



Patels Airtemp (India) Limited

CIN- L29190GJ1992PLC017801



Air Cooled Heat Exchanger

29th

ANNUAL | 2020
REPORT | 2021

ISO 9001 : 2015 COMPANY



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

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Narayanbhai G. Patel	Chairman & Whole-time Director
Mr. Sanjiv N. Patel	Managing Director
Mr. Narendra G. Patel	Whole-time Director (upto 7th February, 2021)
Mr. Apurva V. Shah	Whole-time Director
Mr. Shivang P. Patel	Whole-time Director

NON-EXECUTIVE INDEPENDENT DIRECTORS

Mr. Hareshkumar I. Shah	(Chairman of Board Committees)
Mr. Himanshu N. Rawal	
Mrs. Vinaben B. Patel	
Mr. Rajendrakumar C. Patel	
Mr. Vinodrai Desai	(upto 31st December, 2020)

COMPANY SECRETARY Mr. Nikhil M. Patel

CHIEF FINANCIAL OFFICER Mr. Kamlesh R. Shah

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

COST AUDITOR M/s. Rajendra Patel & Associates
Cost Accountant
(Registration No. 101163)

SECRETARIAL AUDITOR CS Punit Lath (COP No. 11139)
Practicing Company Secretary

BANKERS Bank of Baroda
Axis Bank Limited

REGISTERED OFFICE & A. C. DIVISION

5th Floor, Kalpana Complex, Nr. Memnagar Fire Station,
Navrangpura, Ahmedabad : 380009
Ph. No.: +91-79-27913694/95/96, Fax No.:++1-79-27913693
Email: share@patelsairtemp.com
Website: www.patelsairtemp.com

WORKS (FACTORY)

RAKANPUR WORKS

Plot No. 805, 806, 807, 810
Rakanpur – 382722
Via: Sola-Bhadaj Village, Ta: Kalol,
Dist: Gandhinagar, Gujarat
Ph. No.:+91-2764-286634/35
Fax No.:+91-2764-286301
Email: share@patelsairtemp.com
Website: www.patelsairtemp.com

DUDHAI WORKS

Survey No. 100, Village: Dudhai,
Ta: Kadi, Dist: Mehsana – 382715, Gujarat

WHOLLY OWNED SUBSIDIARY (USA)

Patels Airtemp (USA) Inc.
4548, Talisman St.
Torrance, CA – 90503, USA

29TH ANNUAL GENERAL MEETING

Day : Tuesday
Date : 28th September, 2021
Time : 11:30 a.m. IST
Venue: Through Video Conferencing (VC)/Other Audio
Visual Means (OAVM)

BRANCH OFFICE

310, Oberoi Chambers-II, New Linking Road,
Oshiwara, Andheri (W), Mumbai - 400053

REGISTRAR & TRANSFER AGENT (RTA)

Bigshare Services Private Limited

A/802, Samudra Complex, off. C. G. Road
Navrangpura, Near Girish Cold Drinks,
Ahmedabad – 380009
Tel: +91-79-40024135, +91-79-400392570
Email: bssahd@bigshareonline.com
Website: www.bigshareonline.com

LISTING OF SHARE

Stock Exchange - BSE Limited
Script Code - 517417
Script Name - PATELSAI
ISIN - INE082C01024
CIN - L29190GJ1992PLC017801

EMAIL FOR INVESTOR GRIEVANCE:

share@patelsairtemp.com

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NOTICE OF 29TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **29th ANNUAL GENERAL MEETING (“29TH AGM” or “AGM”)** of the members of **PATELS AIRTEMP (INDIA) LIMITED** will be held on Tuesday, the 28th day of September, 2021, at 11:30 a.m., Indian Standard Time (IST), through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), to transact the following business :

ORDINARY BUSINESS :

- 1) To consider and adopt (a) the Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2021 and the reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2021 and the report of the Auditors thereon and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:
 - a) **“RESOLVED THAT** the Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2021 comprising Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and Notes to the Financial Statement together with the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”
 - b) **“RESOLVED THAT** the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2021 and the report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”
- 2) To declare dividend on Equity Shares for the financial year ended 31st March, 2021 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as an **Ordinary Resolution**:

“RESOLVED THAT a dividend of ₹ 2.50/- (Rupees Two and Fifty Paise only) per Share on 50,70,240 Equity Shares of ₹10/- each of the Company as recommended by the Board of Directors for the financial year ended 31st March, 2021, be and is hereby approved and declared and the same be paid out of the profits of the Company, subject to deduction of tax at source.”
- 3) To re-appoint Mr. Apurva V. Shah (DIN: 0008197983), who retires by rotation as a Director 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 in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Apurva V. Shah (DIN: 0008197983), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

SPECIAL BUSINESS :

- 4) To re-appoint Mr. Apurva V. Shah (DIN: 0008197983) as Whole-time Director of the Company for a further period of 3 years w.e.f. 11th August, 2021 up to 10th August, 2024 with payment of remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force) and as approved and recommended by Nomination and Remuneration Committee and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Mr. Apurva V. Shah (DIN : 0008197983) as an Whole-time

Director of the Company for a further period of 3 (Three) years with effect from 11th August, 2021 up to 10th August, 2024, upon the terms and conditions including Salary of ₹ 2,30,000/- per month plus perquisites and allowances ("remuneration") for the said period of 3 years as recommended by Nomination and Remuneration Committee and as set out in the Explanatory Statement annexed to the Notice convening this Meeting."

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

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year during the period of 3 (three) years with effect from 11th August, 2021 up to 10th August, 2024, the remuneration mentioned as above and in the Explanatory Statement hereunder shall be paid to Mr. Apurva V. Shah as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be amended from time to time."

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

- 5) To ratify payment of remuneration to Cost Auditors for the financial year ending 31st March, 2022 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 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. FRN101163 and Membership 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, 2022 (2021-2022), be paid and ratified the payment of remuneration of ₹ 70,000/- (Rupees Seventy Thousand only) plus applicable taxes and out-of-pocket expenses, if any, for the said financial year, 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."

**By Order of the Board of Directors
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, 2021

(I) IMPORTANT NOTES :

- (1) 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 as under. The Board of Directors at their meeting held on 10th August, 2021 considered that the Special Business to be transacted at the meeting as above under Item No. 4 & 5, being considered unavoidable, be transacted at the meeting through VC/OAVM.
- (2) **General instructions for accessing and participating in the 29th AGM through VC/OAVM facility and voting through electronic means during 29th AGM, Notes forming part of the Notice, Remote E-Voting process and for Dividend related matters including Book-Closure, please refer Para No. II, III, IV & V respectively annexed hereto**

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

The present term of Mr. Apurva V. Shah (DIN: 0008197983) as Whole-time Director of the Company was up to 10th August, 2021.

The Board of Directors at their meeting held on 10th August, 2021 have, subject to the approval of the Shareholders by passing an Ordinary Resolution, re-appointed Mr. Apurva V. Shah as Whole-time Director of the Company for a further period of 3 years with effect from 11th August, 2021 up to 10th August, 2024 on the remuneration and terms and conditions of his appointment as recommended and approved by Nomination and Remuneration Committee as set out herein.

Mr. Apurva V. Shah, aged about 58 years, is holding degree of B.E. (Mechanical) and Post Diploma in Refrigeration and Air-conditioning (PDRA). He is having around 37 years of experience in complete designing (Thermal and Mechanical including review of FE Analysis) and Estimation/Costing of pressure vessels, Column, Shell & Tube Heat Exchangers, Air cooled Heat Exchangers as per National & International Codes like ASME, TEMA, HEI, API, BS, EN, IS, IBR used in Hydrocarbon Sector, Refineries, Petrochemicals, Fertilizers, Power Plants, Textiles, Air-Conditioning, Compressor, Packaging manufacturers etc. He also took training in USA for Designing & Estimation of Air Cooled Heat Exchangers for water cooling, Steam Condensing, Oil Cooling, Refinery Coolers and Condensers.

Before becoming an Whole-time Director in 2018, he was Vice President (Operation) of the Company (joined the Company as a Sr. Design Engineer in 1992) handling various departments including Design, Proposal & Offer, Marketing, Shop Operation etc. for various products of the Company namely pressure vessels, Column, Shell & Tube Heat Exchangers, Air cooled Heat Exchangers, Power Plant Heat Exchanger, Inter Coolers, After Coolers, Oil Coolers, Air Pre-heaters, LPG Bullets, Ammonia Storage Tanks, Condenser.

Mr. Apurva V. Shah holds 1,000 Equity Shares of ₹ 10/- each in Patels Airtemp (India) Limited (0.02 % Share Capital of the Company) in his individual capacity.

Mr. Apurva V. Shah is not related to any other Directors of the Company.

Mr. Apurva V. Shah 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. Taking into consideration the increased business activities including establishment of Dudhai Unit 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 10th August, 2021 approved the remuneration payable to Mr. Apurva V. Shah for a further period of 3 years from 11th August, 2021 up to 10th August, 2024 as under, subject to approval of the Shareholders including minimum remuneration and other terms and conditions given hereunder:

- (A) Salary: ₹ 2,30,000/- per month (Rupees Two Lakhs Thirty Thousand) including Dearness and other allowances.

- (B) Perquisites: Perquisites and allowances are allowed as under in addition to salary. It shall be restricted to an amount equal to the annual salary subject to ceiling prescribed in Part II of Schedule V to the Companies Act, 2013 :
- (i) Reimbursement of medical expenses incurred for self and members of his family as per Rules of the Company.
 - (ii) Personal Accident Insurance and Mediclaim Insurance premium as per Rules of the Company.
 - (iii) Provision of car and telephone at residence. The expenditure on use of car for private purpose and long distance calls on telephone shall billed by the Company as per Rules of the Company.
 - (iv) Company's contribution to Provident Fund as per Rules of Company.
 - (v) Reimbursement of expenses on Electricity as per Rules of the Company.
 - (vi) Gratuity as per Rules of the Company.
- (C) Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the Company in any financial year during the period of 3 years from 11th August, 2021 up to 10th August, 2024, the remuneration as above shall be paid to Mr. Apurva V. Shah as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.
- (D) The terms and conditions of re-appointment and payment of salary, 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. Apurva V. Shah is annexed with this Notice as per **Annexure I**.

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

Mr. Apurva V. Shah 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 as Whole-time Director of the Company. 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. Apurva V. Shah as Whole-time Director of the Company for a further period of 3 years with effect from 11th August, 2021 up to 10th August, 2024 with payment of salary and perquisites and allowances as mentioned above.

Your Directors recommend to the members for passing of an Ordinary Resolution proposed at Item No. 4. 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. Apurva V. Shah is interested in the resolution set out at Item No. 4 of the Notice. The relatives of Mr. Apurva V. Shah may be deemed to be interested in the resolution set out at Item No. 4 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. 5

The Board of Directors at the Board Meeting held on 8th June, 2021, 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 2021-2022 ending on 31st March, 2022, at a remuneration of ₹ 70,000/- (Rupees Seventy Thousand only) plus applicable taxes and out-of-pocket expenses, if any, subject to the approval of the Shareholders in General Meeting by ratification 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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2022.

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. 5 of the Notice for the approval of the Members.

**By Order of the Board of Directors
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, 2021

(II) GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE 29TH AGM THROUGH VC/OAVM AND VOTING THROUGH ELECTRONIC MEANS DURING 29TH AGM

- (a) Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has, vide its circular no. 02/2021 dated January 13, 2021 read together with circulars No.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively (collectively referred to as “MCA Circulars”), permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), and relevant SEBI Circulars dated 12th May, 2020 and 15th January, 2021, the 29th AGM of the Company is being conducted through VC/OAVM, which does not require physical presence of Members at a common venue. Hence, members can attend and participate in the 29th AGM through VC/OAVM only.
- (b) Pursuant to the MCA Circulars and SEBI Circulars, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 29th AGM and the Annual Report for the year 2020-2021 including therein the Audited Standalone & Consolidated Financial Statements for the year ended 31st March, 2021, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or its RTA or with their respective Depository Participant/s, and who wish to receive the Notice of the 29th AGM and the Annual Report for the year 2020-2021 and all other communication sent by the Company by email and who wish to participate in the 29th AGM or cast their vote through remote e-Voting or through

e-Voting system during the meeting, **can get their email address registered by following the steps as given below:-**

- I) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address at share@patelsairtemp.com or at RTA's e-mail address at bssahd@bigshareonline.com.
 - II) For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
- (c) Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.

However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 29th AGM through VC/OAVM Facility and e-Voting during the 29th AGM and are requested to send to the Company by mail at share@patelsairtemp.com a certified copy of the Board Resolution authorising their representative for the above purposes.

- (d) In line with the MCA Circulars and SEBI Circulars, the Annual Report for the year 2020-2021 including Notice of the 29th AGM therein will be available on the website of the Company at <http://www.patelairtemp.com>, on the website of BSE Limited at <http://www.bseindia.com>. The AGM Notice is also disseminated on the website of CDSL at <http://www.evotingindia.com>.
- (e) Since the 29th AGM will be held through VC/OAVM, the Route Map of the venue of the Meeting is not annexed hereto.
- (f) Central Depository Services (India) Limited ("CDSL") will be providing facility for voting through remote e-Voting, for participation in the 29th AGM through VC/OAVM Facility and e-Voting during the 29th AGM.

Members will be able to attend the 29th AGM through VC/OAVM Facility through the CDSL e-Voting system at <https://www.evotingindia.com> under shareholders login by using the remote e-Voting credentials and selecting the EVEN for the Company's 29th AGM. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice of the 29th AGM to avoid last minute rush.

- (g) Facility to join the Meeting shall be opened 30 (thirty) minutes before the scheduled time of the Meeting and shall be kept open throughout the proceedings of the Meeting.
- (h) Members may note that the VC/OAVM Facility, provided by CDSL, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 29th AGM without any restriction on account of first-come-first-served principle.
- (i) The procedure for e-Voting on the day of the 29th AGM is same as the instructions mentioned below for Remote e-voting. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes

cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

A Member can opt for only single mode of voting per EVEN, that is, through remote e-voting or voting at the Meeting. If a Member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".

- (j) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned below for Remote e-voting.
- (k) Attendance of the Members participating in the 29th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (l) Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- (m) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
- (n) During the 29th AGM, the Chairman shall, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 29th AGM and announce the start of the casting of vote through e-Voting system and the e-Voting will be closed with the formal announcement of closure of the 29th AGM.
- (o) The Helpline details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the 29th AGM shall be the same persons mentioned for remote e-Voting and reproduced here under for convenience:

Name of Official – Mr. Rakesh Dalvi

Designation – Manager, Central Depository Services (India) Limited

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

E Mail ID - helpdesk.evoting@cdslindia.com

Phone No. - 1800225533

(III) NOTES FORMING PART OF THE NOTICE:-

- (1) Shareholders who would like to express their views/ask questions during the meeting with regard to the financial statements or any other matter to be placed at the 29th AGM may register themselves as a speaker by sending their request and queries in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company's email id at share@patelsairtemp.com.

Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at share@patelsairtemp.com.

In both the above circumstances, the queries will be replied by the Company suitably by email.

Those Members who have registered themselves as a speaker will only be allowed to express their views during the 29th AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

- (2) During 29th AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of

Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to CDSL e-Voting system at www.evotingindia.com.

- (3) 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. Accordingly, no resolution is proposed for ratification of appointment of Auditors of the Company.
- (4) 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.
- (5) Mr. Apurva V. Shah (DIN: 0008197983), Whole-time 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, he is also to be re-appointed as Whole-time Director of the Company for a further period of 3 years with effect from 11th August, 2021 up to 10th August, 2024 with payment of remuneration. Nomination and Remuneration Committee (NRC) and the Board of Directors of the Company commend his respective re-appointments.

Mr. Apurva V. Shah is interested in the Ordinary Resolution set out at Item No. 3 of the Notice with regard to his re-appointment as a Director retire by rotation. Relatives of Mr. Apurva V. Shah may be deemed to be interested in the resolution set out at Item No. 3 of the Notice to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 3 of the Notice.

A brief resume of the aforesaid Director proposed to be re-appointed, nature of his expertise in specific functional areas, names of companies in which he holds 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 and more particularly given in the Item No. 4 of Explanatory Statement annexed here with :-

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
Apurva V. Shah	06/05/1963	11/08/2018	Engineering Industry	B.E. (Mechanical) & Post Diploma in Refrigeration and Air Conditioning	Nil	Nil

Details of core skills and expertise of the Board of Directors have been given in Corporate Governance Report included in this Annual Report, which forms part of Directors' Report.

Relationship between the Directors:-

Mr. Narayanbhai G. Patel, Chairman & Whole-time Director, is a father of Mr. Sanjiv N. Patel, Managing Director of the Company and grandfather of Mr. Shivang P. Patel, Whole-time Director of the Company.

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

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

None of the other Directors including Mr. Apurva V. Shah are related to any other Directors on the Board.

Mr. Narayanbhai G. Patel, Chairman & Whole-time Director, holds 52,000 Equity Shares of ₹ 10/- each of the Company (1.03 % Share Capital of the Company).

Mr. Sanjiv N. Patel, Managing Director, holds 1,39,000 Equity Shares of ₹ 10/- each of the Company (2.74 % Share Capital of the Company).

Mr. Shivang P. Patel, Whole-time Director, holds 60,100 Equity Shares of ₹ 10/- each of the Company (1.19 % Share Capital of the Company).

Mr. Apurva V. Shah, Whole-time Director, holds 1,000 Equity Shares of ₹ 10/- each of the Company (0.02 % Share Capital of the Company).

Mrs. Veenaben B. Patel, Independent Director, holds 1,079 Equity Shares of ₹ 10/- each of the Company (0.02 % Share Capital of the Company).

(IV) 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 SEBI Listing Regulations and Secretarial Standards on General Meetings (SS2) issued by the Institute of Company Secretaries of India read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business as set forth in the accompanying Notice of AGM to be transacted at the 29th AGM and facility for those Members participating in the 29th AGM through VC/OAVM to cast vote through e-Voting during the 29th AGM through e-Voting services provided by Central Depository Services (India) Limited (CDSL).

The cut-off date for the purpose of remote e-voting and e-voting at the AGM shall be 21st September, 2021. Please note that members can opt for only one mode of voting i.e. either by e-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.

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

A. The instructions for members for voting electronically:-

- (i) The remote e-voting period begins on Saturday, 25th September, 2021 (9.00 a.m. IST) and ends on Monday, 27th September, 2021 (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, 2021, 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) A person who is not a Member as on the cut-off date should treat this Notice of 29th AGM for information purpose only.
- (iii) The members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting through VC/OAVM but shall not be entitled to cast their vote again.
- (iv) 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, 2021 may obtain the login details and password/sequence number sending a request at investor@bigshareonline.com. and bssahd@bigshareonline.com. However, if you are already registered with CDSL for remote e-Voting then you can use your existing user ID and password for casting your vote.

(v) 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, 2021.

(vi) **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

(vii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions.

However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(viii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

(ix) Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.

Type of shareholders	Login Method
	<p>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the E voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p>

Type of shareholders	Login Method
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (x) Login method of e-Voting for shareholders other than individual shareholders & physical shareholders.
- (xi) The shareholders should log on to the e-voting website www.evotingindia.com
- (xii) Click on "Shareholders" tab to cast your vote(s).
- (xiii) 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.

- (xiv) Next enter the Image Verification as displayed and Click on Login.
- (xv) 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.
- (xvi) 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.
- (xvii) If you are a first time user, follow the steps given below:

For Shareholders holding shares in Demat Form other than individual 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) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is communicated by mail indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both 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).

- (xviii) After entering these details appropriately, click on "SUBMIT" tab.
- (xix) 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.
- (xx) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xxi) Click on the EVSN for 'PATELS AIRTEMP (INDIA) LIMITED'.
- (xxii) 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.
- (xxiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xxiv) 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.
- (xxv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xxvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xxvii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xxviii) 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 in the "Corporates" module 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 Non-Individual Shareholders and Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; www.share@patelsairtemp.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xxix) If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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, Central Depository Services (India) Limited

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

E Mail ID - helpdesk.evoting@cdslindia.com

Phone No. - 1800225533 & 022-23058542/43.

- B. 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 e-voting in the meeting and remote e-voting process in a fair and transparent manner.
- C. The Scrutinizer shall after the conclusion of e-Voting at the 29th AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall be submitted to the Chairman or a person authorized by him. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the Company's website www.patelairtemp.com and on website of CDSL e-Voting www.evotingindia.com and will also be communicated to BSE Limited, where the shares of the Company are listed.
- D. 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.

(V) DIVIDEND RELATED MATTERS:-

(1) PAYMENT OF DIVIDEND:-

- (a) The Company has notified closure of Register of Members and Share Transfer Books from 20th September, 2021 to 28th September, 2021 (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 31st March, 2021 as recommended by the Board, if declared at the meeting, will be paid subject to deduction of tax at source :
- a. # 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 18th September, 2021, or
 - b. # 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 18th September, 2021.
- (c) In order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the details/documents by email to reach the Company's email address share@patelsairtemp.com.
- (d) In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest once the normalcy is restored.
- (e) 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.

(2) COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION:-

As you may be aware, as per the Income-tax Act, 1961 (the Act), as amended by the Finance Act, 2020, dividend paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source (TDS) under section 194 of the Act or section 195 of the Act at the prescribed rates at the time of making the payment of the said dividend to shareholders. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Bank. Further, higher rate of TDS would be applicable if pursuant to section 206AA of the Act valid Permanent Account Number (PAN) has not been provided by shareholder or pursuant to section 206AB of the Act shareholder being a specified person.

A specified person is one who has not complied with filing of income tax returns for last two years and is having TDS of ₹ 50,000 or more in each of the previous two years. A non-resident not having permanent establishment in India is not considered as a specified person.

Accordingly, the dividend will be paid by the Company after deducting tax at source, as applicable, as explained herein.

(A) Resident Shareholders:-

- (i) **For Resident Shareholders**, TDS will be applicable at 10% on the amount of dividend. In case valid PAN is not provided or shareholder is a specified person, then the TDS will be applicable at 20% of the amount of dividend. Accordingly, shareholders who have not provided their PAN are requested to provide the same to the Company or Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent (**R & T Agent**) of the Company (in respect of shares held in physical form) or to the Depository Participant (in respect of shares held in electronic form) immediately.

No tax shall be deducted on the dividend payable if either of the below two conditions are fulfilled:

- Total dividend payable to a resident individual shareholder does not exceed ₹ 5,000 per year.
- The shareholder has provided duly filled and signed Form 15G (applicable to any Person other than a company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years) with valid PAN and provided that all the required eligibility conditions are met.

(ii) The following Tax Resident, Shareholders should be eligible for nil/lower rate of TDS upon providing the documents to the Company or R&T Agent mentioned hereunder to the satisfaction of the Company or R&T Agent :

Sr. No.	Particulars	Applicable Rate of TDS	Documents Required
a.	Insurance Companies	Nil	<ul style="list-style-type: none"> • Declaration that it is an Insurance company as specified under Proviso to section 194 of the Act • Self-attested copy of certificate of registration with IRDAI • Self-attested copy of PAN card
b.	Government, Reserve Bank of India (RBI), Specified Corporations established by or under Central Act whose income is exempt from tax, and Mutual Funds specified under section 10(23D) of the Act	Nil	<ul style="list-style-type: none"> • Declaration that it is covered by section 196(iii) of the Act read with the Circulars issued thereunder. • Self-attested copy of relevant registration documents • Self-attested copy of PAN card
c.	Category - I & II Alternative Investment Funds (AIF) registered with the Securities and Exchange Board of India (SEBI)	Nil	<ul style="list-style-type: none"> • Declaration that its income is exempt under section 10(23FBA) of the Act and they are governed by SEBI regulations as Category I or Category II AIF • Self-attested copy of SEBI AIF registration certificate • Self-attested copy of the PAN card
d.	Shareholders exempted from TDS provisions in terms of any provisions of the Act or CBDT Circular or notification	Nil	<ul style="list-style-type: none"> • Declaration that it is covered by CBDT circular or Notification • Documentary evidence supporting the exemption status in terms of any provisions of the Act or CBDT Circular or notification • Self-attested copy of PAN card
e.	All resident shareholders	Rate specified in the low deduction certificate issued by the income tax department	<ul style="list-style-type: none"> • Self-attested copy of certificate under section 197 of the Act

(iii) Non-Resident Shareholders:-

- 1. For Non-resident shareholder being Depository for American Depository Receipt (ADR),** TDS will be applicable under section 196C of the Act at 10% on the amount of dividend payable.
- 2. For Non-resident institutional shareholders being Foreign Institutional Investor/ Foreign Portfolio Investor (FII/FPI),** TDS will be applicable under section 196D of the Act, at 20% or as per the rate in any applicable Double Tax Avoidance Agreement (tax treaty) on submission of documents mentioned below, whichever is lower, on the amount of dividend payable.
- 3. For other Non-resident shareholders,** TDS will be applicable in accordance with the provisions of section 195 of the Act, at the rates in force which is currently 20% or as per the rate in any applicable tax treaty on submission of documents mentioned below, whichever is lower, on the amount of dividend payable.
- 4.** The non-resident shareholders who has a permanent establishment in India and is a specified person would be liable for twice the rate of TDS as applicable to them.
- 5.** If certificate under section 197/195 of the Act is obtained by non-resident shareholders for lower/Nil withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

Pursuant to section 90(2) of the Act, non-resident shareholders (other than Depository for ADRs) have the option to avail the benefit of tax treaty between India and the countries of their tax residence for which such non-resident shareholders will have to provide the following documents, to the satisfaction of the Company or R&T Agent:

1. Self-attested copy of the PAN allotted by the Indian Income Tax authorities; If the PAN is not allotted, please submit self-declaration.
2. Self-attested copy of Tax Residency Certificate (TRC) (for FY 2021-22) obtained from the tax authorities of the country of which the shareholder is resident. In case, the TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided.
3. Self-declaration in Form 10F for FY 2021-22 if all the details required in this Form are not mentioned in the TRC;
4. Self-declaration by the non-resident shareholder as to:
Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder;
The shareholder did not at any time during the relevant year have permanent establishment/ fixed base in India in accordance with the applicable tax treaty;
Shareholder being the beneficial owner of the dividend income to be received on the equity shares.
Please note that in case of non-individual shareholders, Self Declaration of No Permanent Establishment and Beneficial ownership should be on the letterhead of the shareholder.
Please note that the Company in its sole and absolute discretion reserves the right to call for any further information and/or to apply domestic law/tax treaty for TDS.

(3) General Instructions:

All the above referred TDS rates shall be duly enhanced by applicable surcharge and cess, wherever applicable.

Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, PAN, address, bank account details, email addresses and mobile numbers with their depository participants. Shareholders holding shares in physical mode are requested to furnish their details to the Company's R & T Agent.

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Act, we request you to provide the above-mentioned details and documents as applicable to you on or before 18th September, 2021. The Company will arrange to e-mail a soft copy of TDS certificate at the shareholders registered e-mail ID in due course of time.

Please note that for the purpose of complying with the applicable TDS provisions, the Company will rely on the above-mentioned information available as on 18th September, 2021 as per the details available with the Depositories/R & T Agent.

The aforementioned forms/annexures for tax exemption can be downloaded from the website of the Company's R&T Agent - <https://www.bigshareonline.com/Resources.aspx>.

All the forms / annexures are available under the head "Form 15G/15H/10F", on the Investors section, under "Investors Resources" tab.

The aforementioned documents (duly completed and signed) are required to be submitted to the Company's R&T Agent at bssahd@bigshareonline.com.

Alternatively, these declaration can be submitted online also at <https://www.bigshareonline.com/dividendTDS.aspx>.

The dividend will be paid after deduction of tax at source as determined on the basis of the aforementioned documents provided by the respective shareholders as applicable to them and being found to be complete and satisfactory in accordance with the Act.

No communication on the tax determination/deduction in respect of the said dividend shall be entertained post the above mentioned date and time. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible. Further, it may kindly be noted that no claim shall lie against the Company for such taxes deducted.

All communications/queries in this respect should be addressed to our RTA, Bigshare Services Private Limited at their e-mail ID: bssahd@bigshareonline.com.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any proceedings.

This communication shall not be treated as an advice from the Company. Shareholders should obtain tax advice related to their tax matters from a tax professional.

The Company will be relying on the information verified from the functionality or facility available on the Income Tax website for ascertaining the income tax compliance for whom higher rate of TDS shall be applicable under section 206AB of the Act.

(4) UNPAID/UNCLAIMED DIVIDEND & IEPF:-

- (a) The Unpaid / Unclaimed Dividend for the year 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019 & 2019-2020 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.
- (b) The Company has transferred the unpaid or unclaimed dividends declared up to the financial year 2012-2013 to IEPF established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on

28th September, 2020 (date of the previous Annual General Meeting) on the website of the Company i.e. <http://www.patelairtemp.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.

- (c) 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 2020-2021, 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 i.e. <http://www.patelairtemp.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.
- (d) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. 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.

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
2020-2021	25540.20	1542.11	1136.78
2019-2020	23741.90	1478.88	1130.51
2018-2019	15094.89	1051.78	731.65

(5) Foreign investments or collaborators, if any.

During the financial year 2019-2020, Patels Airtemp (USA) Inc. became Wholly Owned Subsidiary (WOS) of the Company on 13th January, 2020 by acquiring 100% Shares of Patels Airtemp (USA) Inc.

II. INFORMATION ABOUT THE APPOINTEES:

(1) Background details:

Name	Mr. Apurva V. Shah
Designation	Whole-time Director
Age	58 years
Experience	37 years

(2) Past Remuneration:

The details of managerial remuneration paid to Mr. Apurva V. Shah during the previous financial year ended on 31st March, 2021, are as under :-

(Amount in ₹)

Particulars	Apurva V. Shah
Salary	27,60,000
Perquisites / Allowances	1,23,715
Total	28,83,715

(3) Recognition or awards:

Along with development of product design and product manufacturing application, the Company in its tenure of 48+ years continuously upgraded quality and product system by acquiring world's most recognized system like ISO 9001-2015, ASME (U2, U, S-Stamps).

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

The Company has licensed software of ANSYS, CREO, PVelite, and Nozzle Pro for product development.

The Company is having ISO 9001-2015 certification from TUV-SUD.

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

(4) Job profile and his suitability:

Mr. Apurva V. Shah, aged about 58 years, is holding degree of B.E. (Mechanical) and Post Diploma in Refrigeration and Air-conditioning (PDRA). He is having around 37 years of experience in complete designing (Thermal and Mechanical including review of FE Analysis) and Estimation/Costing of pressure vessels, Column, Shell & Tube Heat Exchangers, Air cooled Heat Exchangers as per National & International Codes like ASME, TEMA, HEI, API, BS, EN, IS, IBR used in Hydrocarbon Sector, Refineries, Petrochemicals, Fertilizers, Power Plants, Textiles, Air-Conditioning, Compressor, Packaging manufacturers etc. He also took training in USA for Designing & Estimation of Air Cooled Heat Exchangers for water cooling, Steam Condensing, Oil Cooling, Refinery Coolers and Condensers.

Before becoming an Whole-time Director in 2018, he was Vice President (Operation) of the Company (joined the Company as a Sr. Design Engineer in 1992) handling various departments including Design, Proposal & Offer, Marketing, Shop Operation etc. for various products of the Company namely pressure vessels, Column, Shell & Tube Heat Exchangers, Air cooled Heat Exchangers, Power Plant Heat Exchanger, Inter Coolers, After Coolers, Oil Coolers, Air Pre-heaters, LPG Bullets, Ammonia Storage Tanks, Condenser.

(5) Remuneration proposed:

It is proposed to pay remuneration to Mr. Apurva V. Shah by way of Salary of ₹ 2,30,000/- per month each plus perquisite and allowances for a further period of 3 years with effect from 11th August, 2021 up to 10th August, 2024 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. Apurva V. Shah is adequate and at par with the industry scale, size and profitability of the Company.

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

Mr. Apurva V. Shah holds 1,000 Equity Shares of ₹ 10/- each in Patels Airtemp (India) Limited (0.02 % Share Capital of the Company) in his individual capacity.

Mr. Apurva V. Shah is not related to any other Directors of the Company.

Mr. Apurva V. Shah is not a Director in any Public Limited Company. He is also not a Director in any Listed 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, 2021 is inadequate.

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

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

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

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

IV. DISCLOSURES:

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

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

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

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

(iii) Service contracts, notice period, severance fees

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

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

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

BOARDS' REPORT

To,
The Members,
PATELS AIRTEMP (INDIA) LIMITED
Ahmedabad

Your Directors have pleasure in presenting herewith the 29th Annual Report together with the Audited Standalone & Consolidated Financial Statements of the Company for the year ended 31st March, 2021.

FINANCIAL RESULTS (STANDALONE):

(₹ in lakhs except EPS)

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Revenue from Operations	25,540.20	23,741.90
Other Income	64.02	187.81
Total Income	25,604.22	23,929.71
Less: Depreciation & Amortisation Expenses	329.44	289.00
Finance Cost	798.10	723.50
Other Expenses	22,934.57	21,438.33
Total Expenses	24,062.11	22,450.83
Profit before Tax	1,542.11	1,478.88
Less :Tax Expenses	405.33	348.37
Net Profit for the year	1,136.78	1,130.51
Total Comprehensive Income for the year	1,122.87	1,128.52
Balance brought forward from previous year	7,616.94	6,641.23
Profit available for Appropriation	8,753.72	7,771.74
Less: Re-measurement benefit of defined Benefit plans	13.91	2.00
Less: Proposed Dividend	126.76	126.76
Less: Tax on Dividend	--	26.05
Less Transfer to General Reserve	--	--
Surplus carried forward to Balance Sheet	8,613.05	7,616.93
Earning Per Share of ₹ 10/- each (₹)	22.42	22.30

STATE OF COMPANY'S AFFAIRS (STANDALONE):

The Company has earned total revenue from operations of ₹ 25540.20 lakhs during the year ended 31st March, 2021 as against ₹ 23741.90 lakhs earned during the previous year ended 31st March, 2020. The Company has also earned other income of ₹ 64.02 lakhs during the year under review as against ₹ 187.81 lakhs earned during the previous year.

Out of the revenue from operations of ₹ 25540.20 lakhs earned by the Company during the year under review, ₹ 24,953.12 Lakhs represents sale of products (Domestic & Export), ₹ 402.10 Lakhs represents sale of Services (Processing Charges) and ₹ 184.98 Lakhs represents other operating revenues.

The Company has incurred total expenses of ₹ 24062.11 Lakhs during the year ended 31st March, 2021 as compared to ₹ 22450.83 lakhs incurred during the previous year ended 31st March, 2020.

The Company has earned the Profit before Tax of ₹ 1542.11 Lakhs during the year ended 31st March, 2021 as compared to ₹ 1478.88 lakhs earned during the previous year ended 31st March, 2020.

The Company has earned Net Profit of ₹ 1136.78 Lakhs for the year ended 31st March, 2021 after making Provision for total Tax Expenses of ₹ 405.33 Lakhs and other adjustments, as compared to Net Profit of ₹ 1130.51 lakhs earned by the Company during the previous year ended 31st March, 2020.

After adding the Surplus in the Statement of Profit & Loss of ₹ 7616.94 Lakhs brought forward from the previous year to the profit of ₹ 1136.79 Lakhs earned by the Company during the year under review, the total amount of ₹ 8753.73 Lakhs is available for appropriation.

The Audited Standalone Financial Statements of the Company and all other documents required to be attached thereto have been included in the Annual Report 2020-2021, which has been put on the Company's website <http://www.patelairtemp.com>.

OVERALL IMPACT OF COVID-19 PANDEMIC:-

The Company has taken into account the possible impacts of COVID-19 in preparation of the Financial Statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on costs. The Company has been able to effectively manage the operations till now with appropriate safety precautions, without any significant impact of COVID-19 on the business. The actual impact of COVID-19 may be different, depending on how the situation evolves globally. The Company will continue to closely monitor future economic conditions to ensure business continuity.

EXPANSION UNDER NEW GREENFIELD PROJECT (DUDHAI UNIT):

As the members are aware that during the previous year, the Company has set up a new Greenfield project at Dudhai, Taluka. Kadi, Dist. Mehsana, Gujarat (Dudhai Unit) with total capital outlay of around ₹19.10 crores for dedicated manufacturing of Air Cooled Heat Exchanger / Air Fin Cooler in total land area of 43,576 Sq. Mtr. and covered area of 5900 Sq. Mtr.

The operations of the said Dudhai Unit has already been commenced during the year under review and have been fully operationalised with two bays having lifting capacity of 40 Tone each and ASME "U" stamp authorization.

By establishing a new Greenfield project, the Company has created additional infrastructure required for the purpose of taking care of a part of the production process and primarily removed the space constraints and the company is in a position to carry out the assembly operations in a cost effective and efficient manner.

WHOLLY-OWNED SUBSIDIARY (WOS) (OVERSEAS SUBSIDIARY):

Members are aware that during the previous year, Patels Airtemp (USA) Inc. became Wholly Owned Subsidiary (WOS) of the Company on 13th January, 2020 by acquiring 100% Shares of Patels Airtemp (USA) Inc.

During the year under review, there are no significant transactions and arrangements entered into by the said Wholly Owned Subsidiary of the Company. Audit Committee and Board of Directors of the Company review quarterly unaudited financial results / statements of the said Wholly Owned Subsidiary. The Company monitors performance of its Wholly Owned Subsidiary, inter alia, by the Minutes of Board Meetings and General Meeting of the said Wholly Owned Subsidiary placed before the Company's Board.

As on March 31, 2021, the Company did not have any material unlisted subsidiary as defined in Regulation 16 of SEBI Listing Regulations. Accordingly, the requirement of appointment of Independent Director of the Company on the Board of Directors of the material unlisted subsidiary companies as per Regulation 24 of SEBI Listing Regulations does not apply.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is put up on the Company's website and can be accessed at <http://www.patelairtemp.com>.

The Company has already filed an Annual Performance Report (APR) in Form ODI Part II to the Reserve Bank for the year ended 31st March, 2021 for its Overseas Direct Investment (ODI) in its Wholly Owned Subsidiary (WOS) Patels Airtemp (USA) Inc. APR for the year ended 31st March, 2021 was prepared on the basis of unaudited annual accounts of the said WOS, which has been adopted and ratified by the Board of Directors of the Company.

The Company has also filed an Annual Return on Foreign Liabilities and Assets (FLA) for the year 2020-2021 (as on 31st March, 2021) with Reserve Bank of India.

CONSOLIDATED FINANCIAL STATEMENTS:

Pursuant to the requirements of Section 129(3) read with Schedule III of the Companies Act, 2013 and Rules made thereunder and as stipulated by Regulation 33 of the Listing Regulations and applicable Indian Accounting Standards, the Consolidated Financial Statements of the Company and its Wholly Owned Subsidiary namely Patels Airtemp (USA) Inc. for the year ended 31st March, 2021 have been attached with the Financial Statements of the Company. The Audited Consolidated Financial Statements together with Auditors' Report form part of the Annual Report.

The Audited Consolidated Financial Statements of the Company and all other documents required to be attached thereto have been included in the Annual Report 2020-2021, which has been put on the Company's website <http://www.patelairtemp.com>.

The Financial Statements of the Wholly Owned Subsidiary, as required, are also put up on the Company's website and can be accessed at <http://www.patelairtemp.com>.

These documents will also be available for inspection on all working days, except Saturdays, during business hours, at the Company's Factory (Works) / Registered Office of the Company.

A statement containing the salient features of the financial statements of the Company's Wholly-Owned Subsidiary for the year ended 31st March, 2021 in the prescribed Form AOC-1 as per first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014 is attached herewith as per Annexure - A and forms an integral part of this Report.

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 ₹ 282 Crores on hand as on 1st August, 2021. 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 31st March, 2021 (2020-2021), as compared to Dividend of ₹ 2.50 per share (@ 25 %) declared for the previous Financial Year ended 31st March, 2020. This will absorb ₹ 126.76 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.

Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members

at prescribed rates, subject to the provisions of Income Tax Act, 1961. In this regard, more details have been included in the Notice of AGM included in this Annual Report.

TRANSFER TO RESERVE:

In view of above, the Company has not transferred any amount to the General Reserve for the year ended on 31st March, 2021 and retain the entire amount of profits in the Profit & Loss Account.

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, except the overall impact of covid-19 pandemic as referred to above.

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.

ANNUAL RETURN:

Annual Return of the Company as on 31st March, 2021 as required under Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 in the prescribed Form MGT-7 is put up on the Company's website and can be accessed at <http://www.patelairtemp.com>.

MANAGEMENT DISCUSSION AND ANALYSIS (MDA):

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:

Along with development of product design and product manufacturing application, the Company in its tenure of 48+ years continuously upgraded quality and product system by acquiring world's most recognized system like ISO 9001-2015, ASME (U2, U, S-Stamps).

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

The Company has licensed software of ANSYS, CREO, PVelite, and Nozzle Pro for product development.

The Company is having ISO 9001-2015 certification from TUV-SUD.

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

FINANCE:

The Company is availing the working capital Facilities aggregating to ₹ 169 Crores from Bank of Baroda and Axis Bank Limited under the Consortium arrangement. Meanwhile, Bank of Baroda and Axis Bank Ltd. have enhanced working capital facilities (CC limit) aggregating from ₹ 169 Crores to ₹ 180 Crores (increased by ₹ 11 Crores) subject to compliance of necessary formalities.

During the year under review, the Company has discontinued availing Bill Discounting facility to the extent of ₹ 7 Crores from HDFC Bank Ltd. However, the Company will avail Bill Discounting facility from Citibank NA.

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, 2021 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 Promoters and their relatives, while reviewing working capital facilities to the Company vide its Letter No. AR/SMEBR/2021-22/July, 94, dated 7th August, 2021, which are exempted deposits under Rule 2(1)(c)(xiii) of Companies (Acceptance of Deposits) Rules, 2014.

Details of exempted deposits accepted and repaid by the Company including interest to the Directors & their Relatives during the financial year 2020-2021 are mentioned in Note No. 31 (Relate Party information) of the Notes to the Standalone Financial Statements attached with this Annual Report.

The Company has duly filed the required Form DPT-3 (Initial & Annual) regarding exempted deposits under MCA portal.

TRANSFER OF UNCLAIMED DIVIDEND TO IEPF:

In terms of the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, during the year under review, the Company has transferred the amount of unclaimed/unpaid Dividend of ₹ 2,16,760/- for the financial year 2012-2013 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 28th September, 2020 (date of the previous Annual General Meeting) on the Company's website: <http://www.patelairtemp.com>.

TRANSFER OF SHARES TO IEPF DEMAT AUTHORITY ACCOUNT:

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2020-2021, transferred to the IEPF Authority 5,539 Equity Shares of the face value of ₹ 10/- each belonging to 31 Shareholders in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more from 2012-13 to 2018-19. Details of shares transferred to the IEPF Authority are available on the website of the Company <http://www.patelairtemp.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. 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. The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

Members may note that the dividend and shares transferred to the IEPF can be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure prescribed under the Rules.

The Company has duly appointed Company Secretary of the Company as Nodal Officer for the purposes of verification of claims and coordination with Investor Education and Protection Fund Authority.

The Company has duly filed all the required IEPF Forms with the authorities.

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 31st March, 2021 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 on Corporate Governance for the financial year 2020-2021 does not contain any qualification, reservation or adverse remark in respect of Corporate Governance Report.

The Company has furnished to BSE Ltd., where the Shares of the Company are listed, Corporate Governance Report for the Quarter/Half-year/Whole year during the financial year 2020-2021 as placed before the Board as per various provisions of SEBI LODR.

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, 2021, 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, 2021 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, 2021 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 LOAN GIVEN AND INVESTMENT MADE:

During the year under review, the Company has not provided any loan or guarantee or security to any person nor made any investment.

Particulars of earlier loan given and investment made by the Company in its Wholly Owned Subsidiary (WOS) are provided in the Standalone Financial Statements of the Company (Please refer Note No. 4, 5 and 40 to the Standalone Financial Statements).

RELATED PARTY TRANSACTIONS:

Information on transactions with related parties 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.

Transactions with related parties pursuant to the provisions of Listing Regulations are disclosed in Note No. 31 of the Notes to the Standalone Financial Statements for the year ended 31st March, 2021, in the Annual Report as required by the Accounting Standard (AS) 18 and applicable Indian Accounting Standards 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.

“Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions” related to entering into Related Party Transactions by the Company with Related Parties is uploaded on the Company’s website viz. <http://www.patelairtemp.com>.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval including Omnibus approval for the transactions, which are repetitive in nature and also for the transactions, which are not foreseen (subject to financial limit). However, the Company has 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.

The Company has duly filed with BSE half-y early on consolidated basis details of Related Party Transactions entered into by the Company and uploaded the said details on its web-site viz. <http://www.patelairtemp.com>.

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. Narendra G. Patel (DIN: 00023205) on 8th February, 2021, who was Whole-time 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. Narendra G. Patel during his tenure as a Whole-time Director of the Company.

Mr. Vinodkumar C. Desai (DIN No. 02813402) ceased to be an Independent Director of the Company with effect from 1st January, 2021 due to his resignation as an Independent Director. Mr. Vinodkumar C. Desai resigned due to pre-occupied with his own business and will not be able to devote his time to the affairs of the Company and that there are no other material reasons for his resignation other than those which are provided above and also provided in the resignation letter. Mr. Vinodkumar C. Desai also ceased to be a Member of Nomination & Remuneration Committee (NRC) and Stakeholders Relationship Committee (SRC) of the Board w.e.f. 1st January, 2021 consequent to his resignation as a Director of the Company (Independent Director). The Board places on record their appreciation for the assistance and guidance provided by Mr. Vinodkumar C. Desai during his tenure as an Independent Director of the Company and also as a Member of NRC & SRC Committee of the Board.

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder and Articles of Association, Mr. Apurva V. Shah (DIN: 0008197983), Whole-time Director of the Company, shall retire by rotation as Director of the Company at this Annual General Meeting, and being eligible, offers 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. Apurva V. Shah (DIN: 0008197983), as Director of the Company. The brief resume/details relating to the said Director, who is to be re-appointed are furnished in the Notes to the Notice of the Annual General Meeting.

Mr. Apurva V. Shah (DIN: 0008197983) has been re-appointed as Whole-time Director of the Company for a further period of 3 years with effect from 11th August, 2021 up to 10th August, 2024, upon the terms and conditions including Salary of ₹ 2,30,000/- per month plus perquisites and allowances (“remuneration”) for the said period of 3 years as recommended and approved by Nomination & Remuneration Committee and Board of Directors, 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.

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. <http://www.patelairtemp.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 <http://www.patelairtemp.com>.

In a separate meeting of independent Directors held on 25th March, 2021, 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. <http://www.patelairtemp.com>.

NUMBER OF BOARD MEETINGS:

During the financial year 2020-2021, 5 (Five) Board Meetings of the Company were held on 20th June, 2020, 1st August, 2020, 14th August, 2020, 11th November, 2020 and 10th February, 2021.

Board Meeting (Sr. No. 01/2020-21) of the Company held on 20th June, 2020 was held beyond 120 days from the date of last Board Meeting held on 8th February, 2020 (Sr. No. 06/2019-20) due to covid-19 pandemic, as holding Board Meetings of the Company within the prescribed interval provided in Section 173 of the Companies Act, 2013, i.e. 120 days extended by a period of 60 days till next two quarters i.e. till 30th September, 2020 by MCA vide its notification dated 19th March, 2020 and 24th March, 2020 and the Securities and Exchange Board of India ("SEBI") vide its circular dated 19th March, 2020 and 26th June, 2020.

For other Board Meetings held as above, the gap between two Board Meetings did not exceed 120 days as prescribed in the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations. 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 and Committee Meetings whenever required. The Company has complied with Secretarial Standards 1 (SS-1) related to Board and Committee Meetings 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 SEBI Listing Regulations, 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 as amended from time to time. The Corporate Social Responsibility Policy is available on the Company's web-site viz. <http://www.patelairtemp.com>.

The Company continues its endeavour to improve the lives of people and provide opportunities for their holistic development through its different initiatives in the areas of (i) promotion of health care, including preventive health care, sanitation and disaster management (ii) promoting rural development, (iii) promoting education, Social Development/Services, Environment, etc., contribution to Educational Trust & Skill Development Program, employment enhancing vocation skills among children, woman, elderly and differently abled persons, and Education related activities for bright & poor students, (iv) eradicating hunger, poverty and malnutrition (v) purchase of Oxygen cylinders for COVID-19 patients, (vi) promoting sports related activities such as Rural Sports, National Sports, Paralympics Sports and Olympic Sports

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 as amended ("CSR Rules") and in accordance with the CSR Policy, during the year 2020-2021, your Company had spent ₹ 25.51 Lakhs, i.e. more than two percent of the average net profits of the Company during the three immediately preceding financial years.

The Annual Report on CSR activities and expenditure, as required under Sections 134 and 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014, is annexed herewith marked as Annexure - F.

The Chief Financial Officer (CFO) of the Company has issued Certificate that the full amount has been utilized and spent by the Company towards CSR activities during the financial year 2020-2021 as per CSR policy and as specified in Scheduled VII of the Companies Act, 2013 and as approved by CSR Committee and Board of Directors.

CSR Committee has formulated modified / revised CSR Policy in the line of amendment of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Section 135 of the Companies Act, 2015. The modified / revised CSR policy on the Corporate Social Responsibility measures to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 is available on the web-site of the Company i.e. <http://www.patelsairtemp.com>.

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 which is valid till 30th AGM of the Company. 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 appointment of Auditors of the Company.

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.

During the Financial Year 2020-21, the Company has paid total fees of ₹ 2,26,500 including statutory audit fees, for other services and reimbursement of expenses to M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company.

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 appointed Mr. Punit Lath, Practicing Company Secretary, Ahmedabad (Membership No. 26238 and COP No. 11139) as the Secretarial Auditor to conduct Secretarial Audit of the records of the Company for the financial year 2020-2021 and to submit his report to the Company. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith marked as Annexure – G to this Report.

The Board at its meeting held on 10th February, 2021, has re-appointed Mr. Punit Lath as Secretarial Auditor, for conducting Secretarial Audit of the Company for the financial year 2021-2022. 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 2020-2021 does not contain any qualification, reservation or adverse remark. During the year under review, the Secretarial Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

COMPLIANCE CERTIFICATE:

The Company has also received Secretarial Compliance Report for the year ended 31st March, 2021 from Mr. Punit Lath (Membership No. 26238 and COP 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 Contracts (Regulation) 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 8th June, 2021, has on the recommendation of the Audit Committee, appointed M/s. Rajendra Patel & Associates, Cost Accountant, Ahmedabad (Firm Registration No. FRN101163 and Membership No. 29021) to conduct the audit of the cost accounting records of the Company for FY 2021-2022 on a remuneration of ₹ 70,000/- 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, 2020 has been duly filed in XBRL mode. The cost audit report of the Company for financial year ended March 31, 2021 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.

LISTING FEES:

Pursuant to the provisions of SEBI 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 2021-2022.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

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

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

WHISTLE BLOWER POLICY / VIGIL MECHANISM:

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

All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints pertaining to sexual harassment were received during the financial year 2020-2021.

GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- 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, 2021 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.
- The Company has not issued any shares under any scheme including Employees' Stock Options Schemes or Sweat Equity Shares to employees of the Company.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from its subsidiary.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of onetime settlement with any Bank or Financial Institution.

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

Date : 10th August, 2021
Place : Rakanpur, Dist. Gandhinagar

NARAYANBHAI G. PATEL
Chairman & Whole-time Director

Annexure – A
Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013
read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiary

Part A: Wholly Owned Subsidiary

(₹ in Lakhs)

1	Name of the subsidiary	:	Patels Airtemp (USA) Inc.
2	The date since when subsidiary was acquired	:	13 th January, 2020
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	31 st December, 2020
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	:	US Dollar 1 = ₹ 73.50
5	Share Capital	:	7.18
6	Reserves & Surplus	:	0.85
7	Total Assets	:	13.75
8	Total Liabilities	:	13.75
9	Investments	:	--
10	Turnover	:	--
11	Profit/Loss before Taxation	:	(1.43)
12	Provision for Taxation	:	--
13	Profit/Loss after Taxation	:	(1.43)
14	Proposed Dividend	:	--
15	% of Shareholding	:	100.00

Note :

1. Patels Airtemp (USA) Inc. is yet to commence operations.
2. No Company which have been liquidated or sold during the year.

Part B: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company does not have any Associates or Joint Ventures Company.

For and on behalf of the Board of Directors

Narayanbhai G. Patel
Chairman & Whole Time Director
DIN:00023071

Sanjivkumar N. Patel
Managing Director
DIN:02794095

Place :Rakanpur, Dist. Gandhinagar
Date: 19th June, 2021

Kamlesh R. Shah
Chief Financial Officer

Nikhil M. Patel
Company Secretary

ANNEXURE-B TO DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OUTLOOK

During the year 2020-2021, the COVID-19 pandemic engendered a global crisis in 2020 – a unique recession where 90 per cent of countries are expected to experience of slimming down in GDP of the country. The COVID-19 pandemic continues to have significant implications on the global economy.

Due to first wave of COVID-19 pandemic and nationwide lockdown in India the Indian economic goes down in Q1 and Q2 and after that there was strong recovers from the Q3 and Q4 and GDP of the country is likely contracts 7.7% for the financial year 2020-2021. India has been among the fastest-growing economies in the world over the past few years. However, the year under review has been particularly challenging with the economy hitting one of its lowest growth records seen in recent past on account of weak macro-economic conditions. As per International Monetary Fund (IMF), India is expected to record a growth in the financial year 2021-2022. This is of course subject to the robust recovery of second wave COVID-19 pandemic which has already resulted in lockdowns across different States of India. The mega Vaccination drive can help the Indian economy to achieve the most part of the robust recovery in the all sector for growth in India.

For the robust recovery for Indian economy, the Reserve Bank of India (RBI) and the Central Government and State Government provided critical support to the economy during the COVID-19 crisis. The RBI has maintained liquidity surplus through various monetary policies. The RBI maintained loose monetary policy, maintained repo rates during the year for growth of Indian economy.

FINANCIAL AND OPERATIONAL PERFORMANCE

The engineering sector is the largest of the industrial sector in India. India's engineering sector is dividend in to two major segments – Heavy Engineering and Light Engineering.

Your Company is engaging in single segment namely engineering business. The Company has commenced its ever progressing journey with expertise of Design and Manufacturing of process equipments. This discussion, therefore, covers the financial results and other developments during April 2020 to March 2021, in respect of the Company.

Due to first wave of COVID-19 pandemic economic conditions continued in the year under review, your Company was able to 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 ₹ 25540.20 lakhs during the year ended on 31st March, 2021 as against ₹ 23741.90 lakhs earned during the previous year ended on 31st March, 2020 a rise of 7.57%. The Company has also earned other income of ₹ 64.02 lakhs during the year under review as against ₹ 187.81 lakhs earned during the previous year.

Out of the revenue from operations of ₹ 25540.20 lakhs earned by the Company during the year under review, ₹ 24,953.12 Lakhs represents sale of products (Domestic & Export), ₹ 402.10 Lakhs represents sale of Services (Processing Charges) and ₹ 184.98 Lakhs represents other operating revenues.

The Company has incurred total expenses of ₹ 24062.11 Lakhs during the year ended 31st March, 2021 as compared to ₹ 22450.83 lakhs incurred during the previous year ended 31st March, 2020.

The Company has earned the Profit before Tax of ₹ 1542.11 Lakhs during the year ended 31st March, 2021 as compared to ₹ 1478.88 lakhs earned during the previous year ended 31st March, 2020.

The Company has earned Net Profit of ₹ 1136.78 Lakhs for the year ended 31st March, 2021 after making Provision for total Tax Expenses of ₹ 405.33 Lakhs and other adjustments, as compared to Net Profit of ₹ 1130.51 lakhs earned by the Company during the previous year ended 31st March, 2020.

FINANCIAL RATIOS

Pursuant to Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details of changes in the key financial ratios as compared to previous year are stated below:-

Ratio	Financial Year		Change in %	Reasons significant changes of 25% or more as compared to previous year
	2020-2021	2019-2020		
Debtors Turnover (Days)	130.83	120.08	8.95	--
Inventory Turnover (Days)	146.30	133.21	9.83	--
Interest Coverage Ratio	2.93	3.04	(3.62)	--
Current Ratio	1.43	1.43	NIL	--
Debt Equity Ratio	0.14	0.15	(2.76)	--
Earnings Before Interest and Tax Margin (%)	9.16	9.28	(1.22)	--
Net Profit Margin (%)	4.45	4.76	(6.53)	--
Return on Net Worth	11.42	12.63	(9.51)	--

INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is operating in single segment business namely engineering, 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 in India and 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.

PERFORMANCE OF PRODUCT

The Company is operating in one segment namely in engineering having extensive range of products, the development of product design and product manufacturing application, the Company in its tenure of 48+ years continuously upgraded quality and product system by acquiring world's most recognized system like ISO 9001-2015, ASME (U2, U, S-Stamps).

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

The Company has licensed software of ANSYS, CREO, Pvelite, and Nozzle Pro for product development.

The Company is having ISO 9001-2015 certification from TUV-SUD.

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

FUTURE OUTLOOK

As India continues to fight against the pandemic, recent high-frequency data suggests India may have turned toward the road to recovery. The GDP projected to register a strong recovery in FY22, the highest

among emerging and advance economic activities. The recovery momentum is prone to risks, depending on the availability of COVID-19 vaccines and the subsequent waves of the Corona virus infection.

Considering the second wave of COVID-19 pandemic scenario and subsequent waves of COVID-19 infection in future, the industry is expected to take some time to recover and normalcy in business. Any outlook at this point of time is heavily contingent upon the intensity, spread and duration of the pandemic.

During the financial 2020-2021, the Company has successfully set up a new Greenfield Project at Dudhai, Tal: Kadi, Dist: Mehsana, Gujarat (Dudhai Unit) for dedicated manufacturing of Air Cooled Heat Exchanger/ Air Fin Cooler. The operations of the said unit have been fully operationalised with two bays having lifting capacity of 40 Tone each and ASME "U" stamp authorization. This will help the Company to execute larger number and more complex orders.

OPPORTUNITIES

With the recent expansion of infrastructure in Dudhai Unit there are number of new opportunities are available to the Company to enhance the various products, enter into new market and industry sectors both in the domestic and international market through Export. 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" 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

Due to subsequent waves of the Corona virus infection, there may be impacting on the progress of project in the financial year to some extent due to shortages of workers, High inflation, purchasing power of consumer's, demand of product in the market and overall challenges on supply chain management in market.

As 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. Our internal control system ensures that all business transactions are recorded in a timely manner, resources are

utilized effectively and our assets are safeguarded. Internal Audit is conducted by experienced Chartered Accountants in close coordination with company's Accounts and other departments of the Company. 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

CORPORATE GOVERNANCE REPORT

Report on Corporate Governance for the year ended on 31st March, 2021 (2020-2021) 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 "SEBI LODR" or "SEBI 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 SEBI Listing Regulations. This report is prepared in accordance with the provisions of SEBI Listing Regulations and the report contains the details of Corporate Governance systems and processes at Patels Airtemp (India) Limited ("the Company").

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, 2021:-

As per SEBI Listing Regulations, the Board of Directors of the Company comprises of the combination of Executive and Non-Executive Directors. Out of total strength of 8 (Eight) Directors as on 31st March, 2021, 4 (Four) Directors are Executive Directors and 4 (Four) Directors are Non-Executive Independent Directors. The Chairman of the Board is Promoter-Executive Director. Fifty per cent of the Board of Directors is comprise of Non-Executive Independent Directors including one Independent Woman Director. The members of the Committees like Audit Committee (AC), Nomination & Remuneration Committee (NRC), Stakeholders' Relationship Committee (SRC) 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 provides overall direction and guidance to the Board. In the operations and functioning of the Company, the Chairman is assisted by other three Executive Directors and a core group of senior level executives. The Chairman guides the Board for effective governance structure in the Company. In doing so, the Chairman presides at the meetings of the Board and the Shareholders of the Company.

The Chairman takes a lead role in managing the Board and facilitating effective communication among Directors. The Chairman is responsible for matters pertaining to governance, including the organization and composition of the Board, the organization and conduct of Board meetings, effectiveness of the Board, Board Committees and individual Directors in fulfilling their responsibilities.

The Company Secretary assists the Chairman in management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation. The Company Secretary plays a key role in ensuring that the Board (including in committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings.

The composition of the Board as on 31st March, 2021, details of other Directorship in other listed entity and Committee Membership/Chairmanship held by them in other Public Companies, are given below as per circular issued by Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India (SEBI):-

Sr. No.	Name of Director & Category	Designation	Number of other Directorship and other Committee Membership / Chairpersonship held in other Public Companies			Particulars of Directorship in other Listed Entities	
			Directorship	Committee Membership	Committee Chairmanship	Name of Company	Category of Directorship
Executive Directors:-							
1	Mr. Narayanbhai G. Patel	Chairman & Whole-time Director	NIL	NIL	NIL	Nil	NIL
2	Mr. Sanjiv N. Patel	Managing Director	NIL	NIL	NIL	NIL	NIL
3	Mr. Narendra G. Patel*	Whole-time Director	NIL	NIL	NIL	NIL	NIL
4	Mr. Apurva V. Shah #	Whole-time Director	NIL	NIL	NIL	NIL	NIL
5	Mr. Shivang P. Patel	Whole-time Director	NIL	NIL	NIL	NIL	NIL
Non-Executive Directors:-							
6	Mr. Hareshkumar I. Shah	Independent Director	NIL	NIL	NIL	NIL	NIL
7	Mr. Vinodkumar C. Desai^	Independent Director	NIL	NIL	NIL	NIL	NIL
8	Mrs. Vinaben B. Patel	Independent Director	NIL	NIL	NIL	NIL	NIL
9	Mr. Himanshu N. Rawal	Independent Director	NIL	NIL	NIL	NIL	NIL
10	Mr. Rajendrakumar C. Patel	Independent Director	1	3	NIL	Praveg Communications (India) Limited	Independent Director

Note:

- * Mr. Narendra G. Patel ceased to be Whole-time Director (Executive Director) of the Company with effect from 8th February, 2021 due to his sad demise on 8th February, 2021.
- # Mr. Apurva V. Shah has been re-appointed as Whole-time Director of the Company for a further period of 3 years with effect from 11th August, 2021 to 10th August, 2024.
- ^ Mr. Vinodkumar C. Desai, Non-Executive Independent Director of the Company has resigned with effect from 1st January, 2021.

Except Mr. Rajendrakumar C. Patel, Non-Executive Independent Director, None of the other Directors of the Company serve as Director in any other public limited company including other listed companies and none of the Executive Directors serve as Independent Director on any listed company as required under Regulation 17A of SEBI Listing Regulations.

Further, none of the Independent Directors serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director is an Independent Director. Further, none of the Directors acts as a member of more than 10 (Ten) committees or acts as a chairman of more than 5 (Five) committees across all Public Limited Companies in which he/she is a Director as required under Regulation 26(1) of SEBI Listing Regulations. 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 SEBI Listing Regulations.

All Directors of the Company have been allotted DIN and whose DIN status is 'Approved' and filed their KYC Form DIR-3.

(ii) Relationship between the Directors:-

Mr. Narayanbhai G. Patel, Chairman & Whole-time Director, is a father of Mr. Sanjiv N. Patel, Managing Director of the Company and grandfather of Mr. Shivang P. Patel, 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. Vinaben B. Patel, Non-Executive 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 :-

The mandatory requirement of holding of Board Meeting of the Company within the prescribed interval provided in Section 173 Companies Act, 2013 read with Regulation 17(2) of SEBI Listing Regulations, is that the Directors shall meet at least four times a year, with a maximum time gap of one hundred and twenty days (120 days) between any two meetings.

During the financial year 2020-2021, 5 (Five) Board Meetings of the Company were held on 20th June, 2020, 1st August, 2020, 14th August, 2020, 11th November, 2020 and 10th February, 2021. The Board Meetings were generally held at the Factory (Works) of the Company situated at Rakanpur, Dist. Gandhinagar, Gujarat.

Board Meeting (Sr. No. 01/2020-21) of the Company held on 20th June, 2020 was held beyond 120 days from the date of last Board Meeting held on 8th February, 2020 (Sr. No. 06/2019-20) due to covid-19 pandemic, as holding Board Meetings of the Company within the prescribed interval provided in Section 173 of the Companies Act, 2013, i.e. 120 days extended by a period of 60 days till next two quarters i.e. till 30th September, 2020 by MCA vide its notification dated 19th March, 2020 and 24th March, 2020 and the Securities and Exchange Board of India ("SEBI") vide its circular dated 19th March, 2020 and 26th June, 2020. For other Board Meetings held as above, the

gap between two Board Meetings did not exceed 120 days as prescribed in the Companies Act, 2013 and SEBI Listing Regulations as above.

Attendance of Directors at the Board Meeting and the 28th Annual General Meeting (AGM) of the Company held on 28th September, 2020 are as under:

Name of Director	Total Board Meeting held during the year	Attendance	
		Board Meeting	28 th AGM held on 28 th September, 2020
Mr. Narayanbhai G. Patel	5	5	Yes
Mr. Sanjiv N. Patel	5	5	Yes
Mr. Narendra G. Patel*	5	4	Yes
Mr. Apurva V. Shah #	5	5	Yes
Mr. Shivang P. Patel	5	5	Yes
Mr. Hareshkumar I. Shah	5	5	Yes
Mr. Vinodkumar C. Desai [^]	5	1	No
Mrs. Vinaben B. Patel	5	4	No
Mr. Himanshu N. Rawal	5	5	No
Mr. Rajendrakumar C. Patel	5	5	Yes

Note:

- * Mr. Narendra G. Patel ceased to be Whole-time Director (Executive Director) of the Company with effect from 8th February, 2021 due to his sad demise on 8th February, 2021.
- # Mr. Apurva V. Shah has been re-appointed as Whole-time Director of the Company for a further period of 3 years with effect from 11th August, 2021 to 10th August, 2024.
- [^] Mr. Vinodkumar C. Desai, Non-Executive Independent Director of the Company has resigned with effect from 1st January, 2021.

(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.

During the financial year 2020-2021, the Board of Directors of the Company in their meeting held on 20th June, 2020 has carried out the 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 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 SEBI Listing Regulations for the year 2020-2021 after taking into consideration the observations made for the previous year 2019-2020. The Board has approved a Nomination and Remuneration 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 website <http://www.patelairtemp.com>.

Nomination and 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 offer themselves 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. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted and place before the Board under other business with the permission of the Chairman and with the consent of the majority Directors including Independent Directors.

The Company Secretary records minutes and proceedings of each Board and Committee meeting. Minutes and 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 as prescribed under the Secretarial Standard - 1. 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.

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 amended from time to time 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 comprises qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

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.

The Board of Directors having following area of Expertise / Skills / Competencies of the Board of Directors :

- Leadership	- Operational experience
- Strategic Planning	- Industry Experience
- Research & Development and Innovation	- Global Business
- Financial	- Corporate Governance
- Legal & Compliance	- General Management

The Directors has following skills:-

Sr. No.	Name of Director	Skills / Expertise / Competencies
1	Mr. Narayanbhai G. Patel	Leadership / Operational Experience / Financial / Legal & Compliance / Corporate Governance / General Management
2	Mr. Sanjiv N. Patel	Operational Experience / Financial / Industry Experience / Global Business
3	Mr. Apurva V. Shah	Strategic Planning / Research & Development and Innovation
4	Mr. Shivang P. Patel	Financial / Global Business / Industry Experience
5	Mr. Hareshkumar I. Shah	Industry Experience / Operational Experience / General Management
6	Mr. Himanshu N. Rawal	Industry Experience / General Management
7	Mrs. Vinaben B. Patel	Strategic Planning / General Management
8	Mr. Rajendrakumar C. Patel	Industry Experience / Operational Experience / Finance / Legal & Compliance

(viii) Independent Directors & Separate Meeting

During the financial year 2020-2021, Mr. Vinodkumar C. Desai (DIN No. 02813402) ceased to be an Independent Director of the Company before the expiry of his tenure with effect from 1st January, 2021 due to his resignation as an Independent Director. Mr. Vinodkumar C. Desai resigned due to pre-occupied with his own business and will not be able to devote his time to the affairs of the Company and confirmed that there are no other material reasons for his resignation other than those which are provided above.

Following Independent Directors of the Company have been re-appointed for a second term of 5 years:-

Sr. No.	Name of Director	Term upto
1	Mr. Hareshkumar I. Shah	Up to 29 th August, 2024
2	Mr. Himanshu N. Rawal	Up to conclusion of 31 st Annual General Meeting
3	Mrs. Vinaben B. Patel	Up to conclusion of 33 rd Annual General Meeting

Mr. Rajendrakumar C. Patel, Independent Director of the Company has been appointed for a first term of 5 years up to 9th August, 2024.

The Company has obtained declarations from all 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) & 25 of SEBI Listing Regulations and Section 149(6) of the Act 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 and they are independent of the management. 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.

Based on the declarations received from the Independent Directors, the Board of Directors at their meeting held on 20th June, 2020 confirmed that Independent Directors met the criteria of Independence as provided in Regulation 16(1)(b) of SEBI 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 and they are independent of the management.

Independent Directors have duly registered their name with Data Bank maintained by the Indian Institute of Corporate Affairs (IICA) as per Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019. They have confirmed the compliance of the said Rules vide their declaration of independence under Section 149(7) of the Act.

The terms & conditions of their appointment as Independent Directors is available on the website of the Company <http://www.patelsairtemp.com>.

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.

A separate meeting of independent Directors for evaluation of the performance of Non-independent Directors, performance of the Board as a whole and performance of the Chairman, is required to be held every year.

During the financial year 2020-2021, a separate meeting of Independent Directors of the Company was held on 25th March, 2021, wherein they reviewed (i) the performance of non-independent Directors and the Board as a whole, (ii) the performance of the Chairperson of the Company, taking into accounts the views of Executive Directors and Non-Executive Directors and (iii) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors.

During the financial year 2020-2021, all the Directors has completed process of KYC as per requirement of Ministry of Corporate Affairs ("MCA").

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

As per Regulation 25(7) of SEBI 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 SEBI Listing Regulations, details of familiarization programmes for Independent Directors of the Company is uploaded on the Company's website <http://www.patelsairtemp.com>.

(x) Remuneration/Sitting Fees to the Directors:

The Nomination and Remuneration Policy (NRC Policy) on appointment and remuneration of Directors is uploaded on the Company's website <http://www.patelsairtemp.com>.

The remuneration of Executive Directors is decided by the Board on the recommendation of Nomination and 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 Director of the Company during the year ended on 31st March, 2021 (i.e. from 1st April, 2020 to 31st March, 2021) are as under :-

(Amount in ₹)

Name of Executive Directors	Designation	Salary	Perquisites & Allowances	Total
Mr. Narayanbhai G. Patel	Whole-time Director	36,00,000	1,65,688	37,65,688
Mr. Sanjiv N. Patel	Managing Director	36,00,000	74,007	36,74,007
Mr. Narendra G. Patel*	Whole-time Director	33,75,000	54,314	34,29,314
Mr. Apurva V. Shah	Whole-time Director	27,60,000	1,23,715	28,83,715
Mr. Shivang P. Patel	Whole-time Director	36,00,000	2,48,966	38,48,966

Note:

* Mr. Narendra G. Patel ceased to be Whole-time Director (Executive Director) of the Company with effect from 8th February, 2021 due to his sad demise on 8th February, 2021.

The appointment of Whole-time Directors & Managing Director 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 Director 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 31st March, 2021 (i.e. from 1st April, 2020 to 31st March, 2021) are as under :-

Sr. No.	Name of Director	Amount in (₹)
1	Mr. Hareshkumar I. Shah	12,500
2	Mr. Himanshu N. Rawal	12,500
3	Mrs. Vinaben B. Patel	10,000
4	Mr. Rajendrakumar C. Patel	12,500
5	Mr. Vinodkumar C. Desai [^]	2,500

Note:

[^] Mr. Vinodkumar C. Desai, Non-Executive Independent Director of the Company has resigned with effect from 1st January, 2021.

There were no pecuniary relationships 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 <http://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 Committee)

Minutes of proceedings of Committee meetings are circulated to the respective committee members and placed before Board meetings for noting.

Recommendation of the Committees have been duly accepted by the Board of Directors, wherever necessary, during the financial year 2020-2021.

Re-constitution of Committees

During the year 2020-2021, Mr. Vinodkumar C. Desai, Non-Executive Independent Director, ceased to be Member of Nomination and Remuneration Committee (NRC) and Stakeholders' Relationship Committee (SRC) due to his resignation as an Independent Director of the Company with effect from 1st January, 2021. Therefore, It was necessary to re-constitute NRC and SRC Committees of the Board to appoint one of the Independent Director of the Company as a Member in place of Mr. Vinodkumar C. Desai. The Board of Directors at their meeting held on 10th February, 2021 re-constituted NRC and SRC Committees by appointing Mrs. Vinaben B. Patel, who is an Independent Director of the Company, as a Member of NRC and SRC in place of Mr. Vinodkumar C. Desai w.e.f. 10th February, 2021.

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, 2021, 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 SEBI 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 M. Patel, who is a Company Secretary of the Company, is the Secretary to the Audit Committee.

The mandatory requirement of holding of Audit Committee Meeting of the Company within the prescribed interval provided in Regulation 18(2) of SEBI Listing Regulations is that the Members of Audit Committee shall meet at least four times a year, with a maximum time gap of one hundred and twenty days (120 days) between any two meetings.

During the financial year 2020-2021, 5 (Five) Audit Committee Meetings were held on 20th June, 2020, 1st August, 2020, 14th August, 2020, 11th November, 2020 and 10th February, 2021. The Audit Committee Meetings were generally held at the Factory (Works) of the Company situated at Rakanpur, Dist. Gandhinagar, Gujarat.

Audit Committee Meeting (Sr. No. 01/2020-21) of the Company held on 20th June, 2020 was held beyond 120 days from the date of last Audit Committee Meeting held on 8th February, 2020 (Sr. No. 06/2019-20) due to covid-19 pandemic, as holding Audit Committee Meetings of the Company within the prescribed interval provided in Regulation 18(2) of SEBI Listing Regulations, i.e. 120 days extended by a period of 60 days till next two quarters i.e. till 30th September, 2020 by the Securities and Exchange Board of India ("SEBI") vide its circular dated 19th March, 2020 and 26th June, 2020. For other Audit Committee Meetings held as above, the gap between two Audit Committee Meetings did not exceed 120 days as prescribed in the SEBI Listing Regulations as above.

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

There are no recommendations of the Audit Committee which have not been accepted by the Board. During the year, all recommendations made by the Audit Committee were accepted by the Board.

Attendance of Members at the Audit Committee Meeting are as under:

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

- Whole-time Directors, Managing Director 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 28th Annual General Meeting held on 28th September, 2020.

(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 SEBI 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, 2021, NRC Committee consists of 4 members, out of which, 3 are Independent Directors and 1 is Executive Director as under. Independent Director is the Chairman of NRC Committee. 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 14th August, 2020 and 10th February, 2021.

Attendance of Members at the NRC Committee Meeting are as under:

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Hareshkumar I. Shah	Chairman	Independent Director	2	2
Mr. Narayanbhai G. Patel	Member	Executive Director	2	2
Mr. Himanshu N. Rawal	Member	Independent Director	2	2
Mr. Vinodkumar C. Desai [^]	Member	Independent Director	1	1
Mrs. Vinaben B. Patel ^{&}	Member	Independent Director	N. A.	N. A.

Note:

[^] Mr. Vinodkumar C. Desai ceased to be Member of the Committee with effect from 1st January, 2021 due to his resignation.

[&] Mrs. Vinaben B. Patel was appointed as Member of the Committee with effect from 10th February, 2021.

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.

Mr. Nikhil M. 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.

Salient features of 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. <http://www.patelsairtemp.com>.

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):-

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.

(i) Composition of Committee and Meeting and Attendance:

As on 31st March, 2021, SRC Committee consists of 4 members, out of which, 3 are Independent Directors and 1 is 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 SEBI Listing Regulations and Section 178 of the Companies Act, 2013 and Rules made thereunder.

During the year under review, the Stakeholders Relationship Committee met on 10th February, 2021 for taking note of the following matters occurred during the financial year 2020-2021 i.e. from 1st April, 2020 to 31st March, 2021 related to Stakeholders :-

- Request/application from the Shareholders in respect of Transfer/ Transmission/Issue of Duplicate Certificate etc.
- Investors Grievances/Complaints
- Complaints from Stock Exchange, SEBI and other Government Authorities.
- Statement of Grievance Redressal Mechanism to BSE Ltd.
- Half yearly Disclosures to BSE Ltd.
- E-Voting facilities to the Shareholders of the Company
- Service Standards of Share Transfer Agent of the Company
- Transfer of unclaimed/unpaid Dividend amount to IEPF
- Transfer of shares to IEPF demat authority account

Attendance of Members at the SRC Committee 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. Narayanbhai G. Patel	Member	Executive Director	1	1
Mr. Himanshu N. Rawal	Member	Independent Director	1	1
Mr. Vinodkumar C. Desai [^]	Member	Independent Director	N. A.	N. A.
Mrs. Vinaben B. Patel ^{&}	Member	Independent Director	N. A.	N. A.

Note:

[^] Mr. Vinodkumar C. Desai ceased to be Member of the Committee with effect from 1st January, 2021 due to his resignation.

[&] Mrs. Vinaben B. Patel was appointed as Member of the Committee with effect from 10th February, 2021.

Mr. Nikhil M. Patel, who is a Company Secretary of the Company, is the Secretary to SRC 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 M. Patel, Company Secretary, as Compliance Officer of the Company pursuant to Regulation 6 of Listing Regulations.

(iv) Details of Shareholders complaints received / resolved / pending during the year:

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

Complaint as on 01/04/2020	Received during the year	Resolved during the year	Pending as on 31/03/2021
NIL	NIL	NIL	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, 2021.

(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 as on 31st March, 2021 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 Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 as amended ("CSR Rules") and in accordance with the CSR Policy, during the year 2020-2021, your Company had spent ₹ 25.51 Lakhs, i.e. more than two percent of the average net profits of the Company during the three immediately preceding financial years.

As per the amendment in the Companies (Corporate Social Responsibility Policy) Rules, 2014 by Ministry of Corporate Affairs (MCA), the Annual Report on CSR activities during the financial year 2020-2021 as required under the Rules has been annexed with Board's Report.

In this regard, Annual Report on CSR Activities included in Board's Report has been issued and signed by Mr. Narayanbhai G. Patel, Chairman & Whole-time Director and Mr. Hareshkumar I. Shah, Chairman of CSR Committee.

During the year under review, CSR Committee met 2 (two) times on 20th June, 2020 and 10th February, 2021. The presence of the members at the meeting are as under :-

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

The Chief Financial Officer (CFO) of the Company has issued Certificate that the full amount has been utilized and spent by the Company towards CSR activities as per CSR policy and as specified in Scheduled VII of the Companies Act, 2013 and as approved by CSR Committee and Board of Directors during the financial year 2020-2021.

(ii) Terms of reference :

The Committee formulates 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 programmes 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 M. Patel, who is a Company Secretary of the Company, is the Secretary to CSR Committee.

(iii) Corporate Social Responsibility Policy:

CSR Committee has formulated modified / revised CSR Policy in the line of amendment of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Section 135 of the Companies Act, 2015. The modified / revised CSR policy on the Corporate Social Responsibility measures to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 is available on the web-site of the Company i.e. <http://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)	No. of Special Resolution Passed
2019-2020 (28 th AGM)	28 th September, 2020 at 11:30 a.m.	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in compliance with the Circular Nos. 20/2020 dated 5 th May 2020, 14/2020 dated 8 th April 2020 and 17/2020 dated 13 th April 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular dated 12 th May 2020 issued by the Securities and Exchange Board of India (SEBI) and as per the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder.	3
2018-2019 (27 th AGM)	28 th September, 2019 at 10.00 a.m.	5 th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	8
2017-2018 (26 th AGM)	29 th September, 2018 at 10.00 a.m.	5 th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	6

Financial Year	Sr. No.	Particulars of Special Resolution
2019-2020	1	Re-appointment of Smt. Veenaben B. Patel (DIN: 07131341) as an Independent Woman Director of the Company for a second term of 5 years up to the conclusion of the 33 rd Annual General Meeting.
	2	Re-appointment of Mr. Narayanbhai G. Patel (DIN: 00023107) as Whole-time Director of the Company designated as "Chairman & Whole-time Director" for a further period of 3 years w.e.f. 20 th May, 2020 up to 19 th May, 2023 and payment of remuneration for the said period of 3 years.
	3	Re-appointment of Mr. Sanjiv N. Patel (DIN: 02794095) as Managing Director of the Company for a further period of 3 years w.e.f. 20 th May, 2020 up to 19 th May, 2023 and payment of remuneration for the said period of 3 years.
2018-2019	1	Re-appointment of Mr. Hareshkumar I. Shah (DIN : 00216585) as an Independent Director of the Company for a second term of 5 years from 30 th August, 2019 up to 29 th August, 2024.
	2	Re-appointment of Mr. Vinodkumar C. Desai (DIN : 02813402) as an Independent Director of the Company for a second term of 5 years from 30 th August, 2019 up to 29 th August, 2024.
	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. 2 nd August, 2019 up to 1 st August, 2022 and payment of remuneration for the said period of 3 years.
	4	Appointment of Mr. Shivang P. Patel (DIN: 08136652) as Whole-time Director of the Company for a period of 3 years w.e.f. 1 st June, 2019 up to 31 st May, 2022 and payment of remuneration for the said period of 3 years.
	5	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 29 th August, 2024.
	6	Increase in the borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013 up to ₹ 250 crores.
	7	Creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a) of the Companies Act, 2013.
	8	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 9 th August, 2024.
2017-2018	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 29thAGM, no resolution is proposed to be passed through Postal Ballot.

5. DISCLOSURES:-**(i) Related Party transactions:**

Policy on materiality of related party transactions and dealing with related party transactions has been uploaded on Company website <http://www.patelsairtemp.com>.

Transactions with related parties are disclosed in Note No. 31 of the Notes to the Standalone Financial Statements for the year ended on 31stMarch, 2021, in the Annual Report as required by the Indian Accounting Standard (Ind AS) 24 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 31stMarch, 2021, including omnibus approval for the transactions, which are repetitive in nature and also for the transactions which are not foreseen (subject to financial limit).

The Company has duly filed with BSE Ltd. half-yearly statement of Related Party Transactions ended on 31st March, 2020 and 30thSeptember, 2020 in accordance with applicable Indian Accounting Standards on a consolidated basis pursuant to Regulation 23(9) of SEBI Listing Regulations and uploaded the said details on Company's web-site <http://www.patelsairtemp.com>.

(ii) Conflict of interest

Senior Management Personnel of the Company have made disclosure to the effect confirming that there were no financial or commercial transactions entered into by the Company in which they or their relatives had any potential conflict of interest with the Company.

(iii) 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.

(iv) CEO/CFO Certification :

In terms of Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Managing Director and Chief Financial Officer (CFO) of the Company have furnished certificate on the financial statements (standalone & consolidated) and internal controls relating to financial reporting of the Company to the Board for the year ended on 31stMarch, 2021 and attached to this Report certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The Managing Director and Chief Financial Officer (CFO) also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of SEBI Listing Regulations.

(v) Details of Non-Compliance and penalties imposed by the Stock Exchange:

There was no non-compliance by the Company during the last three years.

During the financial year 2020-2021, the BSE Limited has imposed fine/penalty of ₹ 5,42,800/- [Basic fine ₹ 4,60,000/- + ₹ 82,800/- (GST @ 18%)] for non-compliance of provisions of Regulations 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) related to the composition of Board of Directors for the quarter ended on 31st December, 2020. The Company, without accepting the non-compliance and imposition of fine/penalty for alleged non-compliance of Regulations 17(1) of the SEBI LODR for the quarter ended on 31st December, 2020, the Company vide its letter dated 16th February, 2021, reply to the BSE Limited explain the reason that due to some technical error and fortuitously the selection of category from drop down list options was selected as "Non-Executive Nominee Director" in place of "Non-Executive Independent Director" for one of the Independent Director of the Company and requested to withdraw the fine/penalty levied on the Company. The BSE Limited, after examined the request letter of the Company, has not taken any action against the Company and withdraw fine / penalty vide its e-mail dated 2nd August, 2021.

Except of the above, there was no other penalties have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on the matter related to capital market during the last three year.

(vi) Management Discussion and Analysis Report:

Pursuant to Regulations 34(2)(e) read with Part B of Schedule V of the Listing Regulations, Management Discussion and Analysis (MDA) Report annexed after the Director's Report and form a part of this Annual Report.

(vii) Code of Conduct :

In compliance with Regulation 26(3) of SEBI Listing Regulations, 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, 2021. 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.

The Code of Business Conduct and Ethics for Directors and Senior Management Personnel of the Company and posted on the Company's website-<http://www.patelsairtemp.com>.

(viii) 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 <http://www.patelsairtemp.com>.

(ix) 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. <http://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.

The Directors and Senior Management Personnel of the Company have made Annual disclosures regarding their holdings and other details to maintain Digital Data Bank as per provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

During the financial year 2020-2021, the Company has complied with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders.

1. Initial Disclosure as per Regulation 7(1)(a) and 7(1)(b) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as and when required ;
2. Continual Disclosure as per Regulation 7(2)(a) and 7(2)(b) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as and when required;
3. Annual Disclosure as per Regulation 9(1) read with Point No. 14 of Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015;
4. Maintain Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as envisaged under SEBI (Prohibition of Insider Trading) Regulations, 2015 read with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018;
5. Follow the regulations of Code of Conduct of the Company as per the Policy of Code of Conduct of the Company;
6. Pre-clearance and Post-clearance procedure for buying and selling of shares of the Company by the Designated Persons of the Company;
7. Maintain details of member(s) of promoter group and designated person(s) in addition to the promoter(s) and director(s) of company and uploaded as per System Driven Disclosure (SDD) under Regulation 7(2) of PIT Regulations;
8. Intimation of Closure of Trading Window of Company for dealing in securities of the Company by all specified persons including Promoter and Promoter Group, Directors, Designated Persons including HODs, Employees, Auditors and their relatives and all connected persons, and also to BSE Limited and also uploaded on the website of the Company as and when required and comply with the provisions of Clause 4 of the Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015; and
9. Maintenance of structured digital data base of Designated Persons of the Company.

(x) No Disqualification Certificate from Company Secretary in Practice:

As required by Clause 10(i) of Part C under Schedule V and Regulation 34 of SEBI Listing Regulations, the Company has received a certificate from Practicing Company Secretary and attached here with certifying that none of the Directors on the Board of the Company for the financial year ended 31st March, 2021 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.

- (xi)** During the financial year 2020-2021, the quarterly/half yearly/yearly compliance reports have been duly submitted by the Company to BSE Ltd. as per various provisions of SEBI Listing Regulations / Depositories Act, 1996.

(xii) Share and security transfer formalities by the Company:

Pursuant to amendment in Regulation 40(1) of the Listing Regulations, effective from 1st April, 2019, no shares can transferred in physical mode and any request for transfer of shares shall be processed for shares held in dematerialised form only. This restriction shall not be applicable to the request received for transmission or transposition of physical shares. The Company had sent communication to the shareholders encouraging them to dematerialise their holdings in the Company. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

As per Regulation 40(9) of the Listing Regulations, the Company has obtained the half yearly certificates from the Company Secretary in Practice for compliance of share transfer formalities and the same have been submitted to the Stock Exchanges within stipulated time.

(xiii) Reconciliation of Share Capital Audit:

In terms of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, 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). This audit is carried out every quarter and the report thereon is submitted to stock exchange, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

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

The disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are given in the Board's Report.

(xv) Consolidated Fees paid to Statutory Auditors:

During the Financial Year 2020-2021, the Company has paid total fees of ₹ 2,26,500/-including statutory audit fees and for other services to M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company.

(xvi) Audit Qualification:

The Company is in the regime of unmodified opinions on financial statements.

(xvii) Wholly Owned Subsidiary:

The disclosures regarding Wholly Owned Subsidiary of the Company are given in the Board's Report.

(xviii) Amendment in existing policies of the Company:

During the financial year 2020-2021, the Board of Directors of the Company at their meeting held on 20th June, 2020 amended two existing policies namely Determination and disclosure of materiality of an event or information and Code of Conduct for Board Members and Senior Management Personnel of the Company, for fulfillment of various amendments made by SEBI in Listing Regulations from time to time.

6. MEANS OF COMMUNICATION, ANNUAL REPORT & WEBSITE OF THE COMPANY:-

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 as per SEBI Listing Regulations. These were published in the newspapers as per prescribed guidelines and uploaded on the website of the Company.

In pursuance of Regulation 33(3) read with Schedule V of SEBI Listing Regulations, the Company is maintaining its website <http://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 7198 Shareholders as on 31st March, 2021. The main channel of communication to the shareholders is through its website as mentioned above and Annual Report, which includes inter alia, the Director's Report along with all annexures, Management Discussions & Analysis Report, Report on Corporate Governance, Audited Financial Statements (Standalone & Consolidated), Auditors' Report, E-voting instructions, etc. The Annual Report is also posted on the website of the Company viz. <http://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: Centralized 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 I'd 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 (Standalone & Consolidated), Auditors' Report, E-voting instructions, 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 Private Limited 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) Day, Date & Time for 29th Annual General Meeting :-

Day & Date	:	Tuesday, 28 th September, 2021
Time	:	11:30 a.m. [Indian Standard Time ("IST")]
Venue	:	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

(ii) Financial Calendar (from 01/04/2021 to 31/03/2022) (Tentative) :

Results for quarter ended on 30/06/2021	On 10 th August, 2021
Results for quarter ending on 30/09/2021	On or before 14 th November, 2021
Results for quarter ending on 31/12/2021	On or before 14 th February, 2022
Audited Results for the year ending on 31/03/2022	On or before 30 th May, 2022
AGM for the year ending on 31/03/2022	On or before 30 th September, 2022

(iii) Book Closure Date(s) :

Book-closure shall be from 20th September, 2021 to 28th September, 2021 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2021.

(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, 2021, if approved and declared, will be paid within the prescribed time limit.

(v) Listing on Stock Exchange & Payment of fees :

Name of Stock Exchange	: BSE Limited
Address	: Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001
Stock Code Script Name	: 517417 PATELSAI
ISIN with NSDL & CDSL	: INE082C01024

Listing fees up to the Financial Year 2021-2022 has already been paid to the Stock Exchange. The Annual Custody/Issuer fee for the year 2021-2022 has also been paid by the Company to NSDL and CDSL.

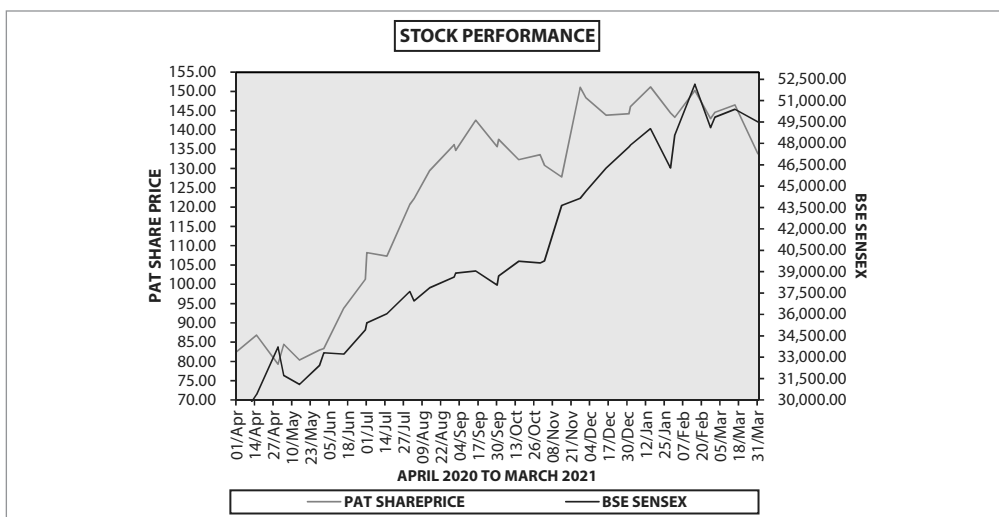
(vi) Corporate Identity Number (CIN) :

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

(vii) Stock Market Data and Share price performance in comparison to BSE Sensex based on share price on 31st March, 2021:

The monthly High, Low and Closing Price of Shares of the Company at BSE Limited, (BSE), during the financial year 2020-2021 and performance of the same in comparison to BSE Sensex are given below:

Months	Share price of the Company at BSE			BSE SENSEX		
	High	Low	Closing	High	Low	Closing
April, 2020	99.35	78.00	79.30	33,887.25	27,500.79	33,717.62
May, 2020	94.95	75.00	82.90	32,845.48	29,968.45	32,424.10
June, 2020	123.50	78.55	101.30	35,706.55	32,348.10	34,915.80
July, 2020	133.45	98.35	120.70	38,617.03	34,927.20	37,606.89
August, 2020	159.95	118.50	136.20	40,010.17	36,911.23	38,628.29
September, 2020	151.00	129.00	135.70	39,359.51	36,495.98	38,067.93
October, 2020	146.00	130.15	133.60	41,048.05	38,410.20	39,614.07
November, 2020	159.00	125.00	151.05	44,825.37	39,334.92	44,149.72
December, 20	156.50	130.00	144.20	47,896.97	44,118.10	47,751.33
January, 2021	160.00	141.20	144.40	50,184.01	46,160.46	46,285.77
February, 2021	169.70	139.05	142.95	52,516.76	46,433.65	49,099.99
March, 2021	152.70	133.00	133.85	51,821.84	48,236.35	49,509.15



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

In terms of SEBI Circulars dated 27th December, 2002 & 12th March, 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 Private Limited, Registrar and Share Transfer Agent of the Company as under instead of their Mumbai Office.

All Investors/ Shareholders are requested to contact at the above mention Ahmedabad Office of M/s. Bigshare Services Private Limited in addition to Mumbai Office.

Bigshare Services Private Limited	
Ahmedabad Office	Mumbai Office
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	Regd. Office : 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai – 400 059 Website :www.bigshareonline.com Tele. No. (022) 62638200

The Company has submitted to BSE Ltd. Compliance Certificate for half-yearly ended on 30th September, 2020 and 31st March, 2021 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.

(ix) Share Transfer System:

The transfer of shares in physical form is processed and completed by M/s. Bigshare Services Private Limited 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 are placed at quarterly Board meeting and Stakeholders' Relationship Committee.

Pursuant to Regulation 40(9) of SEBI 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.

(x) Shareholding Details:**(i) Distribution of Shareholding as on 31st March, 2021:**

No. of Equity Shares held	No. of Shareholders	% of total Shareholders	No. of Shares	% of Shareholding
1-500	6,437	89.43	682,765	13.47
501-1000	388	5.39	308,248	6.08
1001-2000	163	2.26	240,038	4.73
2001-3000	77	1.07	194,733	3.84
3001-4000	40	0.56	141,906	2.80
4001-5000	21	0.29	96,464	1.90
5001-10000	33	0.46	236,610	4.67
10001 & above	39	0.54	3,169,476	62.51
Total:	7,198	100.00	5,070,240	100.00

(ii) Categories of Shareholders as on 31stMarch, 2021:

Category of Shareholders	No. of Equity Shares held	Percentage of total paid-up capital
A : Promoters and Promoters Group :		
Promoters	7,77,946	15.34
Promoters' Relatives	1,61,000	3.18
Group Companies	14,31,954	28.24
HUFs	22,800	0.45
Total (A) :	23,93,700	47.21
B : Public :		
Bodies Corporate	42,475	0.84
NRIs	1,00,725	1.99
Clearing Members	15,820	0.31
Directors (other than Promoters as above)	2,079	0.04
IEPF	41,628	0.82
Indian Public	24,73,813	48.79
Total (B) :	26,76,540	52.79
Total (A+B)	50,70,240	100.00

(xi) 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 98.23 % of the total Equity Capital of the Company is held in demat form as on 31stMarch, 2021. 100 % shares held by the Promoters & Promoters' Group have been dematerialized.

(xii) Dividend History for last 14 years of the Company:

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 %)
2019-20	₹ 2.50 (25 %)
2020-21	₹ 2.50 (25 %) (Recommended)

(xiii) Plant Location(s):

The Company's plants/offices are located at:

Rakanpur Works	Dudhai Works	AC. Division Office:
Plot 805, 806,807, 810 Rakanpur, Via: Sola-Bhadaj Village, Ta: Kalol, Dist. Gandhinagar - 382722 Gujarat.	Survey No.100, Village : Dudhai, Taluka : Kadi, Dist. Mehsana, Gujarat.	5 th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009

Contact Person : Nikhil M. Patel, Company Secretary

Website: <http://www.patelairetemp.com>

(xiv) Nomination facility :

As per provisions of Section 72 of the Companies Act, 2013 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.

(xv) 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 Obligations 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 Key Managerial Personnel (KMP), have affirmed the compliance of Code of Business Conduct and Ethics of the Company during the financial year ended on 31st March, 2021 (2020-2021).

Place : Rakanpur, Dist. Gandhinagar
Date : 10th August, 2021

Narayanbhai G. Patel
Chairman & Whole-time Director

Sanjivkumar N. Patel
Managing Director

CEO AND CFO CERTIFICATION

To,
The Board of Directors
Patels Airtemp (India) Limited
Rakanpur, Dist: Gandhinagar

We, Mr. Sanjiv N. Patel, Managing 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 (Standalone & Consolidated) and Cash Flow Statement of Patels Airtemp (India) Limited for the year ended 31st March, 2021 and to the best of our knowledge and belief, we state that:
- (1) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) 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, 2021 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. We have indicated to the auditors and the Audit Committee
- (1) There has not been any significant change in internal control over financial reporting during the year under reference.
 - (2) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
 - (3) There are no instances 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.

Date : 19th June, 2021
Place : Rakanpur, Gandhinagar

Sanjivkumar N. Patel
Managing Director

Kamlesh R. Shah
Chief Financial Officer

Independent Auditor's Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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, 2021 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') as amended from time to time, 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, 2021. 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 and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, 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, 2021.

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.

SHAH & SHAH ASSOCIATES

Chartered Accountants
Firm Regn. No. 113742W

VASANT C.TANNA

PARTNER
Membership No. 100422

UDIN : 21100422AAAAIJ9720

Place : Ahmedabad.

Date : 10th August, 2021

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, 2021 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	Hareshkumar Ishwarlal Shah	00216585	29/10/2005
3	Sanjiv Narayanbhai Patel	02794095	30/09/2009
4	Himanshu Rawal	06631728	13/02/2016
5	Vinaben Bhupendra Patel	07131341	30/03/2015
6	Apurva Vinubhai Shah	08197983	11/08/2018
7	Shivang Prakashchandra Patel	08136652	01/06/2019
8	Rajendrakumar Chaturbhai Patel	06532676	10/08/2019
9	Narendra Gopalbhai Patel (Ceased to be Director w.e.f 08/02/2021 due to death).	00023205	01/08/2007
10	Vinodrai Desai (Ceased to be Director w.e.f 01/01/2021 due to resignation).	02813402	30/10/2009

Ensuring the eligibility for 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
UDIN: A026238C000378898

Date: 27th May, 2021
Place: Ahmedabad

ANNEXURE – D
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 during the financial year 2020-2021 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	(i) The Company has paid salary of ₹ 6,39,024/- to Mr. Mukund G. Patel, an employee of the Company and brother of Mr. Narendra G. Patel, who was Whole-time Director of the Company during the financial year ended on 31 st March, 2021.
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	(ii) Monthly service charges maximum upto ₹ 60,000/- and taxes, if any, to Mr. Amratbhai Patel, being the Contractor and Brother of Mrs. Vinaben 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 2020-2021.
e)	Justification for entering into such contracts or arrangements or transactions'	(iii) Salary of ₹ 60,000/- per month (Basic plus Compensate Allowance) with other benefits as per Rules of the Company to Smt. Aartiben P. Patel, Officer (HRD) of the Company and Mother of Mr. Shivang P. Patel, Whole-time Director of the Company during the financial year 2020-2021 . No amount was paid as advance to above Related Parties. The transactions have been approved by the Audit Committee and Board of Directors at their respective meetings held on 8 th February, 2020 and 14 th August, 2020. Since no material related party transactions were entered into by the Company, approval of Shareholders was not required.
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	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 31 st March, 2021 (2020-2021).
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, 2021 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 75% of conventional lights has been replaced with LED lights.

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 has generated 173,977 Units of Energy in F.Y. 2020-21. With installation of this plant, company is contributing significantly in CO2 emission reduction.

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

B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION:-

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

(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.

Along with development of product design and product manufacturing application, the Company in its tenure of 48+ years continuously upgraded quality and product system by acquiring world's most recognized system like ISO 9001-2015, ASME (U2, U, S-Stamps).

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

The Company has licensed software of ANSYS, CREO, Pvelite, and Nozzle Pro for product development.

The Company is having ISO 9001-2015 certification from TUV-SUD.

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

(2) Technology Absorption, Adaptation & Innovation

Updating of Technology is a Continuous process, which is absorbed 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 ₹ 216.30 Lakhs for Plant & Equipment to upgrade high tech equipment and to increase built up area. The Company has HTRI Membership agreement for Category - II for latest technology in Heat Transfer from U.S.A. To increase productivity, Company has invested in high tech Finning Machine. 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, 2021 (2020-2021) are as under :

CIF value of Imports : ₹ 1386.95 lacs as against ₹ 1152.75 lacs in previous year.

Expenditure in foreign currency : ₹ 323.40 lacs as against ₹ 314.48 lacs in previous year

Earning in foreign exchange : ₹ 6196.53 lacs as against ₹ 5093.08 lacs in previous year

Annexure – F

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Board of Directors has adopted a CSR Policy which lays down the guidelines for undertaking various CSR programmes for development and promotion of the society. The concept of CSR has gained prominence from all avenues. The Company believes that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, customers and society in which it operates and formulated CSR Policy. CSR means not only investment of funds for social activities but also integration of business process with social processes.

The policy also indicates the activities to be undertaken by the Company within the broad framework of Schedule VII of the Companies Act, 2013, as in force and as amended from time to time which includes promotion of education, promotion of healthcare, including preventive health care and sanitation and disaster management, environmental sustainability, Rural development project and such other activities and programs as per recommendation of the CSR committee from time to time.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Hareshkumar I. Shah	Chairman of Committee (Non-Executive Independent Director)	2	2
2.	Mr. Himanshu N. Rawal	Member of Committee (Non-Executive Independent Director)	2	2
3.	Mr. Narayanbhai G. Patel	Member of Committee (Executive Director)	2	2

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company:

Web-link for:-

- Composition of CSR Committee:- <https://www.patelairtemp.com/pdf/policies-and-code-of-conduct/composition-of-various-committees-of-board.pdf>
- CSR Policy and CSR Projects approved by the Board:- <https://www.patelairtemp.com/investors/policies-and-code-of-conduct/>

4. Provide the details of Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):- Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
-	-	NIL	NIL

6. Average net profit of the Company as per section 135(5) (financial year 2019-20, 2018-19 & 2017-18) :- ₹ 12,65,19,592/-

7. (a) Two percent of average net profit of the Company as per section 135(5) [Financial Year 2019-20, 2018-19 & 2017-18]:- ₹ 25,30,392/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- (c) Amount required to be set off for the financial year, if any: NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c) ₹ 25,30,392/-

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of Fund	Amount	Date of Transfer
25,51,000	Nil	-	-	Nil	-

(b) **Details of CSR amount spent against ongoing projects for the financial year:- Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
----- Not Applicable -----												

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:-**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation Through implementing agency	
				State	District			Name	CSR Registration Number
1.	Promoting rural development and health care	(x)	Yes	Gujarat	Umta, Gujarat	17,00,000	No	Apna Ghar Ashram, Umta, Gujarat	NA
2	Educational Trust & Skill Development Program	(ii)	Yes	Gujarat	Ahmedabad	8,51,000	No	Jan Sadhana Trust	NA
Total						25,51,000			

(d) **Amount spent in Administrative Overheads : ₹ NIL**

(e) **Amount spent on Impact Assessment, if applicable :- ₹ NIL**

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):- ₹ 25,51,000/-**

(g) Excess amount for set off, if any:-

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	25,30,392/-
(ii)	Total amount spent for the Financial Year	25,51,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	20,608/-
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	20,608/-

9. (a) Details of Unspent amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
--	--	NIL	--	--	NIL	--	--

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):- Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
----- Not Applicable -----								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(asset-wise details)

(a)	Date of creation or acquisition of capital asset(s).	Noon
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Nil
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):- Not Applicable

Date: 19th June, 2021

Place: Rakanpur, Gandhinagar

Sd/-
Narayanbhai G. Patel
Chairman & Whole-time Director
(DIN: 00023107)

Sd/-
Hareshkumar I. Shah
Chairman of CSR Committee
(DIN: 00216585)

Annexure – G
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[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, 2021.

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, 2021 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, 2021 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, 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;

However Company has made Overseas Direct Investment in the Wholly Owned Subsidiary (WOS) in USA namely “Patels Airtemp (USA) Inc” and necessary compliance of FEMA Laws in respect of same, is done by 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;

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:

- (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable, as the Company has not issued any shares during the year under review;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 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;
 - (e) 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;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies dealing with client - Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
 - (g) 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
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.
- (vi) We further report that having regard to the compliance system and process prevailing in the Company and on examination, on test-check basis, of the relevant documents and records thereof, the Company has complied with the provision of
- (1) Water (Prevention & Control of Pollution) Act 1974,
 - (2) The Air (Prevention & Control of Pollution) Act 1981,
 - (3) The Hazardous Wastes (Management & Handling) Rules 1989, as amended up to 2008,
 - (4) Noise Pollution (regulation & control) Rules 2000 as are specifically applicable to the Company.
2. 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 & Disclosures Requirements) Regulations, 2015 as amended from time to time.
3. 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: NIL

Note: BSE Limited has vide its e-mail dated 15/02/2021, levied the, fine for non-compliance of Regulation 17(1) of SEBI (LODR) regulations, 2015 in respect of composition of Board.

The said fine was levied due to misunderstanding occurred to BSE Limited, due to technical and typographical error in Corporate Governance report for the quarter ended on 31st December, 2020,

submitted to BSE Limited. For which company has submitted the proper reply with explanation and necessary documents and same was accepted by BSE Limited and there was no fine levied on the Company.

Further there is no non-compliance as to Regulation 17(1) is seen and company has duly complied with Regulation 17(1) SEBI (LODR) Regulations, 2015 throughout the year.

4. 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.
5. 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.
6. During the audit period, following events or actions having a major bearing on the company's affairs were carrying out:
 - 1) Re-appointment of Smt. Veenaben B. Patel (DIN : 07131341) as an Independent Woman Director of the Company for a second term of 5 years up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2025 in the 28th AGM held on 28th September, 2020.
 - 2) Re-appointment of Mr. Narayanbhai G. Patel (DIN: 00023107) of age more than 75 years as Whole-time Director of the Company designated as "Chairman & Whole-time Director" for a further period of 3 years w.e.f. 20th May, 2020 up to 19th May, 2023 and payment of remuneration for the said period of 3 years in the 28th AGM held on 28th September, 2020.
 - 3) Re-appointment of Mr. Sanjiv N. Patel (DIN:02794095) as Managing Director of the Company for a further period of 3 years w.e.f. 20th May, 2020 up to 19th May, 2023 and payment of remuneration for the said period of 3 years in the 28th AGM held on 28th September, 2020.

UDIN: A026238000623549

Date: 13th July, 2021

Place: Ahmedabad

Signature: Sd/-

Punit Santosh Kumar 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,
Navrangpura, Ahmedabad – 380009.

Dear Sir,

Our Secretarial Audit Report of even date for the Financial Year ended on 31st March, 2021 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.

UDIN: A026238000623549

Date: 13th July, 2021

Place: Ahmedabad

Signature: Sd/-

Punit Santosh Kumar Lath

Practicing Company Secretary

ACS No.: 26238, CoP No.: 11139

**Annexure - H
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 2020-21 (₹ in Lakhs)	Remuneration paid during the financial year 2019-20 (₹ in Lakhs)	Increase in Remuneration from previous year (₹ in Lakhs)	% Increase in the Remuneration of Directors, CFO & CS	Ratio/Times per Median of Employee Remuneration
1.	Narayanbhai G. Patel	Chairman & Whole-time Director	37.66	36.94	# Nil	Nil	10.28
2.	Narendra G. Patel*	Whole-time Director	34.29	36.85	# Nil	Nil	9.36
3.	Sanjiv N. Patel	Managing Director	36.74	36.85	# Nil	Nil	10.03
4.	Apurva V. Shah	Whole-time Director	28.84	29.18	# Nil	Nil	7.87
5.	Shivang P. Patel	Whole-time Director	38.49	31.59	# Nil	Nil	10.51
6.	Kamlesh R. Shah	Chief Financial Officer	11.20	10.86	0.34	3.13	3.06
7.	Nikhil M. Patel	Company Secretary	12.46	12.05	0.41	3.40	3.40

Note:

- * Mr. Narendra G. Patel ceased to be Whole-time Director (Executive Director) of the Company with effect from 8th February, 2021 due to his sad demise on 8th February, 2021.
- # The Company did not increase the remuneration of the Whole-time Directors and Managing Director during the F. Y. 2020-21 and the variation of Remuneration between 2020-21 and 2019-20 is due to perquisites & allowances paid to the said Directors.
- The Company does not pay any remuneration to the Independent Directors of the Company except sitting fees for attending Board Meetings.

(B) Median Remuneration for Financial Year 2020-2021 is ₹ 3.66 Lakhs.

(C) The Median Remuneration of employees in the Financial Year 2020-2021 decreased by 3.44% as compared to Financial Year 2019-2020. (Decreased due to increase/decrease in permanent employees in the Company during the year).

(D) The number of permanent employees on the rolls of Company: 163 employees

(E) 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 2020-2021, there are no exceptional circumstances for increase in the managerial remuneration.

- (F) Affirmation:** The Company affirms that the remuneration of the Whole-time Directors and Managing Director 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	81	10/06/1992	B.E. (Mechanical) M.E. (Air & Refr.)	37.66	55
2.	Narendra G. Patel*	Whole-time Director	63	21/06/1994	B.E. (Mechanical) D.B.M.	34.29	34
3.	Sanjiv N. Patel	Managing Director	49	30/09/2009	B.E. (Chemical) MBA (USA)	36.74	25
4.	Apurva V. Shah	Whole-time Director	58	11/08/2018	B.E. (Mechanical) P.G.D. in Air & Refr.	28.84	33
5.	Shivang P. Patel	Whole-time Director	29	01/06/2019	B.E. (Mechanical) MBA in Global Marketing, London, UK	38.49	7
6.	Saket S. Bhatt	Vice President (Marketing)	50	01/09/2013	B.E. (Mechanical)	17.53	25
7.	Nikhil M. Patel	Company Secretary	57	01/01/2016	B. Com, LLB, ACS	12.46	30
8.	Jatin N. Patel	Works Manager (Production- HE-PV)	50	19/02/2008	Diploma in Mechanical	12.17	25
9	Janak R. Patel	Manager (PGMNB)	42	12/02/2010	B.E. (Mechanical) MBA	12.03	20
10.	Kamlesh R. Shah	Chief Financial Officer (CFO)	71	09/01/1973	M. Com	11.20	48

Note:

- * Mr. Narendra G. Patel ceased to be Whole-time Director (Executive Director) of the Company with effect from 8th February, 2021 due to his sad demise on 8th February, 2021.

- (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, 2021, 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 notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone 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 standalone state of affairs (financial position) of the Company as at 31st March, 2021, and its standalone Profits (including other comprehensive income), standalone changes in equity and its standalone 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 and those charged with governance 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 statement of Cash Flow 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, 2021 taken on record by Board of Directors, none of the director is disqualified as on 31st March, 2021 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, 2021 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 has disclosed pending litigations which would impact its standalone financial statements.
- ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There 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
UDIN 21100422AAAAGD3582

Place: Ahmedabad.
Date : 19th June,2021

“Annexure A” to the Independent Auditors’ Report of even date on the Standalone Financial Statements of PATELS AIRTEMP (INDIA) LIMITED,

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2021:

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, except interest free long term unsecured loan given to its wholly owned subsidiary company.
 - (i) the terms and conditions of the grant of such loan is not prejudicial to the company’s interest ;
 - (ii) the principal repayment in respect of the said loan has been received as stipulated;
 - (iii) there is no overdue amount.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
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. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act, for the business activities carried out by the Company. Thus, reporting under clause 3 (vi) of the order is not applicable to the Company and hence not commented upon.
 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, duty of customs, Goods and Service tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - b) 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.
 - c) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, Goods & service tax and cess which have not been deposited on account of any dispute except in case of income tax, the details of which is as under:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Amount Demanded ₹ in Lakhs	Amount paid ₹ in Lakhs	Period to Which amount relates
Central Sales Tax Act,1956	Central Sales Tax, Interest & Penalty	Dy. Commissioner of Commercial Tax(Appeals)	4.38	0.46	2016-17
Income Tax Act,1961	Income Tax	Commissioner of Income Tax (Appeals)	6.47	--	2017-18

8. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank 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. According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule-V to the Companies Act,2013.
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 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
UDIN 21100422AAAAGD3582

Place: Ahmedabad.
Date : 19th June,2021

“Annexure B” to the Independent Auditors’ Report of even date on the Standalone Financial Statements of PATELS AIRTEMP (INDIA) LIMITED,

Referred to in paragraph 2(f) under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2021.

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, 2021 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 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 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 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, 2021, 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
UDIN 21100422AAAAGD3582

Place: Ahmedabad.
Date : 19th June,2021

STANDALONE BALANCE SHEET

 AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	As at 31 st March, 2021	As at 31 st March, 2020
	ASSETS			
1	Non-current assets			
a)	Property, plant and equipment	3(A)	4,254.11	3,334.94
b)	Capital work-in-progress		105.48	349.70
c)	Intangible assets	3(B)	17.98	14.00
d)	Financial Assets:			
	Investments	4	7.18	7.18
	Long term loans & advances	5	7.35	7.54
e)	Other non-current assets	6	26.73	80.49
			4,418.83	3,793.85
2)	Current assets			
a)	Inventories	7	10,328.65	10,145.77
b)	Financial Assets:			
(i)	Trade receivables	8	9,167.54	9,141.66
(ii)	Cash and cash equivalents	9	1,165.39	236.14
(iii)	Bank balances other than (ii) above	9	1,137.50	862.98
(iv)	Short term Loans & Advances	10	1,832.46	1,646.15
c)	Current tax assets (net)	11	0.12	22.10
d)	Other current assets	12	197.80	210.35
			23,829.46	22,265.15
	TOTAL ASSETS		28,248.29	26,059.00
	EQUITY & LIABILITIES :			
	EQUITY:			
a)	Equity Share capital	13	507.02	507.02
b)	Other Equity	14	9,443.06	8,446.94
			9,950.08	8,953.96
	LIABILITIES :			
1)	Non-Current Liabilities			
a)	Financial Liabilities:			
	Long Term Borrowings	15	1,442.53	1,334.89
b)	Long Term Provisions	16	35.25	31.61
c)	Deferred tax liabilities (Net)	17	161.83	163.77
			1,639.61	1,530.27
2)	Current liabilities			
a)	Financial Liabilities:			
(i)	Short Term Borrowings	18	4,932.19	3,127.85
(ii)	Trade payables:			
	Total outstanding dues of micro enterprises and small enterprises	19	1,529.01	1,542.92
	Total outstanding dues of creditors other than micro enterprises and small enterprises		4,351.09	4,875.57
			5,880.10	6,418.49
b)	Other current liabilities	20	5,776.75	6,009.73
c)	Short Term Provisions	21	69.56	18.70
			16,658.60	15,574.77
	TOTAL EQUITY AND LIABILITIES		28,248.29	26,059.00

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: 19th June, 2021

For and on behalf of the Board of Directors

Patels Airtemp (India) Limited
Narayanbhai G. Patel

Chairman & Whole Time Director

DIN:00023071

Kamlesh R. Shah

Chief Financial Officer

Place: Ahmedabad

 Date: 19th June, 2021

Sanjivkumar N. Patel

Managing Director

DIN:02794095

Nikhil M. Patel

Company Secretary

STANDALONE STATEMENT OF PROFIT & LOSSFOR THE YEAR ENDED ON 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Note No.	For the Year ended on 31 st March, 2021	For the Year ended on 31 st March, 2020
INCOME:			
Revenue from Operations	22	25,540.20	23,741.90
Other Income	23	64.02	187.81
Total Income		25,604.22	23,929.71
EXPENSES:			
Cost of Materials consumed	24	14,829.26	16,560.52
Purchases of traded goods	25	158.70	247.01
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	26	(368.91)	(2,554.00)
Employee benefits expense	27	1,202.48	1,043.28
Finance costs	28	798.10	723.51
Depreciation and amortization expense		329.44	289.00
Other expenses	29	7,113.04	6,141.52
Total Expenses		24,062.11	22,450.83
Profit Before Tax		1,542.11	1,478.88
Tax Expense:			
Current tax		397.00	381.00
Deferred tax (Credit)/Charge		2.75	(30.54)
(Excess)/Short Provision of Earlier Years		5.58	(2.10)
Total Tax Expenses		405.33	348.36
Net Profit for the year		1,136.78	1,130.52
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit Plan		(18.59)	(2.66)
Income tax relating to above item		4.68	0.67
Total Other Comprehensive Income/(Loss)		(13.91)	(1.99)
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income)/(Loss) for the year		1,122.87	1,128.53
Earnings per equity share (Face value of ₹10/- each)			
Basic & Diluted (₹)		22.42	22.30

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: 19th June, 2021

For and on behalf of the Board of Directors

Patels Airtemp (India) Limited**Narayanbhai G. Patel**

Chairman & Whole Time Director

DIN:00023071

Kamlesh R. Shah

Chief Financial Officer

Place: Ahmedabad

Date: 19th June, 2021**Sanjivkumar N. Patel**

Managing Director

DIN:02794095

Nikhil M. Patel

Company Secretary

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
A. Cash flow from operating activities		
Profit before extraordinary items and tax	1,542.11	1,478.88
Adjustments for:		
Depreciation and amortisation expense	329.44	289.00
(Profit) / loss on assets sold and discarded	2.04	0.78
Interest Paid	798.10	723.51
Interest income	(64.02)	(80.30)
Remeasurement of Defined Benefit Plan	(18.59)	(2.66)
Operating profit / (loss) before working capital changes	2,589.08	2,409.20
Changes in working capital:		
Inventories	(182.87)	(2,962.26)
Trade receivables	(25.88)	(2,661.66)
Short-term loans and advances	(186.30)	(1,060.82)
Other Non- current assets	11.57	100.61
Long term loans and advances	0.19	(7.54)
Other current assets	(261.97)	(80.75)
Trade payables	(538.39)	3,565.56
Other current liabilities	(232.98)	2,169.63
Short-term provisions	50.86	(8.39)
Long-term provisions	3.64	5.14
Cash generated from operations	1,226.95	1,468.72
Income tax paid (Net of refunds)	(380.59)	(363.67)
Net cash flow from operating activities (A)	846.35	1,105.05
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(971.13)	(1,755.05)
Amount of Investment made in a Subsidiary	-	(7.18)
Proceeds from sale of fixed assets	2.90	2.00
Interest Received	64.02	80.30
Net cash flow used in investing activities (B)	(904.21)	(1,679.93)
C. Cash flow from financing activities		
Net increase/(Decrease) in Long Term borrowings	107.63	337.15
Net increase/(Decrease) in working capital borrowings	1,804.34	(80.38)
Interest Paid	(798.10)	(723.51)
Dividend Paid (incl. Tax on dividends, if any)	(126.76)	(152.81)
Net cash flow used in Financing activities (C)	987.11	(619.56)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	929.25	(1,194.44)
Cash and cash equivalents at the beginning of the year	236.14	1,430.58
Cash and cash equivalents at the end of the year	1,165.39	236.14

Note: The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 Statement of Cash Flows.

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: 19th June, 2021

For and on behalf of the Board of Directors
Patels Airtemp (India) Limited

Narayanbhai G. Patel
Chairman & Whole Time Director
DIN:00023071

Kamlesh R. Shah
Chief Financial Officer
Place: Ahmedabad
Date: 19th June, 2021

Sanjivkumar N. Patel
Managing Director
DIN:02794095

Nikhil M. Patel
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITYFOR THE YEAR ENDED ON 31ST MARCH, 2021**A) EQUITY SHARE CAPITAL**

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance at the beginning of the reporting year	507.02	507.02
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	507.02	507.02

B) OTHER EQUITY

(₹ in Lakhs)

Particulars	Capital Investment Subsidy	General Reserve	Retained Earnings	Total
Balance as of April 1, 2019	15.00	815.00	6,641.23	7,471.23
Net Profit for the year			1,130.52	1,130.52
Items of Other Comprehensive income for the year, net of tax				
Remeasurement benefit of defined benefit plans (Net of Tax)	-	-	(1.99)	(1.99)
Dividend	-	-	(126.76)	(126.76)
Income Tax on Dividend	-	-	(26.06)	(26.06)
Balance as of March 31, 2020	15.00	815.00	7,617.94	8,446.94
Net Profit for the year	-	-	1,136.78	1,136.78
Items of Other Comprehensive income for the year, net of tax				
Remeasurement benefit of defined benefit plans (Net of Tax)	-	-	(13.91)	(13.91)
Dividend	-	-	(126.76)	(126.76)
Balance as of March 31, 2021	15.00	815.00	8,614.06	9,443.06

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: 19th June, 2021

For and on behalf of the Board of Directors

Patels Airtemp (India) Limited**Narayanbhai G. Patel**

Chairman & Whole Time Director

DIN:00023071

Kamlesh R. Shah

Chief Financial Officer

Place: Ahmedabad

Date: 19th June, 2021**Sanjivkumar N. Patel**

Managing Director

DIN:02794095

Nikhil M. 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. The Company is also having a wholly owned subsidiary company Patels Airtemp (USA) Inc; in USA.

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, including rules notified under the relevant provisions of companies Act, 2013.

(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.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

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

(d) INTANGIBLE ASSETS:

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

(e) REVENUE RECOGNITION:

- i) The Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

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.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

(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) CASHFLOW 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.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

- iii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
- iv) Trade Payables represent liabilities for goods and services provided to the Company upto to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially and subsequently measured at amortized cost.
- v) Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(k) FAIR VALUE MEASUREMENT:

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

(l) FOREIGN CURRENCY TRANSACTIONS:

- i) The Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency and all values are rounded to the nearest Lakhs (00,000) except otherwise indicated.
- 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.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

- 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)

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

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.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

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 31 st March 2019	26.42	721.47	2,852.30	196.53	139.48	515.69	82.27	69.71	73.17	4,677.04
Addition	741.36	38.99	536.10	39.51	17.00	9.58	7.22	8.42	-	1,398.18
Disposal / Adjustments						8.88				8.88
As at 31 st March 2020	767.79	760.46	3,388.40	236.04	156.47	516.39	89.50	78.13	73.17	6,066.34
Addition	74.71	746.96	234.59	106.15	9.44	19.12	19.91	0.53	34.13	1,245.53
Disposal / Adjustments			18.28							18.28
As at 31 st March 2021	842.50	1,507.42	3,604.70	342.19	165.91	535.51	109.41	78.66	107.30	7,293.59
Accumulated Depreciation										
As at 31 st March 2019	-	287.21	1,562.14	93.61	75.99	272.83	55.88	55.77	50.37	2,453.80
Charge for the year	-	30.83	154.23	16.00	10.26	48.97	6.70	6.52	10.20	283.70
Disposal / Adjustments						6.10				6.10
As at 31 st March 2020	-	318.04	1,716.38	109.61	86.25	315.69	62.57	62.30	60.56	2,731.40
Charge for the year	-	38.25	180.05	19.10	10.69	47.76	8.00	6.05	11.53	321.42
Disposal / Adjustments			13.35							13.35
As at 31 st March 2021	-	356.29	1,883.08	128.71	96.93	363.45	70.57	68.35	72.09	3,039.47
Net Carrying Value										
As at 31 st March 2020	767.79	442.42	1,672.02	126.43	70.23	200.70	26.92	15.83	12.61	3,334.94
As at 31 st March 2021	842.50	1,151.12	1,721.62	213.48	68.98	172.06	38.83	10.31	35.20	4,254.11

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS
3 (B) INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Goodwill	Technical Knowhow	Computer Software	Total
Gross Carrying Value				
As at 31st March 2019	0.37	43.65	71.35	115.36
Addition			7.18	7.18
Disposal / Adjustments				
As at 31st March 2020	0.37	43.65	78.52	122.54
Addition			12.00	12.00
Disposal / Adjustments				
As at 31st March 2021	0.37	43.65	90.52	134.54
Accumulated Amortization				
As at 31st March 2019	-	43.65	59.60	103.25
Charge for the year		-	5.29	5.29
Disposal / Adjustments				
As at 31st March 2020	-	43.65	64.90	108.54
Charge for the year		-	8.02	8.02
Disposal / Adjustments				
As at 31st March 2021	-	43.65	72.92	116.56
Net Carrying Value				
As at 31st March 2020	0.37	-	13.63	14.00
As at 31st March 2021	0.37	-	17.61	17.98

4 INVESTMENTS (Non Current)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Investment in Equity instruments		
in a Subsidiary Company, Unquoted (Measured at Amortised Cost):		
10,00,000 Shares of Patels Airtemp (USA) Inc. of \$ 0.01 each	7.18	7.18
Investment in Equity instruments-quoted (Measured at FVTPL):		
14,000 Shares of M/s. Gujarat State Financial Corporation of ₹10/- each	2.80	2.80
Less: Provision for diminution in the value of Investments	2.80	2.80
	-	-
Total	7.18	7.18
Aggregate amount of unquoted investments	7.18	7.18

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS**5 LONG TERM LOANS & ADVANCES**

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
(Unsecured, Considered good)		
Loan to Patels Airtemp (USA) Inc. (A Subsidiary Company)	7.35	7.54
Total	7.35	7.54

6 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
Capital Advances	18.24	60.43
Security Deposits	8.50	20.07
Total	26.73	80.49

7 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
Raw Materials	2,369.49	2,549.13
Work In Progress	7,661.91	7,044.45
Tools and Spares	19.84	26.24
Finished Goods	249.79	512.02
Traded goods	27.61	13.93
Total	10,328.65	10,145.77

8 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
Trade Receivables-Unsecured, Considered Good	9,167.54	9,141.66
Total	9,167.54	9,141.66

9 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
Balances with banks		
(i) In current accounts	404.26	111.22
(ii) In deposit accounts (incl. Margin Money deposits)	1,137.50	862.98
(iii) Other Earmarked accounts		
- Unpaid dividend accounts	14.58	15.03
(iv) In EEFC Account	741.74	103.64
Cash on hand	4.81	6.24
Total	2,302.89	1,099.12

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

10 SHORT TERM LOANS & ADVANCES

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	352.45	583.31
Balance with government authorities	1,480.01	1,062.84
Total	1,832.46	1,646.15

11 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Advance Income Tax & TDS (Net of Provision for taxation)	0.12	22.10
Total	0.12	22.10

12 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Prepaid expense	52.29	51.82
Export Incentives Receivable	117.71	144.92
Other Receivable	7.62	6.51
Interest accrued on deposits	20.19	7.10
Total	197.80	210.35

13 EQUITY SHARE CAPITAL

Particulars	As At 31 st March, 2021		As At 31 st March, 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorized Share Capital	70,00,000	700	70,00,000	700
Issued, Subscribed & Paid up share capital	50,70,240	507.02	50,70,240	507.02
Total	50,70,240	507.02	50,70,240	507.02

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

Equity Shares

Particulars	As At 31 st March, 2021		As At 31 st March, 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
At the beginning of the period	50,70,240	507.02	50,70,240	507.02
Issued during the period				
Outstanding at the end of the period	50,70,240	507.02	50,70,240	507.02

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

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/Company	As At 31 st March, 2021		As At 31 st March, 2020	
	No. of Shares held	%	No. of Shares held	%
Names of person holding more than 5% shares				
Thermflow Engineers Private Limited	13,62,512	26.87	13,62,512	26.87
Devidas Chelaram Narumalani	2,90,145	5.72	2,90,145	5.72
Narendrabhai Gopalbhai Patel *	35,301	0.70	3,03,801	5.99
Rashmika Narendra Patel	2,75,025	5.42	6,525	0.13

* 35301 Equity Shares of Mr. Narendrabhai G. Patel are subject to transmission, due to sad demise of Mr. Narendrabhai G. Patel on 8th February, 2021.

14 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
General Reserves		
Balance as per last balance sheet	815.00	815.00
Capital Subsidy		
Balance as per last balance sheet	15.00	15.00
Surplus in Statement of Profit & Loss		
Balance as per last balance sheet	7,616.94	6,641.23
Net Profit for the year	1,136.78	1,130.52
Items of Other Comprehensive Income for the year (Net of tax)		
Remeasurement of defined benefit Plan	(13.91)	(1.99)
Appropriations:		
Dividend	126.76	126.76
Income Tax on Dividend	-	26.06
Total	9,443.06	8,446.94

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

15 LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
Unsecured Loans from related parties		
From Directors	571.03	544.89
From Relatives of Directors	871.50	790.00
Total	1,442.53	1,334.89

16 LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
Provision for Employee Benefits	35.25	31.61
Total	35.25	31.61

17 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
(a) Deferred tax Liabilities:		
Difference between book and tax block	195.32	183.25
	195.32	183.25
(b) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	20.85	11.52
Remeasurement benefit of the defined benefit plans through OCI	12.64	7.96
	33.49	19.48
Deferred Tax Liabilities (Net)	161.83	163.77

18 SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
Secured Loans :		
Working capital facilities from Banks (Refer Note below)	4,932.19	3,127.85
Total	4,932.19	3,127.85

Note:

Working Capital facilities from Banks is secured by way of hypothecation of raw-materials, stores and spares, work-in-progress, finished goods and book debts of the company both present and future and first pari passu charge on plant & machinery, other movable assets of the company as well as further secured by way of equitable mortgage of Plot No. 805, 806, 807, 810 and 811 at Rakanpur, Tal. Kalol, Dist. Gandhinagar and Land & factory Building situated at New amalgamated survey No.100 (Survey No. 100, 101, 102, 103 and 105) mouje Dudhai, Tal. Kadi, Dist. Mehsana as well as Lien over FDR of ₹59.00 Lakhs as collateral security and is further secured by personal guarantee of (a) Mr. Narayanbhai G. Patel (b) Mr. Narendra G. Patel (c) Mr. Sanjiv N. Patel and (d) Mr. Shivang P. Patel, directors of the company.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS**19 TRADE PAYABLES**

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2021	31 st March, 2020
Total outstanding dues of micro enterprises and small enterprises (Refer Note No 37)	1,529.01	1,542.92
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,351.09	4,875.57
Total	5,880.10	6,418.49

20 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2021	31 st March, 2020
Advance Received from Customers	5,683.14	5,894.77
Creditors for capital expenditure	38.58	52.91
Statutory Remittances	40.45	47.03
Unclaimed Dividend	14.58	15.03
Total	5,776.75	6,009.73

21 SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2021	31 st March, 2020
Provision for Employee Benefits	69.56	18.70
Total	69.56	18.70

22 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the	For the
	Year ended	Year ended
	31 st March, 2021	31 st March, 2020
Sale of products		
Domestic	18,756.59	18,133.99
Export	6,196.53	5,093.08
	24,953.12	23,227.08
Sale of Services	138.27	139.11
Other Operating Revenue (incl.export incentives)	448.81	375.71
Total	25,540.20	23,741.90

23 OTHER INCOME

(₹ in Lakhs)

Particulars	For the	For the
	Year ended	Year ended
	31 st March, 2021	31 st March, 2020
Interest received	64.02	80.30
Foreign Exchange Rate Difference (Net)	-	103.09
Miscellaneous Income	-	4.42
Total	64.02	187.81

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

24 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Stocks of Raw materials at the beginning of the year	2,549.13	2,135.04
Add: Purchases during the year	14,649.62	16,974.61
	17,198.75	19,109.65
Less: Stocks of Raw materials at the end of the year	2,369.49	2,549.13
Total	14,829.26	16,560.52

25 PURCHASE OF TRADED GOODS

(₹ in Lakhs)

Particulars	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Purchase of traded goods- Window & Split AC & Accessories	158.70	247.01
Total	158.70	247.01

26 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE & WORK-IN-PROCESS

(₹ in Lakhs)

Particulars	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Closing Inventories		
Work -in-Process	7,661.91	7,044.45
Finished Goods	249.79	512.02
Stock-in-trade	27.61	13.93
	7,939.31	7,570.40
Opening Inventory		
Work -in-Process	7,044.45	4,994.54
Finished Goods	512.02	-
Stock-in-trade	13.93	21.86
	7,570.40	5,016.40
Total	(368.91)	(2,554.00)

27 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Salaries, wages and allowances	1,106.22	943.67
Contributions to Provident Fund and other Funds	68.70	64.27
Staff welfare expenses	27.55	35.34
Total	1,202.48	1,043.28

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS**28 FINANCE COSTS**

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Interest Expense	566.12	453.79
Other borrowing costs	231.98	269.71
Total	798.10	723.51

29 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Rates and taxes	13.87	15.60
Insurance	21.48	7.61
Power and Fuel	189.35	206.42
Consumption of Stores , Spares & Tools	876.68	730.25
Consumption of Packing Materials	102.32	80.38
Labour Charges	2,716.79	2,605.88
Testing & Inspection charges	290.92	323.29
Repairs to Buildings	19.29	15.73
Repairs to Machinery	219.08	192.04
Repairs to Others	29.72	31.50
Printing and stationery	33.55	30.51
Communication Expenses	37.45	29.69
Travelling and conveyance	114.20	165.12
Legal and professional fees	409.73	257.76
Payments to auditors*	2.27	3.00
Freight and forwarding Charges	963.31	652.30
Commission expenses	40.14	41.53
Business Promotion Expenses	3.66	7.55
Expenditure incurred towards Corporate Social Responsibility (Refer Note-35)	25.51	23.62
Foreign Exchange Rate Difference (Net)	20.62	-
Late Delivery Charges /Liquidated damages	651.71	355.44
Bad debts written off	52.45	145.26
Loss on sale of fixed assets (Net)	2.04	0.78
General Charges	276.91	220.28
Total Other Expenses	7,113.04	6,141.52

(₹ in Lakhs)

* Particulars of Auditor's Remuneration	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Statutory audit	2.00	2.00
For Taxation matters	-	0.90
Certification fees & Other Services	0.16	0.08
Reimbursement of Expenses	0.11	0.02
Total	2.27	3.00

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

30. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS NOT PROVIDED FOR:

a) Contingent Liabilities

(₹ in Lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Outstanding Bank Guarantees	8,068.20	6,113.00
Outstanding Foreign Bank Guarantees	US\$ 20,24,465.90	US\$ 15,45,527.00
Outstanding Inland/Foreign LC	3.38	NIL
Disputed Income Tax demand for completed assessment	6.47	6.47
Disputed Tax Demand under Central Sales Tax/ Goods & Service Tax	7.52	--

b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account [net of advances] and not provided for ₹ NIL (P.Y ₹ 32.30 Lakhs)

31. RELATED PARTY INFORMATION

The company has transactions with following related parties

a) Subsidiary Company	Patels Airtemp USA Inc. (WOS)
b) Entities where control exists	Thermflow Engineers Pvt. Ltd. Shiv Fintrade LLP
c) Key Management Personal (KMP)	Narayanbhai G. Patel Sanjeevkumar N. Patel Narendrabhai G. Patel (upto 8.2.2021) Apurva V. Shah Shivang P.Patel Kamlesh R. Shah (CFO) Nikhil M. Patel (CS)
d) Relative of Key Managerial Person (KMP)	Sitaben N. Patel Prakashbhai N. Patel Aarti P. Patel Jalpa S. Patel Narayanbhai G Patel HUF Prakashbhai N. Patel HUF Sanjeevkumar N. Patel HUF Mukundbhai G Patel Rashmika N. Patel

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

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 Lakhs)	Balance at the end of the year (₹ in Lakhs)
Narayanbhai G. Patel	Chairman & Whole Time Director (KMP)	Managerial Remuneration	37.00 (36.94)	233.15 (181.90)
		Interest	22.83 (18.47)	
		Loan taken	77.00 (35.00)	
		Loan Repaid	25.75 (17.00)	
Prakashbhai N. Patel	Relative of Key Managerial Person	Interest	NIL (NIL)	NIL (NIL)
		Loan taken	NIL (NIL)	
		Loan Repaid	NIL (36.35)	
Sanjeevkumar N. Patel	Managing Director (KMP)	Managerial Remuneration	36.08 (36.85)	258.73 (218.34)
		Interest	26.77 (29.90)	
		Loan taken	47.15 (79.05)	
		Loan Repaid	6.76 (105.70)	
Narendrabhai G. Patel	Whole-Time Director (Upto 7/2/2021)	Managerial Remuneration	30.69 (36.85)	NIL (75.00)
		Loan taken	NIL (35.00)	
		Loan Repaid	75.00 (NIL)	
		Interest	7.44 (6.14)	
Sitaben N. Patel	Relative of Key Managerial Personnel	Loan taken	16.00 (22.00)	156.35 (141.35)
		Loan Repaid	1.00 (NIL)	
		Interest	16.41 (14.62)	
Shivang P. Patel	Whole-Time Director (KMP)	Loan taken	25.50 (26.90)	79.15 (69.65)
		Loan Repaid	16.00 (10.00)	
		Interest	8.88 (6.97)	
		Managerial Remuneration	37.83 (34.84)	

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (₹ in Lakhs)	Balance at the end of the year (₹ in Lakhs)
Aarti P. Patel	Relative of Key Managerial Personnel	Loan taken	41.50 (164.35)	303.60 (262.10)
		Loan Repaid	NIL (11.00)	
		Interest	34.76 (28.18)	
		Remuneration	4.55 (NIL)	
		Gratuity Paid*	20.00 (NIL)	
Jalpa S. Patel	Relative of Key Managerial Personnel	Loan taken	26.95 (101.00)	130.30 (103.35)
		Loan Repaid	NIL (NIL)	
		Interest	13.08 (1.73)	
Rashmika N. Patel	Relative of Key Managerial Person	Gratuity Paid#	20.00 (NIL)	NIL (NIL)
Narayanbhai G. Patel HUF	Director is Karta of HUF	Loan taken	NIL (2.70)	11.02 (11.02)
		Interest	1.21 (1.09)	
Prakashbhai N. Patel HUF	Relative is Karta of HUF	Loan taken	0.10 (40.75)	92.85 (92.95)
		Interest	10.22 (9.85)	
Sanjeevkumar N. Patel HUF	Director is Karta of HUF	Loan taken	NIL (12.75)	177.38 (179.23)
		Loan Repaid	1.85 (2.30)	
		Interest	19.70 (19.60)	
Mukundbhai G. Patel	Relative of the Director	Remuneration	6.39 (6.34)	- (-)
Apurva V. Shah	Whole-Time Director (KMP)	Managerial Remuneration	28.38 (29.18)	- (-)
Kamlesh R. Shah	Chief Financial Officer	Remuneration	11.15 (10.87)	- (-)
Nikhil M. Patel	Company Secretary	Remuneration	12.43 (12.05)	- (-)
Thermflow Engineers Pvt.Ltd.	Entities where control exists	Rent Income	0.18 (0.18)	NIL (0.06)
Shiv Fintrade LLP	Entities where control exists	Rent Income	0.18 (0.18)	NIL (0.15)
Patels Airtemp USA Inc.	Wholly-Owned Subsidiary	Loans Given	NIL (7.54)	7.35 (7.54)
Patels Airtemp USA Inc.	Wholly-Owned Subsidiary	Investment	NIL (7.18)	7.18 (7.18)

*Gratuity paid as legal heir of Late Shri Prakash N. Patel, Managing Director of the company expired on 15th February, 2019 along with Interest of Rs. 4.04 Lakhs

#Gratuity paid as legal heir of Late Shri Narendrabhai G. Patel, Whole-Time Director of the company, who expired on 8th February, 2021.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

32. 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

(₹ in Lakhs)

Particulars	For the year ended on 31 st March, 2021	For the year ended on 31 st March, 2020
Within India	18,756.59	18,133.99
Canada	1,058.37	1,655.43
Nigeria	4,328.47	3,092.31
Indonesia	1.98	26.70
Philippines	--	49.84
USA	124.33	--
United Kingdom	313.65	268.81
Soudi Arabia	369.73	--
Total	24,953.12	23,227.08

33. EARNING PER SHARE

(₹ in Lakhs)

Particulars	for the year ended on 31 st March, 2021	for the year ended on 31 st March, 2020
Net Profit for the year before other Comprehensive Income	1,136.79	1,130.52
Number of Equity Shares	5,070,240	5,070,240
Basic & Diluted Earnings per Share (Price per share ₹ 10)	₹ 22.42	₹ 22.30

34. 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.

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

36. CORPORATE SOCIAL RESPONSIBILITY

(a) Gross amount required to be spent by the company during the year ₹ 25.30/- Lakhs (Previous year ₹ 23.62/- Lakhs)

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

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

		In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	- (-)	- (-)	- (-)
(ii)	On purposes other than (i) above	25.51 (23.62)	NIL (NIL)	25.51 (23.62)

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

(₹ in Lakhs)

Particulars	2020 – 21	2019 – 20
The Principal Amount	1,529.01	1,542.92
Interest Paid under MSMED Act, 2006	--	--
Interest due (Other than 23.3 (b))	--	--
Interest accrued and unpaid	--	--
Interest due and payable till actual payment	--	--

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company.

38. 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:

(₹ in Lakhs)

Particulars	2020 – 21	2019 – 20
Employer's Contribution to Provident Fund	41.07	39.33

- 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 mark to market value of the assets depending on the duration of asset.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

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) Changes in the Present Value of Projected Benefit Obligation

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Opening defined benefit obligation	134.28	114.98
Current Service Cost	14.49	11.20
Past Service Cost	84.25	--
Interest Cost	9.18	8.96
Actuarial losses/(gains) due to change in Financial Assumptions	(1.49)	11.59
Actuarial losses/(gains) due to experience	20.08	(8.47)
Losses (gains) on curtailments	--	--
Liabilities extinguished on settlements	--	--
Benefits Paid Directly by Employer	(50.00)	--
Benefits paid from the Fund	(5.53)	(3.97)
Closing defined benefit obligation	205.26	134.28

(vi) Changes in Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Opening fair value of plan assets	120.93	93.46
Interest Income	8.27	7.28
Return on plan assets excluding Interest Income	0.00	0.45
Assets distributed on settlements	--	--
Contributions by employer	20.58	23.70
Benefits paid	(5.53)	(3.97)
Closing balance of fair value of plan assets	144.25	120.93

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

(vii) Amount Recognized in Balance Sheet

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Present value of Defined Benefit Obligation at the end of the year	(205.26)	(134.28)
Fair value of Plan Assets at the end of the year	144.25	120.93
Funded Status Surplus/(Deficit)	(61.01)	(13.35)
Net (Liability)/Assets recognized in the Balance sheet	(61.01)	(13.35)

(viii) Expenses Recognized in Statement of Profit or Loss for Current period:

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Current Service Cost	14.49	11.20
Net Interest Cost	0.91	1.67
Past Service Cost	84.25	--
Expected Contribution by the Employees	--	--
(Gains)/Losses on curtailments and settlements	--	--
Expenses Recognized in Statement of Profit & Loss	99.65	12.87

(ix) Expenses Recognized in the Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Actuarial (Gains)/Losses on Obligations for the period	18.59	3.12
Return on Plan Assets, excluding interest income	(0.00)	(0.45)
Net Expenses for the period Recognized in OCI	18.59	2.67

(x) Sensitivity Analysis of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Projected Benefit Obligation on Current Assumptions	205.26	134.28
Delta Effect of +1% Change in Rate of Discounting	(15.12)	(12.15)
Delta Effect of -1% Change in Rate of Discounting	17.96	14.44
Delta Effect of +1% Change in Rate of Salary Increase	16.37	14.27
Delta Effect of -1% Change in Rate of Salary Increase	(14.08)	(12.24)
Delta Effect of +1% Change in Rate of Employee Turnover	0.07	(0.39)
Delta Effect of -1% Change in Rate of Employee Turnover	(0.11)	0.42

Sensitivities have been calculated to show the movement in Defined Benefit Obligation in isolation and assuming there are no other changes in market conditions at the accounting date.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

(xi) Actuarial Assumptions:

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Expected Return on Plan Assets	6.84%	7.79%
Rate of Discounting	6.84%	7.79%
Rate of Salary Increase	7.00%	7.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

(xii) The above details are certified by the actuary M/s. K.A. Pandit Consultants & Actuaries.

39. The company has taken into account the possible impacts of COVID 19 in preparation of financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue and on costs. The company has been able to effectively manage the operations till now with appropriate safety precautions without any significant impact of COVID 19 on the business. The actual impact of the COVID 19 may be different, depending on how the situation evolves globally. The company will continue to closely monitor future economic conditions to ensure business continuity.

40. Particulars in respect of loan to related parties and investment in subsidiaries as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(a) Particulars in respect of loans and advances in the nature of loan given to subsidiary:

(₹ in Lakhs)

Sl. No.	Name of the Entity	As at 31.03.2021	As at 31.03.2020	Nature of Loans/ Deposits	Purpose for which loan is proposed to be utilized by recipient
1.	Patels Airtemp (USA) Inc;	7.35	7.54	Inter-Corporate Loan	Working Capital

(b) Particulars in respect of Investments in a subsidiary:

(₹ in Lakhs)

Sl. No.	Name of the Entity	As at 31.03.2021	As at 31.03.2020
1.	Patels Airtemp (USA) Inc;	7.18	7.18

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

41 Income taxes

A Income taxes recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Current tax		
In respect of the current year	397.00	381.00
(Excess)/Short provision for tax of earlier years	5.58	(2.10)
	402.58	378.90
Deferred tax(credit) /Charged	2.75	(30.54)
Total income tax expense recognised in respect of continuing operations	405.33	348.36

B Tax reconciliation

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Profit before taxes	1,542.11	1,478.88
Enacted tax rate in India*	25.168%	25.168%
Expected income tax (benefit)/expense at statutory tax rate	388.12	372.20
Effect of:		
Diffrence in Depreciation for the year as per books and as per Income tax	(12.07)	4.63
Timing difference of amounts deductible on actual payment (Net)	9.33	0.11
Tax effect on non -deductible expenses	7.35	4.09
Reversal of deferred tax liability on account of changes in tax rates from 29.12% to 25.168% (Effective 1 st April,2019)	-	(26.46)
Others	7.02	(4.11)
Adjustments for current tax of prior years	5.58	(2.10)
Income taxes recognised in the Statement of Profit and Loss	405.33	348.36

* The tax rate of 25.168% used for the FY 2020-21 and FY 2019-20 reconciliations above payable by corporate entities in India on taxable profit under the Indian tax law.

C Income Tax Recognised in Other Comprehensive Income:

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	4.68	0.67
Total income tax asset/(liability) recognised in other comprehensive income	4.68	0.67
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	4.68	0.67
Income tax asset/(liability) recognised in other comprehensive income	4.68	0.67

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS**D Components of Deferred Tax (charge)/benefit for the year**

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Depreciation and amortisation	12.07	7.88
Disallowances of employee benefits u/s. 43B of the Income Tax	(9.33)	(3.80)
Reduction of liability on account of changes in effective tax rate (refer Note 38)	-	26.46
Total deferred tax (Charge)/benefit for the year	2.75	30.54

Note: Deferred tax liability has been calculated using effective tax rate of 25.168% (previous year 25.168%)

E Components of deferred tax assets and liabilities

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
(a) Deferred tax liabilities		
Difference between book and tax depreciation	195.32	183.25
	195.32	183.25
(b) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	20.85	11.52
Remeasurement benefit of the defined benefit plans through OCI	12.64	7.96
	33.49	19.48
Deferred Tax Liabilities (Net)	161.83	163.77

42. APPROVAL OF FINANCIAL STATEMENT

The financial statements were approved for issue by the board of directors on 19th June, 2021.

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: 19th June, 2021

For and on behalf of the Board of Directors

Patels Airtemp (India) Limited**Narayanbhai G. Patel**

Chairman & Whole Time Director

DIN:00023071

Kamlesh R. Shah

Chief Financial Officer

Place: Ahmedabad

Date: 19th June, 2021

Sanjivkumar N. Patel

Managing Director

DIN:02794095

Nikhil M. Patel

Company Secretary

INDEPENDENT AUDITOR'S REPORT

To,
The Members of **PATELS AIRTEMP (INDIA) LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **PATELS AIRTEMP (INDIA) LIMITED** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit & Loss (including other comprehensive Income), the Consolidated statement of changes in equity and the Consolidated Statement of Cash Flow for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Group as at 31st March, 2021, and its Profits (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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated 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 Consolidated Financial Statements and Auditor's Report Thereon

The Parent'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 Consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 and those charged with Governance for the Consolidated Financial Statements

The Parent'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 consolidated financial statements that give a true and fair view of the financial position and financial performance of the Group 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 Group 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 consolidated financial statements, the respective Board of Directors included in the Group are responsible for assessing the Group'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.

The respective Board of Directors of the entities included in the Group is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statement of such entity included in the consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 Consolidated 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.

Other Matters:

The Consolidated Financial Statements includes unaudited financial statements and other unaudited financial information in respect of a subsidiary, whose financial statements reflect total assets of ₹13.75 lakhs as at March 31, 2021, total revenues of ₹ Nil and net cash outflow of ₹1.78 lakhs for the year then ended. These unaudited financial statements and other unaudited financial information have been furnished to us as certified by the management. Our opinion, in so far as it relates to amounts and disclosures included in respect of this subsidiary, is based solely on the unaudited financial statements and other unaudited financial information given to us by the management. In our opinion and according to the information and explanations given to us by the management, these financial statements/ financial information is not material to the Group.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of the management certified separate financial statements of its subsidiary, referred in the "Other Matters" paragraph above we report, to the extent applicable,

- 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 of the consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to the preparation of consolidated financial statements have been kept by the company so far as appears from our examination of those books;
- c) The Consolidated Balance sheet, Consolidated statement of Profit & Loss (including other comprehensive income), the Consolidated statement of Changes in equity and the Consolidated Cash Flow Statement dealt

- with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid consolidated 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, 2021 taken on record by Board of Directors of Parent, none of the director is disqualified as on 31st March, 2021 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 Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group'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, 2021 has been paid/ provided by the Group 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 Group has made disclosure of pending litigations which would impact its consolidated financial statements.
- ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For SHAH & SHAH ASSOCIATES

Chartered Accountants
Firm Regn. No. 113742W

VASANT C.TANNA

PARTNER

Membership Number: 100422

UDIN 21100422AAAAGF4177

Place: Ahmedabad.

Date : 19th June,2021

“Annexure” to the Independent Auditors’ Report of even date on the Consolidated Financial Statements of PATELS AIRTEMP (INDIA) LIMITED,

Referred to in paragraph 2(f) under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Consolidated financial statements of the Company for the year ended March 31, 2021.

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, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date. The Company did not have any subsidiary which is incorporated in India.

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 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 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 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, 2021, 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. The Company did not have any subsidiary which is incorporated in India.

For SHAH & SHAH ASSOCIATES

Chartered Accountants
Firm Regn. No. 113742W

VASANT C.TANNA

PARTNER

Membership Number: 100422
UDIN 21100422AAAAGF4177

Place: Ahmedabad.
Date : 19th June,2021

CONSOLIDATED BALANCE SHEET

 AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	As at 31 st March, 2021	As at 31 st March, 2020
	ASSETS			
1	Non-current assets			
a)	Property, plant and equipment	3(A)	4,254.11	3,334.94
b)	Capital work-in-progress		105.48	349.70
c)	Intangible assets	3(B)	17.98	14.00
d)	Financial Assets:			
	Investments	4	-	-
e)	Other non-current assets	5	26.73	80.49
			4,404.30	3,779.13
2)	Current assets			
a)	Inventories	6	10,328.65	10,145.77
b)	Financial Assets:			
(i)	Trade receivables	7	9,167.54	9,141.66
(ii)	Cash and cash equivalents	8	1,179.15	251.67
(iii)	Bank balances other than (ii) above	8	1,137.50	862.98
(iv)	Short term Loans & Advances	9	1,832.46	1,646.15
c)	Current tax assets (net)	10	0.12	22.10
d)	Other current assets	11	197.80	210.35
			23,843.22	22,280.69
	TOTAL ASSETS		28,247.52	26,059.82
	EQUITY & LIABILITIES :			
	EQUITY:			
a)	Equity Share capital	12	507.02	507.02
b)	Other Equity	13	9,442.22	8,447.68
			9,949.24	8,954.71
1)	Non-Current Liabilities			
a)	Financial Liabilities:			
	Long Term Borrowings	14	1,442.53	1,334.89
b)	Long Term Provisions	15	35.25	31.61
c)	Deferred tax liabilities (Net)	16	161.83	163.77
			1,639.61	1,530.27
2)	Current liabilities			
a)	Financial Liabilities:			
(i)	Short Term Borrowings	17	4,932.19	3,127.85
(ii)	Trade payables:			
	Total outstanding dues of micro enterprises and small enterprises	18	1,529.01	1,542.92
	Total outstanding dues of creditors other than micro enterprises and small enterprises		4,351.09	4,875.57
			5,880.10	6,418.49
b)	Other current liabilities	19	5,776.82	6,009.81
c)	Short Term Provisions	20	69.56	18.70
			16,658.67	15,574.85
	TOTAL EQUITY AND LIABILITIES		28,247.52	26,059.82

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

For and on behalf of the Board of Directors

Patels Airtemp (India) Limited
Narayanbhai G. Patel

Chairman & Whole Time Director

DIN:00023071

Kamlesh R. Shah

Chief Financial Officer

Place: Ahmedabad

 Date: 19th June, 2021

Sanjivkumar N. Patel

Managing Director

DIN:02794095

Nikhil M. Patel

Company Secretary

Place: Ahmedabad

 Date: 19th June, 2021

CONSOLIDATED STATEMENT OF PROFIT & LOSSFOR THE YEAR ENDED ON 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Note No.	For the Year ended on 31 st March, 2021	For the Year ended on 31 st March, 2020
INCOME:			
Revenue from Operations	21	25,540.20	23,741.90
Other Income	22	64.02	188.16
Total Income		25,604.22	23,930.06
EXPENSES:			
Cost of Materials consumed	23	14,829.26	16,560.52
Purchases of traded goods	24	158.70	247.01
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	25	(368.91)	(2,554.00)
Employee benefits expense	26	1,202.48	1,043.28
Finance costs	27	798.10	723.50
Depreciation and amortization expense	3(A)&(B)	329.44	289.00
Other expenses	28	7,114.47	6,141.52
Total Expenses		24,063.54	22,450.83
Profit Before Tax		1,540.68	1,479.23
Tax Expense:			
Current tax		397.00	381.00
Deferred tax (Credit)/Charge		2.75	(30.54)
(Excess)/Short Provision of Earlier Years		5.58	(2.10)
Total Tax Expenses		405.33	348.36
Net Profit for the year		1,135.35	1,130.87
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit Plan		(18.59)	(2.66)
Income tax relating to above item		4.68	0.67
Total Other Comprehensive Income/(Loss)		(13.91)	(1.99)
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income /(Loss) for the year)		1,121.44	1,128.88
Earnings per equity share (Face value of ₹ 10/- each)			
Basic & Diluted (₹)		22.39	22.30

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

For and on behalf of the Board of Directors

Patels Airtemp (India) Limited

Narayanbhai G. Patel

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DIN:00023071

Kamlesh R. Shah

Chief Financial Officer

Place: Ahmedabad

Date: 19th June, 2021

Sanjivkumar N. Patel

Managing Director

DIN:02794095

Nikhil M. Patel

Company Secretary

Place: Ahmedabad

Date: 19th June, 2021

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
A. Cash flow from operating activities		
Profit before extraordinary items and tax	1,540.68	1,479.23
Adjustments for:		
Depreciation and amortisation expense	329.44	289.00
(Profit) / loss on assets sold and discarded	2.04	0.78
Interest Paid	798.10	723.50
Interest income	(64.02)	(80.65)
Effect of foreign exchange rate change	(0.16)	0.38
Remeasurement of Defined Benefit Plan	(18.59)	(2.66)
Operating profit / (loss) before working capital changes	2,587.49	2,409.57
Changes in working capital:		
Inventories	(182.87)	(2,962.26)
Trade receivables	(25.88)	(2,661.66)
Short-term loans and advances	(186.30)	(1,060.82)
Other Non- current assets	11.57	100.61
Other current assets	(261.97)	(80.76)
Trade payables	(538.39)	3,565.56
Other current liabilities	(232.98)	2,169.70
Short-term provisions	50.86	(8.39)
Long-term provisions	3.64	5.14
Cash generated from operations	1,225.17	1,476.69
Income tax paid (Net of refunds)	(380.59)	(363.67)
Net cash flow from operating activities (A)	844.58	1,113.02
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(971.13)	(1,755.05)
Proceeds from sale of fixed assets	2.90	2.00
Interest Received	64.02	80.65
Net cash flow used in investing activities (B)	(904.21)	(1,672.40)
C. Cash flow from financing activities		
Net increase/(decrease) in Long Term borrowings	107.63	337.15
Net increase/(decrease) in working capital borrowings	1,804.34	(80.38)
Interest Paid	(798.10)	(723.51)
Dividend Paid (incl. Tax on dividends)	(126.76)	(152.81)
Net cash flow used in Financing activities (C)	987.11	(619.55)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	927.48	(1,178.93)
Cash and cash equivalents at the beginning of the year	251.67	1,430.58
Cash and cash equivalents at the end of the year	1,179.15	251.67

Note: The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 Statement of Cash Flows.

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: 19th June, 2021

For and on behalf of the Board of Directors
Patels Airtemp (India) Limited

Narayanbhai G. Patel
Chairman & Whole Time Director
DIN:00023071

Kamlesh R. Shah
Chief Financial Officer
Place: Ahmedabad
Date: 19th June, 2021

Sanjivkumar N. Patel
Managing Director
DIN:02794095

Nikhil M. Patel
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITYFOR THE YEAR ENDED ON 31ST MARCH, 2021**A) EQUITY SHARE CAPITAL**

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balance at the beginning of the reporting year	507.02	507.02
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	507.02	507.02

B) OTHER EQUITY

(₹ in Lakhs)

Particulars	Capital Investment Subsidy	General Reserve	Fopreign Currency translation reserve	Retained Earnings	Total
Balance as of March 31, 2019	15.00	815.00	-	6,641.23	7,471.23
Net Profit for the year			-	1,130.87	1,130.87
Exchange difference arising on translation of foreign subsidiary	-	-	0.38	-	0.38
Items of Other Comprehensive income for the year, (net of tax)					-
Remeasurement benefit of defined benefit plans (net of Tax)	-	-	-	(1.99)	(1.99)
Dividend	-	-	-	(126.76)	(126.76)
Income Tax on Dividend	-	-	-	(26.06)	(26.06)
Balance as of March 31, 2020	15.00	815.00	0.38	7,617.30	8,447.68
Net Profit for the year	-	-	-	1,135.35	1,135.35
Exchange difference arising on translation of foreign subsidiary	-	-	(0.16)	-	(0.16)
Items of Other Comprehensive income for the year, (net of tax)					-
Remeasurement benefit of defined benefit plans (net of Tax)	-	-	-	(13.91)	(13.91)
Dividend	-	-	-	(126.76)	(126.76)
Income Tax on Dividend	-	-	-	-	-
Balance as of March 31, 2021	15.00	815.00	0.23	8,611.98	9,442.22

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

For and on behalf of the Board of Directors

Patels Airtemp (India) Limited**Narayanbhai G. Patel**

Chairman & Whole Time Director

DIN:00023071

Kamlesh R. Shah

Chief Financial Officer

Place: Ahmedabad

Date: 19th June, 2021**Sanjivkumar N. Patel**

Managing Director

DIN:02794095

Nikhil M. Patel

Company Secretary

Place: Ahmedabad

Date: 19th June, 2021

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. GROUP'S BACKGROUND

The consolidated financial statements comprise financial statements of Patels Airtemp (India) Limited (the Parent) and its subsidiary Patels Airtemp USA Inc; (collectively, the Group) for the financial year ended on 31st March,2021. The Parent is a Public Company domiciled in India and incorporated on 10.06.1992 The Parent 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. The Parent's equity shares are listed on Bombay Stock Exchange(BSE).

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

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

These financial statements are the consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act,2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (As amended).

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these consolidated financial statements.

(b) BASIS OF CONSOLIDATION :

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company:

- has power over the investee
- is exposed to or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an entity are sufficient to give it power.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(c) USE OF ESTIMATES :

The preparation of consolidated 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 consolidated 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.

(d) 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 Group 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 Parent 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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- ix) At each balance sheet date, the Group 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.

(e) INTANGIBLE ASSETS:

- i) Intangible assets acquired by payment e.g. Computer Software are disclosed at cost less amortization on a straight-line basis over its estimated useful life.
- ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.
- iii) On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.
- iv) Intangible assets are amortized on straight-line method as follows:
Computer Software - 5 years
- v) At each balance sheet date, the Group 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.

(f) REVENUE RECOGNITION:

- i) The Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

The Group 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 Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group'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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 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.

(g) INVESTMENTS :

Non-Current Investments in subsidiary company are accounted for at amortized cost. Other Investments are accounted at fair value through profit or loss account (FVTPL).

(h) 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 Parent Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Parent Company has no further payment obligations once the contributions have been paid.

(i) 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.

(j) 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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 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.

(k) FINANCIAL ASSETS:

- i) The Group 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 Group 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 Group 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.

(l) 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.

(m) FAIR VALUE MEASUREMENT:

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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- iv) The Group 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.

(n) FOREIGN CURRENCY TRANSACTIONS:

- i) The Parent Company's financial statements are presented in Indian Rupees ('INR'), which is also the Parent Company's functional currency and all values are rounded to the nearest Lakhs (00,000) except otherwise indicated.
- 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.

(o) 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.

(p) 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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

(q) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i) Provisions are made when (a) the Group 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.

(r) CURRENT AND NON-CURRENT CLASSIFICATION:

- i) The Normal Operating Cycle for the Group has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".
- ii) The Group 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.

(s) 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.

(t) EXPENSES FOR CORPORATE SOCIAL RESPONSIBILITY:

In case of CSR activities undertaken by the Parent 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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**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 31 st March 2019	26.42	721.47	2,852.30	196.53	139.48	515.69	82.27	69.71	73.17	4,677.04
Addition	741.36	38.99	536.10	39.51	17.00	9.58	7.22	8.42	-	1,398.18
Disposal / Adjustments						8.88				8.88
As at 31 st March 2020	767.79	760.46	3,388.40	236.04	156.47	516.39	89.50	78.13	73.17	6,066.34
Addition	74.71	746.96	234.59	106.15	9.44	19.12	19.91	0.53	34.13	1,245.53
Disposal / Adjustments			18.28							18.28
As at 31 st March 2021	842.50	1,507.42	3,604.70	342.19	165.91	535.51	109.41	78.66	107.30	7,293.59
Accumulated Depreciation										
As at 31 st March 2019	-	287.21	1,562.14	93.61	75.99	272.83	55.88	55.77	50.37	2,453.80
Charge for the year	-	30.83	154.23	16.00	10.26	48.97	6.70	6.52	10.20	283.70
Disposal / Adjustments						6.10				6.10
As at 31 st March 2020	-	318.04	1,716.38	109.61	86.25	315.69	62.57	62.30	60.56	2,731.40
Charge for the year	-	38.25	180.05	19.10	10.69	47.76	8.00	6.05	11.53	321.42
Disposal / Adjustments			13.35							13.35
As at 31 st March 2021	-	356.29	1,883.08	128.71	96.93	363.45	70.57	68.35	72.09	3,039.47
Net Carrying Value										
As at 31 st March 2020	767.79	442.42	1,672.02	126.43	70.23	200.70	26.92	15.83	12.61	3,334.94
As at 31 st March 2021	842.50	1,151.12	1,721.62	213.48	68.98	172.06	38.83	10.31	35.20	4,254.11

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
3 (B) INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Goodwill	Technical Knowhow	Computer Software	Total
Gross Carrying Value				
As at 31st March 2019	0.37	43.65	71.35	115.36
Addition	-	-	7.18	7.18
Disposal / Adjustments				
As at 31st March 2020	0.37	43.65	78.52	122.54
Addition	-	-	12.00	12.00
Disposal / Adjustments				
As at 31st March 2021	0.37	43.65	90.52	134.54
Accumulated Amortization				
As at 31st March 2019	-	43.65	59.60	103.25
Charge for the year	-	-	5.29	5.29
Disposal / Adjustments				
As at 31st March 2020	-	43.65	64.90	108.54
Charge for the year	-	-	8.02	8.02
Disposal / Adjustments				
As at 31st March 2021	-	43.65	72.92	116.56
Net Carrying Value				
As at 31st March 2020	0.37	-	13.63	14.00
As at 31st March 2021	0.37	-	17.61	17.98

4 INVESTMENTS (Non Current)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Investment in Equity instruments-quoted (Measured at FVTPL):		
14,000 Shares of M/s. Gujarat State Financial Corporation of ₹10/- each	2.80	2.80
Less: Provision for diminution in the value of Investments	2.80	2.80
	-	-
Total	-	-
Aggregate amount of unquoted investments	-	-

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**5 OTHER NON CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
Capital Advances	18.24	60.43
Security Deposits	8.50	20.07
Total	26.73	80.49

6 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
Raw Materials	2,369.49	2,549.13
Work In Progress	7,661.91	7,044.45
Tools and Spares	19.84	26.24
Finished Goods	249.79	512.02
Traded goods	27.61	13.93
Total	10,328.65	10,145.77

7 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
Trade Receivables-Unsecured, Considered Good	9,167.54	9,141.66
Total	9,167.54	9,141.66

8 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
Balances with banks		
(i) In current accounts	418.01	126.75
(ii) In deposit accounts (incl. Margin Money deposits)	1,137.50	862.98
(iii) Other Earmarked accounts		
- Unpaid dividend accounts	14.58	15.03
(iv) In EEFC Account	741.74	103.64
Cash on hand	4.81	6.24
Total	2,316.64	1,114.65

9 SHORT TERM LOANS & ADVANCES

(₹ in Lakhs)

Particulars	As at 31 st March,2021	As at 31 st March,2020
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	352.45	583.31
Balance with government authorities	1,480.01	1,062.84
Total	1,832.46	1,646.15

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
10 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2021	31 st March, 2020
Advance Income Tax & TDS (Net of Provision for taxation)	0.12	22.10
Total	0.12	22.10

11 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2021	31 st March, 2020
Prepaid expense	52.29	51.82
Export Incentives Receivable	117.71	144.92
Other Receivable	7.62	6.51
Interest accrued on deposits	20.19	7.10
Total	197.80	210.35

12 EQUITY SHARE CAPITAL

Particulars	As At 31 st March, 2021		As At 31 st March, 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorized Share Capital	70 00 000	700.00	70 00 000	700.00
Issued, Subscribed & Paid up share capital	50 70 240	507.02	50 70 240	507.02
Total	50 70 240	507.02	50 70 240	507.02

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

Particulars	As At 31 st March, 2021		As At 31 st March, 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
At the beginning of the period	50 70 240	507.02	50 70 240	507.02
Issued during the period				
Outstanding at the end of the period	50 70 240	507.02	50 70 240	507.02

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.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Name of Shareholder/Company	As At 31 st March, 2021		As At 31 st March, 2020	
	No. of Shares held	%	No. of Shares held	%
Names of person holding more than 5% shares				
Thermflow Engineers Private Limited	13,62,512	26.87	13,62,512	26.87
Devidas Chelaram Narumalani	2,90,145	5.72	2,90,145	5.72
Narendrabhai Gopalbhai Patel *	35,301	0.70	3,03,801	5.99
Rashmika Narendra Patel	2,75,025	5.42	6,525	0.13

* 35301 Equity Shares of Mr. Narendrabhai G. Patel are subject to transmission, due to sad demise of Mr. Narendrabhai G. Patel on 8th February, 2021.

13 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
General Reserves		
Balance as per last balance sheet	815.00	815.00
Capital Subsidy		
Balance as per last balance sheet	15.00	15.00
Foreign Currency Translation Reserve:		
Balance as per last balance sheet	0.38	-
Add: Exchange difference arising on translation of foreign subsidiary	(0.16)	0.38
	0.23	0.38
Surplus in Statement of Profit & Loss		
Balance as per last balance sheet	7,617.30	6,641.23
Net Profit for the year	1,135.35	1,130.87
Items of Other Comprehensive Income for the year (Net of tax)		
Remeasurement of defined benefit Plan	(13.91)	(1.99)
Appropriations:		
Dividend	126.76	126.76
Income Tax on Dividend	-	26.06
	8,611.98	7,617.30
Total	9,442.22	8,447.68

14 LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured Loans from related parties		
From Directors	571.03	544.89
From Relatives of Directors	871.50	790.00
Total	1,442.53	1,334.89

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
15 LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March,2021	As at 31st March,2020
Provision for Employee Benefits	35.25	31.61
Total	35.25	31.61

16 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March,2021	As at 31st March,2020
(a) Deferred tax Liabilities:		
Difference between book and tax block	195.32	183.25
	195.32	183.25
(b) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	20.85	11.52
Remeasurement benefit of the defined benefit plans through OCI	12.64	7.96
	33.49	19.48
Deferred Tax Liabilities (Net)	161.83	163.77

17 SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March,2021	As at 31st March,2020
Secured Loans :		
Working capital facilities from Banks (Refer Note below)	4,932.19	3,127.85
Total	4,932.19	3,127.85

Note:

Working Capital facilities from Banks is secured by way of hypothecation of raw-materials, stores and spares, work-in-progress, finished goods and book debts of the company both present and future and first pari passu charge on plant & machinery, other movable assets of the company as well as further secured by way of equitable mortgage of Plot No. 805, 806, 807, 810 and 811 at Rakanpur, Tal. Kalol, Dist. Gandhinagar and Land & factory Building situated at New amalgamated survey No.100 (Survey No. 100, 101, 102, 103 and 105) mouje Dudhai, Tal. Kadi, Dist. Mehsana as well as Lien over FDR of ₹59.00 Lakhs as collateral security and is further secured by personal guaranteed of (a) Mr. Narayanbhai G. Patel (b) Mr. Narendra G. Patel (c) Mr. Sanjiv N. Patel and (d) Mr. Shivang P. Patel, directors of the company.

18 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March,2021	As at 31st March,2020
Total outstanding dues of micro enterprises and small enterprises (Refer Note No 37)	1,529.01	1,542.92
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,351.09	4,875.57
Total	5,880.10	6,418.49

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**19 OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2021	31 st March, 2020
Advance Received from Customers	5,683.14	5,894.77
Creditors for capital expenditure	38.58	52.91
Statutory Remittances	40.45	47.03
Unclaimed Dividend	14.58	15.03
Other payable	0.07	0.08
Total	5,776.82	6,009.81

20 SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2021	31 st March, 2020
Provision for Employee Benefits	69.56	18.70
Total	69.56	18.70

21 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the	For the
	Year ended	Year ended
	31 st March, 2021	31 st March, 2020
Sale of products		
Domestic	18,756.59	18,133.99
Export	6,196.53	5,093.08
	24,953.12	23,227.08
Sale of Services	138.27	139.11
Other Operating Revenue (incl.export incentives)	448.81	375.71
Total	25,540.20	23,741.90

22 OTHER INCOME

(₹ in Lakhs)

Particulars	For the	For the
	Year ended	Year ended
	31 st March, 2021	31 st March, 2020
Interest received	64.02	80.65
Foreign Exchange Rate Difference (Net)	-	103.09
Miscellaneous Income	-	4.42
Total	64.02	188.16

23 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the	For the
	Year ended	Year ended
	31 st March, 2021	31 st March, 2020
Stocks of Raw materials at the beginning of the year	2,549.13	2,135.04
Add: Purchases during the year	14,649.62	16,974.61
	17,198.75	19,109.65
Less: Stocks of Raw materials at the end of the year	2,369.49	2,549.13
Total	14,829.26	16,560.52

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
24 PURCHASE OF TRADED GOODS

(₹ in Lakhs)

Particulars	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Purchase of traded goods- Window & Split AC & Accessories	158.70	247.01
Total	158.70	247.01

25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE & WORK-IN-PROCESS

(₹ in Lakhs)

Particulars	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Closing Inventories		
Work -in-Process	7,661.91	7,044.45
Finished Goods	249.79	512.02
Stock-in-trade	27.61	13.93
	7,939.31	7,570.40
Opening Inventory		
Work -in-Process	7,044.45	4,994.54
Finished Goods	512.02	-
Stock-in-trade	13.93	21.86
	7,570.40	5,016.40
Total	(368.91)	(2,554.00)

26 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Salaries, wages and allowances	1,106.22	943.67
Contributions to Provident Fund and other Funds	68.70	64.27
Staff welfare expenses	27.55	35.34
Total	1,202.48	1,043.28

27 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the Year ended 31 st March, 2021	For the Year ended 31 st March, 2020
Interest Expense	566.12	453.79
Other borrowing costs	231.98	269.71
Total	798.10	723.51

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**28 OTHER EXPENSES**

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Rates and taxes	13.87	15.60
Insurance	21.48	7.61
Power and Fuel	189.35	206.42
Consumption of Stores , Spares & Tools	876.68	730.25
Consumption of Packing Materials	102.32	80.38
Labour Charges	2,716.79	2,605.88
Testing & Inspection charges	290.92	323.29
Repairs to Buildings	19.29	15.73
Repairs to Machinery	219.08	192.04
Other Repairs	29.72	31.50
Printing and stationery	33.55	30.51
Communication Expenses	37.45	29.69
Travelling and conveyance	114.20	165.12
Legal and professional fees	411.16	257.76
Payments to auditors*	2.27	3.00
Freight and forwarding Charges	963.31	652.30
Commission expenses	40.14	41.53
Business Promotion Expenses	3.66	7.55
Late Delivery Charges /Liquidated damages	651.71	355.44
Foreign Exchange Rate Difference (Net)	20.62	-
Expenditure incurred towards Corporate Social Responsibility (Refer Note-35)	25.51	23.62
Bad debts written off	52.45	145.26
Loss on sale of fixed assets (Net)	2.04	0.78
General Charges	276.90	220.28
Total Other Expenses	7,114.46	6,141.52

(₹ in Lakhs)

* Particulars of Auditor's Remuneration	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Statutory audit	2.00	2.00
For Taxation matters	-	0.90
Certification fees & Other Services	0.16	0.08
Reimbursement of Expenses	0.11	0.02
Total	2.27	3.00

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
29. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS NOT PROVIDED FOR:
a) Contingent Liabilities

(₹ in Lakhs)

Particulars	As at 31/03/2021	As at 31/03/2020
Outstanding Bank Guarantees	8068.20	6113.00
Outstanding Foreign Bank Guarantees	US\$ 20,24,465.90	US\$ 15,45,527
Outstanding Inland/Foreign LC	3.38	NIL
Disputed Income Tax demand for completed assessment	6.47	6.47
Disputed Tax Demand under Central Sales Tax/ Goods & Service Tax	7.52	--

b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account [net of advances] and not provided for ₹ NIL (P.Y ₹ 32.30 Lakhs)

30. RELATED PARTY INFORMATION

The company has transactions with following related parties

a) Entities where control exists	Thermflow Engineers Pvt. Ltd. Shiv Fintrade LLP
b) Key Management Personal (KMP)	Narayanbhai G. Patel Sanjeevkumar N. Patel Narendrabhai G. Patel (upto 8.2.2021) Apurva V. Shah Shivang P.Patel Kamlesh R. Shah (CFO) Nikhil M. Patel (CS)
c) Relative of Key Managerial Person (KMP)	Sitaben N. Patel Prakashbhai N. Patel Aarti P. Patel Jalpa S. Patel Narayanbhai G Patel HUF Prakashbhai N. Patel HUF Sanjeevkumar N. Patel HUF Mukundbhai G Patel Rashmika N. Patel

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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (₹ in Lakhs)	Balance at the end of the year (₹ in Lakhs)
Narayanbhai G. Patel	Chairman & Whole Time Director (KMP)	Managerial Remuneration	37.00 (36.94)	233.15 (181.90)
		Interest	22.83 (18.47)	
		Loan taken	77.00 (35.00)	
		Loan Repaid	25.75 (17.00)	
Prakashbhai N. Patel	Relative of Key Management person	Interest	NIL (NIL)	NIL (NIL)
		Loan taken	NIL (NIL)	
		Loan Repaid	NIL (36.35)	
Sanjeevkumar N. Patel	Managing Director (KMP)	Managerial Remuneration	36.08 (36.85)	258.73 (218.34)
		Interest	26.77 (29.90)	
		Loan taken	47.15 (79.05)	
		Loan Repaid	6.76 (105.70)	
Narendrabhai G. Patel	Whole-Time Director (Upto 07/02/2021)	Managerial Remuneration	30.69 (36.85)	NIL (75.00)
		Loan taken	NIL (35.00)	
		Loan Repaid	75.00 (NIL)	
		Interest	7.44 (6.14)	
Sitaben N. Patel	Relative of Key Managerial Personnel	Loan taken	16.00 (22.00)	156.35 (141.35)
		Loan Repaid	1.00 (NIL)	
		Interest	16.41 (14.62)	
Shivang P. Patel	Whole-Time Director (KMP)	Loan taken	25.50 (26.90)	79.15 (69.65)
		Loan Repaid	16.00 (10.00)	
		Interest	8.88 (6.97)	
		Managerial Remuneration	37.83 (34.84)	

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (₹ in Lakhs)	Balance at the end of the year (₹ in Lakhs)
Aarti P. Patel	Relative of Key Managerial Personnel	Loan taken	41.50 (164.35)	303.60 (262.10)
		Loan Repaid	NIL (11.00)	
		Interest	34.76 (28.18)	
		Remuneration	4.55 (NIL)	
		Gratuity Paid*	20.00 (NIL)	
Jalpa S. Patel	Relative of Key Managerial Personnel	Loan taken	26.95 (101.00)	130.30 (103.35)
		Loan Repaid	NIL (NIL)	
		Interest	13.08 (1.73)	
Rashmika N. Patel	Relative of Key Managerial Person	Gratuity Paid#	20.00 (NIL)	NIL (NIL)
Narayanbhai G. Patel HUF	Director is Karta of HUF	Loan taken	NIL (2.70)	11.02 (11.02)
		Interest	1.21 (1.09)	
Prakashbhai N. Patel HUF	Relative is Karta of HUF	Loan taken	0.10 (40.75)	92.85 (92.95)
		Interest	10.22 (9.85)	
Sanjeevkumar N. Patel HUF	Director is Karta of HUF	Loan taken	NIL (12.75)	177.38 (179.23)
		Loan Repaid	1.85 (2.30)	
		Interest	19.70 (19.60)	
Mukundbhai G. Patel	Relative of the Director	Remuneration	6.39 (6.34)	- (-)
Apurva V. Shah	Whole-Time Director (KMP)	Managerial Remuneration	28.38 (29.18)	- (-)
Kamlesh R. Shah	Chief Financial Officer	Remuneration	11.15 (10.87)	- (-)
Nikhil M. Patel	Company Secretary	Remuneration	12.43 (12.05)	- (-)
Thermflow Engineers Pvt. Ltd.	Entities where control exists	Rent Income	0.18 (0.18)	NIL (0.06)
Shiv Fintrade LLP	Entities where control exists	Rent Income	0.18 (0.18)	NIL (0.15)

*Gratuity paid during the year as legal heir of Late Shri Prakash N. Patel, Managing Director of the company expired on 15th February, 2019 along with Interest of ₹ 4.04 Lakhs.

#Gratuity paid during the year as legal heir of Late Shri Narendrabhai G. Patel, Whole-Time Director of the company who expired on 8th February, 2021.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

31. SEGMENT INFORMATION

Primary Segment – Business Segment

The Group'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

(₹ in Lakhs)

Particulars	for the year ended on 31 st March,2021	for the year ended on 31 st March,2020
Within India	18,756.59	18,133.99
Canada	1,058.37	1,655.43
Nigeria	4,328.47	3,092.31
Indonesia	1.98	26.70
Philippines	--	49.84
USA	124.33	--
United Kingdom	313.65	268.81
Soudi Arabia	369.73	--
Total	24,953.12	23,227.08

32. EARNING PER SHARE

(₹ in Lakhs)

Particulars	For the year ended on 31 st March,2021	For the year ended on 31 st March,2020
Net Profit for the year before other Comprehensive Income	1,135.36	1,130.87
Number of Equity Shares	5,070,240	5,070,240
Basic & Diluted Earnings per Share (Price per share ₹ 10)	₹ 22.39	₹ 22.30

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 Loans, Trade Receivables and Payables & loans and advances are subject to confirmation from respective parties.

35. CORPORATE SOCIAL RESPONSIBILITY

(a) Gross amount required to be spent by the Parent Company during the year ₹ 25.30/- Lakhs (Previous year ₹ 23.61/- Lakhs)

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
(b) Amount spent during the year on:

(₹ in Lakhs)

		In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	- (-)	- (-)	- (-)
(ii)	On purposes other than (i) above	25.51 (23.62)	NIL (NIL)	25.51 (23.62)

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

(₹ in Lakhs)

Particulars	2020 – 21	2019 – 20
The Principal Amount	1,529.01	1,542.92
Interest Paid under MSMED Act, 2006	--	--
Interest due (Other than 23.3 (b))	--	--
Interest accrued and unpaid	--	--
Interest due and payable till actual payment	--	--

The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Group.

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:

(₹ in Lakhs)

Particulars	2020 – 21	2019 – 20
Employer's Contribution to Provident Fund	41.07	39.33

- 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 mark to market value of the assets depending on the duration of asset.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**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) Changes in the Present Value of Projected Benefit Obligation

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Opening defined benefit obligation	134.28	114.98
Current Service Cost	14.49	11.20
Past Service Cost	84.25	--
Interest Cost	9.18	8.96
Actuarial losses/(gains) due to change in Financial Assumptions	(1.49)	11.59
Actuarial losses/(gains) due to experience	20.08	(8.47)
Losses (gains) on curtailments	--	--
Liabilities extinguished on settlements	--	--
Benefits Paid Directly by Employer	(50.00)	--
Benefits paid from the Fund	(5.53)	(3.97)
Closing defined benefit obligation	205.26	134.28

(vi) Changes in Fair Value of Plan Assets

(Amount ₹)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Opening fair value of plan assets	120.93	93.46
Interest Income	8.27	7.28
Return on plan assets excluding Interest Income	0.00	0.45
Assets distributed on settlements	--	--
Contributions by employer	20.58	23.70
Benefits paid	(5.53)	(3.97)
Closing balance of fair value of plan assets	144.25	120.93

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
(vii) Amount Recognized in Balance Sheet

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Present value of Defined Benefit Obligation at the end of the year	(205.26)	(134.28)
Fair value of Plan Assets at the end of the year	144.25	120.93
Funded Status Surplus/(Deficit)	(61.01)	(13.35)
Net (Liability)/Assets recognized in the Balance sheet	(61.01)	(13.35)

(viii) Expenses Recognized in Statement of Profit or Loss for Current period:

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Current Service Cost	14.49	11.20
Net Interest Cost	0.91	1.67
Past Service Cost	84.25	--
Expected Contribution by the Employees	--	--
(Gains)/Losses on curtailments and settlements	--	--
Expenses Recognized in Statement of Profit & Loss	99.65	12.87

(ix) Expenses Recognized in the Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Actuarial (Gains)/Losses on Obligations for the period	18.59	3.11
Return on Plan Assets, excluding interest income	(0.00)	(0.45)
Net Expenses for the period Recognized in OCI	18.59	2.66

(x) Sensitivity Analysis of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Projected Benefit Obligation on Current Assumptions	205.26	134.28
Delta Effect of +1% Change in Rate of Discounting	(15.12)	(12.15)
Delta Effect of -1% Change in Rate of Discounting	17.96	14.44
Delta Effect of +1% Change in Rate of Salary Increase	16.37	14.27
Delta Effect of -1% Change in Rate of Salary Increase	(14.08)	(12.24)
Delta Effect of +1% Change in Rate of Employee Turnover	0.07	(0.39)
Delta Effect of -1% Change in Rate of Employee Turnover	(0.11)	0.42

Sensitivities have been calculated to show the movement in Defined Benefit Obligation in isolation and assuming there are no other changes in market conditions at the accounting date.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

(xi) Actuarial Assumptions:

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Expected Return on Plan Assets	6.84%	7.79%
Rate of Discounting	6.84%	7.79%
Rate of Salary Increase	7.00%	7.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

(xii) The above details are certified by the actuary M/s. K.A.Pandit Consultants & Actuaries.

38. The company has taken into account the possible impacts of COVID 19 in preparation of financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue and on costs. The company has been able to effectively manage the operations till now with appropriate safety precautions without any significant impact of COVID 19 on the business. The actual impact of the COVID 19 may be different, depending on how the situation evolves globally. The company will continue to closely monitor future economic conditions to ensure business continuity.

39. Particulars in respect of loan to related parties and investment in subsidiaries as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(a) Particulars in respect of loans and advances in the nature of loan given to subsidiary:

(₹ in Lakhs)

Name of the Company	Net Assets		Share in Profit or Loss		Other Comprehensive Income		Other Comprehensive Income	
	% of Consolidated Net Assets	Net Assets/ (liability)	% of Consolidated Profit or Loss	Profit/ (Loss)	% of Consolidated OCI	OCI	% of Consolidated TCI	TCI
Parent Company								
Patels Airtemp (I) Limited	100%	9950.09	100%	1136.79	100%	(13.91)	100%	1122.88
Subsidiary								
Patels Airtemp (USA) Inc;	-	(0.85)	-	(1.43)	--	-	-	(1.43)

Note: Above figures are after eliminating intra-group transactions and intra group balances as at 31st March, 2021.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
40 Income taxes
A Income taxes recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Current tax		
In respect of the current year	397.00	381.00
(Excess)/Short provision for tax of earlier years	5.58	(2.10)
	402.58	378.90
Deferred tax(credit) /Charged	2.75	(30.54)
Total income tax expense recognised in respect of continuing operations	405.33	348.36

B Tax reconciliation

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Profit before taxes	1,540.68	1,479.23
Enacted tax rate in India*	25.168%	25.168%
Expected income tax (benefit)/expense at statutory tax rate	387.76	372.29
Effect of:		
Diffrence in Depreciation for the year as per books and as per Income tax	(12.07)	4.63
Timing difference of amounts deductible on actual payment (Net)	9.33	0.11
Tax effect on non -deductible expenses	7.35	4.09
Reversal of deferred tax liability on account of changes in tax rates from 29.12% to 25.168% (Effective 1 st April,2019)	-	(26.46)
Others	7.38	(4.20)
Adjustments for current tax of prior years	5.58	(2.10)
Income taxes recognised in the Statement of Profit and Loss	405.32	348.36

* The tax rate of 25.168% used for the FY 2020-21 and FY 2019-20 reconciliations above payable by corporate entities in India on taxable profit under the Indian tax law.

C Income Tax Recognised in Other Comprehensive Income:

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	4.68	0.67
Total income tax asset/(liability) recognised in other comprehensive income	4.68	0.67
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	4.68	0.67
Income tax asset/(liability) recognised in other comprehensive income	4.68	0.67

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**D Components of Deferred Tax (charge)/benefit for the year**

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Depreciation and amortisation	12.07	7.88
Disallowances of employee benefits u/s. 43B of the Income Tax	(9.33)	(3.80)
Reduction of liability on account of changes in effective tax rate (refer Note 38)	-	26.46
Total deferred tax (Charge)/benefit for the year	2.75	30.54

Note: Deferred tax liability has been calculated using effective tax rate of 25.168% (previous year 25.168%)

E Components of deferred tax assets and liabilities

(₹ in Lakhs)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
(a) Deferred tax liabilities		
Difference between book and tax depreciation	195.32	183.25
	195.32	183.25
(b) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	20.85	11.52
Remeasurement benefit of the defined benefit plans through OCI	12.64	7.96
	33.49	19.48
Deferred Tax Liabilities (Net)	161.83	163.77

41. APPROVAL OF FINANCIAL STATEMENT

These consolidated financial statements were approved for issue by the board of directors on 19th June, 2021.

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: 19th June, 2021

For and on behalf of the Board of Directors
Patels Airtemp (India) Limited

Narayanbhai G. Patel
Chairman & Whole Time Director
DIN:00023071

Kamlesh R. Shah
Chief Financial Officer
Place: Ahmedabad
Date: 19th June, 2021

Sanjivkumar N. Patel
Managing Director
DIN:02794095

Nikhil M. Patel
Company Secretary



PATELS AIRTEMP (INDIA) LIMITED

CIN: L29190GJ1992PLC017801

Factory (Work): Plot No. 805, 806, 807, 810, Rakanpur – 382722,
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.patelairtemp.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 Registrar and Share Transfer Agent (RTA).

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 M. 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) Limited**
 A-802, Samudra Complex, off. C. G. Road
 Navrangpura, Near Girish Cold Drinks,
 Ahmedabad – 380009

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 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./DPID & 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 Cr.13			
A/c No. as Appearing on Cheque Book											
Bank Ledger No./ Bank Ledger Folio No. if any appearing on the 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, an 11-digit code to enable the remittance through NEFT or RTGS.

**I/We enclose a blank cancelled cheque.



Patels Airtemp (India) Limited

KEY PERFORMANCE INDICATORS OF THE COMPANY

(₹ in Lakhs except EPS)

Sr. No.	Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
1	Revenue from Operations	25540.20	23741.90	15094.39	15938.44	14860.71
2	Profit Before Tax (PBT)	1542.11	1478.88	1051.78	1264.93	1224.22
3	Profit After Tax (PAT)	1136.79	1130.51	731.65	861.15	791.19
4	Reserves & Surplus	9443.06	8446.93	7471.23	6895.28	6200.28
5	Dividend (In %)	25%	25%	25%	25%	25%
6	Earning Per Share (EPS in ₹)	22.42	22.30	14.43	16.98	15.60

DIVIDEND HISTORY FOR LAST 14 YEARS OF THE COMPANY

Financial year	Dividend Per Share (Rs.)
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 %)
2019-20	₹ 2.50 (25 %)
2020-21	₹ 2.50 (25 %) (Recommended)



If undelivered, Please return to :

Patels Airtemp (India) Limited

Registered Office : 5th Floor, Kalpana Complex,
Nr. Memnagar Fire Station, Navrangpura, Ahmedabad : 380009
Ph. No.: +91-79-27913694/95/96, Fax No.:++1-79-27913693
Email : share@patelsairtemp.com
Website: www.patelairtemp.com