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27th **ANNUAL GENERAL MEETING** of the members of **PATELS AIRTEMP (INDIA) LIMITED** will be held on Saturday, the 28th day of September, 2019, 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, 2019, 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, 2019.
- 3) To appoint a Director in place of Mr. Sanjiv N. Patel (DIN: 02794095), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

- 4) To re-appoint Mr. Hareshkumar I. Shah (DIN : 00216585) as an Independent Director of the Company for a second term of 5 years from 30th August, 2019 up to 29th August, 2024 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 as amended from time to time and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Hareshkumar I. Shah (DIN : 00216585), who was appointed as an Independent Director of the Company for a first term up to 29th August, 2019 by the Shareholders and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations, 2015 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 from 30th August, 2019 up to 29th August, 2024."

"RESOLVED FURTHER THAT the Board of Directors of the Company and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

- 5) To re-appoint Mr. Vinodkumar C. Desai (DIN : 02813402) as an Independent Director of the Company for a second term of 5 years from 30th August, 2019 up to 29th August, 2024 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, as amended from time to time, and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Vinodkumar C. Desai (DIN : 02813402), who was appointed as an Independent Director of the Company for a first term up to 29th August,

2019 by the Shareholders and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations, 2015 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 from 30th August, 2019 up to 29th August, 2024.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

- 6) To re-appoint 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, 2019 up to 1st August, 2022 and payment of remuneration for the said period of 3 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 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 as recommended and approved 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 re-appointment of Mr. Narendra G. Patel (DIN : 00023205) as Whole-time Director of the Company for a further period of 3 (Three) years with effect from 2nd August, 2019 up to 1st August, 2022, upon the terms and conditions including remuneration by way of Salary of ₹ 3,00,000/- per month and other Perquisites and Allowances for the said period of 3 years from 2nd August, 2019 up to 1st August, 2022 and more particularly mentioned in the Explanatory Statement annexed here with.”

“**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. Narendra G. Patel in such manner as recommended by Nomination and Remuneration Committee and as may be agreed between the Board and Mr. Narendra G. Patel 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 said period of 3 (three) years from 2nd August, 2019 upto 1st August, 2022, the remuneration mentioned in the Explanatory Statement hereunder shall be paid to Mr. Narendra G. Patel 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 of Directors and/or Company Secretary of the Company be and are hereby authorized to 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 the aforesaid resolution.”

- 7) To appoint Mr. Shivang P. Patel (DIN: 08136652) as a Director (Non-Independent) 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. Shivang P. Patel (DIN: 08136652), who was appointed by

the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director on the Board of the Company w.e.f. 1st June, 2019, pursuant to Section 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 162 of Articles of Association of the Company, and holds office up to 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(1) 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 (Non-Independent) of the Company liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

- 8) To appoint Mr. Shivang P. Patel (DIN: 08136652) as Whole-time Director of the Company for a period of 3 years w.e.f. 1st June, 2019 up to 31st May, 2022 and payment of remuneration for the said period of 3 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 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 as recommended and approved 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. Shivang P. Patel (DIN: 08136652) as Whole-time Director of the Company for a period of 3 (Three) years with effect from 1st June, 2019 up to 31st May, 2022, upon the terms and conditions including remuneration by way of Salary of ₹ 3,00,000/- per month and other Perquisites and Allowances for the said period of 3 years from 1st June, 2019 up to 31st May, 2022 and more particularly mentioned in the Explanatory Statement annexed here with.”

“**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. Shivang P. Patel in such manner as recommended by Nomination and Remuneration Committee and as may be agreed between the Board and Mr. Shivang P. Patel 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 said period of 3 (three) years from 1st June, 2019 up to 31st May, 2022, the remuneration mentioned in the Explanatory Statement here under shall be paid to Mr. Shivang P. Patel 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 of Directors and/or Company Secretary of the Company be and are hereby authorized to 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 the aforesaid resolution.”

- 9) To approve for continuing the directorship of Mr. Hareshkumar I. Shah (DIN : 00216585) as Non-executive Independent Director who will be attaining 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. Hareshkumar I. Shah (DIN : 00216585) as Non-executive Independent Director of the Company who shall attain the age of 75 years during his tenure as an Independent Director up to 29th August, 2024.”

- 10) To authorise Board of Directors of the Company to borrow money under Section 180(1)(c) of the Companies Act, 2013 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** in supersession of the Special Resolution passed by the members of the Company by Postal Ballot on 29th April, 2015 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and all other applicable rules, laws and acts, if any, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approvals, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (herein after called “the Board” which term shall be deemed to include any committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) for borrowing for the purpose of business, from time to time, any sum or sums of money on such terms and conditions with or without security as the Board of Directors may think fit, which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business) and being borrowed by the Board at any time shall not exceed in the aggregate at any time ₹ 250 Crores (Rupees Two Hundred and Fifty Crores) in Indian Rupees or equivalent thereof in any foreign currency(ies) irrespective of the fact that such aggregate amount of borrowings outstanding at any time may exceed the aggregate for the time being of the paid-up share capital of the Company, securities premium and its free reserves that is to say reserves not set apart for any specific purpose.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized and it shall always be deemed to have been so authorized to finalize and execute the requisite agreement, documents, deeds and writings and to do all such other acts, deeds and things as may be necessary to give effect to the above resolution.”

- 11) To authorise Board of Directors of the Company for creation of security on increased Borrowing Power under Section 180(1)(a) of the Companies Act, 2013 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** in supersession of the Special Resolution passed by the members of the Company by Postal Ballot on 29th April, 2015 and pursuant to Section 180(1)(a) and any other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and all other applicable rules, laws and acts, if any, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approvals, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (herein after called “the Board” which term shall be deemed to include any committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to mortgage and/or create charge on all or any one or more of the movable/immovable properties or such other assets of the Company, where so ever situated, both present and future, on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favour of the lenders to secure any fund based and/or non-fund based facilities not exceeding ₹ 250 Crores (Rupees Two Hundred and Fifty Crores) together with interest thereon at the respective

agreed rate(s), compound interest, additional interest, liquidated damage(s), commitment charge(s), premia on prepayment or redemption, cost charge(s) expenses and all other monies payable by the Company to such lenders under the respective loan/other agreement(s) entered/ to be entered into between the Company and the lender(s) in respect of the said borrowing(s), such security to rank in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized and it shall always be deemed to have been so authorized to finalize and execute with the Lenders the requisite agreement, documents, deeds and writings for borrowing and/or for creating together aforesaid mortgage(s) and/or charge(s) and to do all such other acts, deeds and things as may be necessary to give effect to the above resolution”.

- 12) Payment and Ratification of remuneration to Cost Auditors for the financial year ending 31st March, 2020 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, 2020 (2019-2020), 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.”

- 13) To appoint Mr. Rajendrakumar C. Patel (DIN : 06532676) as an Independent Director of the Company for a first term of 5 years from 10th August, 2019 up to 9th August, 2024 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** Mr. Rajendrakumar C. Patel (DIN : 06532676), who was appointed by the Board of Directors as an Additional Director on the Board of the Company with effect from 10th August, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and Article 162 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Rajendrakumar C. Patel (DIN : 06532676), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and being eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a first term of five years from 10th August, 2019 up to 9th August, 2024.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

- 14) To approve for continuing the directorship of Mr. Rajendrakumar C. Patel (DIN : 06532676) as Non-executive Independent Director who will be attaining 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. Rajendrakumar C. Patel (DIN : 06532676) as Non-executive Independent Director of the Company who shall attain the age of 75 years during his tenure as an Independent Director up to 9th August, 2024.”

**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 – 382 722,
Via: Sola-Bhadaj Village, Ta: Kalol,
Dist: Gandhinagar, Gujarat.
CIN : L29190GJ1992PLC017801

Dated : 10th August, 2019

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 26th September, 2019, 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 Meeting 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 23rd September, 2019 to 28th September, 2019 (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, 2019 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 21st September, 2019, 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 21st September, 2019.
- 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 27th 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 27th 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 2018-2019 including Notice of 27th 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, up to 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 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017 & 2017-2018 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 2010-2011, 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 29th September, 2018 (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 the financial year 2018-2019, transferred to 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 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 IEPF Authority.

- 13) **As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized 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, up to 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) Nomination : Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
- 22) Mr. Sanjiv N. Patel (DIN: 02794095), Managing Director of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

At this Annual General Meeting, Mr. Hareshkumar I. Shah (DIN : 00216585) and Mr. Vinodkumar C. Desai (DIN : 02813402) are to be re-appointed as Independent Directors of the Company for a second term of five years from 30th August, 2019 up to 29th August, 2024, not liable to retire by rotation.

At this Annual General Meeting, Mr. Narendra G. Patel (DIN: 00023205) is to be re-appointed as Whole-time Director of the Company for a further period of 3 years w.e.f. 2nd August, 2019 with payment of remuneration.

At this Annual General Meeting, Mr. Shivang P. Patel (DIN: 08136652) is to be appointed as a Director and also as Whole-time Director of the Company for a period of 3 years w.e.f. 1st June, 2019 with payment of remuneration.

At this Annual General Meeting, Mr. Rajendrakumar C. Patel (DIN: 06532676) is to be appointed as a Director and also as an Independent Director of the Company for first term of five years from 10th August, 2019 up to 9th August, 2024, not liable to retire by rotation.

A brief resume of the aforesaid Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they 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 Disclosure 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
Sanjiv N. Patel	11-09-1972	30-09-2009	Engineering Industry, Management	B.E. (Chemical), MBA	Nil	Nil
Hareshkumar I. Shah	18-10-1946	29-10-2005	Businessman	B.E. (Mechanical)	Nil	Nil
Vinodkumar C. Desai	16-02-1959	30-10-2009	Engineering Industry	B.E. (Production)	Nil	Nil
Narendra G. Patel	13-02-1958	21-6-1994	Engineering Industry	B.E. (Mechanical), Post Diploma in Business Management	Nil	Nil
Shivang P. Patel	12-01-1992	01-06-2019	Engineering Industry	B.E. (Mechanical), MBA in Global Marketing, London, UK.	Nil	Nil

Rajendra-kumar C. Patel	16-10-1947	10-08-2019	As Mechanical Engineer, senior position held from 1972 to 2018 in Voltas, Blue Star, DAIL, Reliance Industries and SMPS Consultant Ltd.	B.E. (Mechanical), Gujarat University & M.S. (Mechanical), University of Michigan Ann Arbor, USA	Nil	Nil
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Relationship between the Directors :-

Mr. Sanjiv N. Patel, Managing Director of the Company, is a Son of Mr. Narayanbhai G. Patel, Chairman & Whole-time Director of the Company.

Mr. Shivang P. Patel, Whole-time Director of the Company, is a Grand Son of Mr. Narayanbhai G. Patel, Chairman & Whole-time Director of the Company.

None of the other Directors including Mr. Hareshkumar I. Shah, Mr. Vinodkumar C. Desai, Mr. Narendra G. Patel and Mr. Rajendrakumar C. Patel are related to any other Director on the Board.

Mr. Sanjiv N. Patel holds 1,39,000 Equity Shares of ₹ 10/- each of the Company (2.74 % Share Capital of the Company). Mr. Narendra G. Patel holds 3,03,801 Equity Shares of ₹ 10/- each of the Company (5.99% Share Capital of the Company). Mr. Shivang P. Patel holds 60,100 Equity Shares of ₹ 10/- each of the Company (1.18 % Share Capital of the Company). Mr. Hareshkumar I. Shah, Mr. Vinodkumar C. Desai and Mr. Rajendrakumar C. Patel does not hold any Shares in the Company.

- 23) 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.
- 24) The cut-off date for the purpose of remote e-voting and voting at the AGM shall be 21st September, 2019. 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.

25) 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 27th 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, 25th September, 2019 (9.00 a.m. IST) and ends on Friday, 27th September, 2019 (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 21st September, 2019, 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) A) Members who have not updated their PAN with Company/Depository Participant are requested to use the first two letters of their name in CAPITAL letters 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> B) In case of Sequence Number (Sr. No.) is less than 8 digits enter the applicable number of 0s 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.
DOB	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.
Dividend Bank Details #	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).

- 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 21st September, 2019 may obtain the login details and password/sequence number sending a request at investor@bigshareonline.com. and bssahd@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 21st September, 2019.
- 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 evoting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 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. Hareshkumar I. Shah (DIN : 00216585) 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 of 5 (five) years from 30th August, 2014 up to 29th August, 2019 ("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 10th August, 2019, taking into account the recommendation of the Nomination and Remuneration Committee and based on the skills, experience, knowledge and report of his performance evaluation, approved the re-appointment of Mr. Hareshkumar I. Shah as Independent Director of the Company not liable to retire by rotation, for a second term of 5 (five) years from 30th August, 2019 up to 29th August, 2024. His re-appointment is subject to the approval of the Shareholders at this Annual General Meeting by passing 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 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 received declaration from Mr. Hareshkumar I. Shah 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. Hareshkumar I. Shah 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. In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director.

The copy of the letter for appointment of Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Works (Factory) / Registered Office of the Company and on website of the Company at www.patelsairtemp.com.

Mr. Hareshkumar I. Shah is not disqualified from being appointed as Director in terms of Section 164 of the Act. Further, in terms of SEBI Circular dated June 20, 2018, Mr. Hareshkumar I. Shah is not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority.

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. Hareshkumar I. Shah as an Independent Director. Accordingly, the Board recommends the resolution for the approval by the Shareholders in relation to re-appointment of Mr. Hareshkumar I. Shah as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) years from 30th August, 2019 up to 29th August, 2024 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 LODR Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

Save and except, Mr. Hareshkumar I. Shah and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution(s) set out at Item No. 4.

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

Mr. Vinodkumar C. Desai (DIN : 02813402) 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 of 5 (five) years from 30th August, 2014 up to 29th August, 2019 ("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 10th August, 2019, taking into account the recommendation of the Nomination and Remuneration Committee and based on the skills, experience, knowledge and report of his performance evaluation, approved the re-appointment of Mr. Vinodkumar C. Desai as Independent Director of the Company not liable to retire by rotation, for a second term of 5 (five) years from 30th August, 2019 up to 29th August, 2024. His re-appointment is subject to the approval of the Shareholders at this Annual General Meeting by passing 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 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 received declaration from Mr. Vinodkumar C. Desai 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. Vinodkumar C. Desai 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. In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director.

The copy of the letter for appointment of Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Works (Factory) / Registered Office of the Company and on website of the Company at www.patelsairtemp.com.

Mr. Vinodkumar C. Desai is not disqualified from being appointed as Director in terms of Section 164 of the Act. Further, in terms of SEBI Circular dated June 20, 2018, Mr. Vinodkumar C. Desai is not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority.

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. Vinodkumar C. Desai as an Independent Director. Accordingly, the Board recommends the resolution for the approval by the Shareholders in relation to re-appointment of Mr. Vinodkumar C. Desai as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) years from 30th August, 2019 up to 29th August, 2024 on the Board of the Company.

Details of Director whose re-appointment as Independent Director is proposed at Item No. 5, are provided in the "Annexure" to the Notice pursuant to the provisions of LODR Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

Save and except, Mr. Vinodkumar C. Desai and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution(s) set out at Item No. 5.

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. 5 of the Notice for approval by the members.

ITEM NO. 6

The present term of Mr. Narendra G. Patel (DIN : 00023205) as Whole-time Director of the Company was up to 1st August, 2019.

The Board of Directors at their meeting held on 22nd May, 2019 have, subject to the approval of the Shareholders by passing Special Resolution, re-appointed Mr. Narendra G. Patel as Whole-time Director of the Company for a further period of 3 (Three) years with effect from 2nd August, 2019 up to 1st August, 2022 on the remuneration and terms and conditions recommended and approved by Nomination and Remuneration Committee as set out herein.

Mr. Narendra G. Patel is having Bachelor Degree in Mechanical Engineering and Post Diploma in Business Management. He has been associated with the Group for last 32 years and is an Whole-time Director of the Company since 1994. He looks after marketing of various products of the Company and complete requirement of logistic of all incoming and outgoing materials. He holds 3,03,801 Equity Shares of ₹ 10/- each of the Company (5.99% Share Capital of the Company). Mr. Narendra G. Patel is not related to any other Director of the Company. Mr. Narendra G. Patel is not a Director in any Public Limited Company. He is also not a Director in any Listed Company.

The Board is of the opinion that his services should continue to be availed by the Company, by re-appointing him as Whole-time Director of the Company as mentioned in the resolution, subject to the approval of Shareholders by passing Special Resolution. Taking into consideration the increased business activities of the Company 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 22nd May, 2019 approved the remuneration payable to Mr. Narendra G. Patel for a period of 3 years from 2nd August, 2019 up to 1st August, 2022 as under, subject to approval of the Shareholders including minimum remuneration and other terms and conditions given here under:

- (A) Salary: ₹ 3,00,000/- (Rupees Three Lacs) 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 as per Rules of the Company. 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 2nd August, 2019 up to 1st August, 2022, 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.
- (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 in writing 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. Narendra G. Patel 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.

Mr. Narendra G. Patel satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act

The Board therefore recommends to the Members for approval of the re-appointment of Mr. Narendra G. Patel as Whole-time Director of the Company with payment of remuneration and perquisites and allowances as mentioned above.

However as per Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) 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 annual remuneration 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 annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

Your Directors recommend passing of the Special Resolution proposed at Item No. 6. This explanation together with the accompanying notice is and should be treated as an abstract of the terms of re-appointment and payment 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. 6 of the Notice. The relatives of Mr. Narendra G. Patel may be deemed to be interested in the resolution set out at Item No. 6 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. 7

On the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 22nd May, 2019, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 162 of the Articles of Association of the Company, appointed Mr. Shivang P. Patel (DIN: 08136652) as an Additional Director on the Board of the Company with effect from 1st June, 2019, liable to retire by rotation.

In terms of the provisions of Section 161(1) of the Act, Mr. Shivang P. Patel would hold office up to the date of this Annual General Meeting and is eligible to be appointed as a Director of the Company. Mr. Shivang P. Patel, being eligible, has offered himself for appointment as a Director. It is proposed to appoint Mr. Shivang P. Patel 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. Shivang P. Patel for the office of Director of the Company.

Mr. Shivang P. Patel 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.

Brief resume of Mr. Shivang P. Patel, 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.

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

Mr. Shivang P. Patel is interested in the resolution set out at Item No. 7 of the Notice with regard to his appointment. Mr. Narayanbhai G. Patel and Mr. Sanjiv N. Patel, relatives of Mr. Shivang P. Patel, are also interested in the resolution. Other relatives of Mr. Shivang P. Patel 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. 7 of the Notice for approval by the shareholders.

ITEM NO. 8

The Board of Directors at their meeting held on 22nd May, 2019 have, subject to the approval of the Shareholders by passing Special Resolution, appointed Mr. Shivang P. Patel (DIN: 08136652) as

Whole-time Director of the Company for a period of 3 (Three) years with effect from 1st June, 2019 up to 31st May, 2022 on the remuneration and terms and conditions recommended and approved by Nomination and Remuneration Committee as set out herein.

Mr. Shivang P. Patel, aged about 27 years, is a Mechanical Engineer. He has completed MBA in Global Marketing from London, UK. He has been associated with the Company since 2014. Mr. Shivang P Patel was appointed as “Executive - Business Development” of the Company. He subsequently promoted to “Vice President - Business Development” of the Company. He holds 60,100 Equity Shares of ₹ 10/- each of the Company (1.18 % Share Capital of the Company). He is a Grand Son of Mr. Narayanbhai G. Patel, who is a Chairman & Whole-time Director of the Company. Mr. Shivang P. Patel is not a Director in any Public Limited Company. He is also not a Director in any Listed Company.

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, subject to the approval of Shareholders by passing Special Resolution. Taking into consideration the increased business activities of the Company and the duties and responsibilities of the Whole-time Director and prevailing managerial remuneration in industry and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 22nd May, 2019 approved the remuneration payable to Mr. Shivang P. Patel for a period of 3 years from 1st June, 2019 up to 31st May, 2022 as under, subject to approval of the Shareholders including minimum remuneration and other terms and conditions given here under:

- (A) Salary: ₹ 3,00,000/- (Rupees Three Lacs) 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 as per Rules of the Company. 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 1st June, 2019 up to 31st May, 2022, the remuneration as above shall be paid to Mr. Shivang P. 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.
- (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 in writing 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. Shivang P. Patel 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.

Mr. Shivang P. Patel satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Board therefore recommends to the Members for approval of the appointment of Mr. Shivang P. Patel as Whole-time Director of the Company with payment of remuneration and perquisites and allowances as mentioned above.

However as per Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) 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 annual remuneration 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 annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

Your Directors therefore recommend passing of the Special Resolution proposed at Item No. 8 of the accompanying Notice. 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. Shivang P. Patel is interested in the resolution set out at Item No. 8 of the Notice with regard to his appointment and payment of remuneration. Mr. Narayanbhai G. Patel and Mr. Sanjiv N. Patel, relatives of Mr. Shivang P. Patel, are also interested in the resolution. Other relatives of Mr. Shivang P. Patel 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.

ITEM NO. 9

Mr. Hareshkumar I. Shah (DIN : 00216585) 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. Shareholders' approval at this Annual General Meeting has also been sought for his re-appointed as an Independent Director on the Board of the Company for a second term of 5 (five) years from 30th August, 2019 up to 29th August, 2024.

Pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

In this regard, Mr. Hareshkumar I. Shah will attain the age of 75 years during his tenure as an Independent Director up to 29th August, 2024.

Mr. Hareshkumar I. Shah is holding a degree of B.E. (Mechanical). He is serving as an Independent Director of the Company since 2005. He is also a Chairman of all Committees of the Board of Directors of the Company. The Board considers that given his background and experience and contributions made by him during his tenure as an Independent Director and Chairman of all Committees of the Board, his continued association would be beneficial to the Company as it has been beneficial in the past and it is desirable to avail his services as an Independent Director of the Company.

The Board of Directors recommends the Special Resolution set out in Item No. 9 of the accompanying notice for approval of the members.

Except Mr. Hareshkumar I. Shah, 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. 9. The relatives of Mr. Hareshkumar I. Shah may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

ITEM NO. 10 & 11

The Members of the Company had, through postal ballot, on 29th April, 2015, authorised the Board of Directors (which term shall be deemed to include any Committee of the Board) to borrow money(ies) on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and for creation of charge on moveable and immovable properties of the Company as security in favour of lending agencies for a sum not exceeding ₹ 150 crores (Rupees One Hundred Fifty Crores only), over and above the aggregate of the paid-up share capital and free reserves of the Company.

Keeping in view your Company's business requirements and growth plans, it is considered desirable to increase the said borrowing limits to ₹ 250 crores (Rupees Two Hundred and Fifty Crores) under the provisions of Section 180(1)(c) of the Companies Act, 2013 (the "Act").

The borrowings by a Company, in general, are required to be secured by mortgage or charge on all or any of the moveable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board from time to time, in consultation with the lender(s).

Your consent is required under the provisions of Section 180(1)(c) and 180(1)(a) of the Act, to increase the borrowing limits as above and to mortgage and / or create a charge on any of the moveable and / or immovable properties and / or the whole or any part of the undertaking(s) of your Company to secure its borrowings.

The Board of Directors therefore recommends the Special Resolutions set out at Item No. 10 and 11 of the accompanying Notice for approval of the members.

None of the Directors, Key Managerial Personnel and their relatives, are in any way, concerned or interested in the said resolutions.

ITEM NO. 12

The Board of Directors at the Board Meeting held on 22nd May, 2019, 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/will maintain by the Company for the current financial year 2019-2020 ending on 31st March, 2020, 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(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration as above payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 12 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2020.

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

The Board recommends the Resolution set forth at Item No. 12 of the Notice for the approval of the Members.

ITEM NO. 13

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 10th August, 2019 appointed Mr. Rajendrakumar C. Patel (DIN : 06532676) as

Additional Director on the Board of the Company w.e.f. 10th August, 2019 and also as Independent Director, not liable to retire by rotation, for a first term of 5 years from 10th August, 2019 up to 9th August, 2024, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the Act) and Article 162 of the Articles of Association of the Company, Mr. Rajendrakumar C. Patel shall hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director.

The Company has received declaration from Mr. Rajendrakumar C. Patel to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as Independent Director. In the opinion of the Board, the said Director fulfil the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and he is independent of the management of the Company.

Details of Director whose appointment as Independent Director is proposed at Item No. 13, are provided in the "Annexure" to the Notice pursuant to the provisions of SEBI Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

The copy of the letter for appointment of Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Works (Factory) / Registered Office of the Company and on website of the Company at www.patelsairtemp.com.

Mr. Rajendrakumar C. Patel 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. Further, in terms of SEBI Circular dated June 20, 2018, Mr. Rajendrakumar C. Patel is not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointment of Mr. Rajendrakumar C. Patel as Independent Director, not liable to retire by rotation, for a first term of 5 years from 10th August, 2019 up to 9th August, 2024 is now being placed before the Members for their approval.

The Board recommends the Resolution at Item No. 13 of this Notice for approval of the Members.

Except Mr. Rajendrakumar C. 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. 13. The relatives of Mr. Rajendrakumar C. Patel may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

ITEM NO. 14

Based on recommendation of Nomination and Remuneration Committee, Mr. Rajendrakumar C. Patel (DIN : 06532676) has been appointed as an Additional Director on the Board of the Company w.e.f. 10th August, 2019 and as an Independent Director for a first term of 5 years from 10th August, 2019 up to 9th August, 2024 by the Board of Directors at their meeting held on 10th August, 2019, subject to the approval of the Shareholders in this Annual General Meeting of the Company.

Pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

In this regard, Mr. Rajendrakumar C. Patel will attain the age of 75 years during his tenure as an Independent Director up to 9th August, 2024.

Mr. Rajendrakumar C. Patel is holding degree of B.E. (Mechanical), Gujarat University and M.S. (Mechanical), University of Michigan Ann Arbor, USA. From 1972 to 2018, he, as a Mechanical Engineer, held senior position in Voltas Ltd., Blue Star Ltd., DAIL, Reliance Industries Ltd. and SMPS Consultant Ltd. The Board of Directors considers that given his background and experience as above, his association would be beneficial to the Company and it is desirable to avail his services as an Independent Director of the Company.

The Board of Directors therefore recommends the Special Resolution set out in Item No. 14 of the accompanying Notice for approval of the members.

Except Mr. Rajendrakumar C. 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. 14. The relatives of Mr. Rajendrakumar C. Patel may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

**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 – 382 722,

Via: Sola-Bhadaj Village, Ta: Kalol,

Dist: Gandhinagar, Gujarat.

CIN : L29190GJ1992PLC017801

Dated : 10th August, 2019

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
2018-2019	15094.89	1051.78	731.65
2017-2018	15938.44	1264.93	861.15
2016-2017	14860.71	1224.22	791.19

(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	Narendra G. Patel	Shivang P. Patel
Designation	Whole-time Director	Whole-time Director
Age	61 years	27 years
Experience	32 years	5 years

(2) Past Remuneration:

The details of managerial remuneration paid to Mr. Narendra G. Patel during the previous financial year ended on 31st March, 2019, are as under. Mr. Shivang P. Patel has been appointed as Whole-time Director of the Company for the first time w.e.f. 1st June, 2019. (Amount in ₹)

Particulars	Narendra G. Patel (WTD)
Salary	35,19,355
Perquisites/Allowances	80,932
Total	36,00,287

(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.

Earlier 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 is having ISO 9001-2015 certification from TUV-SUD.

(4) Job profile and his suitability

Mr. Narendra G. Patel is having Bachelor Degree in Mechanical Engineering and Post Diploma in Business Management. He has been associated with the Group for last 32 years and is an

Whole-time Director of the Company since 1994. He looks after marketing of various products of the Company and complete requirement of logistic of all incoming and outgoing materials.

Mr. Shivang P. Patel, is a Mechanical Engineer. He has completed MBA in Global Marketing from London, UK. He has been associated with the Company since 2014. Mr. Shivang P Patel was appointed as "Executive - Business Development" of the Company. He subsequently promoted to "Vice President - Business Development" of the Company.

(5) **Remuneration proposed**

It is proposed to pay remuneration to Mr. Narendra G. Patel by way of Salary of ₹ 3,00,000/- per month plus perquisite and allowances for the period of 3 years from 2nd August, 2019 up to 1st August, 2022, the details of which are mentioned in the explanatory statement as above.

It is proposed to pay remuneration to Mr. Shivang P. Patel by way of Salary of ₹ 3,00,000/- per month plus perquisite and allowances for the period of 3 years from 1st June, 2019 up to 31st May, 2022, 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. Narendra G. Patel and Mr. Shivang P. Patel 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. 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 (5.99% Share Capital of the Company).

Apart from Mr. Shivang P. Patel, who is Whole-time Director of the Company and receiving managerial remuneration, he holds 60,100 Equity Shares of ₹ 10/- each of the Company (1.18 % of Share Capital of the Company).

III. OTHER INFORMATION :

(1) **Reasons of inadequate profits**

Due to competition and increase in the cost of materials, the profit of the Company during the year ended on 31st March, 2019 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 in writing 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 27th Annual Report together with the Audited Financial Statements for the year ended on 31st March, 2019.

FINANCIAL RESULTS

(₹ in lakhs except EPS)

Particulars	Year ended on 31-03-2019	Year ended on 31-03-2018
Revenue from Operations	15094.89	15938.44
Other Income	79.27	42.85
Total Income	15174.16	15981.29
Less: Depreciation & Amortisation Expenses	259.85	259.4
Finance Cost	502.68	485.89
Other Expenses	13359.85	13971.07
Total Expenses	14122.38	14716.36
Profit before Tax	1051.78	1264.93
Less :Tax Expenses	320.13	403.78
Net Profit for the year	731.65	861.15
Total Comprehensive Income for the year	728.51	847.56
Balance brought forward from previous year	6065.28	5370.28
Profit available for Appropriation	6796.93	6231.43
Less: Remeasurement benefit of defined Benefit plans (Net of Tax)	3.14	13.59
Less: Proposed Dividend	126.76	126.76
Less: Tax on Dividend	25.8	25.8
Less: Transfer to General Reserve	—	—
Surplus carried forward to Balance Sheet	6641.23	6065.28
Earning Per Share of ₹ 10/- each (₹)	14.43	16.98

STATE OF COMPANY'S AFFAIRS

The Company has earned total revenue from operations of ₹ 150.95 crores during the year ended on 31st March, 2019 as against ₹ 159.38 crores earned during the previous year ended on 31st March, 2018. The Company has also earned other income of ₹ 79.27 lakhs during the year under review as against ₹ 42.85 lakhs earned during the previous year.

Out of the revenue from operations of ₹ 150.95 crores earned by the Company during the year under review, ₹ 147.28 crores represents sale of products (Domestic & Export), ₹ 1.34 crores represents sale of services (Processing Charges) and ₹ 2.33 crores represents other operating revenues.

The Company has incurred total expenses of ₹ 141.22 crores during the year ended on 31st March, 2019 as compared to ₹ 147.16 crores incurred during the previous year ended on 31st March, 2018.

The Company has earned the Profit before Tax of ₹ 10.52 crores during the year ended on 31st March, 2019 as compared to ₹ 12.65 crores earned during the previous year ended on 31st March, 2018.

The Company has earned Net Profit of ₹ 7.32 crores for the year ended on 31st March, 2019 after making Provision for Tax Expenses of ₹ 3.20 crores and other adjustments, as compared to Net Profit of ₹ 8.61 crores earned by the Company during the previous year ended on 31st March, 2018.

After adding the Surplus in the Statement of Profit & Loss of ₹ 60.65 crores brought forward from the previous year to the profit of ₹ 7.32 crores earned by the Company during the year under review, the total amount of ₹ 67.97 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 ₹ 436 Crores on hand as on 1st August, 2019. 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, 2019 (2018-2019), as compared to Dividend of ₹ 2.50 per share (@ 25 %) declared for the previous Financial Year ended on 31st March, 2018. 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

The Company has not transferred any amount to the General Reserve for the year ended on 31st March, 2019 and the total amount of ₹ 66.41 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.

Earlier, 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 is having ISO 9001-2015 certification from TUV-SUD.

FINANCE**UNDER CONSORTIUM ARRANGEMENT WITH BANK OF BARODA & AXIS BANK**

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.

The Company is also availing Bill Discounting facility to the extent of ₹ 7,00,00,000/- from HDFC Bank Ltd.

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, 2019 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 No. NAVRAN/2018/05/92, dated 12th March, 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 2018-2019 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 ₹ 2,04,778/- for the financial year 2010-2011 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 29th September, 2018 (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 2018-19, transferred to the IEPF Authority 4,688 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, 2019 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 2018-2019 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, 2019, 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, 2019 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, 2019 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, 2019, in the Annual Report as required by the Accounting Standard (AS) 18/Ind AS 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.

During the year under review, the Company has amended policy on Materiality of Related Party Transactions and dealing with Related Party Transactions.

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

The Board of Directors express their deep condolences on the sad demise of Mr. Prakash N. Patel (DIN : 00249210) on 15th February, 2019, who was Managing Director of the Company and was also one of the Promoter of the Company. The Board appreciated and noted the valuable services rendered by Mr. Prakash N. Patel during his tenure as a Managing Director of the Company.

The Board of Directors also express their deep condolences on the sad demise of Mr. Ramanbhai R. Patel (DIN : 05224867) on 12th June, 2019, who was an Independent Director of the Company. The Board appreciated and noted the valuable services rendered by Mr. Ramanbhai R. Patel during his tenure as an Independent Director of the Company.

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder and Articles of Association, Mr. Sanjiv N. Patel (DIN: 02794095), Managing Director of the Company, shall retire by rotation as a Director of the Company at this Annual General Meeting, 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. Sanjiv N. Patel as a Director of the Company. The brief resume/details relating to Mr. Sanjiv N. Patel who is to be re-appointed are furnished in the Notes to the Notice of the Annual General Meeting.

Mr. Hareshkumar I. Shah (DIN : 00216585) and Mr. Vinodkumar C. Desai (DIN : 02813402), who were appointed as Independent Directors of the Company, holds office up to 29th August, 2019 (“first term” in terms of Sections 149(10) of the Companies Act, 2013). The Company has received notices under Section 160 of the Companies Act, 2013 from a shareholder of the Company proposing the re-appointment of Mr. Hareshkumar I. Shah and Mr. Vinodkumar C. Desai for the Office of Director of the Company in the category of Independent Directors for a second term of 5 (five) years from 30th August, 2019 up to 29th August, 2024. A brief profile of Mr. Hareshkumar I. Shah and Mr. Vinodkumar C. Desai is given in the notice convening the 27th 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 performance evaluation of Independent Directors, has recommended the re-appointment of Mr. Hareshkumar I. Shah and Mr. Vinodkumar C. Desai as Independent Directors of the Company, for the aforesaid term.

Mr. Narendra G. Patel (DIN: 00023205) has been re-appointed as Whole-time Director of the Company for a further period of 3 years w.e.f. 2nd August, 2019 with payment of remuneration of ₹ 3,00,000/- per month with perquisites and allowances, subject to the approval of the Shareholders at this Annual General Meeting, for which, necessary resolution has 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. Shivang P. Patel (DIN: 08136652), who was appointed as Additional Director on the Board of the Company w.e.f. 1st June, 2019 and hold the office up to the date of this Annual General Meeting and being eligible, has offered himself to be appointed as a Director, 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. Shivang P. Patel has also been appointed as Whole-time Director of the Company for period of 3 years w.e.f. 1st June, 2019 up to 31st May, 2022 with payment of remuneration of ₹ 3,00,000/- per month with perquisites and allowances. 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 or will attain the age of 75 years is approved by the Members by way of a Special Resolution. In this regard, Mr. Hareshkumar I. Shah (DIN : 00216585) shall continue the directorship as Non-executive Independent Director who shall attain the age of 75 years during his tenure as an Independent Director of the Company upto 29th August, 2024. The Board of Directors therefore recommends the Special Resolution for approval of the members.

Mr. Rajendrakumar C. Patel (DIN : 06532676) was appointed as Additional Director in the category of Independent Director of the Company with effect from 10th August, 2019 by the Board of Directors at their meeting held on 10th August, 2019. A resolution seeking shareholders' approval for his appointment as a Director and also as an Independent Director of the Company forms part of the Notice. 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 or will attain the age of 75 years is approved by the Members by way of a Special Resolution. In this regard, Mr. Rajendrakumar C. Patel shall continue the directorship as Non-executive Independent Director who shall attain the age of 75 years during his tenure as an Independent Director of the Company upto 9th August, 2024. The Board of Directors therefore recommends the Special Resolution for approval of the members.

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 2018-2019, 5 (Five) Board Meetings were held on 26-4-2018, 26-5-2018, 10-8-2018, 13-11-2018 & 11/2/2019. The gap between two Board Meetings did not exceed 120 days as prescribed in the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Board Meetings were generally held at the Factory (Works) of the Company situated at Rakanpur, Dist. Gandhinagar, Gujarat.

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, 2019 towards CSR activities. The Annual Report on CSR activities including Responsibility Statement of the CSR Committee in terms of Section 135 of the Companies Act, 2013 and the Rules framed thereunder 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, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

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 AND 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 (Regn. No. 11139) as the Secretarial Auditor to conduct Secretarial Audit of the records of the Company for the financial year 2018-2019 and to submit his report to the Company. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as **Annexure - G** to this Report.

The Board at its meeting held on 11th February, 2019, has reappointed Mr. Punit Lath (Regn. No. 11139), as Secretarial Auditor, for conducting Secretarial Audit of the Company for the financial year 2019-2020. 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 2018-2019 does not contain any qualification, reservation or adverse remark. During the year under review, the Secretarial Auditor 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.

COMPLIANCE CERTIFICATE

The Company has also received Secretarial Compliance Report for the year ended 31st March, 2019 pursuant to SEBI Circular No. CIR/CFD/CMD/1/27/2019, dated 8th February, 2019 from Mr. Punit Lath, (Regn. No. 11139) Practicing Company Secretary and duly filed with BSE Ltd., in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contract (Regulations) Act, 1956 ("SCRA"), rules made there under and the regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI").

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 22nd May, 2019, 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 the financial year 2019-2020 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 and confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013. They have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013.

The Cost Audit Report for the Financial Year ended 31st March, 2018 has been duly filed in XBRL mode. The cost audit report for financial year ended March 31, 2019 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 as amended from time to time.

LISTING REGULATIONS

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 2019-2020.

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 website of the Company viz. www.patelsairtemp.com.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules 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 by the Company during the financial year 2018-2019.

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, 2019 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.
- 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 : 10th August, 2019

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, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule12(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	Heat Exchangers & Accessories	359.6 (NIC - 1997)	60.54 %
2	Air Cooled Heat Exchangers & Accessories	359.6 (NIC - 1997)	26.73 %

Note : NIC Code 25122 of NIC-2008 for the above products i.e. manufacture of metal reservoirs, tanks and similar containers

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 break-up as percentage of total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the end of the year [As on March 31, 2018]				No. of Shares held at the end of the year [As on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group2									
A1. Indian									
(A) Individual / HUF	961746	0	961746	18.97	961746	0	961746	18.97	0.00
(B) Bodies Corporate	1433954	0	1433954	28.28	1433954	0	1433954	28.28	0.00
SUB TOTAL (A)(1) :	2395700	0	2395700	47.25	2395700	0	2395700	47.25	0.00
A2. Foreign	0	0	0	0.00	0	0	0	0.00	0.00
Total Holding For Promoters and Promoter Group (A)=(A)(1)+(A)(2)	2395700	0	2395700	47.25	2395700	0	2395700	47.25	0.00
(B) Public shareholding									
B1. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
B2. Non-Institutions									
(A) Bodies Corporate	102871	825	103696	2.05	81064	825	81889	1.62	(0.43)
(B) Individual									
(I) (Capital Upto To ₹ 1 Lakh)	1759240	112303	1871543	36.91	1754959	98128	1853087	36.55	(0.36)
(II) (Capital Greater Than ₹ 1 Lakh)	547399	0	547399	10.80	588587	0	588587	11.61	0.81
(C) Any Others (Specify)									
(I) Clearing Member	20098	0	20098	0.40	21593	0	21593	0.43	0.03
(II) Non Resident Indians (NRI)	1715	0	1715	0.03	2035	0	2035	0.04	0.01
(III) Non Resident Indians (Repat)	76391	0	76391	1.51	75203	0	75203	1.48	(0.02)
(IV) Non Resident Indians (Non Repeat)	25680	0	25680	0.51	19040	0	19040	0.38	(0.13)
(V) Other Directors	1679	0	1679	0.03	2079	0	2079	0.04	0.01
(VI) IEPF 26339	0	26339	0.52	31027	0	31027	0.61	0.09	
SUB TOTAL (B)(2) :	2561412	113128	2674540	52.75	2575587	98953	2674540	52.75	0.00
Total Public Shareholding (B)=(B)(1) + (B)(2)	2561412	113128	2674540	52.75	2575587	98953	2674540	52.75	0.00
(C) Shares held by Custodians for have been issued	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A)+(B)+(C)	4957112	113128	5070240	100.00	4971287	98953	5070240	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Name of Shareholder's	Shareholding at the beginning of the year 01-04-2018			Share holding at the end of the year 31-3-2019			% 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	0	0.00	0.00	(2.37)
4	Narendrabhai Gopalbhai Patel	303801	5.99	0.00	303801	5.99	0.00	0.00
5	Patel Narayanbhai Gangaram #	0	0.00	0.00	120000	2.37	0.00	2.37
6	Patel Narayanbhai Gangaram ##	120000	2.37	0.00	45000	0.89	0.00	(1.48)
7	Shiv Fintrade Pvt. Ltd.	69442	1.37	0.00	69442	1.37	0.00	0.00
8	Patel Sitaben Narayanbhai ##	55000	1.08	0.00	7000	0.14	0.00	(0.94)
9	Patel Narayanbhai Gangaram-HUF	17700	0.35	0.00	17700	0.35	0.00	0.00
10	Sanjiv Narayanbhai Patel ##	16000	0.32	0.00	139000	2.74	0.00	2.42
11	Aarty P. Patel	14000	0.28	0.00	14000	0.28	0.00	0.00
12	Rashmika Narendr Patel	6525	0.13	0.00	6525	0.13	0.00	0.00
13	Pushpa D Narumalani	5775	0.11	0.00	5775	0.11	0.00	0.00
14	Prakash N. Patel-HUF	5000	0.10	0.00	5000	0.10	0.00	0.00
15	Kanayalal Gagandas Narumalani	3750	0.07	0.00	3750	0.07	0.00	0.00
16	Khushal Gagandas Narumalani	3750	0.07	0.00	3750	0.07	0.00	0.00
17	Jalpa Sanjiv Patel	100	0.00	0.00	100	0.00	0.00	0.00
18	Sanjivkumar N Patel-HUF	100	0.00	0.00	100	0.00	0.00	0.00
19	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

Notes :

Mr. Narayanbhai G. Patel hold 1,20,000 Equity Shares as a second/joint holder and the first holder was Mr. Prakash N. Patel, who ceased to be Member due to his demise on 15.02.2019 and the said 1,20,000 Equity Shares are subject to Transmission as per Will of Mr. Prakash N. Patel.

##75000 Equity Shares of Mr. Narayanbhai G. Patel and 48,000 Equity Shares of Mrs. Sitaben N. Patel aggregating to 1,23,000 Equity Shares have been transferred by way of gift in favour of Mr. Snajiv N. Patel.

(iii) Change in Promoters' Shareholding #

Sr. No.	Name of the Promoters	Shareholding Beginning of the year 01.04.2018 End of the Year 31.03.2019		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 - 01.04.2018	2395700	47.25				2395700	47.25
	At the end of the year - 31.03.2019	2395700	47.25	-	#	-	2395700	47.25

Refer Para No. (v) under "Shareholding of Directors and Key Managerial Personnel"

(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 01.04.18 End of the Year 31.03.19	Date	Increase/ Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the company
1	SUNIL KUMAR GUPTA	30,000	31-Mar-18	0	Transfer	30,000	0.59
			7-Sep-18	3600		33,600	0.66
			14-Sep-18	4016		37,616	0.74
			21-Sep-18	7500		45,116	0.89
			28-Sep-18	7500		52,616	1.04
			5-Oct-18	4000		56,616	1.12
			12-Oct-18	3884		60,500	1.19
			19-Oct-18	1000		61,500	1.21
			26-Oct-18	500		62,000	1.22
			2-Nov-18	1500		63,500	1.25
			9-Nov-18	1500		65,000	1.28
2	DEENAR KRISHNARAO TORASKAR	61,112	31-Mar-18	0	Transfer	61,112	1.21
			30-Mar-19	0		61,112	1.21
3	SHARAD KANAYALAL SHAH	61,000	31-Mar-18	0	Transfer	61,000	1.20
			30-Mar-19	0		61,000	1.20
4	BHARAT CHHABILDAS PATEL	51,924	31-Mar-18	0	Transfer	51,924	1.02
			22-Jun-18	149		52,073	1.03
			20-Jul-18	100		52,173	1.03
			17-Aug-18	300		52,473	1.03
			24-Aug-18	100		52,573	1.04
			31-Aug-18	200		52,773	1.04
			7-Sep-18	-200		52,573	1.04
			14-Sep-18	-43		52,530	1.04

			2-Nov-18	299		52,829	1.04
			30-Nov-18	100		52,929	1.04
			22-Feb-19	300		53,229	1.05
			1-Mar-19	200		53,429	1.05
			22-Mar-19	679		54,108	1.07
			29-Mar-19	973		55,081	1.09
		55,081	30-Mar-19	0		55,081	1.09
5	MANOJ MURARKA	44,110	31-Mar-18	0	Transfer	44,110	0.87
			13-Apr-18	-1800		42,310	0.83
			1-Jun-18	-1002		41,308	0.81
			20-Jul-18	-41		41,267	0.81
			27-Jul-18	-250		41,017	0.81
			3-Aug-18	-1975		39,042	0.77
			10-Aug-18	-3924		35,118	0.69
			31-Aug-18	-1275		33,843	0.67
			21-Sep-18	-12610		21,233	0.42
			28-Sep-18	-550		20,683	0.41
			5-Oct-18	-2333		18,350	0.36
			12-Oct-18	-4123		14,227	0.28
			26-Oct-18	-234		13,993	0.28
			2-Nov-18	-100		13,893	0.27
			7-Dec-18	-13893		0	0.00
		0.00	30-Mar-19	0		0	0.00
6	GAUTAM JAIN	40,828	31-Mar-18	0	Transfer	40,828	0.81
			5-Oct-18	-10000		30,828	0.61
			19-Oct-18	-1288		29,540	0.58
			22-Feb-19	-100		29,440	0.58
			1-Mar-19	-836		28,604	0.56
			8-Mar-19	-1500		27,104	0.53
		27,104	30-Mar-19	0		27,104	0.53
7	SUDHIR LAXMAN NAYAK	32,631	31-Mar-18	0	Transfer	32,631	0.64
			29-Mar-19	-9245		23,386	0.46
		23,386	30-Mar-19	0		23,386	0.46
8	KIRTIDA CHHABILDAS PATEL	28,640	31-Mar-18	0	Transfer	28,640	0.56
			22-Jun-18	400		29,040	0.57
			16-Nov-18	300		29,340	0.58
		29,340	30-Mar-19	0		29,340	0.58
9	PANKAJ JAJU	26,000	31-Mar-18	0	Transfer	26,000	0.51
		26,000	30-Mar-19	0		26,000	0.51
10	KAYZAD SIRUS EGHLM	25,000	31-Mar-18	0	Transfer	25,000	0.49
		25,000	30-Mar-19	0		25,000	0.49
11	YAGNESH NAVINCHANDRA PASAVALA	21,780	31-Mar-18	0	Transfer	21,780	0.43
			28-Dec-18	500		22,280	0.44
			11-Jan-19	12		22,292	0.44
			18-Jan-19	114		22,406	0.44
			25-Jan-19	250		22,656	0.45
			1-Feb-19	953		23,609	0.47
			8-Feb-19	150		23,759	0.47
			15-Feb-19	100		23,859	0.47
			15-Mar-19	500		24,359	0.48
			22-Mar-19	193		24,552	0.48
			29-Mar-19	245		24,797	0.49
		24,797	30-Mar-19	0		24,797	0.49
12	DEEPAK GUPTA	21,618	31-Mar-18	0	Transfer	21,618	0.43
		21,618	30-Mar-19	0		21,618	0.43

(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 01.04.2018					No. of shares	% of total shares of the company
		End of the Year 31.03.2019						
Directors & KMP								
1	Patel Narayanbhai Gangaram (Promoter & KMP)	120000	2.37	23-Oct-18 01-Mar-19	-75000 120000	Gift ###	45000 165000	0.89 3.25
2	Narendrabhai Gopalbhai Patel (Promoter & KMP)	303801 303801	5.99 5.99	No transaction		-	303801	5.99
3	Patel Prakash Narayanbhai (Promoter & KMP) #	120000 0	2.37 0.00	01-Mar-19	-120000	###	0	0.00
4	Sanjiv Narayanbhai Patel (Promoter & KMP)	16000 139000	0.32 2.74	23-Oct-18 23-Oct-18	75000 48000	Gift Gift	91000 139000	1.79 2.74
5	Hareshkumar Ishwarlal Shah	NIL	NIL	NIL		-	NIL	NIL
6	Vinodkumar Chotubhai Desai	NIL	NIL	NIL		-	NIL	NIL
7	Ramanbhai Ramdas Patel	NIL	NIL	NIL		-	NIL	NIL
8	Veenaben Bhupendrabhai Patel	1079 1079	0.02 0.02	No transaction		-	1079	0.02
9	Himanshu N. Rawal	NIL	NIL	NIL		-	NIL	NIL
10	Apurva V. Shah (KMP)##	600 1000	0.01 0.02	21-Sep-19 24-Sep-19	200 200	Transfer Transfer	800 1000	0.01 0.02
Other Key Managerial Personnel								
11	Kamlesh Rasiklal Shah (CFO)	1050 1050	0.02 0.02	No transaction		-	1050	0.02
12	Nikhil M. Patel (CS)	NIL	NIL	NIL		-	NIL	NIL

Notes :

Mr. Prakash N. Patel ceased to be a Director & Managing Director of the Company w.e.f. 15th February, 2019 due to his sad demise on 15th February, 2019, who was also one of the Promoter of the Company.

Mr. Apurva V. Shah was appointed as Whole-time Director of the Company for a period of 3 years w.e.f. 11th August, 2018 with payment of remuneration.

Mr. Narayanbhai G. Patel hold 1,20,000 Equity Shares as a second/joint holder and the first holder was Mr. Prakash N. Patel, who ceased to be Member due to his demise on 15.02.2019 and the said 1,20,000 Equity Shares are subject to Transmission as per Will of Mr. Prakash N. Patel.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Narayanbhai G. Patel (Chairman & WTD)	Narendrabhai G. Patel (WTD)	Prakash N. Patel (MD) #	Sanjiv N. Patel (MD)	Apurva V. Shah (WTD) *	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	35,19,355	35,19,355	30,69,355	35,19,355	17,65,806	1,53,93,226
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1,19,420	80,932	1,99,587	71,192	71,691	5,42,822
	(c) Profit in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL
2.	Stock Option	NA	NA	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA	NA	NA
4.	Commission - as % of profit - others, specify	NA	NA	NA	NA	NA	NA
5.	Others, please specify	NIL	NIL	NIL	NIL	NIL	NA
	Total	36,38,775	36,00,287	32,68,942	35,90,547	18,37,497	1,59,36,048

Mr. Prakash N. Patel ceased to be a Director & Managing Director of the Company w.e.f. 15th February, 2019 due to his sad demise on 15th February, 2019.

* Mr. Apurva V. Shah is appointed as Whole-time Director of the Company for a period of 3 years w.e.f. 11th August, 2018.

B. Remuneration to other Directors :

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Hareshkumar I. Shah	Vinodkumar C. Desai	Ramanbhai R. Patel#	Himanshu N. Rawal	Veenaben B. Patel	
1.	Independent Directors						
	- Fee for attending Board Meetings	10,000	5,000	12,500	12,500	10,000	50,000
	- Commission	Nil	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	10,000	5,000	12,500	12,500	10,000	50,000
2.	Other Non-Executive Directors						
	- Fee for attending Board Meetings	NA	NA	NA	NA	NA	N
	- 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)	10,000	5,000	12,500	12,500	10,000	50,000

Mr. Ramanbhai R. Patel ceased to be an Independent Director of the Company w.e.f. 12th June, 2019 due to his sad demise on 12th June, 2019.

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	11,39,100	10,06,564	21,45,664
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of 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	11,39,100	10,06,564	21,45,664

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, 2019, except as under:-

Application of the company to SEBI, in terms of Regulation 20 (1) (b) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 for delay in submission of Form C resulting the violation of Regulation 7(2)(b) of SEBI (Prohibition of Insider Trading) Regulations, 2015 by the Company in FY 2014-15 was settled and disposed of by SEBI on settlement amount of ₹ 3,68,156/-. The same amount was duly paid by the Company.

ANNEXURE-B TO DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OUTLOOK

The Indian economy started the fiscal year 2018–19 with a healthy 8.2 percent growth in the first quarter on the back of domestic resilience. Growth eased to 7.3 percent in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee suffered because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows.

The Indian economy is likely to sustain the rebound in FY. 2018-19 growth is projected to be in the 7.2 percent to 7.5 percent range and is estimated to remain upward of 7 percent for the year ahead. These projections could be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. The improving macroeconomic fundamentals have further been supported by the implementation of reform measures, which has helped foster an environment to boost investments and ease banking sector concerns. Together, these augur well for a healthy growth path for the economy. India has already surpassed France to become the sixth-largest economy. By 2019, it may become the fifth-largest economy and possibly the third-largest in 25 years.

The International Monetary Fund (IMF), World Economic Outlook stated that in the year 2018-19, the global economy saw significant volatility. After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. Global growth is now projected to slow from 3.6 percent in 2018 to 3.3 percent in 2019, before returning to 3.6 percent in 2020. The global expansion has weakened. Global growth for 2018 is estimated at 3.7 percent, as in the October 2018 World Economic Outlook (WEO) forecast, despite weaker performance in some economies, notably Europe and Asia. The global economy is projected to grow at 3.5 percent in 2019 and 3.6 percent in 2020, 0.2 and 0.1 percentage point below last October's projections.

FINANCIAL AND OPERATIONAL PERFORMANCE

Your Company is operating in single segment namely engineering fabrication. Therefore, the Company has been reporting Standalone Financial Results. This discussion, therefore, covers the financial results and other developments during April 2018 to March 2019, 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 total revenue from operations of ₹ 150.95 crores during the year ended on 31st March, 2019 as against ₹ 159.38 crores earned during the previous year ended on 31st March, 2018. The Company has also earned other income of ₹ 79.27 lakhs during the year under review as against ₹ 42.85 lakhs earned during the previous year.

Out of the revenue from operations of ₹ 150.95 crores earned by the Company during the year under review, ₹ 147.28 crores represents sale of products (Domestic & Export), ₹ 1.34 crores represents sale of Services (Processing Charges) and ₹ 2.33 crores represents other operating revenues.

The Company has incurred total expenses of ₹ 141.22 crores during the year ended on 31st March, 2019 as compared to ₹ 147.16 crores incurred during the previous year ended on 31st March, 2018.

The Company has earned the Profit before Tax of ₹ 10.52 crores during the year ended on 31st March, 2019 as compared to ₹ 12.65 crores earned during the previous year ended on 31st March, 2018.

The Company has earned Net Profit of ₹ 7.32 crores for the year ended on 31st March, 2019 after making Provision for Tax Expenses of ₹ 3.20 crores and other adjustments, as compared to Net Profit of ₹ 8.61 crores earned by the Company during the previous year ended on 31st March, 2018.

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

FY2019-20 is likely to start on an uncertain note due to the after effects of the general elections in the country. Varying early indications of the monsoon season might only add to this uncertainty as the rural economy still depends to a great extent on rains, especially given the low reservoir levels across the country. Recent round of policy rate cuts announced by the Reserve Bank of India are expected to alleviate the tight credit conditions that have persisted since the second half of FY2018-19 and thus provide a boost to the industrial sector. The construction segment is expected to stay depressed with the money markets being tight and it is expected that the premium to luxury segments will see lower growth.

In addition to the above, the year 2018-19 saw the Indian economy yielding the benefits of structural reforms, viz Goods & Service Tax (GST), Demonetization and Insolvency & Bankruptcy Code (IBC). The year witnessed a pick-up in project awards, improved clearances and fund allocation, resulting in a pick-up in execution momentum in the domestic market and the impact of these reforms will also help to uplift the Indian Economic Growth move in upward trend

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, 2019 (2018-2019) pursuant to SEBI (Listing Obligations & Disclosure Requirements) 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 & Disclosure Requirements) 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
- 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, 2019 :**

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, 2019, 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 Independent 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 of all Committees, being Independent Director. The composition of the Board is in conformity with Regulation 17 of SEBI Listing Regulations 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 four 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, 2019, 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 2018-2019 and also at the last Annual General Meeting (AGM) held on 29th September, 2018 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
Executive Directors								
1.	Mr. Narayanbhai G. Patel	Chairman & Whole-time Director	5	5	Yes	NIL	NIL	NIL
2.	Mr. Prakash N. Patel #	Managing Director	5	2 #	No	NIL	NIL	NIL
3.	Mr. Sanjiv N. Patel	Managing Director	5	3	Yes	NIL	NIL	NIL
4.	Mr. Narendra G. Patel	Whole-time Director	5	5	Yes	NIL	NIL	NIL
5.	Mr. Apurva V. Shah ##	Whole-time Director	5	2 ##	Yes	NIL	NIL	NIL
Independent Directors								
6.	Mr. Hareshkumar I. Shah	Independent Director	5	4	Yes	NIL	NIL	NIL
7.	Mr. Vinodkumar C. Desai	Independent Director	5	3	No	NIL	NIL	NIL
8.	Mr. Ramanbhai R. Patel ###	Independent Director	5	5	No	NIL	NIL	NIL
9.	Mrs. Veenaben B. Patel	Independent Director	5	4	No	NIL	NIL	NIL
10.	Mr. Himanshu N. Rawal	Independent Director	5	5	Yes	NIL	NIL	NIL

Mr. Prakash N. Patel ceased to be a Director & Managing Director of the Company w.e.f. 15th February, 2019 due to his sad demise on 15th February, 2019, who was also one of the Promoter of the Company.

Mr. Apurva V. Shah was appointed as Whole-time Director of the Company for a period of 3 years w.e.f. 11th August, 2018 with payment of remuneration.

Mr. Ramanbhai R. Patel ceased to be a Director of the Company (as an Independent Director) w.e.f. 12th June, 2019 due to his sad demise on 12th June, 2019.

None of our Directors serve as Director in other listed companies, as IDs in listed companies and none of the EDs serve as IDs on any listed company. Further, none of our IDs serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director is an ID. None of the Directors is a member of more than 10 Board level Committees or act as chairperson of more than five committees across listed entities as required under Regulation 26(1) of Listing Regulations. None of the Directors of the Company is a Director in other Public Companies. Necessary disclosures have been made by the Directors.

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.

(ii) Relationship between the Directors

Mr. Sanjiv N. Patel, Managing Director, is a 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 (0.02% of Share Capital). None of the other Non-Executive Directors held the Shares in the Company.

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

During the financial year 2018-2019, 5 (Five) Board Meetings were held on 26-4-2018, 26-5-2018, 10-8-2018, 13-11-2018 & 11/2/2019. 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, its Committees and Directors

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.

Nomination & Remuneration Committee (NRC) of the Board, as and when required, carried out performance evaluation of Independent Directors and Managing Directors and Whole-time Directors of the Company at the time of their appointment/re-appointment as such and accordingly recommended to the Board.

Directors are appointed/re-appointed with the approval of the Members for a term in accordance with the provisions of the law and the Articles of Association. All Directors other than Independent

Directors are liable to retire by rotation unless otherwise specifically provided under the Articles of Association or under any statute. One-third of the Directors who are liable to retire by rotation, retire at every Annual General Meeting and are eligible for reappointment.

(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 placed 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.

No Directors of the Company opted for participation in the Board Meeting and Meeting of the Committees of the Board through Video Conferencing or any other electronic mode.

Circular Resolutions duly passed by the Directors have been confirmed by the Board of Directors in their next Board Meeting. Similarly, Circular Resolutions duly passed by the members of various Committees have been confirmed by the respective Committees of the Board.

The Company has duly completed the KYC of the Directors of the Company.

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) Director qualifications, skills, expertise, competencies and attributes desirable in Company's business and sector in which it functions

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Strategy and Planning : Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

Understanding of industry and operations : Experience and knowledge of the functioning, operations, growth drivers, business environment and changing trends in the metals & mining, manufacturing and engineering industries as well as experience in overseeing large supply chain operations.

Knowledge of technology and innovation : Understanding of emerging trends in technology and innovation that may have an impact on the business and have the ability to guide necessary interventions that can be utilised in making the business more competitive and sustainable.

Governance : Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

(vii) Independent Directors & Separate Meeting

All Independent Directors have been appointed for a first term of 5 years, except in case of appointment of Mr. Himanshu N. Rawal for a first term of 2 years. Subsequently, Mr. Himanshu N. Rawal has been re-appointed as Independent Director for a second term of 5 years. 2 Independent Directors, namely, Mr. Hareshkumar I. Shah and Mr. Vinodkumar C. Desai have been proposed to be re-appointed as Independent Directors for a second term of 5 years, subject to the approval of the Shareholders by passing Special Resolutions in this Annual General Meeting, for which, necessary resolutions have been incorporated in the Notice of this Annual General Meeting.

Mr. Ramanbhai R. Patel ceased to be an Independent Director of the Company w.e.f. 12th June, 2019 due to his sad demise on 12th June, 2019.

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 of the Company have resigned before the expiry of his/her tenure.

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 and confirmed that they met the criteria of Independence as provided in Regulation 16(1)(b) of the Listing Regulations and they are not aware of any circumstances or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. 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 Board of Directors at their meeting held on 22nd May, 2019 confirmed that Independent Directors met the criteria of Independence as provided in Regulation 16(1)(b) of the Listing Regulations and they are not aware of any circumstances or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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 30th March, 2019 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 31-03-2019 (i.e. from 1-4-2018 to 31-3-2019) are as under :-

(Amount in ₹)

Name of Whole-time & Managing Directors	Designation	Salary	Perquisites & Allowances	Total
Mr. Narayanbhai G. Patel	Whole-time Director	35,19,355	1,19,420	36,38,775
Mr. Prakash N. Patel #	Managing Director	30,69,355	1,99,587	32,68,942
Mr. Sanjiv N. Patel	Managing Director	35,19,355	71,192	35,90,547
Mr. Narendra G. Patel	Whole-time Director	35,19,355	80,932	36,00,287
Mr. Apurva V. Shah ##	Whole-time Director	17,65,806	71,691	18,37,497

Mr. Prakash N. Patel ceased to be a Director & Managing Director of the Company w.e.f. 15th February, 2019 due to his sad demise on 15th February, 2019.

Mr. Apurva V. Shah was appointed as Whole-time Director of the Company for a period of 3 years w.e.f. 11th August, 2018 with payment of remuneration.

The Company has complied the Regulation 17(6)(e) of SEBI Listing Regulations, 2015 by passing Special Resolutions in respect of revision in remuneration of Whole-time and Managing Directors 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 Independent Directors of the Company apart from travelling expenses for attending Board Meetings held during the year ended on 31-03-2019 :-

Sr. No.	Name of the Director	Amount in (₹)
1	Mr.Hareshkumar I. Shah	10,000
2	Mr.Vinodkumar C. Desai	5,000
3	Mr.Ramanbhai R. Patel #	12,500
4	Mrs.Veenaben B. Patel	10,000
5	Mr. Himanshu N. Rawal	12,500

Mr. Ramanbhai R. Patel ceased to be an Independent Director of the Company w.e.f. 12th June, 2019 due to his sad demise on 12th June, 2019.

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, 2019, 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 2018-2019, 5 (Five) Audit Committee Meetings were held on 26-4-2018, 26-5-2018, 11-8-2018, 13-11-2018 & 11/2/2019. 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	4
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

Mr. Ramanbhai R. Patel ceased to be a Member of Audit Committee w.e.f. 12th June, 2019 due to his sad demise on 12th June, 2019.

- 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 29th September, 2018.

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.

The Board of Directors at their meeting held on 11th February, 2019 approved additional terms of reference as mentioned in Section 177(4) of the Companies Act, 2013 and Rules made there under and Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations in continuation of existing terms of reference of Audit Committee.

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, 2019, 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 2 times on 11/08/2018 and 13/11/2018. The presence of the Members at the meeting are as under. NRC Committee normally meets for considering proposal related to the following matters after evaluation of the performance of existing Directors and Whole-time & Managing Directors of the Company and recommendation to the Board of Directors :

- Appointment of Additional Directors
- Re-appointment of Independent Directors
- Appointment and Re-appointment of Managing & Whole-time Directors
- Remuneration of Key Managerial Personnel and Managing & Whole-time 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	2	2
Mr. Ramanbhai R. Patel #	Member	Independent Director	2	2
Mr. Vinodkumar C. Desai	Member	Independent Director	2	2
Mr. Narayanbhai G. Patel	Member	Executive Director	2	2

Mr. Ramanbhai R. Patel ceased to be a Member of NRC Committee w.e.f. 12th June, 2019 due to his sad demise on 12th June, 2019.

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 Board of Directors at their meeting held on 11th February, 2019 approved additional terms of reference as mentioned in Section 178 of the Companies Act, 2013 and Rules made there under and under SEBI Listing Regulations in continuation of existing terms of reference of NRC Committee.

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 13 times on 16-7-2018, 13-8-2018, 27-8-2018, 10-9-2018, 29-9-2018, 2-11-2018, 29-11-2018, 8-12-2018, 20-12-2018, 24-1-2019, 6-2-2019, 1-3-2019 & 30-3-2019 for approval of various matters related to Stakeholders :-

- transfer of Equity Shares,
- replacement of old/mutilated share certificate,
- transfer-cum-name deletion of joint shareholder,
- issued duplicate Share Certificates

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	13	13
Mr. Ramanbhai R. Patel #	Member	Independent Director	13	13
Mr. Vinodkumar C. Desai	Member	Independent Director	13	12
Mr. Narayanbhai G. Patel	Member	Executive Director	13	13

Mr. Ramanbhai R. Patel ceased to be a Member of SRC Committee w.e.f. 12th June, 2019 due to his sad demise on 12th June, 2019.

Mr. Nikhil Patel, who is a Company Secretary of the Company, is the Secretary to Stakeholders' 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 31-03-2018	- Nil
No. of complaints received during the year under review	- Nil
No. of complaints disposed off during the year under review	- Nil
No. of complaints outstanding as on 31-03-2019	- 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, 2019.

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 2018-2019, your Company had spent ₹ 24 Lakhs, i.e. 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 2018-2019.

During the year under review, CSR Committee met 1 time on 11/02/2019. 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	1	1
Mr. Ramanbhai R. Patel #	Member	Independent Director	1	1
Mr. Narayanbhai G. Patel	Member	Executive Director	1	1

Mr. Ramanbhai R. Patel ceased to be a Member of CSR Committee w.e.f. 12th June, 2019 due to his sad demise on 12th June, 2019.

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 (At the Registered Office of the Company)	No. of Special Resolution Passed
2015-2016 24th AGM	30th July, 2016 at 10.00 a.m.	5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	6 #
2016-2017 25th AGM	19 th September, 2017 at 10.00 a.m.	5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	1 ##
2017-2018 26th AGM	29th September, 2018 at 10.00 a.m.	5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	6 ###

- # 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.
- ### 1) Re-appointment of Mr. Himanshu N. Rawal (DIN : 06631728) as an Independent Director of the Company.
- 2) Revision in remuneration of Mr. Narayanbhai G. Patel (DIN: 00023107), Chairman & Whole-time Director of the Company by way of increase in remuneration.
- 3) Revision in remuneration of Mr. Prakash N. Patel (DIN: 00249210), Managing Director of the Company by way of increase in remuneration.
- 4) Revision in remuneration of Mr. Sanjiv N. Patel (DIN: 02794095), Managing Director of the Company by way of increase in remuneration.
- 5) Revision in remuneration of Mr. Narendra G. Patel (DIN: 00023205), Whole-time Director of the Company by way of increase in remuneration.
- 6) Continuing the Directorship of Mr. Ramanbhai R. Patel, as Non-executive Independent Director, who has attained the age of 75 years.

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 27th AGM, no resolution is proposed to be passed through Postal Ballot.

5. **DISCLOSURES**

i) **Related Party transaction**

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

During the year under review, the Company has amended the policy on Materiality of Related Party Transactions and dealing with Related Party Transactions.

Transaction with related parties are disclosed in Note No. 30 of the Notes to the Financial Statements for the year ended on 31st March, 2019, in the Annual Report as required by the Accounting Standard (AS) 18/Ind AS 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.

The Company has duly taken the approval of Audit Committee and Board of Directors for entering into related party transactions by the Company with related parties during the year ended on 31st March, 2019.

The Company has duly filed with BSE Ltd. half-yearly statement of Related Party Transactions ended on March 31, 2019 in accordance with applicable Accounting Standards on a consolidated basis pursuant to Regulation 23(9) of SEBI Listing Regulations.

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, 2019 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, except as under :-

The Company had violated the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 during the financial year 2015-16 by delay in intimation to BSE Ltd. under Regulation 7(2) of the Insider Trading Regulations. SEBI levied settlement charges of ₹ 3,68,156/- and ordered the settlement and disposing the adjudication proceedings in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014. The Company has duly paid the settlement charges of ₹ 3,68,156/- during the year under review.

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 as above. They have also affirmed to the Company about the compliance of the said Code during the Financial Year ended on 31st March, 2019. 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.

During the year under review, the Company has revised the following policies under Insider Trading Regulations :-

1. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI),
2. Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders

ix) **Certificate from Practising Company Secretary**

As required by Clause 10 (i) of Part C under Schedule V of the Listing Regulations, the Company has received a certificate from Practicing Company Secretary and attached here with certifying that none of our Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India or Ministry of Corporate Affairs or such other statutory authority.

x) **Reconciliation of Share Capital Audit**

In terms of Regulation 40(9) and 61(4) of the Listing Regulations, certificates, on half-yearly basis, have been issued by a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company. The Company Secretary in Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') (collectively 'Depositories') and the total issued and listed capital. The Audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and in dematerialised form (held with Depositories). The Audit Report is disseminated to the Stock Exchanges on quarterly basis.

xi) Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure regarding the complaints of sexual harassment are given in the Board's Report.

xii) Consolidated Fees paid to Statutory Auditors

During the Financial Year 2018-19, statutory audit fees of ₹ 1.10 lacs paid by the Company to M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad, (Firm Regn. No. 113742W) the Statutory Auditors 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 down loadable form.

The Company has total 6,290 Shareholders as on 31st March, 2019. 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 Results. 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, 28th September, 2019

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 01-04-2019 to 31-03-2020) (Tentative) :**

Results for quarter ended on 30-06-2019 : on or before 14th August, 2019

Results for quarter ending on 30-09-2019 : On or before 14th November, 2019

Results for quarter ending on 31-12-2019 : On or before 14th February, 2020

Audited Results for the year ending on 31-03-2020 : On or before 30th May, 2020

AGM for the year ending on 31-03-2020 : In the month of September, 2020

iii) **Book Closure Date(s):**

Book-closure shall be from 23rd September, 2019 to 28th September, 2019 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2019.

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, 2019, 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., Corporate Relation Dept., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001.

Listing fees upto the Financial Year 2019-2020 has already been paid to the Stock Exchange. The Annual Custody/Issuer fee for the year 2019-2020 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 2018-2019 are as under:

Months	High (₹)	Low (₹)	Closing (₹)
April, 2018	185.00	165.00	169.00
May, 2018	175.00	152.90	163.00
June, 2018	164.95	135.40	139.80
July, 2018	147.80	130.00	144.50
August, 2018	147.45	130.00	137.95
September, 2018	147.75	130.00	131.25
October, 2018	139.65	119.00	124.80
November, 2018	133.50	115.00	123.35
December, 2018	127.90	106.60	118.05
January, 2019	121.95	109.80	112.00
February, 2019	118.85	95.10	97.90
March, 2019	124.10	90.10	100.20

ix) **Share price performance in comparison to BSE Sensex based on share price on 31-03-2019:**

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 (₹)	Low (₹)	Closing (₹)	High (₹)	Low (₹)	Closing (₹)
April, 2018	185.00	165.00	169.00	35213.30	32972.56	35160.36
May, 2018	175.00	152.90	163.00	35993.53	34302.89	35322.38
June, 2018	164.95	135.40	139.80	35877.41	34784.68	35423.48
July, 2018	147.80	130.00	144.50	37644.59	35106.57	37606.58
August, 2018	147.45	130.00	137.95	38989.65	37128.99	38645.07
September, 2018	147.75	130.00	131.25	38934.35	35985.63	36227.14
October, 2018	139.65	119.00	124.80	36616.64	33291.58	34442.05
November, 2018	133.50	115.00	123.35	36389.22	34303.38	36194.30
December, 2018	127.90	106.60	118.05	36554.99	34426.29	36068.33
January, 2019	121.95	109.80	112.00	36701.03	35375.51	36256.69
February, 2019	118.85	95.10	97.90	37172.18	35287.16	35867.44
March, 2019	124.10	90.10	100.20	38748.54	35926.94	38672.91

x) **Registrar & Share Transfer Agent & Change of Communication Address of RTA from Mumbai Office to Ahmedabad Office:**

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 24135/079 40392570
Fax No: 0228475207
Email id : bssahd@bigshareonline.com
Website : www.bigshareonline.com

Mumbai Office

Bigshare Services Pvt. Ltd.,
Regd. Office : 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri (E), Mumbai – 400 059
Tele. No. (022) 62638200

Patels Airtemp (India) Ltd.

Plot 805, 806,807, 810 Rakanpur, Via: Sola-Bhadaj Village,
Ta: Kalol, Dist. Gandhinagar, Gujarat.
Contact Person : Nikhil M. Patel, Company Secretary
Tel No.022-28470652, 40430200Fax No. 022-28475207
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.

The Company has submitted to BSE Ltd. Compliance Certificate for half-yearly ended on 30th September, 2018 and 31st March, 2019 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:

Distribution of Shareholding as on 31st March, 2019 :

No. of Equity Shares held	No. of Shareholders	% of total Shareholders	No. of Shares	% of Shareholding
1-500	5473	87.01	730637	14.41
501-1000	412	6.55	325471	6.42
1001-2000	194	3.08	283646	5.59
2001-3000	70	1.11	178916	3.53
3001-4000	43	0.68	154762	3.05
4001-5000	24	0.38	110403	2.18
5001-10000	36	0.57	259991	5.13
10001 & above	38	0.60	3026414	59.69
Total:	6290	100.00	5070240	100.00

Categories of Shareholders as on 31st March, 2019 :

Category of Shareholders	No. of Equity Shares held	Percentage of total paid-up capital
A : Promoters and Promoters Group :		
Promoters	8,97,946	17.71
Promoters' Relatives	41,000	0.81
Group Companies	14,33,954	28.28
HUFs	22,800	0.45
Total (A) :	23,95,700	47.25
B : Public :		
Bodies Corporate	81,889	1.62
NRIs	96,278	1.90
Clearing Members	21,593	0.43
Directors (other than Promoters as above)	2079	0.04
IEPF	31,027	0.61
Indian Public	24,41,674	48.16
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 98.05 % of the total Equity Capital of the Company is held in demat form as on 31st March, 2019. 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 12 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%)
2018-19	₹ 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, 2019 (2018-2019).

	Sd/-	Sd/-
Place : Rakanpur, Dist. Gandhinagar	Narayanbhai G. Patel	Sanjiv N. Patel
Date : 11th June, 2019	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, 2019 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, 2019 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.

	Sd/-	Sd/-
Place : Rakanpur, Dist. Gandhinagar	Narayanbhai G. Patel	Kamlesh R. Shah
Date : 22nd May, 2019	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, 2019 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 Exchanges.

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

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, 2019. 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.

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, in all material respect, with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended on 31st March, 2019.

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
UDIN : 19100422AAAAEN8661

Place : Ahmedabad.
Date : 10th August, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Patels Airtemp (India) Limited having CIN L29190GJ1992PLC017801 and having registered office at 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380009 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment as per MCA Index of Signatory Details
1	Narayanbhai Gangaram Patel	00023107	10/06/1992
2	Narendra Gopalbhai Patel	00023205	01/08/2007
3	Hareshkumar Ishwarlal Shah	00216585	29/10/2005
4	Sanjiv Narayanbhai Patel	02794095	30/09/2009
5	Vinodrai C. Desai	02813402	30/10/2009
6	Himanshu N. Rawal	06631728	13/02/2016
7	Vinaben Bhupendra Patel	07131341	30/03/2015
8	Apurva Vinubhai Shah	08197983	11/08/2018
9	Prakash Narayanbhai Patel (Ceased to be Director w.e.f 15/02/2019 due to death. DIN is Deactivated due to submission of DIR-5 application as to Surrender of DIN as on signing of this Certificate.)	00249210	27/05/2004
10	Ramanbhai Ramdas Patel (Ceased to be Director w.e.f 12/06/2019 due to death)	05224867	11/02/2012

Note : After the reporting period of the above certificate i.e. 31st March, 2019, Mr. Shivang P. Patel (DIN: 08136652) has been appointed as an Additional Director and Whole-time Director of the Company w.e.f. 1st June, 2019.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency 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 : 08/07/2019
Place : Ahmedabad

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 arm’s 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 ₹ 5,99,884/- 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, 2019.</p> <p>(ii) Monthly charges maximum upto ₹ 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 2018-2019.</p> <p>(iii) Monthly salary of ₹ 1,16,000/- and other benefits as per Rules of the Company paid by the Company to Mr. Shivang P. Patel, Vice President – Business Development during the financial year 2018-2019. He is a grandson of Mr. Narayanbhai G. Patel, Chairman & Whole-time Director of the Company.</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 respective meetings held on 10th February, 2018, 26th April, 2018 and 13th November, 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, 2019.</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, 2019 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.

Company is in the process of converting conventional lights with LED lights in Plants which consumes only ¼ of electricity compare to conventional lights, leading to good amount of power saving.

More than 50% of conventional lights has been replaced with LED lights and Company is having target of achieving 75% conversion by March, 2020.

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 is generating 150,000 Units of Energy every year; which equals to reduction of CO2 emission by 175 trees or plantation of 425 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 here under :

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.

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.

Earlier 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 is having ISO 9001-2015 certification from TUV-SUD.

(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 ₹ 107.03 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 Uni Sim 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 31st March, 2019 (2018-2019) are as under :

CIF value of Imports : ₹ 1227.27 lacs as against ₹ 1505.11 lacs in previous year.

Expenditure in foreign currency : ₹ 69.20 lacs as against ₹ 80.32 lacs in previous year

Earning in foreign exchange : ₹ 1590.13 lacs as against ₹ 898.88 lacs in previous year

Annexure-F to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-2019

1.	A brief outline of the Company's CSR policy, including overview of projects or programme proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programme	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, 2019 and as on the date of this report	Mr. Hareshkumar I. Shah – Chairman Mr. Ramanbhai R. Patel # Mr. Narayanbhai G. Patel # Mr. Ramanbhai R. Patel ceased to be a Member of CSR Committee w.e.f. 12th June, 2019 due to his sad demise on 12th June, 2019.
3.	Average net profit of the Company for last three financial years	₹ 11,98,97,886/-
4.	Prescribed CSR expenditure (2 % of the amount mentioned in item 3 above)	₹ 23,97,958/-
5.	Details of CSR spent during the financial year:	
	a. Total amount spent during the financial year	₹ 24,00,000/-
	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 2018-2019 :

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	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads	Cumulative Expenditure Up to the reporting period	Amount Spent Direct or through Implementing Agency
1	Contribution to Educational Trust & Skill Development Program	Cl (ii) Promoting Education and Vocational Skilled	Ahmedabad and North Gujarat	₹ 20 Lacs	₹ 19 Lacs	₹ 24 Lacs	Direct/ Implementing Agency
2	Promoting sports activities to promote handicapped persons in Para Olympic Sports (Promoting rural sports, nationally recognize sports, Paralympics sports and Olympic sports)	Cl (vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;	At Beijing Games 2019	₹ 5 Lacs	₹ 5 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, 2019 (2018-2019), 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 2018-2019.

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

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

Date : 11th June, 2019.
Place : Rakanpur, Dist. Gandhinagar.

ANNEXURE - G TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[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, 2019.**

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, 2019 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, 2019 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') to the extent and if applicable:-
 - (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) were not applicable to the Company during the financial year under report, due to the reasons mentioned against each Regulations:

- (a) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Upto November, 9 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (effective from 10 November, 2018) - 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 (Up to 10th September, 2018), The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (effective from 11th September, 2018) - *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:

- i. 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.
- ii. The Listing Agreement entered into by the Company with BSE Limited, and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from 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:

- (i) 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:
 - a) External Commercial Borrowings are not attracted to the Company under the financial year under report;
 - b) Foreign Direct Investment (FDI) are not attracted to the company under the financial year under report;
 - c) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad is not attracted to the company under the financial year under report.
 - d) 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.
- (ii) 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.

- (iii) With respect of filing of E-form No. MGT-14 in respect of approval of Boards Report and appointment of Mr. Apurva V. Shah as Whole-time Director was filed by delay of less than 30 days on payment of Additional fees and Form No CRA-4 in respect of filing of Cost Audit Report for Financial Year 2017-18 was filed late with payment of additional fees and complied the requirement of Act.
- (iv) Application of the company to SEBI, in terms of Regulation 20 (1) (b) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 for delay in submissions of Form C resulting the violation of Regulation 7(2)(b) of SEBI (Prohibition of Insider Trading) Regulations, 2015 by the Company in FY 2014-15 was settled and disposed of by SEBI on settlement amount of ₹ 3,68,156/-. The same amount was duly paid by the Company.
- (v) During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, mentioned herein above 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) Re-appointment of Mr. Himanshu N Rawal as an Independent Director of the Company for 2nd and final term for 5 years by passing Special Resolution in the 26th AGM of the company held on 29th September, 2018.
 - (b) Increase in salary of Executive Directors of the Company from ₹ 2,50,000/- to ₹ 3,00,000/- per month with other perquisites and allowances by passing Special Resolutions in the 26th AGM of the company held on 29th September, 2018.
 - (c) Company has passed the Special Resolution in the 26th AGM of the company held on 29th September, 2018 for continuing the Directorship of Mr. Ramanbhai R. Patel as Non-executive Independent Director, who has attained the age of 75 years.
 - (d) Appointment of Mr. Apurva V Shah as Whole-time Director of the Company on remuneration of ₹ 2,30,000/- per month with other perquisites and allowances in the 26th AGM of the company held on 29th September, 2018.
 - (e) Mr. Prakash N. Patel (DIN:00249210) ceased to be a Director and Managing Director of the Company w.e.f. 15th February, 2019 due to sad demise on 15th February, 2019, who was also one of the Promoter of the Company.

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.

Date : 23/05/2019
Place : Ahmedabad

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

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, 2019 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 : 23/05/2019
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 Financial Officer and Company Secretary in the financial year:

Sr. No.	Name of Directors & Key Managerial Personnel	Designation	Remuneration paid during the financial year 2018-2019 (₹ in lacs)	Remuneration paid during the financial year 2017-2018 (₹ in lacs)	Increase in Remuneration from previous year (₹ in lacs)	% Increase in the Remuneration of Directors, CFO & CS	Ratio/Times per Median of Employee Remuneration
1	Narayanbhai G. Patel	Chairman & Whole-time Director	36.39	31.28	5.11	16.30	11.55
2	Narendra G. Patel	Whole-time Director	36.00	30.72	5.28	17.19	11.43
3	Prakash N. Patel #	Managing Director	32.69	31.59	1.02	3.23	10.38
4	Sanjiv N. Patel	Managing Director	35.91	30.46	5.45	17.89	11.40
5	Apurva V. Shah ##	Whole-time Director	18.37	NA	NA	NA	5.83
6	Kamlesh R. Shah	Chief Financial Officer	10.07	9.45	0.62	6.56	3.19
7	Nikhil M. Patel	Company Secretary	11.39	10.73	0.66	6.15	3.62

Note : # Mr. Prakash N. Patel, ceased to be Managing Director of the Company w.e.f. 15th February, 2019, due to his sad demise on 15th February, 2019.

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.

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

Median Remuneration for Financial Year 2018-2019 is ₹ 3.15 Lakhs.

B) The % increase in the Median Remuneration of employees in the Financial Year 2018-2019 is 2.23 % as compared to Financial Year 2017-2018.

C) The number of permanent employees on the rolls of Company: 149 employees

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 : As compared to average percentile increase in the salary of the employees during the financial year 2018-2019, there are no exceptional circumstances for increase in the managerial remuneration.

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 (Years)	Date of Appointment	Qualification	Remuneration (₹ In Lacs)	Experience (Years)
1	Narayanbhai G. Patel	Chairman & Whole-time Director	79	10.06.1992	B.E. (Mechanical) M.E. (Air & Refr.)	36.39	53
2	Narendra G. Patel	Whole-time Director	61	21.06.1994	B.E. (Mechanical), D.B.M.	36.00	32
3	Prakash N. Patel #	Managing Director	53	27.05.2004	B.E. (Mechanical)	32.69	25
4	Sanjiv N. Patel	Managing Director	47	30.09.2009	B.E. (Chemical), MBA (USA)	35.91	15
5	Apurva V. Shah ##	Whole-time Director	56	11.08.2018	B.E. (Mechanical), P.G.D. in Air & Refr.	18.37	31
6	Pravin G. Shah	Sr. Vice President (Operation)	77	01.01.2013	B.E. (Mechanical)	16.23	32
7	Saket S. Bhatt	Vice President (Marketing)	48	01.09.2013	B.E. (Mechanical)	15.51	23
8	Nikhil M. Patel	Company Secretary	55	01.01.2016	B. Com, LLB, ACS	11.39	28
9	Jatin N. Patel	Works Manager (Production-HE-PV)	48	19.02.2008	Diploma in Mechanical	11.02	23
10	Shivang P. Patel	Vice President (Business Development)	27	15.05.2018	Mechanical Engineer, MBA in Global Marketing, London, UK	10.50	5

Mr. Prakash N. Patel, ceased to be Managing Director of the Company w.e.f. 15th February, 2019, due to his sad demise on 15th February, 2019.

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.

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, 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 Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **PATELS AIRTEMP (INDIA) LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit & Loss (including other comprehensive Income), the statement of changes in equity and the Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements read together with significant accounting policies and accompanying notes thereon give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2019, and its Profits (financial performance including other comprehensive income), the changes in equity and its cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI together with the ethical requirement that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules thereunder and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone 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 standalone financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting

Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that :
 - a) We have sought & obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books
 - c) The Balance sheet, statement of Profit & Loss (including other comprehensive income), the statement of Changes in equity and the Cash Flow Statement dealt with by this report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2016
 - e) On the basis of the written representation received from the directors as on 31st March, 2019 taken on record by Board of Directors, none of the director is disqualified as on 31st March, 2019 from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
 - f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
 - h) With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The company does not have any pending litigations which would impact its standalone 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) During the year, there has been no delay in transferring amounts, 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 : 22nd May, 2019

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PATELS AIRTEMP (INDIA) LTD.

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the standalone IND AS financial statements of the Company for the year ended March 31, 2019:

1. In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased manner, 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 physical verification.
 - c) The title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted by the management at reasonable intervals. The discrepancies noticed on such verification between the physical stocks and book records were not significant and the same have been properly dealt with in the books of account.
3. The company has not granted any loans, secured or unsecured to companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented there upon.
5. According to the information and explanations given to us, the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. We have broadly reviewed the books of accounts maintained by the company in respect of products where pursuance to the rules made by the Central Government of India, the maintenance of Cost records has been prescribed sub section (1) of section 148 of Companies Act 2013 and we are of the opinion that prima facie, the prescribed accounts & records have been maintained. We have however, not made a detailed examination of the records.
7.
 - a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales-tax, goods & service Tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
 - b) According to the information and explanation given to us, there are no dues of sales tax, goods & service tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
8. According to information & explanations given to us, the company has not defaulted in repayment of its dues to Banks. The company does not have any borrowings from Financial Institutions or Government. The Company has not issued any debentures.
9. The company has not raised money by way of initial public offer or further public offer including debt instruments and term loans.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud by the Company or any fraud on the Company by its officers or employees that have been noticed or reported during the year nor have we been informed of such a case by management.

11. Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
12. The Company is not a Nidhi Company. Therefore, the provision of clause 3(xii) of the Order is not applicable to the Company.
13. The Company has entered in to transactions with related parties in compliance with Sections 177 and 188 of the Companies Act 2013 where applicable, and the requisite details have been disclosed in the IND AS financial statements.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the company.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the company.
16. 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 : 22nd May, 2019

“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PATELS AIRTEMP (INDIA) LTD.

Referred to in paragraph 2(f) under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the standalone IND AS financial statements of the Company for the year ended March 31, 2019.

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 **PATELS AIRTEMP (INDIA) LIMITED**, (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone 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 (IFCOFR) 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 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 or internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 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 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 auditors' judgments, 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 Control 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 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 expenditure 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 unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the 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, 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, 2019, 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 ICAI.

For **SHAH & SHAH ASSOCIATES**
Chartered Accountants
Firm Regn. No. 113742W

VASANT C.TANNA
PARTNER
Membership Number : 100422

Place : Ahmedabad.
Date : 22nd May, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at	As at
		31 st March, 2019 (₹)	31 st March, 2018 (₹)
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3(A)	22,21,17,051	21,37,94,839
b) Capital work-in-progress		-	-
c) Intangible assets	3(B)	14,18,952	2,28,594
d) <u>Financial Assets</u>			
Investments	4	-	-
e) Other non-current assets	5	1,81,10,656	25,62,465
		24,16,46,659	21,65,85,898
2) Current assets			
a) Inventories	6	71,83,50,920	50,80,35,420
b) <u>Financial Assets</u>			
(i) Trade receivables	7	64,80,00,391	62,38,65,848
(ii) Cash and cash equivalents	8	14,30,58,460	4,25,80,136
(iii) Bank balances other than (ii) above		9,44,80,529	5,45,14,895
(iv) Short term Loans & Advances	9	5,89,10,611	2,22,67,702
c) Current tax assets (net)		37,33,260	-
d) Other current assets	10	44,00,040	1,28,77,642
		1,67,09,34,211	1,26,41,41,643
		1,91,25,80,870	1,48,07,27,541
TOTAL ASSETS			
EQUITY & LIABILITIES :			
EQUITY:			
a) Equity Share capital	11	5,07,02,400	5,07,02,400
b) Other Equity	12	74,71,22,772	68,95,27,653
		79,78,25,172	74,02,30,053
LIABILITIES :			
1) Non-Current Liabilities			
a) <u>Financial Liabilities</u>			
a) Long Term Borrowings	13	9,97,74,000	7,98,30,000
b) Long Term Provisions	14	26,47,454	29,12,574
c) Deferred tax liabilities (Net)	15	1,94,97,782	2,04,15,307
		12,19,19,236	10,31,57,881
2) Current liabilities			
a) <u>Financial Liabilities</u>			
(i) Short Term Borrowings	16	32,08,23,497	22,40,51,451
(ii) <u>Trade payables</u>			
Total outstanding dues of micro enterprises and small enterprises	17	3,83,29,310	4,46,43,198
Total outstanding dues of creditors other than micro enterprises and small enterprises		24,69,63,949	26,72,64,429
b) Other current liabilities	18	38,40,10,452	9,34,30,572
c) Short Term Provisions	19	27,09,254	29,11,864
d) Current Tax Liabilities (Net)	20	-	50,38,092
		99,28,36,462	63,73,39,606
		1,91,25,80,870	1,48,07,27,541
TOTAL EQUITY AND LIABILITIES			

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 : 22nd May, 2019

NARAYANBHAI G. PATEL
Chairman & Whole-time Director
Din : 00023107

KAMLESH R. SHAH
Chief Financial Officer

Place : RAKANPUR, DIST: GANDHINAGAR
Date : 22nd May, 2019

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

NIKHIL PATEL
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2019

Particulars	Note No.	For the year ended 31 st March, 2019 (₹)	For the year ended 31 st March, 2018 (₹)
<u>INCOME:</u>			
Revenue from Operations	21	1,50,94,89,410	1,59,38,44,080
Other Income	22	79,26,662	42,84,830
Total Income		1,51,74,16,072	1,59,81,28,910
<u>EXPENSES:</u>			
Cost of Materials consumed	23	94,32,20,582	1,00,67,40,641
Purchases of traded goods	24	1,90,62,316	3,61,05,682
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	25	(11,50,24,058)	(21,55,79,907)
Excise Duty		-	1,12,69,824
Employee benefits expense	26	9,40,68,943	8,37,68,487
Finance costs	27	5,02,68,545	4,85,89,472
Depreciation and amortization expense		2,59,85,495	2,59,40,825
Other expenses	28	39,46,56,287	47,48,01,223
Total Expenses		1,41,22,38,110	1,47,16,36,247
Profit Before Tax		10,51,77,962	12,64,92,663
<u>Tax Expense:</u>			
Current tax		3,20,00,000	4,61,00,000
Deferred tax (Credit)/Charge		(7,88,602)	(44,15,703)
(Excess)/Short Provision of Earlier Years		8,01,590	(13,06,162)
Total Tax Expenses		3,20,12,988	4,03,78,135
Net Profit for the year		7,31,64,974	8,61,14,528
<u>Other Comprehensive Income</u>			
<u>Items that will not be reclassified to profit or loss</u>			
Remeasurement of defined benefit Plan		(4,42,730)	(19,17,048)
Income tax relating to above item		1,28,923	5,58,244
Total Other Comprehensive Income		(3,13,807)	(13,58,804)
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)		7,28,51,167	8,47,55,724
<u>Earnings per equity share (Face value of ₹ 10/- each)</u>			
Basic & Diluted		14.43	16.98

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 : 22nd May, 2019

NARAYANBHAI G. PATEL
Chairman & Whole-time Director
Din : 00023107

KAMLESH R. SHAH
Chief Financial Officer

Place : RAKANPUR, DIST: GANDHINAGAR
Date : 22nd May, 2019

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

NIKHIL PATEL
Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	For the year ended 31 st March, 2019 (₹)	For the year ended 31 st March, 2018 (₹)
A. Cash flow from operating activities		
Profit before extraordinary items and tax	10,51,77,962	12,64,92,663
Adjustments for:		
Depreciation and amortisation expense	2,59,85,495	2,59,40,825
(Profit) / loss on assets sold and discarded	-	10,72,087
Interest Paid	3,67,21,405	3,11,44,373
Interest income	(52,51,655)	(42,81,379)
Provision for diminution in the value of investment	-	-
Operating profit / (loss) before working capital changes	16,26,33,208	18,03,68,570
Changes in working capital:		
Inventories	(21,03,15,500)	(21,49,12,074)
Trade receivables	(2,41,34,543)	(5,57,97,722)
Short-term loans and advances	(3,66,42,909)	1,25,64,762
Other Non-current assets	(1,55,48,191)	2,23,872
Other current assets	84,77,602	(11,55,827)
	-	40,57,000
Trade payables	(2,66,14,368)	11,63,06,647
Other current liabilities	29,05,79,880	8,31,35,413
Short-term provisions	(6,45,340)	4,67,477
Long-term provisions	(2,65,120)	(6,35,419)
Cash generated from operations	14,75,24,718	12,46,22,700
Income tax paid (Net of refunds)	(3,78,39,682)	(4,30,34,000)
Net cash flow from operating activities (A)	10,96,85,036	8,15,88,700
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(3,54,98,065)	(88,20,219)
Proceeds from sale of fixed assets	-	7,39,792
Interest Received	1,31,44,508	6,44,362
Net cash flow used in investing activities (B)	(2,23,53,557)	(74,36,065)
C. Cash flow from financing activities		
Net increase/(Decrease) in Long Term borrowings	1,99,44,000	1,53,88,000
Net increase/(Decrease) in working capital borrowings	9,67,72,046	5,28,67,535
Interest Paid	(3,67,21,405)	(3,11,44,373)
Dividend Paid (incl. Tax on dividends)	(1,52,56,048)	(1,52,56,048)
Net cash flow used in Financing activities (C)	6,47,38,593	2,18,55,114
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	15,20,70,073	9,60,07,748
Cash and cash equivalents at the beginning of the year	4,25,80,136	8,30,61,555
Cash and cash equivalents at the end of the year	14,30,58,460	4,25,80,136

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 : 22nd May, 2019

NARAYANBHAI G. PATEL
Chairman & Whole-time Director
Din : 00023107

KAMLESH R. SHAH
Chief Financial Officer

Place : RAKANPUR, DIST: GANDHINAGAR
Date : 22nd May, 2019

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

NIKHIL PATEL
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH, 2019

A) EQUITY SHARE CAPITAL

(₹)

	As at 31 st March, 2019	As at 31 st March, 2018
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, 2017	15,00,000	8,15,00,000	53,70,27,977	62,00,27,977
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			(13,58,804)	(13,58,804)
Dividend Paid			(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
Net Profit for the year			7,31,64,974	7,31,64,974
Items of Other Comprehensive income for the year, net of tax				
Remeasurement benefit of defined benefit plans (Net of Tax)			(3,13,807)	(3,13,807)
Dividend			(1,26,75,600)	(1,26,75,600)
Corporate Dividend Tax			(25,80,448)	(25,80,448)
Balance as of March 31, 2019	15,00,000	8,15,00,000	66,41,22,772	74,71,22,772
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 : 22nd May, 2019

For and on behalf of the Board of Directors

NARAYANBHAI G. PATEL

Chairman & Whole-time Director

Din : 00023107

KAMLESH R. SHAH

Chief Financial Officer

Place : RAKANPUR, DIST : GANDHINAGAR

Date : 22nd May, 2019

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 under the historical cost basis and in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

(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) Intangible assets are amortized on straight-line method as follows:
Computer Software - 5 years
- iv) 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) The Company derives revenues primarily from sale of manufactured goods and related services. Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets /liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Group performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognized at the point in time at which the performance obligation is satisfied. Revenue from sale of products and services are recognized at a time on which the performance obligation is satisfied

- ii) Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
 - iii) Other income is recognized when there is certainty of its being realized.
- (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) **FAIRVALUE 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.

(s) **RECENT ACCOUNTING PRONOUNCEMENTS:**

(I) Amendments to IND-AS 116, ‘Leases’.

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified IND-AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019. IND-AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. IND-AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. IND-AS 116 substantially carries forward the lessor accounting requirements in IND-AS 17.

As per IND-AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. The Company is currently evaluating the impact on account of implementation of IND-AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortization (EBITDA), Asset coverage, debt equity, interest coverage, etc;

(II) IND-AS 12 Income taxes” (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to

note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with IND-AS 12.

The amendment to Appendix C of IND-AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IND-AS 12.

It outlines the following:

- (1) The entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty
- (2) The entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount
- (3) Entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

(iii) Amendment to IND-AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to IND-AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

(iv) IND-AS 23 – “Borrowing Costs”

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Effective date for application of these amendments is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

(t) Critical estimates and judgements -

The preparation of consolidated financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

- (i) Estimated useful life of PPE and intangible assets
- (ii) Estimation of current tax expenses, current tax payable
- (iii) Probable outcome of matters included under Contingent Liabilities
- (iv) Estimation of Defined benefit obligation
- (v) Estimated Fair value of unlisted securities

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, 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
Addition	-	79,43,288	1,07,03,724	10,62,728	18,72,671	99,54,838	14,26,622	9,62,430	-	3,39,26,301
Disposal / Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2019	26,42,034	7,21,47,389	28,50,22,165	1,96,53,176	1,39,47,739	5,15,68,700	82,27,467	69,70,940	73,17,019	46,74,96,629
Depreciation										
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	-	16,58,840	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	2,21,90,969	51,50,298	50,76,233	40,16,987	21,97,75,489
Charge for the year	-	23,00,319	1,38,55,542	14,66,916	9,31,216	50,92,095	4,37,221	5,01,107	10,19,673	2,56,04,089
Disposal / Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2019	-	2,87,21,420	15,62,14,396	93,60,530	75,98,649	2,72,83,064	55,87,519	55,77,340	50,36,660	24,53,79,578
Net Carrying Value										
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
As at 31st March, 2019	26,42,034	4,34,25,969	12,88,07,769	1,02,92,646	63,49,090	2,42,85,636	26,39,948	13,93,600	22,80,359	22,21,17,051

3(B) INTANGIBLE ASSETS

(₹)

Particulars	GOODWILL	TECHNICAL KNOWHOW	COMPUTER SOFTWARE	TOTAL
Gross Carrying Value				
As at 1st April, 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
Addition	-	2,07,600	13,64,164	15,71,764
Disposal / Adjustments	-	-	-	-
As at 31st March, 2019	37,040	45,72,100	71,34,736	1,17,43,876
Amortization				
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
Charge for the year	-	-	3,81,406	3,81,406
Disposal / Adjustments	-	-	-	-
As at 31st March, 2019	-	43,64,500	59,60,424	1,03,24,924
Net Carrying Value				
As at 31st March, 2018	37,040	-	1,91,554	2,28,594
As at 31st March, 2019	37,040	2,07,600	11,74,312	14,18,952

PARTICULARS	As at 31 st March, 2019 (₹)	As at 31 st March, 2018 (₹)
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
Less: Provision for diminution in the value of Investments	2,80,000	2,80,000
Total	-	-
Aggregate amount of quoted investments	-	-
Market Value of quoted investments	-	-
5 OTHER NON CURRENT ASSETS		
Capital Advances	1,62,18,002	5,00,000
Security Deposits	18,92,654	20,62,465
Total	1,81,10,656	25,62,465
6 INVENTORIES		
Raw Materials (Includes goods in transit ₹ NIL- (P.Y. ₹ 64,50,716/-)	21,35,03,648	11,81,97,937
Work In Progress	49,94,54,363	38,38,65,135
Tools and Spares	32,07,079	32,21,347
Finished Goods	-	1,02,300
Traded goods	21,85,830	26,48,700
Total	71,83,50,920	50,80,35,420

PARTICULARS	As at	
	31 st March, 2019 (₹)	31 st March, 2018 (₹)
7 TRADE RECEIVABLES		
Trade Receivables-Unsecured, Considered Good	64,80,00,391	62,38,65,848
Total	64,80,00,391	62,38,65,848
8 CASH AND CASH EQUIVALENTS		
Balances with banks		
(i) In current accounts	12,27,20,052	3,98,67,495
(ii) In deposit accounts (incl. Margin Money deposits) (Includes ₹ 54514895 [P.Y ₹ 54514895/-] maturing after 12 Months from Reporting date)	9,44,80,529	5,45,14,895
(iii) Other Earmarked accounts - Unpaid dividend accounts	15,07,815	14,39,553
(iv) In EEFC Account	1,82,97,200	4,66,030
Cash on hand	5,33,393	8,07,058
Total	23,75,38,989	9,70,95,031
9 SHORT TERM LOANS & ADVANCES (Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	3,42,17,136	1,75,17,274
Balance with government authorities	2,46,93,475	47,50,428
Total	5,89,10,611	2,22,67,702
10 OTHER CURRENT ASSETS		
Prepaid expense	31,12,115	36,96,864
Group Gratuity Trust	6,36,369	6,36,369
Interest accrued on deposits	6,51,556	85,44,409
Total	44,00,040	1,28,77,642

11a. EQUITY SHARE CAPITAL

Particulars	As At 31st March, 2019		As At 31st March, 2018	
	Number	₹	Number	₹
Authorized Share Capital	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
Total	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, 2019		As At 31st March, 2018	
	Number	₹	Number	₹
At the beginning of the period	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

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 share holders 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.**

Name of Shareholder	As At 31st March, 2019		As At 31st March, 2018	
	No. of Shares held	%	No. of Shares held	%
Names of person holding more than 5% shares				
Therm Flow Engineers Private Limited	13,64,512	26.91	13,64,512	26.91
Devidas Chelaram Narumalani	2,90,145	5.72	2,90,145	5.72
Narendrabhai Gopalbhai Patel	3,03,801	5.99	3,03,801	5.99

PARTICULARS	As at 31 st March, 2019 (₹)	As at 31 st March, 2018 (₹)
12 OTHER EQUITY		
<u>General Reserves</u>		
Balance as per last balance sheet	8,15,00,000	8,15,00,000
<u>Capital Subsidy</u>		
Balance as per last balance sheet	15,00,000	15,00,000
<u>Surplus in Statement of Profit & Loss</u>		
Balance as per last balance sheet	60,65,27,653	53,70,27,977
Net Profit for the year	7,31,64,974	8,61,14,528
<u>Items of Other Comprehensive Income for the year (Net of tax)</u>		
Remeasurement of defined benefit Plan	(3,13,807)	(13,58,804)
<u>Appropriations:</u>		
Dividend payment	1,26,75,600	1,26,75,600
Corporate Dividend Tax	25,80,448	25,80,448
	<u>66,41,22,772</u>	<u>60,65,27,653</u>
Total	<u>74,71,22,772</u>	<u>68,95,27,653</u>
13 LONG TERM BORROWINGS		
<u>Unsecured Loans from related parties</u>		
From Directors	4,85,24,000	3,63,63,000
From Relatives of Directors	5,12,50,000	4,34,67,000
Total	<u>9,97,74,000</u>	<u>7,98,30,000</u>
14 LONG TERM PROVISIONS		
Provision for Employee Benefits	26,47,454	29,12,574
Total	<u>26,47,454</u>	<u>29,12,574</u>

PARTICULARS	As at 31 st March, 2019 (₹)	As at 31 st March, 2018 (₹)
15 DEFERRED TAX LIABILITIES (NET)		
(a) Deferred tax Liabilities:		
Difference between book and tax block	2,17,58,482	2,21,11,383
	<u>2,17,58,482</u>	<u>2,21,11,383</u>
(b) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	15,31,517	10,95,816
Remeasurement benefit of the defined benefit plans through OCI	7,29,183	6,00,260
	<u>22,60,700</u>	<u>16,96,076</u>
Deferred Tax Liabilities (Net)	<u>1,94,97,782</u>	<u>2,04,15,307</u>
16 SHORT TERM BORROWINGS		
Secured Loans :		
Working capital facilities from Banks (Refer Note below)	32,08,23,497	22,40,51,451
Total	<u>32,08,23,497</u>	<u>22,40,51,451</u>
Note:		
Working Capital facilities from Bank 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		
Total outstanding dues of micro enterprises and small enterprises (Refer Note No 36)	3,83,29,310	4,46,43,198
Total outstanding dues of creditors other than micro enterprises and small enterprises	24,69,63,949	26,72,64,429
Total	<u>28,52,93,259</u>	<u>31,19,07,627</u>
18 OTHER CURRENT LIABILITIES		
Advance Received from Customers	38,12,70,546	8,99,47,562
Creditors for capital expenditure	72,136	21,109
Statutory Remittances	11,59,955	20,22,348
Unclaimed Dividend	15,07,815	14,39,553
Total	<u>38,40,10,452</u>	<u>9,34,30,572</u>
19 SHORT TERM PROVISIONS		
Provision for Employee Benefits	27,09,254	29,11,864
Total	<u>27,09,254</u>	<u>29,11,864</u>
20 CURRENT TAX LIABILITIES (NET)		
For Income Tax (net of Advance Tax and TDS)	-	50,38,092
Total	<u>-</u>	<u>50,38,092</u>

PARTICULARS	For the year ended 31 st March, 2019 (₹)	For the year ended 31 st March, 2018 (₹)
21 REVENUE FROM OPERATIONS		
Sale of products		
Domestic	1,31,37,84,267	1,43,62,76,599
Export	15,90,13,408	8,98,88,314
	1,47,27,97,675	1,52,61,64,913
Sale of Services	1,34,24,386	2,52,43,180
Other Operating Revenue	2,32,67,349	4,24,35,988
Total	1,50,94,89,410	1,59,38,44,080
22 OTHER INCOME		
Interest received (TDS ₹ 424942) (P.Y ₹ 414123)	52,51,655	42,81,379
Misc. Income	-	3,451
Foreign Exchange Rate Difference (Net)	26,75,007	-
Total	79,26,662	42,84,830
23 COST OF MATERIALS CONSUMED		
Stocks of Raw materials at the beginning of the year	11,81,97,937	11,83,84,052
Add: Purchases during the year	1,03,85,26,292	1,00,65,54,527
	1,15,67,24,230	1,12,49,38,579
Less: Stocks of Raw materials at the end of the year	21,35,03,648	11,81,97,937
Total	94,32,20,582	1,00,67,40,641
24 PURCHASE OF TRADED GOODS		
Window & Split AC & Accessories	1,90,62,316	3,61,05,682
Total	1,90,62,316	3,61,05,682
25 CHANGES IN INVENTORIES OF FINISHED GOODS, TRADED GOODS & WORK-IN-PROCESS		
<u>Closing Inventories</u>		
Finished Goods	-	1,02,300
Work-in-Process	49,94,54,363	38,38,65,135
Stock-in-trade	21,85,830	26,48,700
	50,16,40,193	38,66,16,135
<u>Opening Inventory</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
Less : Excise duty on Opening Stock of Finished Goods	-	12,788
Total	(11,50,24,058)	(21,55,79,907)
26 EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and allowances	8,19,25,583	7,53,29,330
Contributions to Provident Fund and other Funds	72,07,146	52,43,301
Staff welfare expenses	49,36,214	31,95,856
Total	9,40,68,943	8,37,68,487

PARTICULARS	For the year ended 31 st March, 2019 (₹)	For the year ended 31 st March, 2018 (₹)
27 FINANCE COSTS		
Interest Paid	3,67,21,405	3,11,44,373
Other borrowing costs	1,35,47,140	1,74,45,099
Total	5,02,68,545	4,85,89,472
28 OTHER EXPENSES		
Rates and taxes	7,77,962	20,28,117
Insurance	8,26,763	1,95,690
Power and Fuel	1,05,54,888	1,13,55,844
Consumption of Stores, Spares & Tools	5,31,15,771	7,32,64,167
Consumption of Packing Materials	45,59,434	62,70,050
Labour Charges	14,20,35,497	17,42,40,140
Factory Expenses	2,23,68,639	1,77,36,564
Repairs to Buildings	23,10,483	16,42,835
Repairs to Machinery	1,04,08,581	1,31,53,963
Other Repairs	44,99,158	62,13,651
Printing and stationery	45,45,902	26,42,951
Communication Expenses	32,81,438	28,14,850
Travelling and conveyance	1,33,75,973	1,48,22,747
Legal and professional fees	1,80,37,156	2,42,11,055
Payments to auditors*	1,10,000	1,10,000
Freight and forwarding Charges	4,82,73,797	8,22,59,883
Commission expenses	66,04,325	25,78,685
Business Promotion Expenses	9,36,539	7,18,227
Late Delivery Charges/Liquidated damages	1,94,72,223	2,28,56,404
Charity & Donations	4,04,200	5,26,111
Expenditure incurred for Corporate Social Responsibility (Refer Note No.35)	24,00,000	25,91,000
Bad debts written off	1,02,13,216	-
Loss on sale of fixed assets (Net)	-	10,72,087
Foreign Exchange fluctuation (Net)	-	4,00,884
General Charges	1,55,44,343	1,10,95,318
Total Other Expenses	39,46,56,287	47,48,01,223

*** particulars of Auditor's Remuneration**

Statutory audit	1,10,000	1,10,000
Tax Audit	-	-
Certification fees & Other Services	-	-
Reimbursement of Expenses	-	-
Total	1,10,000	1,10,000

29. Contingent Liabilities & Capital Commitments not provided for:

a) Contingent Liabilities

(₹ in lacs)

Particulars	As at 31/03/2019	As at 31/03/2018
Outstanding Bank Guarantees	5214.39	4708.18
Outstanding Foreign Bank Guarantees	US\$ 1438452.73	US \$178115
Outstanding Inland Letter of Credit	NIL	NIL
Outstanding Foreign Letter of Credit	US\$ 323300.22	NIL

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	Therm Flow Engineers Pvt. Ltd.
	Shiv Fintrade LLP
b) Key Managerial Personnel	1. Narayanbhai G.Patel
	2. Prakashbhai N. Patel (upto 14.02.2019)
	3. Sanjivkumar N. Patel
	4. Narendrabhai G. Patel
	5. Apurva V.Shah
	6. Kamlesh R. Shah (CFO)
	7. Nikhil Patel (CS)
c) Relative of Key Managerial Personnel	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	36,38,375 (31,27,980)	1,63,90,000 (86,90,000)
		Interest	12,26,832 (7,39,062)	
		Loan taken	1,26,00,000 (60,00,000)	
		Loan Repaid	49,00,000 (25,60,000)	
Prakashbhai N. Patel#	Managing Director	Remuneration	32,68,942 (31,58,772)	36,35,000 (29,45,000)
		Interest	4,06,868 (3,02,776)	
		Loan taken	20,40,000 (8,50,000)	
		Loan Repaid	13,50,000 (6,10,000)	
Sanjivkumar N. Patel	Managing Director	Remuneration	35,90,547 (30,46,379)	2,44,99,000 (207,28,000)

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
		Interest	25,44,622 (19,60,856)	
		Loan taken	42,26,000 (53,45,000)	
		Loan Repaid	4,55,000 (15,12,000)	
Narendrabhai G. Patel	Whole-time Director	Remuneration	36,00,287 (30,71,761)	40,00,000 (40,00,000)
		Loan taken	- (40,00,000)	
		Interest	4,39,999 (2,73,644)	
Sitaben Patel	Wife of Director	Loan taken	1690000 (850000)	1,19,35,000 (1,05,45,000)
		Loan Repaid	300000 (NIL)	
		Interest	12,86,736 (11,24,282)	
Shivang Patel	Son of Director	Loan taken	1510000 (150000)	52,75,000 (41,65,000)
		Loan Repaid	400000 (-)	
		Interest	5,07,878 (4,44,860)	
		Remuneration	9,40,301 (-)	
Aarti Patel	Wife of Director	Loan taken	2435000 (700000)	1,08,75,000 (84,40,000)
		Loan Repaid	- (150000)	
		Interest	9,94,936 (9,00,057)	
Jalpa Patel	Wife of Director	Loan taken	235000 (420000)	2,35,000 (70,000)
		Loan Repaid	70000 (1,12,20,000)	
		Interest	3,145 (1,77,997)	
Narayanbhai G. Patel HUF	Director is Karta of HUF	Loan taken	325000 (70000)	8,32,000 (5,07,000)
		Interest	81,082 (51,720)	
Prakashbhai N. Patel HUF	Director is Karta of HUF	Loan taken	840000 (150000)	52,20,000 (43,80,000)
		Interest	5,45,569 (4,76,872)	

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
Sanjivkumar N. Patel HUF	Director is Karta of HUF	Loan taken	1648000 (3165000)	1,68,78,000 (1,53,60,000)
		Loan Repaid	130000 (260000)	
		Interest	18,00,579 (15,26,067)	
Mukundbhai G Patel	Relative of the Director	Remuneration	5,99,884 (5,48,918)	- (-)
Apurva V.Shah	Whole-time Director	Remuneration	27,66,360 (-)	- (-)
Kamlesh R. Shah	Chief Financial Officer	Remuneration	10,06,564 (9,44,623)	- (-)
Nikhil Patel	Company Secretary	Remuneration	11,39,100 (10,73,400)	- (-)
Therm Flow Engineers Pvt. Ltd.	Associate Concern	Office Rent	10500 (Nil)	- (-)

Ceased to be Managing Director of the Company w.e.f. 15th February, 2019 due to sad demise on 15th February, 2019.

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 st March, 2019	For the year ended 31 st March, 2018
Within India	131,37,84,266	1,43,62,76,599
Canada	4,74,88,810	2,11,95,178
Nigeria	10,50,89,254	6,19,92,873
Indonesia	36,04,039	27,25,550
Zambia	-	39,74,713
Thailand	28,31,306	-
Total	147,27,97,675	1,52,61,64,913

32. EARNING PER SHARE

PARTICULARS	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Net Profit for the year before other Comprehensive Income (₹)	73,164,974	86,114,528
Number of Equity Shares	5,070,240	5,070,240
Basic & Diluted Earnings per Share (Price per share ₹ 10)	14.43	16.98

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. Disclosure of expenditure incurred on Corporate Social Responsibility

(a) Gross amount required to be spent by the company during the year ₹ 24,00,000/- (Previous year ₹ 25,91,000/-)

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

Sl. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	- (-)	- (-)	- (-)
(ii)	On purposes other than (i) above	24,00,000 (25,91,000)	NIL (NIL)	24,00,000 (25,91,000)

36. Outstanding Dues of Micro & Small Enterprises

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

Particulars	2018-19 (₹)	2017-18 (₹)
The Principal Amount	3,83,29,310	4,46,43,198
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	2018-19	2017-18
Employer's Contribution to Provident Fund	34,72,598	31,08,493

- 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 st March, 2019	For the year ended 31 st March, 2018
Current Service Cost	10,52,534	10,27,007
Net Interest Cost	1,95,658	38,706
Defined Benefit Cost included in Profit and Loss	12,48,192	10,65,713
Defined Benefit Cost included in Other Comprehensive Income	4,42,730	19,17,048
Total Defined Benefit Cost in Profit and Loss and OCI	16,90,922	29,82,761

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

(Amount ₹)

PARTICULARS	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Opening Defined Benefit Obligation	24,98,826	5,27,339
Interest Expense on Defined Benefit Obligation (DBO)	-	-
Current Service Cost	12,48,192	10,65,713
Total Remeasurements included in OCI	4,42,730	19,17,048
Less: Benefits paid	-	-
Less: Contributions to plan assets	(20,38,349)	(10,11,274)
Closing benefit obligation	21,51,399	24,98,826
Current Liabilities of Closing benefit obligation	21,51,399	22,95,480
Non-Current Liabilities of Closing benefit obligation	-	2,03,346

vii) **Sensitivity Analysis of Defined Benefit Obligation**

PARTICULARS	For the year ended 31 st March, 2019 (Amount In ₹)	For the year ended 31 st March, 2018 (Amount In ₹)
Projected Benefit Obligation on Current Assumptions	1,14,97,824	1,15,48,070
Delta Effect of +1% Change in Rate of Discounting	(9,04,867)	(8,61,204)
Delta Effect of -1% Change in Rate of Discounting	10,66,193	10,16,878
Delta Effect of +1% Change in Rate of Salary Increase	10,63,942	10,15,135
Delta Effect of -1% Change in Rate of Salary Increase	(9,18,946)	(8,74,890)
Delta Effect of +1% Change in Rate of Employee Turnover	51,501	50,303
Delta Effect of -1% Change in Rate of Employee Turnover	(60,981)	(60,197)

viii) **Actuarial assumptions:**

(Amount In ₹)

PARTICULARS	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
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 M/s. K.A.Pandit Consultants & Actuaries.

38. EVENT OCCURRING AFTER BALANCE SHEET DATE:

The Board of Directors of the company has recommended Equity dividend of ₹ 2.50 per share (Previous year ₹ 2.50) for the financial year 2018-19 in their meeting held on 22nd May, 2019.

PARTICULARS	For the year ended 31 st March, 2019 (₹)	For the year ended 31 st March, 2018 (₹)
39 Income taxes		
A Income taxes recognised in Statement of Profit and Loss		
Current tax		
In respect of the current year	3,20,00,000	4,61,00,000
(Excess)/Short provision for tax of earlier years	<u>8,01,590</u>	<u>(13,06,162)</u>
	3,28,01,590	4,47,93,838
Deferred tax(credit)/Charged	<u>(7,88,602)</u>	<u>(44,15,703)</u>
Total income tax expense recognised in respect of continuing operations	<u>3,20,12,988</u>	<u>4,03,78,135</u>
B Tax reconciliation		
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before taxes	10,51,77,962	12,64,92,663
Enacted tax rate in India	29.120%	34.608%
Expected income tax benefit/(expense) at statutory tax rate	3,06,27,823	4,37,76,581
Effect of:		
Diffrence in Depreciation as per books and as per Income tax	4,17,985	12,62,974
Timing difference of amounts deductible on actual payment	3,28,441	(1,59,050)
Tax effect on non-deductible expenses	5,76,805	12,19,495
Others	48,946	-
(Excess)/Short Provision for tax of earlier years	<u>8,01,590</u>	<u>(13,06,162)</u>
Income taxes recognised in the Statement of Profit and Loss	<u>3,28,01,590</u>	<u>4,47,93,838</u>
Entities in India on taxable profits under the Indian tax laws.		
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	<u>1,28,923</u>	<u>5,58,244</u>
Total income tax recognised in other comprehensive income	<u>1,28,923</u>	<u>5,58,244</u>
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	<u>1,28,923</u>	<u>5,58,244</u>
Income tax recognised in other comprehensive income	<u>1,28,923</u>	<u>5,58,244</u>
D Components of Deferred Tax (charge)/benefit for the year		
Depreciation and amortisation	3,52,901	56,28,604
Disallowances of employee benefits u/s. 43B of the Income Tax	4,35,701	8,52,067

PARTICULARS	For the year ended 31 March, 2018 (₹)	For the year ended 31 March, 2017 (₹)
Others (Incl. reduction in net liability on account of changes in effective tax rate)	-	(20,64,968)
Total deferred tax (Charge)/benefit for the year	<u>7,88,602</u>	<u>44,15,703</u>

Note : Deferred tax liability has been calculated using effective tax rate of 29.12% (previous year 34.608%)

E Components of deferred tax assets and liabilities (₹)

PARTICULARS	As at 31 st March, 2019	As at 31 st March, 2018
(a) Deferred tax liabilities		
Difference between book and tax depreciation	<u>2,17,58,482</u>	<u>2,21,11,383</u>
	<u>2,17,58,482</u>	<u>2,21,11,383</u>
(b) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	15,31,517	10,95,816
Remeasurement benefit of the defined benefit plans through OCI	<u>7,29,183</u>	<u>6,00,260</u>
	<u>22,60,700</u>	<u>16,96,076</u>
Deferred Tax Liabilities (Net)	<u>1,94,97,782</u>	<u>2,04,15,307</u>

40. APPROVAL OF FINANCIAL STATEMENT

The financial statements were approved for issue by the Board of Directors on 22nd May, 2019.

As per our report of even date attached.

-: Signature to Note No. 1 to 40 :-

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

VASANTC. TANNA

PARTNER
Membership No.100422

Place : AHMEDABAD

Date : 22nd May, 2019

NARAYANBHAIG. PATEL
Chairman & Whole-time Director
Din : 00023107

KAMLESH R. SHAH
Chief Financial Officer

Place : RAKANPUR, DIST : GANDHINAGAR

Date : 22nd May, 2019

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 - 382 722, 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

27th Annual General Meeting - 28th September, 2019

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

No. of Shares held : _____

I hereby record my presence at the 27th Annual General Meeting of the Members of the Company held on Saturday, the 28th September, 2019, 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]

27th Annual General Meeting - 28th September, 2019

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 27th Annual General Meeting of the Company, to be held on Saturday, the 28th September, 2019, 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 : (See Note No. 3 below)

Sr. No.	Resolution(s)	Please put ✓	
		Vote for	Vote against
1	Adoption of Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Directors and Auditors thereon.		
2	Declaration of Dividend on Equity Shares for the year ended 31st March, 2019.		
3	Re-appointment of Mr. Sanjiv N. Patel (DIN: 02794095) as a Director of the Company, who retires by rotation in terms of Section 152(6) 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. Hareshkumar I. Shah (DIN : 00216585) as an Independent Director of the Company for a second term of 5 years from 30th August, 2019 up to 29th August, 2024.		
5	Re-appointment of Mr. Vinodkumar C. Desai (DIN : 02813402) as an Independent Director of the Company for a second term of 5 years from 30th August, 2019 up to 29th August, 2024.		
6	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, 2019 up to 1st August, 2022 and payment of remuneration for the said period of 3 years.		
7	Appointment of Mr. Shivang P. Patel (DIN: 08136652) as a Director (Non-Independent) of the Company liable to retire by rotation.		
8	Appointment of Mr. Shivang P. Patel (DIN: 08136652) as Whole-time Director of the Company for a period of 3 years w.e.f. 1st June, 2019 up to 31st May, 2022 and payment of remuneration for the said period of 3 years.		
9	Approval for continuing the directorship of Mr. Hareshkumar I. Shah (DIN : 00216585) as Non-executive Independent Director, who will attain the age of 75 years during his tenure as an Independent Director up to 29th August, 2024.		
10	Increase in the borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013 up to ₹ 250 crores.		
11	Creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a) of the Companies Act, 2013.		
12	Payment and Ratification of remuneration of ₹ 80,000/- to Cost Auditors for the financial year ending 31st March, 2020.		
13	Appointment of Mr. Rajendrakumar C. Patel (DIN : 06532676) as a Director in the category of an Independent Director of the Company for a first term of 5 years from 10th August, 2019 up to 9th August, 2024.		
14	Approval for continuing the directorship of Mr. Rajendrakumar C. Patel (DIN : 06532676) as Non-executive Independent Director, who will attain the age of 75 years during his tenure as an Independent Director up to 9th August, 2024.		

Signed this _____ day of _____ 2019

Signature of Shareholder(s) : _____

Affix ₹ 1/-
Revenue
Stamp

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 26th September, 2019 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	2018-19	2017-18	2016-17	2015-16	2014-15
1	Revenue from Operations	15094.89	15938.44	14860.71	12664.72	11274.64
2	Profit Before Tax (PBT)	1051.78	1264.93	1224.22	1108.74	961.96
3	Profit After Tax (PAT)	731.65	861.15	791.19	714.82	620.24
4	Reserves & Surplus	7471.23	6895.28	6200.28	5416.36	4835.79
5	Dividend (In %)	25%	25%	25%	22%	22%
6	Earning Per Share (EPS in Rs.)	14.43	16.98	15.6	14.1	12.23

DIVIDEND HISTORY FOR LAST 12 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%)
2018-19	₹ 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