Patels Airtemp (India) Limited

Ref. No.PAT/BSE/Sep, 2020-21/38
Date: 2nd September, 2020

To,
The Manager
Listing Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai -400 001

Dear Sir,

BSE Scrip Code: 517417

Sub: Submission of Annual Report 2019-2020 including Notice of the 28th Annual General Meeting of the Company as per Regulation 34(1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the year ended on 31st March, 2020 (2019-2020) including Notice of the 28th Annual General Meeting (28th AGM). This will be also available at the Company website at http://www.patelairtemp.com/investors/annual-reports/ .

The Schedule for 28th AGM of the Company is setout below ;

Date of 28th AGM	Monday, 28th September, 2020 through VC/OAVM
AGM Start Time	11.30 a.m. IST
Cut Off Date for Voting Rights	Monday, 21st September, 2020
E. Voting at the AGM	Monday, 28th September, 2020, from 11.30 am IST till the end of the Meeting
Remote e-Voting Start Date	Friday, 25th September, 2020
Remote e-Voting Start Time	9.00 a.m. IST
Remote e-Voting End Date	Sunday, 27th September, 2020
Remote e-Voting End Time	5.00 p.m. IST
Book Closure Start Date for Dividend	Monday, 21st September, 2020 to
Book Closure End Date	Monday, 28th September, 2020 (both days inclusive)

You are requested to take the same on record and acknowledge the receipt of the same.

Thanking You.

Yours faithfully,
FOR PATELS AIRTEMP (INDIA) LTD.

(NIKHIL M. PATEL)
Sr. COMPANY SECRETARY

Encl: As stated above

ISO 9001 : 2015 COMPANY

Works :
805, 806, 807, 810, Rakanpur 382 722,
Via : Sola - Bhadaj Village, Ta. : Kalol,
Dist. : Gandhinagar, Gujarat, India.
Ph. : +91 2764 286634 / 35, 286480 / 81,
Fax : +91 2764 286301
Email : works@patelsairtemp.com

Regd. Office :
5th Floor, Kalpana Complex,
Nr. Memnagar Fire Station, Navrangpura,
Ahmedabad - 380 009. Gujarat, India.
Ph. : +91 79 27913694 / 95 / 96
Fax : +91 79 27913693
Email : project@patelsairtemp.co.in

USA Office :
Patels Airtemp (USA) Inc.
4548, Talisman St,
Torrance, CA - 90503 USA.
Ph. : 323 207 7793
E-mail : patelsairtempusa@gmail.com

ASME "N" / "NPT" / "MO" / "U" / "U2" / "S"
NATIONAL BOARD "NB" / "R"
MEMBER OF : HTRI - USA
CIN NO. L29190GJ1992PLC017801

www.patelsairtemp.com

28th

Annual Report 2019-2020

ISO 9001 : 2015 COMPANY

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



HP Depropanizer Condenser

SERVING THE INDUSTRY SINCE -1973

Patels Airtemp (India) Limited

CIN : L29190GJ1992PLC017801

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Narayanbhai G. Patel	Chairman & Whole-time Director
Sanjiv N. Patel	Managing Director
Narendra G. Patel	Whole-time Director
Apurva V. Shah	Whole-time Director
Shivang P. Patel	Whole-time Director

INDEPENDENT DIRECTORS

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

COMPANY SECRETARY — Nikhil M. Patel

CHIEF FINANCIAL OFFICER (CFO) — Kamlesh R. Shah

AUDITORS

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

COST AUDITOR — M/s. Rajendra Patel & Associates,
(Firm Registration No. FRN 101163)
Cost Accountant
Ahmedabad

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

BANKER — Bank of Baroda,
Axis Bank Ltd.

REGISTERED OFFICE & A.C. DIVISION

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

WORKS (FACTORY)

Rakanpur Works
Plot: 805, 806, 807, 810,
Rakanpur – 382 722,
Via: Sola-Bhadaj Village, Ta: Kalol,
Dist: Gandhinagar, Gujarat, India
Ph. No.: +91-2764286634/35,
Fax No. : +91-2764286301,
Email : share@patelsairtemp.com
Website: www.patelairtemp.com

Dudhai Works
Survey No. 100, Village : Dudhai,
Taluka : Kadi, Dist. Mehsana, Gujarat - 382 715.

BRANCH OFFICE

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

WHOLLY OWNED SUBSIDIARY (USA)

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

28th ANNUAL GENERAL MEETING

Day - Monday
Date - 28th September, 2020
Time - 11.30 a.m. IST
Venue - Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)

REGISTRAR & TRANSFER AGENT (RTA)

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

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

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

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NOTICE

28TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28th **ANNUAL GENERAL MEETING (28TH AGM)** of the members of **PATELS AIRTEMP (INDIA) LIMITED** will be held on Monday, the 28th day of September, 2020, at 11.30 a.m., Indian Standard Time ("IST"), through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") Facility, to transact the following business :

ORDINARY BUSINESS :

1) To consider and adopt -

   (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon ; and

   (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 and the report of the Auditors thereon.

2) To declare dividend on Equity Shares for the financial year ended 31st March, 2020.

3) To appoint a Director in place of Mr. Narayanbhai G. Patel (DIN: 00023107), who retires by rotation in terms of Section 152 of the Companies Act, 2013 at this Annual General Meeting and being eligible, offers himself for re-appointment.

4) To appoint a Director in place of Mr. Narendra G. Patel (DIN: 00023205), who retires by rotation in terms of Section 152 of the Companies Act, 2013 at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

5) To re-appoint 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 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Smt. Veenaben B. Patel (DIN : 07131341), who was appointed as an Independent Woman Director of the Company for a first term up to the conclusion of this Annual General Meeting by the Shareholders and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations, 2015 and being eligible and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of a Director, be and is hereby re-appointed as an Independent Woman Director of the Company, not liable to retire by rotation, for a second term of five years up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2025."

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

6) To re-appoint Mr. 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. 20th May, 2020 up to 19th May, 2023 and payment of remuneration for the said period of 3 years and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and pursuant to the provisions of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and as recommended and approved by Nomination and Remuneration Committee and approved by Audit Committee for related party transaction 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. Narayanbhai G. Patel (DIN: 00023107) as Whole-time Director of the Company designated as "Chairman & Whole-time Director" for a further period of 3 (Three) years with effect from 20th May, 2020 up to 19th May, 2023, upon the terms and conditions including remuneration by way of Salary of Rs. 3,00,000/- per month and other Perquisites and Allowances for the said period of 3 years from 20th May, 2020 up to 19th May, 2023 and more particularly mentioned in the Explanatory Statement annexed here with."

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

"**RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of the profits of the Company in any financial year during the said period of 3 (three) years from 20th May, 2020 up to 19th May, 2023, the remuneration mentioned in the Explanatory Statement here under shall be paid to Mr. Narayanbhai G. Patel as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be amended from time to time."

"**RESOLVED FURTHER THAT** the Board of Directors and/or Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein to the Directors or Officers of the Company or to any Committee of Directors to give effect to the aforesaid resolution."

7) To re-appoint 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 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and pursuant to the provisions of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and as recommended and approved by Nomination and Remuneration Committee and approved by Audit Committee for related party transaction 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. Sanjiv N. Patel (DIN:02794095) as Managing Director of the Company for a further period of 3 (Three) years with effect from 20th May, 2020 up to 19th May, 2023, upon the terms and conditions including remuneration by way of Salary of Rs. 3,00,000/- per month and other Perquisites and Allowances for the said period of 3 years from 20th May, 2020 up to 19th May, 2023 and more particularly mentioned in the Explanatory Statement annexed here with."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "Board") be and is hereby authorized to vary and/or modify the terms and conditions of the

appointment including remuneration payable to Mr. Sanjiv N. Patel in such manner as recommended by Nomination and Remuneration Committee and as may be agreed between the Board and Mr. Sanjiv N. Patel and within the limits as prescribed in Schedule V of the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof."

"**RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of the profits of the Company in any financial year during the said period of 3 (three) years from 20th May, 2020 up to 19th May, 2023, the remuneration mentioned in the Explanatory Statement here under shall be paid to Mr. Sanjiv N. Patel as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be amended from time to time."

"**RESOLVED FURTHER THAT** the Board of Directors and/or Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein to the Directors or Officers of the Company or to any Committee of Directors to give effect to the aforesaid resolution."

8) Payment and Ratification of remuneration to Cost Auditors for the financial year ending 31st March, 2021 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Rajendra Patel & Associates, Cost Accountant, Ahmedabad (Registration No. 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, 2021 (2020-2021), be paid and ratified the payment of remuneration of Rs. 80,000/- (Rupees Eighty Thousand only) for the said financial year excluding applicable taxes and out of pocket expenses, if any, as recommended by the Audit Committee and approved by the Board of Directors of the Company."

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

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

NARAYANBHAI G. PATEL
Chairman & Whole-time Director

Factory (Works) :
Plot: 805, 806, 807, 810,
Rakanpur – 382 722,
Via: Sola-Bhadaj Village, Ta: Kalol,
Dist: Gandhinagar, Gujarat.
CIN : L29190GJ1992PLC017801

Dated : 14th August, 2020

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 annexed hereto. The Board of Directors of the Company at its meeting held on 14th August, 2020 considered that the Special Business to be transacted at the Meeting as above under Item Nos. 5 to 8, being considered unavoidable, be transacted at the 28th AGM of the Company through VC/OAVM.

2) **General instructions for accessing and participating in the 28th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting**

a. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/ CFD/ CMD1/ CIR/ P/ 2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 28th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. Hence, members can attend and participate in the 28th AGM through VC/OAVM only.

b. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 28th AGM and the Annual Report for the year 2019-2020 including therein the Audited Financial Statements for the year 2019-2020, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 28th AGM and the Annual Report for the year 2019-2020 and all other communication sent by the Company and who wish to participate in the 28th AGM or cast their vote through remote e-Voting or through e-Voting system during the meeting, from time to time, 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. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 28th AGM.

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 28th AGM through VC/OAVM Facility and e-Voting during the 28th 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 purpose.

d. In line with the MCA Circulars and SEBI Circular, the Annual Report for the year 2019-2020 including Notice of the 28th 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 28th AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

f. Central Depository Services (India) Limited ("CDSL") will be providing facility for voting through remote e-Voting, for participation in the 28th AGM through VC/OAVM Facility and e-Voting during the 28th AGM.

Members will be able to attend the 28th 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 28th 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 28th AGM to avoid last minute rush.

g. Members may join the 28th AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 11:00 a.m. IST i.e. 30 minutes before the time scheduled to start the 28th AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 28th AGM.

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 28th AGM without any restriction on account of first-come-first-served principle.

i. Attendance of the Members participating in the 28th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

j. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.

k. 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.

l. 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.

m. During the 28th 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 28th 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 28th AGM.

n Members may follow the same procedure for e-Voting during the 28th AGM as mentioned below for remote e-Voting.

o Only those Members, who will be present in the 28th AGM through VC/OAVM Facility and have not cast 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 in the 28th AGM.

p The Members who have cast their vote by remote e-Voting prior to the 28th AGM may also participate in the 28th AGM through VC/OAVM Facility but shall not be entitled to cast their vote again.

q The Helpline details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the 28th 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

II DIVIDEND RELATED MATTERS

PAYMENT OF DIVIDEND

(a) The Company has notified closure of Register of Members and Share Transfer Books from 21st September, 2020 to 28th September, 2020 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

(b) Dividend of Re. 2.50 per share (@ 25 %) on Equity Shares for the year ended on 31st March, 2020 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 19th September, 2020, 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 19th September, 2020.

(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.

COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION

(a) 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 in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at share@patelsairtemp.com.

The applicable Tax Deduction at Source (TDS) provisions under the Income Tax Act, 1961 for Resident and Non-Resident shareholder categories are as follows:

For resident shareholders:

For resident shareholders, generally, the tax will be deducted at source (TDS) under Section 194

of the Income Tax Act, 1961 @ 7.5% on the amount of dividend declared and paid by the Company during FY 2020-21 provided Permanent Account Number (PAN) is provided by the shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

No tax shall be deducted on the dividend payable to resident individuals if -

i. Total dividend to be received by them during the Financial Year 2020-21 does not exceed Rs. 5,000/-

ii. The shareholder provides a written declaration in prescribed 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), subject to eligibility conditions being met.

Notwithstanding anything contained above, in the case where the shareholders provide a certificate under Section 197 of the Income Tax Act, 1961 for lower / NIL withholding of taxes, the rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

NON-RESIDENT SHAREHOLDERS OR FOREIGN COMPANIES ('non-resident payee')

Tax is required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at applicable rates in force. As per the said provisions, the tax shall be withheld @ 20% plus applicable surcharge and cess on the amount of dividend payable. However, as per Section 90 of the Income Tax Act, 1961, a non-resident payee has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, e. to avail the DTAA benefits, the non-resident shareholder will have to provide the following:

Self-attested copy of Permanent Account Number (PAN Card), if any allowed by the Indian Income Tax authorities;

Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident;

Self-declaration in Form 10F. Self-declaration by the non-resident payee containing such particulars/ confirmation as would be imperative to be governed by and/ or avail benefits, if any, under the applicable DTAA.

Notwithstanding anything contained above, in the case where the shareholders provide a certificate under Section 197 of the Income Tax Act, 1961 for lower / NIL withholding of taxes, the rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

Subject to what is stated above, the rate at which taxes are to be deducted at source based on the category of shareholders, are as under:

Resident Shareholders

Shareholder Category	Rate of TDS
Shareholders providing Form 15G/15H	NIL
If Dividend income < Rs. 5,000	NIL (for resident individuals)
If Dividend income > Rs. 5,000	- 7.5% in case where PAN is provided / available - 20%, in other cases where PAN is not provided / not available

Non - resident shareholders

Shareholder Category	Rate of TDS
Other Non-resident Shareholders	*20% or lower rate as mentioned in tax treaty, if the applicable details / documents are satisfactorily provided as aforementioned

*All the above referred tax rates shall be duly enhanced by the applicable surcharge and cess.

UNPAID/UNCLAIMED DIVIDEND & IEPF

(a) The Unpaid / Unclaimed Dividend for the year 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018 & 2018-2019 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 2011-2012 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, 2019 (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 2019-2020, transferred to IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more. Details of shares transferred to IEPF Authority are available on the website of the Company. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

(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.

III OTHER NOTES

1) Members seeking any further information with regard to the financial statements or any other matter to be placed at the 28th AGM, are requested to send their queries to the Company from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address at share@patelsairtemp.com at least 10 days before the date of the meeting. Those Members who have registered themselves as a speaker shall be allowed to speak during the 28th AGM, depending upon the availability of time.

2) During 28th 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. Narayanbhai G. Patel (DIN: 00023107), Chairman & Whole-time Director and Mr. Narendra G. Patel (DIN: 00023205), Whole-time Director of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offers themselves for re-appointment.

At this Annual General Meeting, Smt. Veenaben B. Patel (DIN : 07131341) is to be re-appointed as an Independent Woman Director of the Company not liable to retire by rotation, for a second term of five years up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2025.

At this Annual General Meeting, Mr. Narayanbhai G. Patel (DIN: 00023107) is to be re-appointed 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 with payment of remuneration.

At this Annual General Meeting, Mr. Sanjiv N. Patel (DIN:02794095) is to be re-appointed as Managing Director of the Company for a further period of 3 years w.e.f. 20th May, 2020 up to 19th May, 2023 with payment of remuneration.

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

Name of Director	Date of Birth	Date of Appoint-ment	Experience in specific functional areas	Qualification	Directorship held in other Public Limited Companies	Member/ Chairman of Committees in other Public Limited Companies
Narayanbhai G. Patel	21-04-1940	10-06-1992	Engineering Industry	B.E. (Mechanical) M.E. (Aircondition and Refrigeration)	Nil	Nil
Narendra G. Patel	13-02-1958	21-06-1994	Engineering Industry	B.E. (Mechanical), Post Diploma in Business Management	Nil	Nil
Smt. Veenaben B. Patel	05-08-1963	30-03-2015	Engineering Industry	BA	Nil	Nil
Sanjiv N. Patel	11-09-1972	30-09-2009	Engineering Industry, Management	B.E. (Chemical), MBA (USA)	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. Narendra G. Patel and Smt. Veenaben B. Patel are related to any other Directors on the Board.

Mr. Narayanbhai G. Patel holds 45,000 Equity Shares of Rs. 10/- each of the Company (0.89 % Share Capital of the Company).

Mr. Narendra G. Patel holds 3,03,801 Equity Shares of Rs. 10/- each of the Company (5.99 % Share Capital of the Company).

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

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

VOTING THROUGH ELECTRONIC MEANS:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the 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 28th AGM and facility for those Members participating in the 28th AGM to cast vote through e-Voting during the 28th AGM through e-Voting services provided by Central Depository Services (India) Limited (CDSL). The Company has signed an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their vote electronically.

The cut-off date for the purpose of remote e-voting and e-voting at the AGM shall be 21st September, 2020. 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 Friday, 25th September, 2020 (9.00 a.m. IST) and ends on Sunday, 27th September, 2020 (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, 2020, 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 28th 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 but shall not be entitled to cast their vote again.

(iv) The shareholders should log on to the e-voting website www.evotingindia.com

(iv) Click on "Shareholders" tab to cast your vote(s).

(v) Now enter your User ID

(a) For account holders of CDSL: 16 digits beneficiary ID,

(b) For account holders of NSDL: 8 character DP ID followed by 8 digits client ID,

(c) Members holding shares in physical form should enter folio number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If Demat account holder has forgotten his/her existing password then enter the User ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.

(ix) If you are a first time user, follow the steps given below:

	For Members holding Shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) A) Members who have not updated their PAN with Company/Depository Participant are requested to use the first two letters of their name in CAPITAL letters and the 8 digits of the Sequence Number in the PAN Field. B) 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).

(x) After entering these details appropriately, click on "SUBMIT" tab.

(xi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xiii) Click on the EVSN for 'PATELS AIRTEMP (INDIA) LTD.'.

(xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.

(xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

(xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xix) 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.

(xx) Note for Non-Individual Shareholders & Custodians:

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s)/folio numbers on which they wish to vote.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

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.

(xxi) 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.

(xxii) **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, 2020 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.**

B. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 21st September, 2020.

C. Mr. Punit Lath, Practising Company Secretary (ACS No. 26238 & COP No. 11139) has been appointed by the Board as the Scrutinizer to scrutinize the voting through Poll in the meeting and remote e-voting process in a fair and transparent manner.

D. The Scrutinizer shall after the conclusion of e-Voting at the 28th 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 then be sent to the Chairman or a person authorized by him, within 48 hours from the conclusion of the 28th AGM, who shall then countersign and declare the result of the voting forthwith.

E. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.patelairtemp.com and on website of CDSL e-Voting www.evotingindia.com within two days of the passing of the Resolutions at the Annual General Meeting of the Company and will also be communicated to BSE Limited, where the shares of the Company are listed.

F. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to the same being passed with requisite majority.

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. 5

Smt. Veenaben B. Patel (DIN : 07131341) was appointed as an Independent Woman Director on the Board of the Company by the Shareholders at the 23rd Annual General Meeting held on 19th September, 2015 for a first term of 5 (five) years up to the conclusion of this Annual General Meeting.

The Board of Directors at its meeting held on 14th August, 2020, taking into account the recommendation of the Nomination and Remuneration Committee and based on the skills, experience, knowledge and report of her performance evaluation, approved the re-appointment of Smt. Veenaben B. Patel as Independent Woman Director of the Company not liable to retire by rotation, for a second term of 5 (five) years up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2025. Her re-appointment is subject to the approval of the Shareholders at this Annual General Meeting by passing a Special Resolution.

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

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

Section 149 of the Act and provisions of LODR Regulations inter alia prescribe that an Independent Director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. The Company has received declaration from Smt. Veenaben B. Patel that she meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the LODR Regulations.

In the opinion of the Board, Smt. Veenaben B. Patel fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and LODR Regulations for her re-appointment as an Independent Woman Director of the Company and is independent of the management. In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Woman Director.

Details of core skills and expertise of Smt. Veenaben B. Patel have been given in Corporate Governance Report included in this Annual Report, which forms part of Directors' Report.

The copy of the letter for appointment of Independent Directors setting out the terms and conditions

would be available for inspection without any fee by the members at the Works (Factory) / Registered Office of the Company and on website of the Company at http://www.patelsairtemp.com.

Smt. Veenaben B. Patel is not disqualified from being appointed as Director in terms of Section 164 of the Act. Further, in terms of SEBI Circular dated June 20, 2018, Smt. Veenaben B. Patel is not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority. She is not related to any other Director on the Board.

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

The Board considers that her continued association would be benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Smt. Veenaben B. Patel as an Independent Woman Director. Accordingly, the Board recommends the resolution for the approval by the Shareholders in relation to re-appointment of Smt. Veenaben B. Patel as an Independent Woman Director on the Board of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) years up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2025.

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

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

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

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

ITEM NO. 6

The present term of Mr. Narayanbhai G. Patel (DIN: 00023107) as Whole-time Director of the Company designated as "Chairman & Whole-time Director" was up to 19th May, 2020.

The Board of Directors at their meeting held on 8th February, 2020 have, subject to the approval of the Shareholders by passing Special Resolution, re-appointed 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 with effect from 20th May, 2020 up to 19th May, 2023 on the remuneration and terms and conditions recommended and approved by Nomination and Remuneration Committee as set out herein. The Audit Committee also approved the same, being related party transaction.

Mr. Narayanbhai G. Patel is holding Engineering degree in B.E. (Mechanical) and M.E. (Aircondition & Refrigeration) with specialization in Air-conditioning, Refrigeration and Heat Transfer Equipments and has about 54 years of experience in this field. He is the Chairman of the Group and associated with the Company since inception and play key role in establishing the strategy particularly with respect to the design, development and marketing of the products. He is specialist in the design of Heat Exchangers as per the international codes like TEMA, ASME and BBS. Last year ASME accredited N & NPT authorization to the Company, a Global Qualification to manufacture Heat Exchangers & Pressure Vessels for Nuclear Power Plant. The Company is the 3rd Company in India with "N-NPT" authorization to manufacture above equipments which has put the Company in elite League of Critical Nuclear Power Plant Equipments.

Mr. Narayanbhai G. Patel is a Promoter Director since inception of the Company and was Managing Director of the Company from 1993 to 2015 and is an Whole-time Director since 2015 and in charge of overall managerial responsibility of the Company subject to supervision of the Board of Directors and also over all in-charge of the operations of the Company.

Mr. Narayanbhai G. Patel holds 45,000 Equity Shares of Rs. 10/- each of the Company (0.89 % Share

Capital of the Company).

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. Narayanbhai G. Patel is not a Director in any Public Limited Company. He is also not a Director in any Listed Company.

The Board is of the opinion that his services should continue to be availed by the Company, by re-appointing him as Whole-time Director of the Company as mentioned in the resolution, subject to the approval of Shareholders by passing Special Resolution. Taking into consideration the increased business activities and growth of the Patels Airtemp Group including establishment of new plant by the Company and the duties and responsibilities of the Whole-time Director and his contribution in the overall progress of the Company, the prevailing managerial remuneration in industry and on the recommendation and approval of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 8th February, 2020 approved the remuneration payable to Mr. Narayanbhai G. Patel for a period of 3 years from 20th May, 2020 up to 19th May, 2023 as under, subject to approval of the Shareholders including minimum remuneration and other terms and conditions given here under :

(A) Salary: Rs. 3,00,000/- (Rupees Three Lacs) per month including Dearness and other allowances.

(B) Perquisites: Perquisites and allowances are allowed as under in addition to salary. It shall be restricted to an amount equal to the annual salary subject to ceiling prescribed in Part II of Schedule V to the Companies Act, 2013 :-

  (i) Reimbursement of medical expenses incurred for self and members of his family as per Rules of the Company.

  (ii) Personal Accident Insurance and Mediclaim Insurance premium as per Rules of the Company.

  (iii) Provision of car and telephone at residence as per Rules of the Company. The expenditure on use of car for private purpose and long distance calls on telephone shall billed by the Company as per Rules of the Company.

  (iv) Company's contribution to Provident Fund as per Rules of Company.

  (v) Reimbursement of expenses on Electricity as per Rules of the Company.

(C) Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the Company in any financial year during the period of 3 years from from 20th May, 2020 up to 19th May, 2023, the remuneration as above shall be paid to Mr. Narayanbhai G. Patel as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.

(D) The terms and conditions of appointment and payment of remuneration, perquisites and allowances specified herein above may be enhanced, enlarged, widened, altered or varied from time to time by Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made thereunder from time to time in future and/or such guidelines as may be announced by the Central Government from time to time.

(E) The Whole-time Director shall subject to the supervision, direction and control of the Board of Directors of the Company be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him.

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

(G) A Statement as per requirement of Section II of Part II of Schedule V of the Companies Act, 2013

containing the information of the Company and Mr. Narayanbhai G. Patel is annexed with this Notice as per Annexure I.

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

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

The Board therefore recommends to the Members for approval of the re-appointment of Mr. Narayanbhai G. Patel as Whole-time Director of the Company designated as "Chairman & Whole-time Director" for a further period of 3 years with effect from 20th May, 2020 up to 19th May, 2023 with payment of remuneration and perquisites and allowances as mentioned above.

However, as per requirement of Part I of Schedule V of the Companies Act, 2013, where the Whole-time Director has attained the age of seventy years, his appointment is required to be approved by the Shareholders by passing a Special Resolution in General Meeting.

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

(i) the annual remuneration payable to such Executive Director exceeds Rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or

(ii) where there is more than one such Director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

Your Directors recommend passing of the Special Resolution proposed at Item No. 6. This explanation together with the accompanying notice is and should be treated as an abstract of the terms of re-appointment and payment of remuneration as mentioned above as per Section 190 of the Companies Act, 2013.

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

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

ITEM NO. 7

The present term of Mr. Sanjiv N. Patel (DIN:02794095) as Managing Director of the Company was up to 19th May, 2020.

The Board of Directors at their meeting held on 8th February, 2020 have, subject to the approval of the Shareholders by passing Special Resolution, re-appointed Mr. Sanjiv N. Patel as Managing Director of the Company for a further period of 3 years with effect from 20th May, 2020 up to 19th May, 2023 on the remuneration and terms and conditions recommended and approved by Nomination and Remuneration Committee as set out herein. The Audit Committee also approved the same, being related party transaction.

Mr. Sanjiv N. Patel is holding Engineering degree in B.E. (Chemical) and MBA Degree from USA. He is associated with the Company since 2009. He is one of the Promoter of the Company. He was Whole-time Director of the Company from 2009 to 2015 and is a Managing Director of the Company since

2015. He has worked as a Business Consultant in the field of Management Information System (MIS) and also worked as a Business Analyst. He has experience of working with ERP System and has more than 24 years of experience in different areas.

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

Mr. Narayanbhai G. Patel, Chairman & Whole-time Director, is a Father of Mr. Sanjiv N. Patel.

Mr. Sanjiv N. Patel is not a Director in any Public Limited Company. He is also not a Director in any Listed Company.

The Board is of the opinion that his services should continue to be availed by the Company, by re-appointing him as Managing Director of the Company as mentioned in the resolution, subject to the approval of Shareholders by passing Special Resolution. Taking into consideration the increased business activities and growth of the Patels Airtemp Group including establishment of new plant by the Company and Wholly Owned Subsidiary (WOS) of the Company in USA and taking into consideration the duties and responsibilities of the Managing Director and his contribution in the overall progress of the Company, the prevailing managerial remuneration in industry and on the recommendation and approval of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 8th February, 2020 approved the remuneration payable to Mr. Sanjiv N. Patel for a period of 3 years from 20th May, 2020 up to 19th May, 2023 as under, subject to approval of the Shareholders including minimum remuneration and other terms and conditions given here under :

(A) Salary: Rs. 3,00,000/- (Rupees Three Lacs) per month including Dearness and other allowances.

(B) Perquisites: Perquisites and allowances are allowed as under in addition to salary. It shall be restricted to an amount equal to the annual salary subject to ceiling prescribed in Part II of Schedule V to the Companies Act, 2013 :-

  (i) Reimbursement of medical expenses incurred for self and members of his family as per Rules of the Company.

  (ii) Personal Accident Insurance and Mediclaim Insurance premium as per Rules of the Company.

  (iii) Provision of car and telephone at residence as per Rules of the Company. The expenditure on use of car for private purpose and long distance calls on telephone shall billed by the Company as per Rules of the Company.

  (iv) Company's contribution to Provident Fund as per Rules of Company.

  (v) Reimbursement of expenses on Electricity as per Rules of the Company.

(C) Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the Company in any financial year during the period of 3 years from from 20th May, 2020 up to 19th May, 2023, the remuneration as above shall be paid to Mr. Sanjiv N. Patel as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.

(D) The terms and conditions of appointment and payment of remuneration, perquisites and allowances specified herein above may be enhanced, enlarged, widened, altered or varied from time to time by Nomination and Remuneration Committee and Board of Directors as they may in their discretion, deem fit, within the maximum amount payable in accordance with Schedule V to the Act and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made thereunder from time to time in future and/or such guidelines as may be announced by the Central Government from time to time.

(E) The Managing 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. Sanjiv N. Patel is annexed with this Notice as per Annexure I.

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

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

The Board therefore recommends to the Members for approval of the re-appointment of Mr. Sanjiv N. Patel as Managing Director of the Company for a further period of 3 years with effect from 20th May, 2020 up to 19th May, 2023 with payment of remuneration and perquisites and allowances as mentioned above.

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

(i) the annual remuneration payable to such Executive Director exceeds Rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or

(ii) where there is more than one such Director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

Your Directors recommend passing of the Special Resolution proposed at Item No. 7. 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. Sanjiv N. Patel, Mr. Narayanbhai G. Patel and Mr. Shivang P. Patel are interested in the resolution set out at Item No. 7 of the Notice. The relatives of Mr. Sanjiv N. Pate, Mr. Narayanbhai G. Patel and Mr. Shivang P. Patel may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company.

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

ITEM NO. 8

The Board of Directors at the Board Meeting held on 20th June, 2020, 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 2020-2021 ending on 31st March, 2021, at a remuneration of Rs. 80,000/- (Rupees Eighty Thousand Only) plus applicable taxes and out-of-pocket expenses, subject to the approval of the Shareholders in General Meeting for payment of remuneration.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration as above payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2021.

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. 8 of the Notice for the approval of the Members.

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

NARAYANBHAI G. PATEL
Chairman & Whole-time Director

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

Dated : 14th August, 2020

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
2019-2020	23741.90	1478.88	1130.51
2018-2019	15094.89	1051.78	731.65
2017-2018	15938.44	1264.93	861.15

(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	Narayanbhai G. Patel	Sanjiv N. Patel
Designation	Whole-time Director	Managing Director
Age	80 years	48 years
Experience	54 years	24 years

(2) **Past Remuneration:**

The details of managerial remuneration paid to Mr. Narayanbhai G. Patel and Mr. Sanjiv N. Patel during the previous financial year ended on 31st March, 2020, are as under :- (Amount in ₹)

Particulars	Narayanbhai G. Patel (WTD)	Sanjiv N. Patel (MD)
Salary	36,00,000	36,00,000
Perquisites/ Allowances	94,250	84,836
Total	36,94,250	36,84,836

(3) **Recognition or awards:**

Along with development of product design and product manufacturing application, the Company in its tenure of 45+ years continuously upgraded quality and product system by acquiring world's most recognized system like ISO 9001-2015, ASME (N - NPT, 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.) since 1992 for updating Heat Transfer Technology.

The Company is one of the very few organizations in world and one of only 3 organizations in India to acquire ASME N - NPT Stamp for manufacturing of stringent nuclear application.

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

Due to "U"/ "U2"/ "S" and "N & NPT" 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. Narayanbhai G. Patel is holding Engineering degree in B.E. (Mechanical) and M.E. (Aircondition & Refrigeration) with specialization in Air-conditioning, Refrigeration and Heat Transfer Equipments and has about 54 years of experience in this field. He is the Chairman of the Group and associated with the Company since inception and play key role in establishing the strategy particularly with respect to the design, development and marketing of the products. He is specialist in the design of Heat Exchangers as per the international codes like TEMA, ASME and BBS. Last year ASME accredited N & NPT authorization to the Company, a Global Qualification to manufacture Heat Exchangers & Pressure Vessels for Nuclear Power Plant. The Company is the 3rd Company in India with "N-NPT" authorization to manufacture above equipments which has put the Company in elite League of Critical Nuclear Power Plant Equipments.

Mr. Sanjiv N. Patel is holding Engineering degree in B.E. (Chemical) and MBA Degree from USA. He is associated with the Company since 2009. He is one of the Promoter of the Company. He was Whole-time Director of the Company from 2009 to 2015 and is a Managing Director of the Company since 2015. He has worked as a Business Consultant in the field of Management Information System (MIS) and also worked as a Business Analyst. He has experience of working with ERP System and has more than 24 years of experience in different areas.

(5) **Remuneration proposed**

It is proposed to pay remuneration to Mr. Narayanbhai G. Patel and Mr. Sanjiv N. Patel by way of Salary of Rs. 3,00,000/- per month each plus perquisite and allowances for a further period of 3 years with effect from 20th May, 2020 up to 19th May, 2023 the details of which are mentioned in the explanatory statement as above.

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

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

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

Mr. Narayanbhai G. Patel holds 45,000 Equity Shares of Rs. 10/- each of the Company (0.89 % Share Capital of the Company).

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

III. OTHER INFORMATION :

(1) **Reasons of inadequate profits**

Due to competition and increase in the cost of materials, the profit of the Company during the year ended on 31st March, 2020 is inadequate.

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

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

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

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

IV. **DISCLOSURES:**

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

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

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

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

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

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

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

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

DIRECTORS' REPORT

To,
The Members,
PATELS AIRTEMP (INDIA) LTD.
Ahmedabad.

Your Directors have pleasure in presenting herewith the 28th Annual Report together with the Audited Standalone & Consolidated Financial Statements of the Company for the year ended 31st March, 2020.

FINANCIAL RESULTS (Standalone) (₹ in lakhs except EPS)

Particulars	Year ended on 31-03-2020	Year ended on 31-03-2019
Revenue from Operations	23741.90	15094.89
Other Income	187.81	79.27
Total Income	23929.71	15174.16
Less: Depreciation & Amortisation Expenses	289.00	259.85
Finance Cost	723.50	502.68
Other Expenses	21438.33	13359.85
Total Expenses	22450.83	14122.38
Profit before Tax	1478.88	1051.78
Less :Tax Expenses	348.37	320.13
Net Profit for the year	1130.51	731.65
Total Comprehensive Income for the year	1128.52	728.51
Balance brought forward from previous year	6641.23	6065.28
Profit available for Appropriation	7771.74	6796.93
Less: Re-measurement benefit of defined Benefit plans	2.00	3.14
Less: Proposed Dividend	126.76	126.76
Less: Tax on Dividend	26.05	25.80
Less Transfer to General Reserve	-	-
Surplus carried forward to Balance Sheet	7616.93	6641.23
Earning Per Share of Rs. 10/- each (Rs.)	22.30	14.43

STATE OF COMPANY'S AFFAIRS (STANDALONE)

The Company has earned total revenue from operations of Rs. 23741.90 lakhs during the year ended on 31st March, 2020 as against Rs. 15094.89 lakhs earned during the previous year ended on 31st March, 2019, a rise of 57.28 %. The Company has also earned other income of Rs. 187.81 lakhs during the year under review as against Rs. 79.27 lakhs earned during the previous year.

Out of the revenue from operations of Rs. 23741.90 lakhs earned by the Company during the year under review, Rs. 23227.08 lakhs represents sale of products (Domestic & Export), Rs. 139.11 lakhs represents sale of Services (Processing Charges) and Rs. 375.71 lakhs represents other operating revenues.

The Company has incurred total expenses of Rs. 22450.83 lakhs during the year ended on 31st March, 2020 as compared to Rs. 14122.38 lakhs incurred during the previous year ended on 31st March, 2019.

The Company has earned the Profit before Tax of Rs. 1478.88 lakhs during the year ended on 31st March, 2020 as compared to Rs. 1051.78 lakhs earned during the previous year ended on 31st March, 2019, a rise of 40.60%.

The Company has earned Net Profit of Rs. 1130.51 lakhs for the year ended on 31st March, 2020 after making Provision for total Tax Expenses of Rs. 348.37 lakhs and other adjustments, as compared to Net Profit of Rs. 731.65 lakhs earned by the Company during the previous year ended on 31st March, 2019, a rise of 54.51 %.

After adding the Surplus in the Statement of Profit & Loss of Rs. 6641.23 lakhs brought forward from the previous year to the profit of Rs. 1130.51 lakhs earned by the Company during the year under review, the total amount of Rs. 7771.74 lakhs is available for appropriation.

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

OVERALL IMPACT OF COVID-19 PANDEMIC

The operations of the Company were impacted on account of temporary shutdown of its plant from 24th March, 2020 following nationwide lockdown announced by the Government on account of Covid-19 global pandemic. However, after seeking the required permission from the concerned authorities, the Company has restarted its plant from 23rd April, 2020 in a phased manner. The Company has taken all necessary measures from time to time to comply with the directions issued by the local authorities and state government to prevent and contain the spread of corona virus including temporary shutdown of Its plant and offices during the nationwide lockdown. The Company has made initial assessment of likely adverse impact on business and financial risks and believes that the impact is likely to be short term in nature. The Company does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting Its liabilities as and when they fall due. Further, the Company has prepared cash flow projections, assessed the impact on operations and also assessed the recoverability of receivables, inventories, impairment of its property, plant & equipment using various internal and external information. On the basis of evaluation and having regard to current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and does not anticipate any impairment to any of its financial and non-financial assets on a going concern basis.

EXPANSION UNDER NEW GREENFIELD PROJECT

During the year under review, the Company has set up a new Greenfield project at Village : Dudhai, Taluka : Kadi, Dist. Mehsana, Gujarat with total capital outlay of around Rs.19.10 crores for dedicated manufacturing of Air Cooled Heat Exchanger / Air Fin Cooler in total land area of 44,500 Sq. Mtr. New unit will be completely operational by the end of the year 2020.

The Company is witnessing a steady flow of new orders and given the voluminous nature of the jobs handled by the Company, as the major portion of the company's manufacturing process involves assembly of own manufactured / bought out components, the existing space available at the Company's Rakanpur factory, Dist. Gandhinagar, Gujarat is proving to be insufficient and hence the Company is constrained to take on lease/leave and licence basis certain factory sheds for carrying out the assembly operations. By establishing a new Greenfield project, the Company will create additional infrastructure required for the purpose of taking care of a part of the production process and will primarily remove the space constraints and the company will be in a position to carry out the assembly operations in a cost effective and efficient manner.

WHOLLY-OWNED SUBSIDIARY (WOS) (OVERSEAS SUBSIDIARY)

During the year under review, 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.

As on March 31, 2020, 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 monitors performance of its Wholly Owned Subsidiary, inter alia, by the Minutes of Board Meetings of the said Wholly Owned Subsidiary are placed before the Company's Board.

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.

During the year under review, there are no significant transactions and arrangements entered into by the Wholly Owned Subsidiary of the Company.

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 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 on 31st March, 2020 have been attached with the Financial Statements of the Company. The Audited Consolidated Financial Statements form part of the Annual Report.

The Audited Consolidated Financial Statements of the Company and all other documents required to be attached thereto is put up on the Company's website. 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 December, 2019 and for the period from 1st January, 2020 up to 31st March, 2020 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 Rs. 360 Crores on hand as on 1st August, 2020. 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 Rs. 2.50 per share (@ 25 %) on 50,70,240 Equity Shares of Rs. 10/- each of the Company for the Financial Year ended on 31st March, 2020 (2019-2020), as compared to Dividend of Rs. 2.50 per share (@ 25 %) declared for the previous Financial Year ended on 31st March, 2019. This will absorb Rs. 126.76 lakhs.

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 in the Income Tax Act, 1961. In this regard, more details have been included in the Notice of AGM included in this Annual Report.

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

TRANSFER TO RESERVE

In view of above, the Company has not transferred any amount to the General Reserve for the year ended on 31st March, 2020 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.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company as on 31st March, 2020 as required under Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, in the prescribed Form MGT-9, is annexed herewith as **Annexure - B**, to this Report.

As required under Section 134(3)(a) of the Act, the extract of Annual Return in Form MGT-9 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 – C** 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 45+ years continuously upgraded quality and product system by acquiring world's most recognized system like ISO 9001-2015, ASME (N - NPT, 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.) since 1992 for updating Heat Transfer Technology.

The Company is one of the very few organizations in world and one of only 3 organizations in India to acquire ASME N - NPT Stamp for manufacturing of stringent nuclear application.

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

Due to "U"/ "U2"/ "S" and "N & NPT" 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

During the year under review, Bank of Baroda and Axis Bank Ltd. have enhanced working capital facilities availing by the Company from Rs. 112 Crores to Rs. 169 Crores (increased by Rs. 57 Crores) under consortium arrangement.

The Company is also availing Bill Discounting facility to the extent of Rs. 7 Crores from HDFC Bank Ltd.

ACCEPTANCE OF DEPOSITS

During the year under review, the Company has not accepted any deposits from the Public and Members of the Company and therefore not required to comply with the requirement under the Companies Act, 2013 and the Rules made thereunder. As such, no amount of principal or interest was outstanding to the Public and Members of the Company as on March 31, 2020 and the Company is not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

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

During the year under review, the Relatives of the Directors also brought in unsecured loan/deposits by way of contribution to bring additional long term funds as a part of conditions imposed by Bank of Baroda on the Directors and their relatives, while reviewing working capital facilities to the Company vide its Letter No. NAVRAN/2018/05/92, dated 12th March, 2018, which are exempted deposits under Rule 2(1)(c)(xiii) of Companies (Acceptance of Deposits) Rules, 2014.

Details of exempted deposits accepted and repaid by the Company including interest to the Directors & their Relatives during the financial year 2019-2020 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 Rs. 1,84,330 for the financial year 2011-2012 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, 2019 (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 2019-2020, transferred to the IEPF Authority 5,062 Equity Shares of the face value of Rs. 10/- each belonging to 50 Shareholders in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more from 2011-12 to 2017-18. Details of shares transferred to the IEPF Authority are available on the website of the Company. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in. In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement. 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 on 31st March, 2020 is attached herewith as a part of this Annual Report viz **Annexure - D.** 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 2019-2020 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 2019-2020 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, 2020, 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, 2020 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, 2020 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

Particulars of 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. 41 to the Standalone Financial Statements).

RELATED PARTY TRANSACTIONS

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

Transaction with related parties pursuant to the provisions of Listing Regulations are disclosed in Note No. 31 of the Notes to the Standalone Financial Statements for the year ended on 31st March, 2020, 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.

During the year under review, the Company has amended "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 and uploaded the same 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. 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-yearly on consolidated basis details of Related Party Transactions entered into by the Company and uploaded the said details on its web-site.

SECRETARIAL STANDARDS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder and Articles of Association, Mr. Narayanbhai G. Patel (DIN: 00023107), Chairman & Whole-time Director and Mr. Narendra G. Patel (DIN: 00023205), Whole-time Director of the Company, shall retire by rotation as Directors of the Company at this Annual General Meeting, and being eligible, offer themselves for re-appointment, for which necessary resolutions have been incorporated in the notice of the meeting. The Board of Directors recommends re-appointment of Mr. Narayanbhai G. Patel and Mr. Narendra G. Patel as Directors of the Company. The brief resume/details relating to the said Directors, who are to be re-appointed are furnished in the Notes to the Notice of the Annual General Meeting.

Smt. Veenaben B. Patel (DIN : 07131341), who was appointed as Independent Director of the Company, holds office up to the conclusion of the ensuing 28th Annual General Meeting of the Company ("first term" in terms of Sections 149(10) of the Companies Act, 2013). The Company has received notice under Section 160 of the Companies Act, 2013 from a shareholder of the Company proposing the re-appointment of Smt. Veenaben B. Patel as an Independent Woman Director of the Company not liable to retire by rotation, for a second term of five years up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2025. A brief profile of Smt. Veenaben B. Patel is given in the notice convening the 28th AGM, for the reference of the Shareholders. The Board of Directors, taking into account the recommendation of the Nomination and Remuneration Committee and on the basis of performance evaluation of Independent Directors, has recommended the re-appointment of Smt. Veenaben B. Patel as Independent Woman Director of the Company, for the aforesaid term.

Mr. Narayanbhai G. Patel (DIN: 00023107) has been re-appointed 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 with payment of remuneration of Rs. 3,00,000/- per month with perquisites and allowances 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.

Mr. Sanjiv N. Patel (DIN:02794095) has been re-appointed as Managing Director of the Company for a further period of 3 years w.e.f. 20th May, 2020 up to 19th May, 2023 with payment of remuneration of Rs. 3,00,000/- per month with perquisites and allowances 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.

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.

In view of above, a separate meeting of Independent Directors was supposed to be held on 30th March, 2020, for which, Agenda and Notes on Agenda were circulated to all Independent Directors of the Company vide Notice dated 17th March, 2020. However, due to out break of Novel Covid-19 Corona Virus, the said meeting of Independent Directors could not be held on 30th March, 2020.

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 2019-2020, 6 (Six) Board Meetings of the Company were held on 22-5-2019, 10-8-2019, 30-8-2019, 9-11-2019, 28-11-2019 & 8-2-2020. The gap between two Board Meetings did not exceed 120 days as prescribed in the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board Meetings were generally held at the Factory (Works) of the Company situated at Rakanpur, Dist. Gandhinagar, Gujarat.

The particulars of number of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report. Agenda of the meetings were prepared and all necessary papers were circulated to Members of the Board in advance. Necessary disclosures were made by the Directors in the Board 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 – F** attached herewith and forming part of the Directors' Report.

RISK MANAGEMENT

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

CORPORATE SOCIAL RESPONSIBILITY

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

The Company has duly spent the required amount during the financial year ended on 31st March, 2020 towards CSR activities. The Annual Report on CSR activities including Responsibility Statement of the CSR Committee in terms of Section 135 of the Companies Act, 2013 and the Rules framed thereunder is annexed herewith marked as **Annexure - G**.

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 2019-20, the company has paid total fees of Rs. 2,99,500/- including statutory audit fees, taxation matters and for other services 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 2019-2020 and to submit his report to the Company. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as **Annexure – H** to this Report.

The Board at its meeting held on 8th February, 2020, has re-appointed Mr. Punit Lath, as Secretarial Auditor, for conducting Secretarial Audit of the Company for the financial year 2020-2021. 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 2019-2020 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, 2020 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 20th June, 2020, 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 2020-2021 on a remuneration of Rs. 80,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder and confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013. They have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013.

The Cost Audit Report for the Financial Year ended 31st March, 2019 has been duly filed in XBRL mode. The cost audit report of the Company for financial year ended March 31, 2020 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 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 2020-2021.

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 - I** 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 - I** 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/whisle 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 this policy. No complaints pertaining to sexual harassment were received during the financial year 2018-2019.

GENERAL

- During the year under review, there was no change in the nature of business of the Company, except as under and there is no material change and/or commitments, affecting the financial position of the Company, during the period from 31st March, 2020 till the date of this report :-

  During the year under review, 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., and

  During the year under review, the Company has set up a new Greenfield project at Kadi, Dist. Mehsana, Gujarat with total capital outlay of around Rs.19.10 crores for dedicated manufacturing of Air Cooled Heat Exchanger / Air Fin Cooler in total land area of 44,500 sq. mtrs.
- The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under Section 67(3)(c) of the Companies Act, 2013 does not require.
- The disclosure in terms of Rule 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

ACKNOWLEDGEMENT

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

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

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

By order of the Board of Directors

NARAYANBHAI G. PATEL
Chairman & Whole-time Director

Dated : 14th August, 2020
Place : Rakanpur, Dist. Gandhinagar

ANNEXURE-A to Directors' Report

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 (WOS)**

Amount (Rs.)

Sr. No.	Particulars	
1	Name of the wholly owned Subsidiary	Patels Airtemp (USA) Inc.
2	The date since when Subsidiary was acquired	13th January, 2020
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Upto 31st March, 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 = Rs. 75.3859
5	Share Capital	7,53,859
6	Other Equity	37,693
7	Total Assets	15,52,950
8	Total Liabilities	15,52,950
9	Investments	-
10	Turnover	-
11	Profit before Taxation	35,440
12	Provision for Taxation	-
13	Profit after Taxation	35,440
14	Proposed Dividend	-
15	% of Shareholding	100.00%

Part B: Associates and Joint Ventures

The Company does not have any Associates or Joint Ventures

For and on behalf of Board of Directors

Narayanbhai G. Patel - Chairman & Whole-time Director
Sanjiv N. Patel - Managing Director
Kamlesh R. Shah - Chief Financial Officer
Nikhil M. Patel - Company Secretary

Place : Rakanpur, Dist. Gandhinagar
Dated : 20th June, 2020

ANNEXURE-B TO DIRECTORS'REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

REGISTRATION DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Heat Exchangers & Accessories	359.6 (NIC - 1997)	52.59%
2	Air Cooled Heat Exchangers & Accessories	359.6 (NIC - 1997)	34.41%

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	PATELS AIRTEMP (USA) INC	NA	WHOLLY OWNED SUBSIDIARY	100%	2 (87)

IV. SHARE HOLDING PATTERN

(Equity Share Capital break-up as percentage of total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the end of the year [As on March 31, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group2									
A1. Indian									
(A) Individual / HUF	961746	0	961746	18.97	961746	0	961746	18.97	0.00
(B) Bodies Corporate	1433954	0	1433954	28.28	1431954	0	1431954	28.24	(0.04)
SUB TOTAL (A)(1) :	**2395700**	**0**	**2395700**	**47.25**	**2393700**	**0**	**2393700**	**47.21**	**(0.04)**
A2. Foreign	0	0	0	0.00	0	0	0	0.00	0.00
Total Holding For Promoters and Promoter Group (A)=(A)(1)+(A)(2)	**2395700**	**0**	**2395700**	**47.25**	**2393700**	**0**	**2393700**	**47.21**	**(0.04)**
(B) Public shareholding									
B1. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
B2. Non-Institutions									
(A) Bodies Corporate	81064	825	81889	1.62	102783	825	103608	2.04	0.43
(B) Individual									
(I) (Capital Upto To Rs. 1 Lakh)	1633216	98128	1731344	34.15	1577412	92803	1670215	32.94	(1.21)
(II) (Capital Greater Than Rs. 1 Lakh)	577319	0	577319	11.61	619362	0	619362	12.22	0.83
(C) Any Others (Specify)									
(I) Clearing Member	21593	0	21593	0.43	10926	0	10926	0.22	(0.21)
(II) Non Resident Indians (Repat)	77238	0	77238	1.52	89815	0	89815	1.77	0.25
(III) Non Resident Indians (Non Repeat)	19040	0	19040	0.38	14875	0	14875	0.29	(0.08)
(IV) Other Directors	2079	0	2079	0.04	2079	0	2079	0.04	0.00
(V) IEPF	31027	0	31027	0.61	36089	0	36089	0.71	0.10
(VI) HUF	133011	0	133011	2.62	129571	0	129571	2.56	(0.07)
SUB TOTAL (B)(2) :	**2575587**	**98953**	**2674540**	**52.75**	**2582912**	**93628**	**2676540**	**52.79**	**0.04**
Total Public Shareholding (B)=(B)(1) + (B)(2)	**2575587**	**98953**	**2674540**	**52.75**	**2582912**	**93628**	**2676540**	**52.79**	**0.04**
(C) Shares held by Custodians for have been issued	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A)+(B)+(C)	**4971287**	**98953**	**5070240**	**100.00**	**4976612**	**93628**	**5070240**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year 01-04-2019			Share holding at the end of the year 31-3-2020			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Therm Flow Engineers Pvt Ltd	1364512	26.91	0.00	1362512	26.87	0.00	(0.04)
2	Devidas Chelaram Narumalani	290145	5.72	0.00	290145	5.72	0.00	0.00
3	Narendrabhai Gopalbhai Patel	303801	5.99	0.00	303801	5.99	0.00	0.00
4	Patel Narayanbhai Gangaram	120000	2.37	0.00	0.00	0.00	0.00	(2.37)
5	Patel Narayanbhai Gangaram	45000	0.89	0.00	45000	0.89	0.00	0.00
6	Shiv Fintrade LLP.	69442	1.37	0.00	69442	1.37	0.00	0.00
7	Patel Sitaben Narayanbhai	7000	0.14	0.00	7000	0.14	0.00	0.00
8	Patel Narayanbhai Gangaram-HUF	17700	0.35	0.00	17700	0.35	0.00	0.00
9	Sanjiv Narayanbhai Patel	139000	2.74	0.00	139000	2.74	0.00	0.00
10	Aarti P. Patel	14000	0.28	0.00	74000	1.46	0.00	1.18
11	Rashmika Narendra Patel	6525	0.13	0.00	6525	0.13	0.00	0.00
12	Pushpa D Narumalani	5775	0.11	0.00	5775	0.11	0.00	0.00
13	Prakash N. Patel-HUF	5000	0.10	0.00	5000	0.10	0.00	0.00
14	Kanayalal Gagandas Narumalani	3750	0.07	0.00	3750	0.07	0.00	0.00
15	Khushal Gagandas Narumalani	3750	0.07	0.00	3750	0.07	0.00	0.00
16	Jalpa Sanjiv Patel	100	0.00	0.00	100	0.00	0.00	0.00
17	Sanjivkumar N Patel-HUF	100	0.00	0.00	100	0.00	0.00	0.00
18	Shivang Prakash Patel	100	0.00	0.00	60100	1.19	0.00	1.19
	Total	**2395700**	**47.25**	**0.00**	**2393700**	**47.21**	**0.00**	**(0.04)**

(iii) Change in Promoters' Shareholding

Sr. No.	Name of the Promoters	Shareholding Beginning of the year 01.04.2019 End of the Year 31.03.2020		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding During the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
At the beginning of the year - 01.04.2019		2395700	47.25	01.04.2019	-	-	2395700	47.25
1	Therm Flow Engineers Pvt. Ltd.	1364512	26.91	01.04.2019	-	-	1364512	26.91
				31.05.2019	-2000	Transfer	1362512	26.87
		1362512	26.87	31.03.2020			1362512	26.87
2	Narayanbhai Gangaram Patel	165000	3.25	01.04.2019	-	-	165000	3.25
				26.04.2019	-120000	Transfer	45000	0.89
		45000	0.89	31.03.2020			45000	0.89
3	Aarti Prakashbhai Patel	14000	0.28	01.04.2019	-	-	14000	0.28
				26.04.2019	60000	Transfer	74000	1.46
		74000	1.46				74000	1.46
4	Shivang Prakasah Patel	100	0	01.04.2019	-	-	100	0
				26.04.2019	60000	Transfer	60100	1.19
		60100	1.19	31.03.2020			60100	1.19
At the End of the year - 31.03.2020		2393700	47.21	31.03.2020	-	-	2393700	47.21

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

Sr. No.	Name of the top ten Shareholders	Shareholding Beginning of the year 01.04.19 End of the Year 31.03.20	Date	Increase/ Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the company
1	BHARAT CHHABILDAS PATEL	55081	30-Mar-19	0	Transfer	55081	1.09
			05-Apr-19	2346		57427	1.13
			12-Apr-19	100		57527	1.13
			26-Apr-19	1131		58658	1.16
			03-May-19	700		59358	1.17
			10-May-19	432		59790	1.18
			31-May-19	45		59835	1.18
			07-Jun-19	200		60035	1.18
			14-Jun-19	400		60435	1.19
			28-Jun-19	200		60635	1.20
			05-Jul-19	141		60776	1.20
			19-Jul-19	225		61001	1.20
			26-Jul-19	661		61662	1.22
			02-Aug-19	753		62415	1.23
			09-Aug-19	581		62996	1.24
			30-Aug-19	279		63275	1.25
			13-Sep-19	25		63300	1.25
			20-Sep-19	235		63535	1.25
			01-Nov-19	1000		64535	1.27

			15-Nov-19	400		64935	1.28
			22-Nov-19	400		65335	1.29
			06-Dec-19	1164		66499	1.31
			13-Dec-19	165		66664	1.31
			20-Dec-19	456		67120	1.32
			03-Jan-20	500		67620	1.33
			07-Feb-20	300		67920	1.34
			21-Feb-20	200		68120	1.34
			28-Feb-20	400		68520	1.35
			06-Mar-20	100		68620	1.35
			13-Mar-20	100		68720	1.36
			20-Mar-20	200		68920	1.36
		68920	31-Mar-20	0		68920	1.36
2	SUNIL KUMAR GUPTA	66000	30-Mar-19	0	Transfer	66000	1.30
		66000	31-Mar-20	0		66000	1.30
3	DEENAR KRISHNARAO TORASKAR	61112	30-Mar-19	0	Transfer	61112	1.21
		61112	31-Mar-20	0		61112	1.21
4	SHARAD KANAYALAL SHAH	61000	30-Mar-19	0	Transfer	61000	1.20
			20-Sep-19	-61000		0	0.00
			31-Mar-20	0		0	0.00
5	SEETHA KUMARI	0	30-Mar-19			0	0.00
			02-Aug-19	50	Transfer	50	0.00
			20-Sep-19	1239		1289	0.03
			27-Sep-19	100		1389	0.03
			11-Oct-19	1642		3031	0.06
			18-Oct-19	1908		4939	0.10
			01-Nov-19	3939		8878	0.18
			06-Dec-19	516		9394	0.19
			21-Feb-20	763		10157	0.20
			28-Feb-20	6973		17130	0.34
			06-Mar-20	10716		27846	0.55
			13-Mar-20	9482		37328	0.74
			20-Mar-20	2031		39359	0.78
			27-Mar-20	2000		41359	0.82
		41359	31-Mar-20	0		41359	0.82
6	YAGNESH NAVINCHANDRA PASAVALA	24797	30-Mar-19	0	Transfer	24797	0.49
			10-May-19	100		24897	0.49
			17-May-19	386		25283	0.50
			24-May-19	100		25383	0.50
			14-Jun-19	2622		28005	0.55
			21-Jun-19	368		28373	0.56
			28-Jun-19	257		28630	0.56
			05-Jul-19	1243		29873	0.59
			12-Jul-19	270		30143	0.59
			19-Jul-19	149		30292	0.60
			26-Jul-19	250		30542	0.60
			02-Aug-19	1269		31811	0.63
			09-Aug-19	1458		33269	0.66
			16-Aug-19	5		33274	0.66
			23-Aug-19	2352		35626	0.70
			30-Aug-19	660		36286	0.72
			06-Sep-19	1260		37546	0.74
		37546	31-Mar-20	0		37546	0.74

7	DHEERAJ KUMAR LOHIA	21266	30-Mar-19	0	Transfer	21266	0.42
			05-Apr-19	1600		22866	0.45
			31-May-19	2378		25244	0.50
			07-Jun-19	4211		29455	0.58
			14-Jun-19	4250		33705	0.66
			16-Aug-19	-825		32880	0.65
			14-Feb-20	-1500		31380	0.62
		31380	31-Mar-20	0		31380	0.62
8	NILESHKUMAR MANUBHAI MEHTA	21010	30-Mar-19	0	Transfer	21010	0.41
			05-Apr-19	2400		23410	0.46
			14-Jun-19	3834		27244	0.54
			12-Jul-19	1076		28320	0.56
			09-Aug-19	2287		30607	0.60
		30607	31-Mar-20	0		30607	0.60
9	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED	0	30-Mar-19			0	0.00
			16-Aug-19	2594		2594	0.05
			20-Sep-19	27325		29919	0.59
			27-Sep-19	654		30573	0.60
		30573	31-Mar-20	0		30573	0.60
10	KIRTIDA CHHABILDAS PATEL	29340	30-Mar-19	0		29340	0.58
			19-Apr-19	100		29440	0.58
			24-May-19	15		29455	0.58
			31-May-19	500		29955	0.59
			01-Nov-19	150		30105	0.59
			29-Nov-19	105		30210	0.60
			21-Feb-20	100		30310	0.60
			06-Mar-20	100		30410	0.60
			20-Mar-20	100		30510	0.60
		30510	31-Mar-20	0		30510	0.60
11	GAUTAM JAIN	27104	30-Mar-19	0		27104	0.53
		27104	31-Mar-20	0		27104	0.53
12	PANKAJ JAJU	26000	30-Mar-19	0		26000	0.51
		26000	31-Mar-20	0		26000	0.51
13	KAYZAD SIRUS EGHLIM	25000	30-Mar-19	0		25000	0.49
		25000	31-Mar-20	0		25000	0.49
14	DEEPAK GUPTA	21618	30-Mar-19	0		21618	0.43
		21618	31-Mar-20	0		21618	0.43

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Directors & KMP	Shareholding Beginning of the year 01.04.2019 End of the Year 31.03.2020		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding During the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
Directors & KMP								
1	PATEL NARAYANBHAI GANGARAM (KMP)	165000 45000	3.25 3.25	26-Apr-19	120000	Gift Transmission	45000	0.89
2	NARENDRABHAI GOPALBHAI PATEL (KMP)	303801 303801	5.99 5.99	No transaction		-	303801	5.99
3	SHIVANG PRAKASH PATEL (KMP)#	100 60100	0.00 1.19	26-Apr-19	60000	Gift Transmission	60100	1.19
4	SANJIV NARAYANBHAI PATEL (KMP)	139000 139000	2.74 2.74	No transaction		-	139000	2.74
5	HARESHKUMAR ISHWARLAL SHAH	NIL	NIL	NIL		-	NIL	NIL
6	VINODKUMAR CHOTUBHAI DESAI	NIL	NIL	NIL		-	NIL	NIL
7	RAJENDRA CHATURBHAI PATEL	NIL	NIL	NIL		-	NIL	NIL
8	VEENABEN BHUPENDRABHAI PATEL	1079 1079	0.02 0.02	No transaction		-	1079	0.02
9	HIMANSHU N. RAWAL	NIL	NIL	NIL		-	NIL	NIL
10	APURVA V. SHAH (KMP)	1000 1000	0.02 0.02	No transaction		-	1000	0.02
11	RAMANBHAI R. PATEL ##	NIL	NIL	NIL		-	NIL	NIL
Other Key Managerial Personnel								
12	KAMLESH RASIKLAL SHAH (CFO)	1050 1050	0.02 0.02	No transaction		-	1050	0.02
13	NIKHIL M. APTEL (CS)	NIL	NIL	NIL		-	NIL	NIL

Notes :

Mr. Shivang P. Patel was appointed as a Director and Whole-time Director of the Company w.e.f. 1st June, 2019

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Narayanbhai G. Patel (Chairman & WTD)	Narendrabhai G. Patel (WTD)	Shivang P. Patel (WTD) #	Sanjiv N. Patel (MD)	Apurva V. Shah (WTD)	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	36,00,000	36,00,000	30,00,000	36,00,000	27,60,000	1,65,60,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	94,250	85,482	1,58,954	84,836	1,58,287	5,81,809
2.	Stock Option	NA	NA	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA	NA	NA
4.	Commission - as % of profit - others, specify	NA	NA	NA	NA	NA	NA
5.	Others, please specify	NIL	NIL	NIL	NIL	NIL	NA
	Total	36,94,250	36,85,482	31,58,954	36,84,836	29,18,287	1,71,41,809

Mr. Shivang P. Patel was appointed as a Director and Whole-time Director of the Company w.e.f. 1st June, 2019

B. Remuneration to other Directors : (Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount
		Haresh kumar I. Shah	Vinod kumar C. Desai	Himanshu N. Rawal	Veenaben B. Patel	Rajendra kumar C. Patel#	Ramanbhai R. Patel ##	
1.	Independent Directors							
	- Fee for attending Board meetings	15,000	10,000	12,500	15,000	10,000	2,500	65,000
	- Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total(1)	15,000	10,000	12,500	15,000	10,000	2,500	65,000
2.	Other Non-Executive Directors							
	- Fee for attending Board meetings	NA	NA	NA	NA	NA	NA	NA
	- Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total(B)=(1+2)	15,000	10,000	12,500	15,000	10,000	2,500	65,000

Mr. Rajendrakumar C. Patel was appointed as an Independent Director of the Company w.e.f. 10th August, 2019

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

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Nikhil M. Patel (CS)	Kamlesh R. Shah (CFO)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,05,100	10,86,804	22,91,904
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	NA	NA	NA
3.	Sweat Equity	NA	NA	NA
4.	Commission	NA	NA	NA
	- as % of profit			
	- others, specify…			
5.	Others, please specify	NA	NA	NA
	Total	**12,05,100**	**10,86,804**	**22,91,904**

V. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences on Company, Directors and other Officers in Default for the Financial Year ended on 31st March, 2020.

ANNEXURE-C TO DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OUTLOOK

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. According to the IMF World Economic Outlook, India's GDP grew at 4.2% in FY 20 compared to 6.1% in the previous year. Over the medium to longer run, India is well placed to witness strong growth on the back of its structural growth drivers.

Due to the outbreak of novel COVID-19 pandemic during the fourth quarter and subsequent restriction of movement caused severe economic disruption and further exacerbated the prevailing stress on economy. To protect and jumpstart the lockdown-battered economy, Government launched a Rs. 20 lakh crore all-inclusive stimulus package called "Atmanirbhar Bharat" focussing on land, labour, liquidity, and laws and will cater to the various small, medium and large industries, labourers, middle class, urban and rural poor. The initial lockdown meant a complete slowdown of the economy however it has very limited effect on demand for the Company's products and services. This is an unprecedented worldwide event, which is currently ongoing.

Global economic growth exhibited signs of sluggishness in FY 20 driven by weakness in a few emerging economies resulting in slower global manufacturing and trade. The concerns around Brexit and the continuing trade war between United States and China provided additional stimulus to already dampening global macro-economic conditions. The International Monetary Fund (IMF), in its World Economic Outlook, April 2020, calculated a global economic growth of 2.9% in CY2019, a significant fall from 3.6% in CY2018. Following the outbreak of COVID-19, global economy charted an unprecedented curve, multiplexed by uncertainties. Most of the economies across the world have been severely impacted due to restriction of movement, crippling trade, and businesses. IMF projects the global growth rate to shrink by 3% in CY2020. However, if the pandemic is contained by the second half of CY2020, it suggests the global economy will likely grow by 5.8% in CY2021, supported by fiscal and monetary measures.

FINANCIAL AND OPERATIONAL PERFORMANCE

Your Company is operating in single segment namely engineering fabrication. This discussion, covers the financial results and other developments during April 2019 to March 2020, in respect of the Company.

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

The Company has earned total revenue from operations of Rs. 23741.90 lakhs during the year ended on 31st March, 2020 as against Rs. 15094.89 lakhs earned during the previous year ended on 31st March, 2019 a rise of 57.28%. The Company has also earned other income of Rs. 187.81 lakhs during the year under review as against Rs. 79.27 lakhs earned during the previous year.

Out of the revenue from operations of Rs. 23741.90 lakhs earned by the Company during the year under review, Rs. 23227.08 lakhs represents sale of products (Domestic & Export), Rs. 139.11 lakhs represents sale of Services (Processing Charges) and Rs. 375.71 lakhs represents other operating revenues.

The Company has incurred total expenses of Rs. 22450.83 lakhs during the year ended on 31st March, 2020 as compared to Rs. 14122.38 lakhs incurred during the previous year ended on 31st March, 2019.

The Company has earned the Profit before Tax of Rs. 1478.88 lakhs during the year ended on 31st March, 2020 as compared to Rs. 1051.78 lakhs earned during the previous year ended on 31st March, 2019, a rise of 40.60%.

The Company has earned Net Profit of Rs. 1130.51 lakhs for the year ended on 31st March, 2020 after making Provision for Tax Expenses of Rs. 348.37 lakhs and other adjustments, as compared to Net Profit of Rs. 731.65 lakhs earned by the Company during the previous year ended on 31st March, 2019, a rise of 54.51%.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is engaged in the manufacture and sale of extensive range of Heat Exchangers such as Shell & Tube Type, Finned Tube Type and Air Cooled Heat Exchangers, Pressure Vessels, Air-conditioning and Refrigeration equipments and Turnkey HVAC Projects in India & marketing of equipments even outside India. All these products are supplied to leading Industrial Sections like Power Projects, Refineries, Fertilizers, Cements, Petrochemicals, Pharmaceuticals, Textile and Chemical Industries.

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

PRODUCT – WISE PERFORMANCE

The Company is operating in one segment i.e. engineering fabrication having different products, such as Heat Exchangers,Air Cooled Heat Exchangers,Pressure Vessels, Air-conditioning & Refrigeration Equipments, Turnkey HVAC projects and other Misc. products, the turnover of which are given in Notes on Accounts portion of the

Annual Report. Your company has decided to stick to high value added engineering products. These products are regularly procured by the Industrial Process Plants / Units. These products has ASME "U"/ "U2"/ "S" and "N & NPT" Stamp authorization, it is expected to improve profitability of the company in the future. For updating Heat Transfer Technology, Company has become member of HTRI (Heat Transfer Research, Inc, U.S.A.).

FUTURE OUTLOOK

Considering the current COVID-19 pandemic scenario, the industry is expected to take some time to recover and normalcy in business would take few quarters or perhaps more. Any outlook at this point of time is heavily contingent upon the intensity, spread and duration of the pandemic.

Global growth is projected at –4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020.

OPPORTUNITIES

Export in the developed countries like USA, Canada & Europe and other countries like Nigeria, Indonesia, Zambiaetc. is to be developed and it is expected to provide large impetus to engineering exports to these countries afterobtaining the ASME "U"/ "U2"/ "S" and "N & NPT" Stamp Authorization. Your company is preparing itself to meet the increased demand in the years to come through efficient production management system which will enable to minimize the risk of raw materials price fluctuations.

RISK FACTORS

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

The industry is facing stiff competition from big players who are producing on large scale production and have the advantage of economies in cost, facing challenges from cheaper imports and the industry is also facing risks from unorganized sector particularly from the marketing in the state and nearby stateswhich have major thrust on Air-conditioning and Refrigerator parts. However, Your Company does not foresee any risk due to its concentration on quality commitment for better products and prompt after sales and service. The Government of India's measures to curb cheaper imports imposing anti dumping duties and other restrictions will give much needed relief to the domestic industry.

QUALITY CONTROL

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

INTERNAL CONTROL SYSTEM

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

INDUSTRIAL RELATION & HUMAN RESOURCES

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

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

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

CAUTIONARY STATEMENT

The statement given in this report, describing the Company's objectives, estimates and expectations and future plans may contribute towards forward looking statement within the meaning of applicable laws and / or regulations. Actual performance may differ materially from those either expressed or implied. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated on account of various factors such as changes in government regulations, tax regimes, economic developments, exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints.

ANNEXURE-D TO DIRECTORS' REPORT

CORPORATE GOVERANANCE REPORT

Report on Corporate Governance for the year ended on 31st March, 2020 (2019-2020) 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, 2020 :

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 10 Directors as on 31st March, 2020, 5 Directors are Executive Directors and 5 Directors are Independent Directors. One half of the total Directors are Independent Directors including one Independent Woman Director. The Chairman of the Board is Promoter-Executive Director. The members of the Committees like Audit Committee (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 & Whole-time Director provides overall direction and guidance to the Board. In the operations and functioning of the Company, the Chairman & Whole-time Director is assisted by other four Executive Directors and a core group of senior level executives. The Chairman guides the Board for effective governance structure in the Company. In doing so, the Chairman presides at the meetings of the Board and the Shareholders of the Company.

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

The Company Secretary assists the Chairman in management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation. The 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, 2020, details of other Directorship and Committee Membership/Chairmanship held by them in other Public Companies, their attendance at the Board Meetings held during the financial year 2019-2020 and also at the last Annual General Meeting (AGM) held on 28th September, 2019 are given below :

Name of Directors and Category		Designation	Attenance Particulars			No. of Directorship and Committee Membership / Chairmanship held in other Public Companies (other than Patels Airtemp India Ltd.)		
			Board Meetings Held	Board Meeting Attended	Last Annual General Meeting on 28-9-2019	Other Director-ship	Committee Membership	Committee Chairman
Executive Directors								
1.	Mr. Narayanbhai G. Patel	Chairman & Whole-time Director	6	6	Yes	NIL	NIL	NIL
2.	Mr. Sanjiv N. Patel	Managing Director	6	3	Yes	NIL	NIL	NIL
3.	Mr. Narendra G. Patel	Whole-time Director	6	6	Yes	NIL	NIL	NIL
4.	Mr. Apurva V. Shah	Whole-time Director	6	6	Yes	NIL	NIL	NIL
5	Mr. Shivang P. Patel #	Whole-time Director	6	4	Yes	NIL	NIL	NIL
Independent Directors								
6.	Mr. Hareshkumar I. Shah	Independent Director	6	6	Yes	NIL	NIL	NIL
7.	Mr. Vinodkumar C. Desai	Independent Director	6	4	No	NIL	NIL	NIL
8.	Mrs. Veenaben B. Patel	Independent Woman Director	6	6	No	NIL	NIL	NIL
9.	Mr. Himanshu N. Rawal	Independent Director	6	5	Yes	NIL	NIL	NIL
10.	Mr. Rajendrakumar C. Patel ##	Independent Director	6	4	Yes	NIL	NIL	NIL

Mr. Shivang P. Patel was appointed as a Director and Whole-time Director of the Company w.e.f. 1st June, 2019

Mr. Rajendrakumar C. Patel was appointed as a Director of the Company w.e.f. 10th August, 2019

None of the 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 committees or acts as a chairman of more than 5 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. Veenaben B. Patel, Independent Director, holds 1,079 Equity Shares of Rs. 10/- each of the Company (0.02% of Share Capital). None of the other Non-Executive Directors held the Shares in the Company.

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

During the financial year 2019-2020, 6 (Six) Board Meetings of the Company were held on 22-5-2019, 10-8-2019, 30-8-2019, 9-11-2019, 28-11-2019 & 8-2-2020. 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.

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

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

The Board has carried out an evaluation of its own performance and that of its Committees and Directors and also Chairperson in terms of Section 134(3)(p) of the Companies Act, 2013 and Rules made thereunder and SEBI Listing Regulations for the year 2019-2020 after taking into consideration the observations made for the previous year 2018-2019. 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.

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

Directors are appointed/re-appointed with the approval of the Members for a term in accordance with the provisions of the law and the Articles of Association. All Directors other than Independent Directors are liable to retire by rotation unless otherwise specifically provided under the Articles of

Association or under any statute. One-third of the Directors who are liable to retire by rotation, retire at every Annual General Meeting and are eligible 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. Minutes of proceedings of Committee meetings are circulated to the respective committee members and placed before Board meetings for noting. Draft minutes are circulated to Board/ Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

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

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

The Company Secretary records minutes of proceedings of each Board and Committee meeting. 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.

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

(vii) Independent Directors & Separate Meeting

All Independent Directors have been appointed for a first term of 5 years, except in case of appointment of Mr. Himanshu N. Rawal for a first term of 2 years. Subsequently, Mr. Himanshu N.

Rawal has been re-appointed as Independent Director for a second term of 5 years. Mr. Hareshkumar I. Shah and Mr. Vinodkumar C. Desai have also been re-appointed as Independent Directors for a second term of 5 years. Smt. Veenaben B. Patel has been re-appointed as Independent Director for a second term of 5 years, subject to the approval of the Shareholders by passing Special Resolution in this Annual General Meeting, for which, necessary resolution has been incorporated in the Notice of this Annual General Meeting.

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 web-site of the Company http://www.patelairtemp.com.

None of the Independent Directors of the Company have resigned before the expiry of his/her tenure.

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.

In view of above, a separate meeting of Independent Directors was supposed to be held on 30th March, 2020, for which, Agenda and Notes on Agenda were circulated to all Independent Directors of the Company vide Notice dated 17th March, 2020. However, due to outbreak of Novel Covid-19 Corona Virus, the said meeting of Independent Directors could not be held on 30th March, 2020.

(viii) 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.patelairtemp.com.

(ix) Remuneration/Sitting Fees to the Directors:

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

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

The aggregate amount of salary and perquisites & allowances paid to the following Whole-time Directors & Managing Director of the Company during the year ended on 31-03-2020 (i.e. from 1-4-2019 to 31-3-2020) are as under :-

(Amount in ₹)

Name of Whole-time Directors & Managing Director	Designation	Salary	Perquisites & Allowances	Total
Mr. Narayanbhai G. Patel	Whole-time Director	36,00,000	94,250	36,94,250
Mr. Sanjiv N. Patel	Managing Director	36,00,000	84,836	36,84,836
Mr. Narendra G. Patel	Whole-time Director	36,00,000	85,482	36,85,482
Mr. Apurva V. Shah	Whole-time Director	27,60,000	1,58,287	29,18,287
Mr. Shivang P. Patel #	Whole-time Director	30,00,000	1,58,954	31,58,954

Mr. Shivang P. Patel was appointed as a Director and Whole-time Director of the Company w.e.f. 1st June, 2019

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 31-03-2020 :-

Sr. No.	Name of the Director	Amount in (₹)
1	Mr.Hareshkumar I. Shah	15,000
2	Mr.Vinodkumar C. Desai	10,000
3	Mrs.Veenaben B. Patel	15,000
4	Mr. Himanshu N. Rawal	12,500
5	Mr. Rajendrakumar C. Patel #	10,000
6	Mr. Ramanbhai R. Patel # #	2,500

Mr. Rajendrakumar C. Patel was appointed as an Independent Director of the Company w.e.f. 10th August, 2019

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

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

Criteria of making payments to Independent and /or Non-executive Directors are uploaded on the Company website at http://www.patelairtemp.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)

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 2019-2020.

Re-constitution of Committees

Mr. Ramanbhai R. Patel ceased to be a Member of all Committees of the Board as above due to his sad demise on 12th June, 2019. It was therefore necessary to re-constitute all above Committees of the Board to appoint one of the Independent Director of the Company as a Member in place of Mr. Ramanbhai R. Patel. The Board of Directors at their meeting held on 10th August, 2019 re-constituted all above Committees as under :-

Mr. Himanshu N. Rawal, who is an Independent Director of the Company, as a Member of NRC Committee, CSR Committee and SRC Committee in place of Mr. Ramanbhai R. Patel w.e.f. 10th August, 2019 and appointed Mrs. Veenaben B. Patel, who is also an Independent Director of the Company, as a Member of Audit Committee in place of Mr. Ramanbhai R. Patel w.e.f. 10th August, 2019.

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

A) AUDIT COMMITTEE

i) Composition of Committee and Meetings and Attendance:

As on 31st March, 2020, 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 Patel, who is a Company Secretary of the Company, is the Secretary to the Audit Committee.

During the financial year 2019-2020, 6 (Six) Audit Committee Meetings were held on 22-5-2019, 10-8-2019, 30-8-2019, 9-11-2019, 28-11-2019 & 8-2-2020. The maximum gap between any two meetings was not more than 4 months. The Audit Committee Meetings were generally held at the Factory (Works) of the Company situated at Rakanpur, Dist. Gandhinagar, Gujarat.

The Audit Committee meeting was held on 28th November, 2019 at a shorter notice due to business transacted in the said meeting were in the nature of "Unpublished Price Sensitive Information" (UPSI) pursuant to the provisions of Secretarial Standard on Board and Committee Meetings (SS-1) with the consent in writing from all the Members of Committee including Independent Directors of the Company.

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

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

During the year, all recommendations made by the Audit Committee were accepted by the Board.

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

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Hareshkumar I. Shah	Chairman	Independent Director	6	6
Mr. Narayanbhai G. Patel	Member	Executive Director	6	6
Mr. Ramanbhai R. Patel #	Member	Independent Director	6	1 #
Mr. Himanshu N. Rawal	Member	Independent Director	6	5
Mrs. Veenaben B. Patel # #	Member	Independent Director	6	4 ##

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

Mrs. Veenaben B. Patel, Independent Director, became a Member of Audit Committee w.e.f. 10th August, 2019.

- 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 Annual General Meeting held on 28th September, 2019.

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, 2020, 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 and Executive Director, who is a Chairman of the Company, is not a Chairman of NRC Committee. The constitution of NRC Committee fulfills the requirements of Section 178 of the Companies Act, 2013, Rules made thereunder and Regulation 19 of Listing Regulations.

During the year under review, NRC Committee met 3 times on 22-5-2019, 10-8-2019 and 8-2-2020. The presence of the Members at the meeting are as under. NRC Committee normally meets for considering proposal related to the following matters after evaluation of the performance of existing Directors and Whole-time & Managing Directors of the Company and recommendation to the Board of Directors :

- Appointment of Additional Directors
- Re-appointment of Independent Directors
- Appointment and Re-appointment of Managing & Whole-time Directors
- Remuneration of Key Managerial Personnel and Managing & Whole-time Directors of the Company and for considering any other matter as may be specified under the terms of reference of the committee.

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Hareshkumar I. Shah	Chairman	Independent Director	3	3
Mr. Ramanbhai R. Patel #	Member	Independent Director	3	1 #
Mr. Vinodkumar C. Desai	Member	Independent Director	3	2
Mr. Narayanbhai G. Patel	Member	Executive Director	3	3
Mr. Himanshu N. Rawal ##	Member	Independent Director	3	Nil # #

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

Mr. Himanshu N. Rawal, Independent Director, became a Member of NRC Committee w.e.f. 10th August, 2019.

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

ii) Terms of reference:

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

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

Salient features of the Policy 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, 2020, 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 8th February, 2020 for taking note of the following matters occurred during the financial year 2019-2020 i.e. from 1st April, 2019 to 31st March, 2020 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

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

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

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

Mr. Himanshu N. Rawal, Independent Director, became a Member of SRC Committee w.e.f. 10th August, 2019.

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

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

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

No. of complaints outstanding as on 31-03-2019	- Nil
No. of complaints received during the year under review	- Nil
No. of complaints disposed off during the year under review	- Nil
No. of complaints outstanding as on 31-03-2020	- 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, 2020.

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, 2020 consists of 2 Independent Directors and 1 Executive Director with Chairman, being Independent Director. CSR Committee fulfills the requirements of Section 135 of the Companies Act, 2013 and the Rules made thereunder.

In terms of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014 as amended ("CSR Rules") and in accordance with the CSR Policy, during the year 2019-2020, your Company had spent Rs. 23.62 Lakhs, i.e. two percent of the average net profits of the Company during the three immediately preceding financial years. Annual report on CSR activities as required under the Rules has been appended with Board's Report.

In this regard, Responsibility Statement has been issued and signed by Mr. Narayanbhai G. Patel, Chairman & Whole-time Director and Mr. Hareshkumar I. Shah, Chairman of CSR Committee that the implementation and monitoring of CSR policy by the Company is in compliance with CSR objectives and policy of the Company during the financial year 2019-2020.

During the year under review, CSR Committee met 3 times on 22-5-2019, 10-8-2019 and 9-11-2019. The presence of the members at the meeting are as under :-

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Hareshkumar I. Shah	Chairman	Independent Director	3	3
Mr. Ramanbhai R. Patel #	Member	Independent Director	3	1 #
Mr. Narayanbhai G. Patel	Member	Executive Director	3	3
Mr. Himanshu N. Rawal ##	Member	Independent Director	3	1 ##

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

Mr. Himanshu N. Rawal, Independent Director, became a Member of SRC Committee w.e.f. 10th August, 2019.

ii) Terms of reference :

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

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

iii) Corporate Social Responsibility Policy:

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

4. GENERAL BODY MEETINGS

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

Financial Year	Date and Time	Venue (At the Registered Office of the Company)	No. of Special Resolution Passed
2018-2019 (27th AGM)	28th September, 2019 at 10.00 a.m.	5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	8 #
2017-2018 (26th AGM)	29th September, 2018 at 10.00 a.m.	5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	6 # #
2016-2017 (25th AGM)	19th September, 2017 at 10.00 a.m.	5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	1 # # #

\# 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 30th August, 2019 up to 29th 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 30th August, 2019 up to 29th 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. 2nd August, 2019 up to 1st 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. 1st June, 2019 up to 31st 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 29th August, 2024.

6) Increase in the borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013 up to Rs. 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 9th August, 2024.

\# # 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.

1) To keep Register and Index of Members at the place of RTA instead of at the Regd. Office of the Company.

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

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

At the forthcoming 28th AGM, no resolution is proposed to be passed through Postal Ballot.

5. DISCLOSURES

i) Related Party transactions

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

Transactions with related parties are disclosed in Note No. 31 of the Notes to the Standalone Financial Statements for the year ended on 31st March, 2020, in the Annual Report as required by the Accounting Standard (AS) 18 and applicable Indian Accounting Standards (Ind AS) issued by ICAI.

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

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

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

The Company has duly taken the approval of Audit Committee and Board of Directors for entering into related party transactions by the Company with related parties during the year ended on 31st March, 2020.

The Company has duly filed with BSE Ltd. half-yearly statement of Related Party Transactions ended on March 31, 2019 and September 30, 2019 in accordance with applicable 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, Chairman & Whole-time Director and 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 31st March, 2020 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 Chairman & Whole-time Director and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of SEBI Listing Regulations.

v) No penalties have been imposed on the Company by the Stock Exchange/s or SEBI or any statutory authority, on the matter related to capital market during the year under review.

vi) The Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this 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, 2020. The Code has also been posted on the Company's website - http://www.patelairtemp.com. The declaration from Chairman & Whole-time Director & Managing Director of the Company, affirming compliance of the said Code of Conduct by all the Board Members and Senior Management Personnel is annexed separately to this Report.

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

The Board of Directors of the Company at their meeting held on 20th June, 2020 has amended Code of Business Conduct and Ethics for Directors and Senior Management Personnel of the Company and posted on the Company's website - http://www.patelairtemp.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.patelairtemp.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.patelairtemp.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 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.

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.

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, 2020 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) Share and security transfer formalities by the Company

In terms of Regulation 40(9) of SEBI Listing Regulations, certificates, on half-yearly basis, have been issued by a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company and the report thereon is submitted to stock exchange and is also placed before the Board of Directors.

xii) **Reconciliation of Share Capital Audit**

In terms of Regulation 40(9) and 61(4) of SEBI Listing Regulations and 55A of DP Act & Reg. 76 of DP 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.

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

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

xiv) Consolidated Fees paid to Statutory Auditors

During the Financial Year 2019-20, the company has paid total fees of Rs. 2,99,500/- including statutory Audit fees, Taxation matters and for other services to M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company.

xv) Audit Qualification

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

xvi) Wholly Owned Subsidiary

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

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 and SEBI Listing Regulations. These were published in the newspapers as per prescribed guidelines and uploaded on the web-site of the Company. In pursuance of Regulation 33(3) read with Schedule V of 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 5,867 Shareholders as on 31st March, 2020. The main channel of communication to the shareholders is through its web-site as mentioned above and Annual Report, which includes inter alia, the Director's Report along with all annexures, Management Discussions & Analysis, Report on Corporate Governance, Audited Financial Statements (Standalone & Consolidated), Auditors' Report, E-voting instructions, etc. The Annual Report is also posted on the web-site of the Company viz. http://www.patelairtemp.com.

BSE CORPORATE COMPLIANCE & LISTING CENTRE (LISTING CENTRE)

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

SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

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

USAGE OF ELECTRONIC PAYMENT MODES FOR MAKING PAYMENTS TO INVESTORS

In view of SEBI Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013, the Electronic Clearing Services (ECS/NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, members holding shares in physical form are requested to provide bank account details such as Bank & Branch Name, MICR, IFSC codes etc. to the Company or its Registrar and Share Transfer Agents (R&T).

DESIGNATED EXCLUSIVE EMAIL-ID:

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

GREEN INITIATIVE IN CORPORATE GOVERNANCE: GO PAPERLESS

As part of the green initiative process, the company has taken an initiative of sending documents like Notice calling Annual General Meeting, Corporate Governance Report, Directors' Report, Audited Financial Statements (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 Pvt. Ltd.** Registrar and Transfer Agent / **concerned depository** to enable the Company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

7. GENERAL SHAREHOLDERS INFORMATION

i) **Annual General Meeting :**

Date : Monday, 28th September, 2020
Time : 11.30 a.m.
Venue : Through Video Conferencing (VC) / Other Audio visual Means (OAVM)

ii) **Financial Calendar (from 1-4-2020 to 31-3-2021) (Tentative) :**

Results for quarter ended on 30-6-2020	: On 1st August, 2020
Results for quarter ending on 30-9-2020	: On or before 14th November, 2020
Results for quarter ending on 31-12-2020	: On or before 14th February, 2021
Audited Results for the year ending on 31-3-2021	: On or before 30th May, 2021
AGM for the year ending on 31-3-2021	: On or before 30th September, 2021

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

Book-closure shall be from 21st September, 2020 to 28th September, 2020 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2020.

iv) **Dividend payment date :**

The Dividend of Rs. 2.50 per share (@ 25 %) on 50,70,240 Equity Shares of Rs. 10/- each for the year ended on 31st March, 2020, if approved and declared, will be paid within the prescribed time limit.

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

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

Listing fees up to the Financial Year 2020-2021 has already been paid to the Stock Exchange. The Annual Custody/Issuer fee for the year 2020-2021 has also been paid by the Company to NSDL and CDSL.

vi) **Stock Code / Name & ISIN No. :**

BSE 517417. Script Name: PATELSAI.

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

vii) **Corporate Identity Number (CIN) :**

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

viii) **Stock Market Data and Share price performance in comparison to BSE Sensex based on share price on 31-03-2020 :**

The monthly High, Low and Closing Price of Shares of the Company at BSE Limited, (BSE), during the financial year 2019-2020 and performance of the same in comparison to BSE Sensex are given below :

Months	Share price of the Company Company at BSE			SENSEX		
	High (Rs.)	Low (Rs.)	Closing (Rs.)	High (Rs.)	Low (Rs.)	Closing (Rs.)
April, 2019	108.80	97.30	98.45	39487.45	38460.25	39031.55
May, 2019	114.45	90.00	95.00	40124.96	36956.10	39714.20
June, 2019	98.95	82.40	90.00	40312.07	38870.96	39394.64
July, 2019	94.95	80.00	87.80	40032.41	37128.26	37481.12
August, 2019	104.00	78.00	89.65	37807.55	36102.35	37332.79
September, 2019	112.00	87.00	99.00	39441.12	35987.80	38667.33
October, 2019	109.90	98.00	102.45	40392.22	37415.83	40129.05
November, 2019	127.45	102.15	111.15	41163.79	40014.23	40793.81
December, 2019	114.00	102.05	105.55	41809.96	40135.37	41253.74
January, 2020	134.00	105.00	125.00	42273.87	40476.55	40723.49
February, 2020	141.00	109.25	109.55	41709.30	38219.97	38297.29
March, 2020	116.00	74.00	80.20	39083.17	25638.90	29468.49

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

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

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

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

M/s. Bigshare Services Pvt. Ltd.

Ahmedabad Office

A-802, Samudra Complex, Near Klassic Gold, Girish Cold Drink ,
Off C. G. Road, Navrangpura, Ahmedabad-380009, Gujarat
Tel : 079 400 24135/079 40392570
Fax No: 0228475207
Email id : bssahd@bigshareonline.com
Website : www.bigshareonline.com

Mumbai Office

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

The Company has submitted to BSE Ltd. Compliance Certificate for half-yearly ended on 30th September, 2019 and 31st March, 2020 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.

x) **Share Transfer System:**

The transfer of shares in physical form is processed and completed by M/s. Bigshare Services Pvt. Ltd. within a period of 15 days from the date of receipt all concern documents thereof. In case of shares in electronic form, the transfer is processed by NSDL/CDSL through the respective Depository Participants.

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

Pursuant to Regulation 40(9) of 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.

Trading in equity shares of the Company is permitted only in dematerialised form. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly the Company / its RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

xi) **Shareholding Details:**

Distribution of Shareholding as on 31st March, 2020 :

No. of Equity Shares held	No. of Shareholders	% of total Shareholders	No. of Shares	% of Shareholding
1-500	5084	86.65	672318	13.26
501-1000	382	6.51	300110	5.92
1001-2000	178	3.04	258936	5.11
2001-3000	71	1.21	177013	3.49
3001-4000	43	0.73	157611	3.11
4001-5000	31	0.53	141297	2.79
5001-10000	38	0.65	264403	5.21
10001 & above	40	0.68	3098552	61.11
Total:	5867	100.00	5070240	100.00

Categories of Shareholders as on 31st March, 2020 :

Category of Shareholders	No. of Equity Shares held	Percentage of total paid-up capital
A : Promoters and Promoters Group :		
Promoters	777946	15.34
Promoters' Relatives	161000	3.18
Group Companies	1431954	28.24
HUFs	22800	0.45
Total (A) :	2393700	47.21

B : Public :		
Bodies Corporate	103608	2.04
NRIs	104690	2.06
Clearing Members	10926	0.22
Directors (other than Promoters as above)	2079	0.04
IEPF	36089	0.71
Indian Public	2419148	47.72
Total (B) :	2676540	52.79
Total (A+B)	5070240	100.00

xii) **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 98.16 % of the total Equity Capital of the Company is held in demat form as on 31st March, 2020. 100 % shares held by the Promoters & Promoters' Group have been dematerialized.

xiii) **Reconciliation of Share Capital Audit:**

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

(xiv) **Dividend History for last 13 years :**

Financial year	Dividend Per Share (₹)
2007-08	₹ 0.50 (5% Interim) and ₹ 1.50 (15% Final Dividend)
2008-09	₹ 1.80 (18 %)
2009-10	₹ 2.00 (20 %)
2010-11	₹ 2.00 (20 %)
2011-12	₹ 2.00 (20 %)
2012-13	₹ 2.00 (20 %)
2013-14	₹ 2.00 (20 %)
2014-15	₹ 2.20 (22 %)
2015-16	₹ 2.20 (22 %)
2016-17	₹ 2.50 (25 %)
2017-18	₹ 2.50 (25 %)
2018-19	₹ 2.50 (25 %)
2019-20	₹ 2.50 (25 %) (Recommended)

xv) Plant Location(s):

The Company's plants/offices are located at:

Plant:

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

Contact Person : Nikhil M. Patel, Company Secretary
Tel No. 022-28470652, 40430200 Fax No. 022-28475207
Website: http://www.patelairtemp.com.

Dudhai Works

Survey No.100
Village : Dudhai, Taluka : Kadi,
Dist. Mehsana, Gujarat-382 715.

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

xvi) Nomination facility :

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

xvii) 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, 2020 (2019-2020).

	Sd/-	Sd/-
Place : Rakanpur, Dist. Gandhinagar	Narayanbhai G. Patel	Sanjiv N. Patel
Date : 20th June, 2020	Chairman & Whole-time Director	Managing Director

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CEO AND CFO CERTIFICATION

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

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

a) We have reviewed the Financial Statements (Standalone & Consolidated) and Cash Flow Statement of Patels Airtemp (I) Ltd. for the year ended 31st March, 2020 and to the best of our knowledge and belief, we state that:

   i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   ii) These Statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2020 are fraudulent, illegal or violative the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operations of such internal controls.

d) i) There has not been any significant change in internal control over financial reporting during the year under reference.

   ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.

   iii) 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.

	Sd/-	Sd/-
Place : Rakanpur, Dist. Gandhinagar	Narayanbhai G. Patel	Kamlesh R. Shah
Date : 20th June, 2020	Chairman & Whole-time Director	Chief Financial Officer

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
PATELS AIRTEMP (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by **PATELS AIRTEMP (INDIA) LIMITED**, (hereinafter referred to as "the Company") for the year ended on 31st March, 2020 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

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

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

Auditor's Responsinbility

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 31st March, 2020. 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, 2020.

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

Restriction on use

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

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

VASANT C. TANNA
PARTNER
Membership No.100422
UDIN : 20100422AAAAEJ4853

Place : Ahmedabad.
Date : 4th August, 2020

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, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment as per MCA Index of Signatory Details
1	Narayanbhai Gangaram Patel	00023107	10/06/1992
2	Narendra Gopalbhai Patel	00023205	01/08/2007
3	Hareshkumar Ishwarlal Shah	00216585	29/10/2005
4	Sanjiv Narayanbhai Patel	02794095	30/09/2009
5	Vinodrai Desai	02813402	30/10/2009
6	Himanshu Rawal	06631728	13/02/2016
7	Vinaben Bhupendra Patel	07131341	30/03/2015
8	Apurva Vinubhai Shah	08197983	11/08/2018
9	Shivang Prakashchandra Patel (Appointed w.e.f 01/06/2019)	08136652	01/06/2019
10	Ramanbhai Ramdas Patel (Ceased to Director w.e.f 12/06/2019 due to death)	05224867	11/02/2012
11	Rajendrakumar Chaturbhai Patel (Appointed w.e.f 10/08/2019)	06532676	10/08/2019

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 : A026238B000502912

Date : 25/07/2020
Place : Ahmedabad

ANNEXURE – E TO THE DIRECTORS' REPORT

FORM NO. AOC -2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties during the financial year 2019-2020 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 Rs. 6,34,212/- to Mr. Mukund G. Patel, an employee of the Company and brother of Mr. Narendra G. Patel, Whole-time Director of the Company during the financial year ended on 31st March, 2020. (ii) Monthly charges maximum upto Rs. 6,00,000/- including labour wages, expenses and taxes to Mr. Amratbhai Patel, being the Contractor and Brother of Mrs. Veenaben B. Patel, Independent Director of the Company, towards manpower supplied by him for various jobs required for the Company's factory situated at Rakanpur, Dist. Gandhinagar during the financial year 2019-2020. (iii) Total salary of Rs. 3,25,161/- including other benefits as per Rules of the Company paid by the Company to Mr. Shivang P. Patel, Vice- President (Business Development) for the period of 2 months of April & May, 2019. He is a grandson of Mr. Narayanbhai G. Patel, who is a Chairman & Whole-time Director of the Company. (iv) The Company remmited USD 10,000 towards subscription for acquiring 10,00,000 Shares with a par value of USD 0.01 per Share of Patels Airtemp (USA) Inc. (Equity Investment), a Corporation, formed in the State of Delaware, USA to become 100 % Wholly Owned Subsidiary (WOS) of Patels Airtemp (India) Ltd. under RBI Automatic Route by way of cash remittance under EEFC Account. The Company also remmited USD 10,000 to its Wholly Owned Subsidiary (WOS) Patels Airtemp (USA) Inc. towards Loan for the purpose of its operations and also to take care of its day to day expenses. 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 11th February, 2019 and 30th August, 2019. Since no material related party transactions were entered into by the Company, approval of Shareholders was not required.
b)	Nature of contracts/arrangements/ transaction	
c)	Duration of the contracts/ arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	

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

Sr. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	There were no material contracts or arrangements or transactions at arm's length basis entered into by the Company with related parties during the year ended on 31st March, 2020.
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-F 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, 2020 are given as under

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

A) CONSERVATION OF ENERGY

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

Company is in the process of converting conventional lights with LED lights in Plants which consumes only ¼ of electricity compare to conventional lights, leading to good amount of power saving. More than 50% of conventional lights has been replaced with LED lights.

As part of Green Initiative, the Company has installed 130 KW Rooftop PV Solar Power Plant after getting required permissions from Govt. Authorities and UGVCL (Power Distribution Company in Local Area). The Solar Plant is generating nearly 100,000 Units of Energy every year. With installation of this plant, company has contributed to 486.64 Ton accumulative CO2 emission reduction (equals to 1333 accumulative tree planting) in last 3.5 years as on 15th Jul. 2020

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

B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

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

Technology Absorption

(1) Research & Development (R & D)

The Company has established a well-equipped testing & NDE laboratory with the number of sophisticated instruments for testing and non-destructive examination related to the product being manufactured.

Along with development of product design and product manufacturing application, the Company in its tenure of 45+ years continuously upgraded quality and product system by acquiring world's most recognized system like ISO 9001-2015, ASME (N - NPT, 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.) since 1992 for updating Heat Transfer Technology.

The Company is one of the very few organizations in world and one of only 3 organizations in India to acquire ASME N - NPT Stamp for manufacturing of stringent nuclear application.

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

Due to "U"/ "U2"/ "S" and "N & NPT" 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 Rs. 536.10 Lakhs for Plant & Equipment to upgrade high tech equipment and to increase built up area. The Company has HTRI Membership agreement for Catagory - II and Licence agreement for EHT (for enhanced heat transfer) and Honeywell Uni Sim UHX (for feed water heater) for latest technology in Heat Transfer from U.S.A. To increase productivity, Company has invested in 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, 2020 (2019-2020) are as under :

CIF value of Imports : Rs.1152.75 lacs as against Rs. 1227.27 lacs in previous year.

Expenditure in foreign currency : Rs. 120.39 lacs as against Rs. 69.20 lacs in previous year

Earning in foreign exchange : Rs.5093.03 lacs as against Rs. 1590.13 lacs in previous year

Annexure-G to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-2020

1.	A brief outline of the Company's CSR policy, including overview of projects or programme proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programme	Refer section on Corporate Social Responsibility (CSR) in Corporate Governance Report and Directors' Report in this Annual Report. The Company has framed CSR policy and available on the web-site of the Company viz. http://www.patelairtemp.com.
2.	Composition of CSR Committee as on 31st March, 2020 and as on the date of this report	Mr. Hareshkumar I. Shah – Chairman Mr. Ramanbhai R. Patel # Mr. Narayanbhai G. Patel Mr. Himanshu N. Rawal # # # Mr. Ramanbhai R. Patel ceased to be a Member of CSR Committee w.e.f. 12th June, 2019 due to his sad demise on 12th June, 2019. # # Mr. Himanshu N. Rawal became a Member of CSR Committee w.e.f. 10th August, 2019. Mr. Hareshkumar I. Shah and Mr. Himanshu N. Rawal are Independent Directors of the Company.
3.	Average net profit of the Company for last three financial years (2018-19, 2017-18 & 2016-17)	Rs. 11,80,30,752/-
4.	Prescribed CSR expenditure (2 % of the amount mentioned in item 3 above)	Rs. 23,60,615/-
5.	Details of CSR spent during the financial year:	
	a. Total amount spent during the financial year	Rs. 23,62,000/-
	B. Amount unspent, if any	NIL
	C. Manner in which the amount spent during the financial year	As under

Details of amount spent on CSR activities during the Financial Year 2018-2019 :

1	2	3	4	5	6	7
CSR project or Activity Identified	Sector in which the project is covered (Clause No. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads	Cumulative Expenditure Up to the reporting period	Amount Spent Direct or through Implementing Agency
Contribution to Educational Trust & Skill Development Program	Cl (ii) -Promoting Education	Ahmedabad	Rs. 1.00 Lacs	Rs. 1.02 Lacs	Rs. 23.62 Lacs	Direct/ Implementing Agency
Promoting sports activities to promote handicapped persons in Para Olympic Sports (Promoting rural sports, nationally recognize sports, Paralympics sports and Olympic sports)	Cl (ii) -Education, Social Development/Services, Environment, etc.	Dist. Mehsana, Gujarat	Rs. 8.00 Lacs	Rs. 7.80 Lacs		Direct/ Implementing Agency
	Cl (vii) - training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;	Palanpur, Gujarat	Rs. 3.00 Lacs	Rs. 3.00 Lacs		Direct/ Implementing Agency
Eradicating hunger, poverty and malnutrition, 2[''promoti ng health care including preventinve health care	Cl (i) & (ii) -Promoting Education, eradicating hunger, poverty and malnutrition and promoting health care.	Bharatpur, Rajasthan	Rs. 12.00 Lacs	Rs. 11.80 Lacs		Direct/ Implementing Agency

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

RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE

We hereby declare that the implementation and monitoring of Corporate Social Responsibility (CSR) Policy during the financial year ended on 31st March, 2020 (2019-2020), is in compliance with CSR objectives and policy of the Company and the Company has duly spent the required 2% of the average net profit of the preceding three financial years towards CSR activities during the financial year 2019-2020.

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

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

Date : 20th June, 2020.
Place : Rakanpur, Dist. Gandhinagar.

ANNEXURE - H TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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, 2020**.

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, 2020 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, 2020 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 Act and dealing with client - *Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;*

(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) As informed to us, there are no laws which have specific applicability to the Company other than general laws applicable to industry generally.

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:

(i) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of:

a) External Commercial Borrowings are not attracted to the Company under the financial year under report;

b) Foreign Direct Investment (FDI) are not attracted to the company under the financial year under report;

c) Overseas Direct Investment was done by the company in WOS *in USA namely "Patels Airtemp (USA) Inc" and necessary FEMA law compliance was duly performed*.

d) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

(ii) I further report that the Secretarial Standards on Meetings of the Board of Directors and Committees (SS-1) and General Meetings (SS-2), as approved by the Central Government, have been issued

by the Institute of Company Secretaries of India (ICSI) which come into force w.e.f. 1st July 2015 are also followed by the company.

(iii) During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, mentioned hereinabove and there is adequate compliance management system for the purpose of other laws.

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.

(iv) 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.

(v) During the audit period, following events or actions having a major bearing on the company's affairs were carrying out:

(a) Company has made Overseas Direct Investment in the Wholly Owned Subsidiary (WOS) in USA namely "Patels Airtemp (USA) Inc".

(b) In the 27th AGM dated 28th September, 2019 Company by passing Special Resolution, authorise Board of Directors of the Company to borrow money upto limit of Rs. 250 Crore.

(c) In the 27th AGM dated 28th September, 2019 Company by passing Special Resolution, authorise Board of Directors of the Company for creation of security on increased Borrowing Power under Section 180(1)(a) of the Companies Act, 2013 in favour of the lenders to secure any fund based and/or non-fund based facilities not exceeding Rs. 250 Crores (Rupees Two Hundred and Fifty Crores).

(d) Appointed Mr. Shivang P. Patel (DIN: 08136652) as Whole-time Director of the Company for a period of 3 years in the 27th AGM dated 28th September, 2019 by passing Special Resolution .

(e) Re-appointed Mr. Narendra G. Patel (DIN: 00023205) as Whole-time Director of the Company for further period of 3 years in the 27th AGM dated 28th September, 2019 by passing Special Resolution.

(f) Re-appointed Mr. Vinodkumar C. Desai (DIN : 02813402) as an Independent Director of the Company for a second term of 5 years in the 27th AGM dated 28th September, 2019 by passing Special Resolution.

(g) Re-appointed Mr. Hareshkumar I. Shah (DIN : 00216585) as an Independent Director of the Company for a second term of 5 years in the 27th AGM dated 28th September, 2019 by passing Special Resolution.

(h) Approved the continuing of directorship of Mr. Hareshkumar I. Shah (DIN : 00216585) as Non executive Independent Director who will be attaining the age of 75 years during his tenure as an Independent Director up to 29th August, 2024 by passing special resolution in the 27th AGM dated 28th September, 2019.

5. I have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company. I further report that the Compliance by the Company of

applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

Signature : Sd/-
Punit Santoshkumar Lath
Practicing Company Secretary
ACS No.: 26238, COP No.: 11139
UDIN : A026238B000502868

Date : 25/07/2020
Place : Ahmedabad

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

ANNEXURE-A

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

Dear Sir,

Our Secretarial Audit Report of even date for the Financial Year ended on 31st March, 2020 is to be read along with this letter.

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

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

Date : 25/07/2020
Place : Ahmedabad

ANNEXURE - I TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES:

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

A) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:

Sr. No.	Name of Directors & Key Managerial Personnel	Designation	Remuneration paid during the financial year 2019-2020 (₹ in lacs)	Remuneration paid during the financial year 2018-2019 (₹ in lacs)	Increase in Remuneration from previous year (₹ in lacs)	% Increase in the Remuneration of Directors, CFO & CS	Ratio/Times per Median of Employee Remuneration
1	Narayanbhai G. Patel	Chairman & Whole-time Director	36.94	36.39	# Nil	Nil	9.75
2	Narendra G. Patel	Whole-time Director	36.85	36.00	# Nil	Nil	9.73
3	Sanjiv N. Patel	Managing Director	36.85	35.91	# Nil	Nil	9.72
4	Apurva V. Shah	Whole-time Director	29.18	18.37	# # NA	NA	7.70
5	Shivang P. Patel	Whole-time Director	31.59	Nil	# # # NA	NA	8.34
6	Kamlesh R. Shah	Chief Financial Officer	10.86	10.07	0.79	7.27	2.87
7	Nikhil M. Patel	Company Secretary	12.05	11.39	0.66	5.48	3.18

The Company did not increase the remuneration of the Whole-time Directors and Managing Director during the F.Y. 2019-20 and the variation of Remuneration between 2018-19 and 2019-20 is due to perquisites & allowances paid to the said Directors.

Mr. Apurva V. Shah has been appointed as Whole-time Director of the Company for a period of 3 years w.e.f. 11th August, 2018 with payment of remuneration. Therefore, comparison with the financial year 2019-20 is not applicable.

Mr. Shivang P. Patel has been appointed as Whole-time Director of the Company for a period of 3 years w.e.f. 1st June, 2019 with payment of remuneration.

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

Median Remuneration for Financial Year 2019-2020 is Rs. 3.79 Lakhs.

B) The % increase in the Median Remuneration of employees in the Financial Year 2019-2020 is 17.09 % as compared to Financial Year 2018-2019.

C) The number of permanent employees on the rolls of Company: 131 employees

D) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration : As compared to average percentile increase in the salary of the employees during the financial year 2019-2020, there are no exceptional circumstances for increase in the managerial remuneration.

E) Affirmation:

The Company affirms that the remuneration of the Whole-time Directors and Managing 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	80	10.06.1992	B.E. (Mechanical) M.E. (Air & Refr.)	36.94	54
2	Narendra G. Patel	Whole-time Director	62	21.06.1994	B.E.(Mechanical) D.B.M.	36.86	33
3	Sanjiv N. Patel	Managing Director	48	30.09.2009	B.E.(Chemical) MBA (USA)	36.85	24
4	Shivang P. Patel # #	Whole-time Director	29	01.06.2019	B.E.(Mechanical) MBA in Global Marketing, London, UK	31.59	6
5	Apurva V. Shah #	Whole-time Director	57	11.08.2018	B.E.(Mechanical) P.G.D. in Air & Refr.	29.18	32
6	Pravin G. Shah	Sr. Vice President (Operation)	78	01.01.2013	B.E.(Mechanical)	17.63	33
7	Saket S. Bhatt	Vice President (Marketing)	49	01.09.2013	B.E.(Mechanical)	16.56	24
8	Nikhil M. Patel	Company Secretary	56	01.01.2016	B. Com, LLB, ACS	12.05	29
9	Jatin N. Patel	Works Manager (Production-HE-PV)	49	19.02.2008	Diploma in Mechanical	11.82	24
10	Janak R. Patel	Manager (PGMNBD)	41	12.02.2010	B.E.(Mechanical) MBA	11.72	19

Mr. Shivang P. Patel has been appointed as Whole-time Director of the Company for a period of 3 years w.e.f. 1st June, 2019 with payment of remuneration.

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **PATELS AIRTEMP (INDIA) LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit & Loss (including other comprehensive Income), the statement of changes in equity and the Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements read together with significant accounting policies and accompanying notes thereon give the information required by the Companies Act,2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2020, and its Profits (financial performance including other comprehensive income), the changes in equity and its cash flow for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note-40 of the standalone financial statements of the Company which describes the management's assessment of the likely impact of uncertainties related to outbreak of COVID 19 global pandemic on the operations of the Company.

Our opinion is not qualified in respect of this matter.

Key Audit Matters

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

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

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

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

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

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

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that :
   a) We have sought & obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books
   c) The Balance sheet, statement of Profit & Loss (including other comprehensive income), the statement of Changes in equity and the Cash Flow Statement dealt with by this report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2016
   e) On the basis of the written representation received from the directors as on 31st March, 2020 taken on record by Board of Directors, none of the director is disqualified as on 31st March, 2020 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, 2020 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 : 20100422AAAADH4965

Place : Ahmedabad.
Date : 20th June, 2020

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

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2020:

1. In respect of its fixed assets:
   a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
   b) As explained to us, all the fixed assets have been physically verified by the management in a phased manner, which in our, opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
   c) The title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted by the management at reasonable intervals. The discrepancies noticed on such verification between the physical stocks and book records were not significant and the same have been properly dealt with in the books of account.
3. The company has not granted any loans, secured or unsecured to companies,

   Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, 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:

Forum where dispute is pending	Financial year to which Amount Relates	Nature of Statute	Amount (Rs.)
Commissioner of Income Tax (Appeals)	2017-18	Income Tax Act,1961	6,47,374

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

Place : Ahmedabad.
Date : 20th June, 2020

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

Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2020.

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, 2020 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

VASANT C.TANNA
PARTNER
Membership Number : 100422

Place : Ahmedabad.
Date : 20th June, 2020

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at 31st March, 2020 (₹)	As at 31st March, 2019 (₹)
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3(A)	33,34,94,222	22,23,24,651
b) Capital work-in-progress		3,49,69,854	-
c) Intangible assets	3(B)	13,99,665	12,11,352
d) Financial Assets			
Investments	4	7,17,586	-
Long term loans & advances	5	7,53,900	-
e) Other non-current assets	6	80,49,494	1,81,10,656
		37,93,84,721	**24,16,46,659**
2) Current assets			
a) Inventories	7	1,01,45,77,377	71,83,50,920
b) Financial Assets			
(i) Trade receivables	8	91,41,66,091	64,80,00,391
(ii) Cash and cash equivalents	9	2,36,13,706	14,30,58,460
(iii) Bank balances other than (ii) above	9	8,62,98,215	9,44,80,529
(iv) Short term Loans & Advances	10	16,46,15,467	5,85,33,732
c) Current tax assets (net)	11	22,10,116	37,33,260
d) Other current assets	12	2,10,34,913	47,76,919
		2 22 65 15 885	**1,67,09,34,211**
TOTAL ASSETS		**2 60 59 00 606**	**1,91,25,80,870**
EQUITY & LIABILITIES :			
EQUITY:			
a) Equity Share capital	13	5,07,02,400	5,07,02,400
b) Other Equity	14	84,46,93,731	74,71,22,772
LIABILITIES :		**89 53 96 131**	**79,78,25,172**
1) Non-Current Liabilities			
a) Financial Liabilities			
Long Term Borrowings	15	13,34,89,000	9,97,74,000
b) Long Term Provisions	16	31,61,304	26,47,454
c) Deferred tax liabilities (Net)	17	1,63,76,641	1,94,97,782
		15 30 26 945	**12,19,19,236**
2) Current liabilities			
a) Financial Liabilities			
(i) Short Term Borrowings	18	31,27,85,265	32,08,23,497
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	19	15,42,92,206	3,83,29,310
Total outstanding dues of creditors other than micro enterprises and small enterprises		48,75,56,879	24,69,63,949
		64,18,49,085	28,52,93,259
b) Other current liabilities	20	60,09,73,407	38,40,10,452
c) Short Term Provisions	21	18,69,773	27,09,254
		1 55 74 77 530	**99,28,36,462**
TOTAL EQUITY AND LIABILITIES		**2 60 59 00 606**	**1,91,25,80,870**

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 : 20TH JUNE, 2020

For and on behalf of the Board of Directors

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

KAMLESH R. SHAH
Chief Financial Officer

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

NIKHIL PATEL
Company Secretary

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 20TH JUNE, 2020

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2020

Particulars	Note No.	For the year ended 31st March, 2020 (₹)	For the year ended 31st March, 2019 (₹)
INCOME:			
Revenue from Operations	22	2,37,41,90,139	1,50,94,89,410
Other Income	23	1,87,80,824	79,26,662
Total Income		**2,39,29,70,963**	**1,51,74,16,072**
EXPENSES:			
Cost of Materials consumed	24	1,65,60,51,686	94,32,20,582
Purchases of traded goods	25	2,47,01,292	1,90,62,316
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	26	(25,54,00,204)	(11,50,24,058)
Employee benefits expense	27	10,43,27,826	9,40,68,943
Finance costs	28	7,23,50,540	5,02,68,545
Depreciation and amortization expense		2,88,99,673	2,59,85,495
Other expenses	29	61,41,51,999	39,46,56,287
Total Expenses		**2,24,50,82,812**	**1,41,22,38,110**
Profit Before Tax		**14,78,88,151**	**10,51,77,962**
Tax Expense:			
Current tax		3,81,00,000	3,20,00,000
Deferred tax (Credit)/Charge		(30,54,015)	(7,88,602)
(Excess)/Short Provision of Earlier Years		(2,09,474)	8,01,590
Total Tax Expenses		**3,48,36,511**	**3,20,12,988**
Net Profit for the year		**11,30,51,640**	**7,31,64,974**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit Plan		(2,66,695)	(4,42,730)
Income tax relating to above item		67,127	1,28,923
Total Other Comprehensive Income/(Loss)		(1,99,568)	(3,13,807)
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income /(Loss) for the year)		**11,28,52,072**	**7,28,51,167**
Earnings per equity share (Face value of Rs.10/- each)			
Basic & Diluted		22.30	14.43

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 : 20TH JUNE, 2020

For and on behalf of the Board of Directors

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

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

KAMLESH R. SHAH
Chief Financial Officer

NIKHIL PATEL
Company Secretary

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 20TH JUNE, 2020

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	For the year ended 31st March, 2020 (₹)	For the year ended 31st March, 2019 (₹)
A. Cash flow from operating activities		
Profit before extraordinary items and tax	**14,78,88,151**	**10,51,77,962**
Adjustments for:		
Depreciation and amortisation expense	2,88,99,673	2,59,85,495
(Profit) / loss on assets sold and discarded	77,567	-
Interest Paid	7,23,50,540	3,67,21,405
Interest income	(80,29,767)	(52,51,655)
Remeasurement of Defined Benefit Plan	(2,66,695)	(4,42,730)
Operating profit / (loss) before working capital changes	**24,09,19,468**	**16,21,90,477**
Changes in working capital:		
Inventories	(29,62,26,457)	(21,03,15,500)
Trade receivables	(26,61,65,700)	(2,41,34,543)
Short-term loans and advances	(10,60,81,735)	(3,66,42,909)
Other Non- current assets	1,00,61,162	(1,55,48,191)
Long term loans and advances	(7,53,900)	-
Other current assets	(80,75,680)	(3,14,88,032)
Trade payables	35,65,55,826	(2,66,14,368)
Other current liabilities	21,69,62,955	29,05,79,880
Short-term provisions	(8,39,481)	(2,02,610)
Long-term provisions	5,13,850	(2,65,120)
Cash generated from operations	**14,68,70,309**	**10,75,59,083**
Income tax paid (Net of refunds)	(3,63,67,382)	(4,15,72,942)
Net cash flow from operating activities (A)	**11,05,02,927**	**6,59,86,141**
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(17,55,04,978)	(3,54,98,065)
Amount of Investment made in a Subsidiary	(7,17,586)	-
Proceeds from sale of fixed assets	2,00,000	-
Interest Received	80,29,767	52,51,655
Net cash flow used in investing activities (B)	**(16,79,92,797)**	**(3,02,46,410)**
C. Cash flow from financing activities		
Net increase/(Decrease) in Long Term borrowings	3,37,15,000	1,99,44,000
Net increase/(Decrease) in working capital borrowings	(80,38,232)	9,67,72,046
Interest Paid	(7,23,50,540)	(3,67,21,405)
Dividend Paid (incl. Tax on dividends)	(1,52,81,113)	(1,52,56,048)
Net cash flow used in Financing activities (C)	**(6,19,54,885)**	**6,47,38,593**
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	**(11,94,44,755)**	**10,04,78,324**
Cash and cash equivalents at the beginning of the year	**14,30,58,460**	**4,25,80,136**
Cash and cash equivalents at the end of the year	**2,36,13,706**	**14,30,58,460**

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.

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 : 20TH JUNE, 2020

For and on behalf of the Board of Directors

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

KAMLESH R. SHAH
Chief Financial Officer

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 20TH JUNE, 2020

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

NIKHIL PATEL
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH, 2020

A) EQUITY SHARE CAPITAL **(₹)**

	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the reporting year	5,07,02,400	5,07,02,400
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	**5,07,02,400**	**5,07,02,400**

B) OTHER EQUITY **(₹)**

Particulars	Capital Investment Subsidy	General Reserve	Retained Earnings	Total
Balance as of March 31, 2018	**15,00,000**	**8,15,00,000**	**60,65,27,653**	**68,95,27,653**
Net Profit for the year	-	-	7,31,64,974	**7,31,64,974**
Items of Other Comprehensive income for the year, net of tax	-	-	-	**-**
Remeasurement benefit of defined benefit plans (Net of Tax)	-	-	(3,13,807)	**(3,13,807)**
Dividend	-	-	(1,26,75,600)	**(1,26,75,600)**
Income Tax on Dividend	-	-	(25,80,448)	**(25,80,448)**
Balance as of March 31, 2019	**15,00,000**	**8,15,00,000**	**66,41,22,772**	**74,71,22,772**
Net Profit for the year			11,30,51,640	**11,30,51,640**
Items of Other Comprehensive income for the year, net of tax	-	-	(1,99,568)	**(1,99,568)**
Remeasurement benefit of defined benefit plans (Net of Tax)	-	-	-	**-**
Dividend	-	-	(1,26,75,600)	**(1,26,75,600)**
Income Tax on Dividend	-	-	(26,05,513)	**(26,05,513)**
Balance as of March 31, 2020	**15,00,000**	**8,15,00,000**	**76,16,93,731**	**84,46,93,731**
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 : 20TH JUNE, 2020

For and on behalf of the Board of Directors

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

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

KAMLESH R. SHAH
Chief Financial Officer

NIKHIL PATEL
Company Secretary

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 20TH JUNE, 2020

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.

(b) **USE OF ESTIMATES** :

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

(c) **PROPERTY, PLANT AND EQUIPMENT:**

i) Property, Plant and Equipment are stated at original cost (net of tax/duty credit availed) less accumulated depreciation and impairment losses. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.

ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.

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

v) Property, Plant and Equipment including continuous process plants are depreciated and/ or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

vi) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units.

vii) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.

viii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows:

Buildings - 3 to 60 years

Plant and Equipments - 15 to 25 years

Furniture and Fixtures - 10 years

Vehicles - 8 to 10 years

Office Equipments - 5 to 10 years

ix) At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

(d) INTANGIBLE ASSETS:

i) Intangible assets acquired by payment e.g. Computer Software are disclosed at cost less amortization on a straight-line basis over its estimated useful life.

ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.

iii) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

iv) Intangible assets are amortized on straight-line method as follows:

Computer Software - 5 years

v) At each balance sheet date, the Company reviews the carrying amount of intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

(e) **REVENUE RECOGNITION:**

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

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

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

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Group performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Revenue from sale of products and services are recognized at a time on which the performance obligation is satisfied

ii) Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

iii) Other income is recognized when there is certainty of its being realized.

(f) EMPLOYEE BENEFITS:

i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

ii) Post-Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972.

iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.

iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

(g) VALUATION OF INVENTORIES

i) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.

ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

iii) Stock in respect of Work-in-process, Stores and spare parts, and Tools & Spares are valued at cost;

iv) Stock of Finished goods and stock-in –trade is valued at lower of cost or net realizable value.

(h) **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) **FINANCIALASSETS:**

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) **FINANCIALLIABILITIES:**

i) Borrowings are initially recognized and subsequently measured at amortized cost, net of transaction costs incurred. The transaction costs is amortized over the period of borrowings using the effective interest method in Capital Work in Progress upto the commencement of related Plant, Property and Equipment and subsequently under finance costs in profit and loss account.

ii) Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

iii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

iv) Trade Payables represent liabilities for goods and services provided to the Company upto to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially and subsequently measured at amortized cost.

v) Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(k) **FAIRVALUE MEASUREMENT:**

i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

ii) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

iii) A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

iv) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(l) **FOREIGN CURRENCY TRANSACTIONS:**

i) The Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.

ii) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

iii) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

(m) **BORROWING COSTS:**

i) Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.

iii) All other borrowing costs are expensed in the period in which they are incurred.

(n) **ACCOUNTING FOR TAXES ON INCOME:**

i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.

ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilized.

iv) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Un recognized deferred tax asset s 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 CONTINGENTASSETS:**

i) Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.

ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation;(b)when no reliable estimate is possible;(c)unless the probability of outflow of resources is remote.

iii) Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

(p) **CURRENT AND NON-CURRENT CLASSIFICATION:**

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

ii) The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

iii) An asset is current when it is (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within twelve months after the reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

iv) An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

(q) **EARNING PER SHARE:**

i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

(r) **EXPENSES FOR CORPORATE SOCIAL RESPONSIBILITY:**

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

3(A) PROPERTY, PLANT & EQUIPMENT

(₹)

Particulars	Freehold Land	Buildings	Plant and Equipment	Electrical Installa-tions	Furniture and Fixtures	Vehicles	Office equipment	Computers	Road	TOTAL
Gross Carrying Value										
As at 31st March 2018	**26,42,034**	**6,42,04,101**	**27,43,18,441**	**1,85,90,448**	**1,20,75,068**	**4,16,13,862**	**68,00,845**	**60,08,510**	**73,17,019**	**43,35,70,328**
Addition	-	79,43,288	1,09,11,324	10,62,728	18,72,671	99,54,838	14,26,622	9,62,430	-	3,41,33,901
Disposal / Adjustments										-
As at 31st March 2019	**26,42,034**	**7,21,47,389**	**28,52,29,765**	**1,96,53,176**	**1,39,47,739**	**5,15,68,700**	**82,27,467**	**69,70,940**	**73,17,019**	**46,77,04,229**
Addition	7,41,36,466	38,98,512	5,36,09,925	39,50,591	16,99,565	9,58,489	7,22,444	8,41,591	-	13,98,17,583
Disposal / Adjustments						8,87,920				8,87,920
As at 31st March, 2020	**7,67,78,500**	**7,60,45,901**	**33,88,39,690**	**2,36,03,767**	**1,56,47,304**	**5,16,39,269**	**89,49,911**	**78,12,531**	**73,17,019**	**60,66,33,893**
Accumulated Depreciation										
As at 31st March 2018	**-**	**2,64,21,101**	**14,23,58,854**	**78,93,614**	**66,67,433**	**2,21,90,969**	**51,50,298**	**50,76,233**	**40,16,987**	**21,97,75,489**
Charge for the year	-	23,00,319	1,38,55,542	14,66,916	9,31,216	50,92,095	4,37,221	5,01,107	10,19,673	2,56,04,089
Disposal / Adjustments										-
As at 31st March 2019	**-**	**2,87,21,420**	**15,62,14,396**	**93,60,530**	**75,98,649**	**2,72,83,064**	**55,87,519**	**55,77,340**	**50,36,660**	**24,53,79,578**
Charge for the year		30,82,510	1,54,23,179	16,00,255	10,25,947	48,96,592	6,69,907	6,52,383	10,19,673	2,83,70,446
Disposal / Adjustments						6,10,353				6,10,353
As at 31st March, 2020	**-**	**3,18,03,930**	**17,16,37,575**	**1,09,60,785**	**86,24,596**	**3,27,90,009**	**62,57,426**	**62,29,723**	**60,56,333**	**27,31,39,671**
Net Carrying Value										
As at 31st March 2019	**26,42,034**	**4,34,25,969**	**12,90,15,369**	**1,02,92,646**	**63,49,090**	**2,42,85,636**	**26,39,948**	**13,93,600**	**22,80,359**	**22,23,24,651**
As at 31st March, 2020	**7,67,78,500**	**4,42,41,970**	**16,72,02,115**	**1,26,42,982**	**70,22,708**	**1,88,49,260**	**26,92,486**	**15,82,808**	**12,60,686**	**33,34,94,222**

3(B) INTANGIBLE ASSETS (₹)

Particulars	GOODWILL	TECHNICAL KNOWHOW	COMPUTER SOFTWARE	TOTAL
Gross Carrying Value				
As at 31st March, 2018	**37,040**	**43,64,500**	**57,70,572**	**1,01,72,112**
Addition	-	-	13,64,164	13,64,164
Disposal / Adjustments				
As at 31st March 2019	**37,040**	**43,64,500**	**71,34,736**	**1,15,36,276**
Addition	-	-	7,17,540	7,17,540
Disposal / Adjustments				
As at 31st March, 2020	**37,040**	**43,64,500**	**78,52,276**	**1,22,53,816**
Accumulated Amortization				
As at 31st March, 2018	**-**	**43,64,500**	**55,79,018**	**99,43,518**
Charge for the year	-	-	3,81,406	3,81,406
Disposal / Adjustments				
As at 31st March 2019	**-**	**43,64,500**	**59,60,424**	**1,03,24,924**
Charge for the year	-	-	5,29,227	5,29,227
Disposal / Adjustments				
As at 31st March, 2020	**-**	**43,64,500**	**64,89,651**	**1,08,54,151**
Net Carrying Value				
As at 31st March 2019	**37,040**	**-**	**11,74,312**	**12,11,352**
As at 31st March, 2020	**37,040**	**-**	**13,62,625**	**13,99,665**

	PARTICULARS	As at 31st March, 2020 (₹)	As at 31st March, 2019 (₹)
4	**INVESTMENTS (Non Current)**		
	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	7,17,586	-
	Investment in Equity instruments-quoted (Measured at FVTPL):		
	14,000 Shares of M/s. Gujarat State Financial Corporation of Rs.10/- each	2,80,000	2,80,000
	Less: Provision for diminution in the value of Investments	2,80,000	2,80,000
		-	-
	Total	**7,17,586**	**-**
	Aggregate amount of unquoted investments	**7,17,586**	-
5	**LONG TERM LOANS & ADVANCES**		
	(Unsecured, Considered good)		
	Loan to Patels Airtemp (USA) Inc. (A Subsidiary Company)	7,53,900	-
	Total	**7,53,900**	**-**
6	**OTHER NON CURRENT ASSETS**		
	Capital Advances	60,42,880	1,62,18,002
	Security Deposits	20,06,614	18,92,654
	Total	**80,49,494**	**1,81,10,656**

	PARTICULARS	As at 31st March, 2020 (₹)	As at 31st March, 2019 (₹)
7	**INVENTORIES**		
	Raw Materials	25,49,12,858	21,35,03,648
	Work In Progress	70,44,44,856	49,94,54,363
	Tools and Spares	26,24,122	32,07,079
	Finished Goods	5,12,02,199	-
	Traded goods	13,93,342	21,85,830
	Total	**1,01,45,77,377**	**71,83,50,920**
8	**TRADE RECEIVABLES**		
	Trade Receivables-Unsecured, Considered Good	91,41,66,091	64,80,00,391
	Total	**91,41,66,091**	**64,80,00,391**
9	**CASH AND CASH EQUIVALENTS**		
	Balances with banks		
	(i) In current accounts	1,11,22,385	12,27,20,052
	(ii) In deposit accounts (incl. Margin Money deposits)	8,62,98,215	9,44,80,529
	(iii) Other Earmarked accounts - Unpaid dividend accounts	15,02,671	15,07,815
	(iv) In EEFC Account	1,03,64,465	1,82,97,200
	Cash on hand	6,24,186	5,33,393
	Total	**10,99,11,921**	**23,75,38,989**
10	**SHORT TERM LOANS & ADVANCES**		
	(Unsecured, Considered good)		
	Advances recoverable in cash or in kind or for value to be received	5,83,31,003	3,38,40,257
	Balance with government authorities	10,62,84,464	2,46,93,475
	Total	**16,46,15,467**	**5,85,33,732**
11	**CURRENT TAX ASSETS (NET)**		
	For Income Tax (Net of Advance Tax and TDS)	22,10,116	37,33,260
	Total	**22,10,116**	**37,33,260**
12	**OTHER CURRENT ASSETS**		
	Prepaid expense	51,81,632	31,12,115
	Export Incentives Receivable	1,44,92,170	3,76,879
	Other Receivable	6,51,369	6,36,369
	Interest accrued on deposits	7,09,742	6,51,556
	Total	**2,10,34,913**	**47,76,919**

13a. EQUITY SHARE CAPITAL

Particulars	As At 31st March, 2020		As At 31st March, 2019	
	Number	₹	Number	₹
Authorized Share Capital	70,00,000	7,00,00,000	70,00,000	7,00,00,000
Issued, Subscribed & Paid up share capital	50,70,240	5,07,02,400	50,70,240	5,07,02,400
Total	**50,70,240**	**5,07,02,400**	**50,70,240**	**5,07,02,400**

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

Particulars	As At 31st March, 2020		As At 31st March, 2019	
	Number	₹	Number	₹
At the beginning of the period	50,70,240	5,07,02,400	50,70,240	5,07,02,400
Issued during the period	-	-	-	-
Outstanding at the end of the period	**50,70,240**	**5,07,02,400**	**50,70,240**	**5,07,02,400**

c. Terms/Rights attached to equity shares

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

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

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

Particulars	As At 31st March, 2020		As At 31st March, 2019	
	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 64 512	26.91
Devidas Chelaram Narumalani	2 90 145	5.72	2 90 145	5.72
Narendrabhai Gopalbhai Patel	3 03 801	5.99	3 03 801	5.99

	PARTICULARS	As at 31st March, 2020 (₹)	As at 31st March, 2019 (₹)
14	**OTHER EQUITY**		
	General Reserves		
	Balance as per last balance sheet	8,15,00,000	8,15,00,000
	Capital Subsidy		
	Balance as per last balance sheet	15,00,000	15,00,000
	Surplus in Statement of Profit & Loss		
	Balance as per last balance sheet	66,41,22,772	60,65,27,653
	Net Profit for the year	11,30,51,640	7,31,64,974
	Items of Other Comprehensive Income for the year (Net of tax)		
	Remeasurement of defined benefit Plan	(1,99,568)	(3,13,807)
	Appropriations:		
	Dividend	(1,26,75,600)	(1,26,75,600)
	Income Tax on Dividend	(26,05,513)	(25,80,448)
		76,16,93,731	**66,41,22,772**
	Total	**84,46,93,731**	**74,71,22,772**
15	**LONG TERM BORROWINGS**		
	Unsecured Loans from related parties		
	From Directors	5,44,89,000	4,85,24,000
	From Relatives of Directors	7,90,00,000	5,12,50,000
	Total	**13,34,89,000**	**9,97,74,000**
16	**LONG TERM PROVISIONS**		
	Provision for Employee Benefits	31,61,304	26,47,454
	Total	**31,61,304**	**26,47,454**

17	**DEFERRED TAX LIABILITIES (NET)**		
	(a) Deferred tax Liabilities:		
	Difference between book and tax block	1,83,24,798	2,17,58,482
		1,83,24,798	**2,17,58,482**
	(b) Deferred tax assets		
	Disallowances of employee benefits u/s. 43B of the Income Tax	11,51,847	15,31,517
	Remeasurement benefit of the defined benefit plans through OCI	7,96,310	7,29,183
		19,48,157	**22,60,700**
	Deferred Tax Liabilities (Net)	**1,63,76,641**	**1,94,97,782**
18	**SHORT TERM BORROWINGS**		
	Secured Loans:		
	Working capital facilities from Banks (Refer Note below)	31,27,85,265	32,08,23,497
	Total	**31,27,85,265**	**32,08,23,497**

Note:

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

19	**TRADE PAYABLES**		
	Total outstanding dues of micro enterprises and small enterprises (Refer Note No 36)	15,42,92,206	3,83,29,310
	Total outstanding dues of creditors other than micro enterprises and small enterprises	48,75,56,879	24,69,63,949
	Total	**64,18,49,085**	**28,52,93,259**
20	**OTHER CURRENT LIABILITIES**		
	Advance Received from Customers	58,94,77,335	38,12,70,546
	Creditors for capital expenditure	52,90,738	72,136
	Statutory Remittances	47,02,663	11,59,955
	Unclaimed Dividend	15,02,671	15,07,815
	Total	**60,09,73,407**	**38,40,10,452**
21	**SHORT TERM PROVISIONS**		
	Provision for Employee Benefits	18,69,773	27,09,254
	Total	**18,69,773**	**27,09,254**

	PARTICULARS	For the year ended 31st March, 2020 (₹)	For the year ended 31st March, 2019 (₹)
22	**REVENUE FROM OPERATIONS**		
	Sale of products		
	Domestic	1,81,33,99,200	1,31,37,84,267
	Export	50,93,08,396	15,90,13,408
		2,32,27,07,596	**1,47,27,97,675**
	Sale of Services	1,39,11,239	1,34,24,386
	Other Operating Revenue (incl.export incentives)	3,75,71,304	2,32,67,349
	Total	**2,37,41,90,139**	**1,50,94,89,410**
23	**OTHER INCOME**		
	Interest received	80,29,767	52,51,655
	Foreign Exchange Rate Diffrence (Net)	1,03,08,992	26,75,007
	Miscellaneous Income	4,42,065	-
	Total	**1,87,80,824**	**79,26,662**
24	**COST OF MATERIALS CONSUMED**		
	Stocks of Raw materials at the beginning of the year	21,35,03,648	11,81,97,937
	Add: Purchases during the year	1,69,74,60,896	1,03,85,26,292
		1,91,09,64,544	1,15,67,24,230
	Less: Stocks of Raw materials at the end of the year	25,49,12,858	21,35,03,648
	Total	**1,65,60,51,686**	**94,32,20,582**
25	**PURCHASE OF TRADED GOODS**		
	Purchase of traded goods- Window & Split AC & Accessories	2,47,01,292	1,90,62,316
	Total	**2,47,01,292**	**1,90,62,316**
26	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE & WORK-IN-PROCESS**		
	Closing Inventories		
	Finished Goods	5,12,02,199	-
	Work-in-Procress	70,44,44,856	49,94,54,363
	Stock-in-trade	13,93,342	21,85,830
		75,70,40,397	**50,16,40,193**
	Opening Inventory		
	Finished Goods	-	1,02,300
	Work-in-Procress	49,94,54,363	38,38,65,135
	Stock-in-trade	21,85,830	26,48,700
		50,16,40,193	**38,66,16,135**
	Total	**(25,54,00,204)**	**(11,50,24,058)**
27	**EMPLOYEE BENEFITS EXPENSES**		
	Salaries, wages and allowances	9,30,80,025	8,19,25,583
	Contributions to Provident Fund and other Funds	77,14,170	72,07,146
	Staff welfare expenses	35,33,631	49,36,214
	Total	**10,43,27,826**	**9,40,68,943**
28	**FINANCE COSTS**		
	Interest Paid	5,83,67,904	3,67,21,405
	Other borrowing costs	1,39,82,636	1,35,47,140
	Total	**7,23,50,540**	**5,02,68,545**

	PARTICULARS	For the year ended 31st March, 2020 (₹)	For the year ended 31st March, 2019 (₹)
29	**OTHER EXPENSES**		
	Rates and taxes	20,17,475	7,77,962
	Insurance	7,61,119	8,26,763
	Power and Fuel	1,62,72,237	1,05,54,888
	Consumption of Stores , Spares & Tools	7,73,94,220	5,31,15,771
	Consumption of Packing Materials	80,37,661	45,59,434
	Labour Charges	26,05,88,473	14,20,35,497
	Factory Expenses	3,39,71,538	2,23,68,639
	Repairs to Buildings	15,72,927	23,10,483
	Repairs to Machinery	1,92,03,549	1,04,08,581
	Other Repairs	31,50,389	44,99,158
	Printing and stationery	30,50,926	45,45,902
	Communication Expenses	29,68,505	32,81,438
	Travelling and conveyance	1,65,12,039	1,33,75,973
	Legal and professional fees	2,57,76,088	1,80,37,156
	Payments to auditors*	2,99,500	1,10,000
	Freight and forwarding Charges	6,52,30,444	4,82,73,797
	Commission expenses	41,52,953	66,04,325
	Business Promotion Expenses	7,54,581	9,36,539
	Late Delivery Charges /Liquidated damages	3,55,43,716	1,94,72,223
	Charity & Donations	-	4,04,200
	Expenditure incurred towards Corporate Social Responsibilty (Refer Note-35)	23,62,000	24,00,000
	Bad debts written off	1,45,26,325	1,02,13,216
	Loss on sale of fixed assets (Net)	77,567	-
	General Charges	1,99,27,768	1,55,44,343
	Total Other Expenses	**61,41,51,999**	**39,46,56,287**
	*** particulars of Auditor's Remuneration**		
	Statutory audit	2,00,000	1,10,000
	For Taxation matters	90,000	-
	Certification fees & Other Services	8,000	-
	Reimbersement of Expenses	1,500	-
	Total	**2,99,500**	**1,10,000**

30. Contingent Liabilities & Capital Commitments not provided for:

a) Contingent Liabilities

(₹ in lacs)

Particulars	As at 31/03/2020	As at 31/03/2019
Outstanding Bank Guarantees	6113.01	5214.39
Outstanding Foreign Bank Guarantees	US$ 1545527	US$ 1438453
Outstanding Inland Letter of Credit	NIL	NIL
Outstanding Foreign Letter of Credit	NIL	US$ 323300
Disputed Income Tax demand for completed assessment	6.47	NIL

b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account [net of advances] and not provided for Rs. 32,30,000/- (P.Y Rs. NIL)

31. RELATED PARTY INFORMATION

The company has transactions with following related parties

a) Subsidiary Company	Patels Airtemp (USA) Inc; (w.e.f. 13.01.2020)
b) Associates	Therm Flow Engineers Pvt. Ltd.
	Shiv Fintrade LLP
c) Key Managerial Personnel	1. Narayanbhai G. Patel
	2. Prakashbhai N. Patel (upto 15.02.2019)
	3. Sanjivkumar N. Patel
	4. Narendrabhai G. Patel
	5. Shivang P.Patel
	6. Apurva V.Shah
	7. Kamlesh R. Shah (CFO)
	8. Nikhil Patel (CS)
d) Relative of Key Managerial Personnel	1. Sitaben Patel
	2. Aarti Patel
	3. Jalpa Patel
	4. Narayanbhai G Patel HUF
	5. Prakashbhai N. Patel HUF
	6. Sanjivkumar N. Patel HUF
	7. Mukundbhai G Patel

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

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
Narayanbhai G. Patel	Chairman & Whole-time Director	Remuneration	36,94,250 (36,38,375)	1,81,90,000 (1,63,90,000)
		Interest	18,47,439 (12,26,832)	
		Loan taken	35,00,000 (1,26,00,000)	
		Loan Repaid	17,00,000 (49,00,000)	
Prakashbhai N. Patel (up to 15.02.19)	Managing Director	Remuneration	NIL (32,68,942)	NIL (36,35,000)
		Interest	NIL (4,06,868)	
		Loan taken	NIL (20,40,000)	
		Loan Repaid	36,35,000 (13,50,000)	
Sanjivkumar N. Patel	Managing Director	Remuneration	36,84,836 (35,90,547)	2,18,34,000 (2,44,99,000)
		Interest	29,90,273 (25,44,622)	

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
		Loan taken	79,05,000 (42,26,000)	
		Loan Repaid	1,05,70,000 (4,55,000)	
Narendrabhai G. Patel	Director	Remuneration	36,85,482 (36,00,287)	75,00,000 (40,00,000)
		Loan taken	35,00,000 (-)	
		Interest	6,13,890 (4,39,999)	
Sitaben Patel	Relative of Key Managerial Person	Loan taken	22,00,000 (16,90,000)	1,41,35,000 (1,19,35,000)
		Loan Repaid	NIL (3,00,000)	
		Interest	14,61,502 (12,86,736)	
Shivang P. Patel	Whole time Director (w.e.f. 01.06.19)	Loan taken	26,90,000 (15,10,000)	69,65,000 (52,75,000)
		Loan Repaid	10,00,000 (4,00,000)	
		Interest	6,97,316 (5,07,878)	
		Remuneration	34,84,115 (9,40,301)	
Aarti Patel	Relative of Key Managerial Person	Loan taken	1,64,35,000 (24,35,000)	2,62,10,000 (1,08,75,000)
		Loan Repaid	11,00,000 (NIL)	
		Interest	28,17,812 (9,94,936)	
Jalpa Patel	Relative of Key Managerial Person	Loan taken	1,01,00,000 (2,35,000)	1,03,35,000 (2,35,000)
		Loan Repaid	NIL (70,000)	
		Interest	1,73,321 (3,145)	
Narayanbhai G. Patel HUF	Director is Karta of HUF	Loan taken	2,70,000 (3,25,000)	11,02,000 (8,32,000)
		Interest	1,08,858 (81,082)	
Prakashbhai N. Patel HUF	Director is Karta of HUF	Loan taken	40,75,000 (8,40,000)	92,95,000 (52,20,000)
		Interest	9,85,089 (5,45,569)	

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
Sanjivkumar N. Patel HUF	Director is Karta of HUF	Loan taken	12,75,000 (16,48,000)	1,79,23,000 (1,68,78,000)
		Loan Repaid	2,30,000 (1,30,000)	
		Interest	19,60,126 (18,00,579)	
Mukundbhai G Patel	Relative of the Director	Remuneration	6,34,212 (5,99,884)	- (-)
Apurva V.Shah	Director	Remuneration	29,18,287 (27,66,360)	- (-)
Kamlesh R. Shah	Chief Financial Officer	Remuneration	10,86,604 (10,06,564)	- (-)
Nikhil Patel	Company Secretary	Remuneration	12,05,100 (11,39,100)	- (-)
Thermflow Engineers Pvt. Ltd.	Associate Company	Rent Income	18,000 (10,500)	6,000 (-)
Shiv Fintrade LLP	Associate Company	Rent Income	15,000 (-)	15,000 (-)
Patels Airtemp USA Inc.	Subsidiary	Loans Given	7,53,900 (-)	7,53,900 (-)
Patels Airtemp USA Inc.	Subsidiary	Investment	7,17,586 (-)	7,17,586 (-)

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 **(₹)**

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Within India	181,33,99,200	131,37,84,266
Canada	16,55,43,010	4,74,88,810
Nigeria	30,92,31,285	10,50,89,254
Indonesia	26,69,534	36,04,039
Philippines	49,83,870	—
Thailand	—	28,31,306
United Kingdom	2,68,80,697	—
Total	**232,27,07,596**	**147,27,97,675**

33. EARNING PER SHARE

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net Profit for the year before other Comprehensive Income	11,30,51,640	73,164,974
Number of Equity Shares	5,070,240	5,070,240
Basic & Diluted Earnings per Share (Price per share Rs. 10)	22.30	14.43

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 Rs. 23,62,000/- (Previous year Rs. 24,00,000/-)

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

Sl. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	- (-)	- (-)	- (-)
(ii)	On purposes other than (i) above	23,62,000 (24,00,000)	NIL (NIL)	23,62,000 (24,00,000)

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:

Particulars	2019-20 (₹)	2018-19 (₹)
The Principal Amount	15,42,92,206	3,83,29,310
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. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006;

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:

(Amount ₹)

Particulars	2019-20	2018-19
Employer's Contribution to Provident Fund	39,32,747	31,08,493

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

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

iv) Following are the risks associated with the plan:

Interest rate risk:

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

Salary Risk:

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

Investment Risk:

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

Asset Liability Matching Risk:

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

Mortality risk:

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

Concentration Risk:

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

v) **Changes in the Present Value of Projected Benefit Obligation** **(Amount ₹)**

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening defined benefit obligation	1,14,97,824	1,15,48,070
Current Service Cost	11,19,732	10,52,534
Interest Cost	8,95,680	9,04,214
Actuarial losses/(gains) due to change in Financial Assumptions	11,58,714	39,072
Actuarial losses/(gains) due to experience	(8,47,258)	3,35,270
Losses (gains) on curtailments		
Liabilities extinguished on settlements		
Benefits paid from the Fund	(3,96,547)	(23,81,336)
Closing defined benefit obligation	1,34,28,145	1,14,97,824

vi) **Changes in Fair Value of Plan Assets:** **(Amount ₹)**

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening fair value of plan assets	93,46,425	90,49,244
Interest Income	7,28,087	7,08,556
Return on plan assets excluding Interest Income	44,761	(68,388)
Assets distributed on settlements	(3,96,547)	(23,81,336)
Contributions by employer	23,70,477	20,38,349
Benefits paid		
Closing balance of fair value of plan assets	1,20,93,203	93,46,425

vii) **Amount Recognized in Balance Sheet**

PARTICULARS	As at 31st March 2020	As at 31st March 2019
Present value of Defined Benefit Obligation at the end of the year	(1,34,28,145)	(1,14,97,824)
Fair value of Plan Assets at the end of the year	1,20,93,203	93,46,425
Funded Status Surplus/(Deficit)	(13,34,942)	(21,51,399)
Net (Liability)/Assets recognized in the Balance sheet	**(13,34,942)**	**(21,51,399)**

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

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current Service Cost	11,19,732	10,52,534
Net Interest Cost	1,67,593	1,95,658
Past Service Cost	-	-
Expected Contribution by the Employees	-	-
(Gains)/Losses on curtailments and settlements	-	-
Expenses Recognized in Statement of Profit & Loss	12,87,325	12,48,192

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

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Actuarial (Gains)/Losses on Obligations for the period	3,11,456	3,74,342
Return on Plan Assets, excluding interest income	(44,761)	68,388
Changes in Asset Ceiling	—	—
Net Expenses for the period Recognized in OCI	2,66,695	4,42,730

x) Sensitivity Analysis of Defined Benefit Obligation

PARTICULARS	For the year ended 31st March, 2020 (Amount In Rs.)	For the year ended 31st March, 2019 (Amount In Rs.)
Projected Benefit Obligation on Current Assumptions	1,34,28,145	1,14,97,824
Delta Effect of +1% Change in Rate of Discounting	(12,14,734)	(9,04,867)
Delta Effect of -1% Change in Rate of Discounting	14,43,538	10,66,193
Delta Effect of +1% Change in Rate of Salary Increase	14,26,639	10,63,942
Delta Effect of -1% Change in Rate of Salary Increase	(12,23,571)	(9,18,946)
Delta Effect of +1% Change in Rate of Employee Turnover	(38,651)	51,501
Delta Effect of -1% Change in Rate of Employee Turnover	41,753	(60,981)

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. 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: **(Amount In Rs.)**

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Expected Return on Plan Assets	7.79%	7.83%
Rate of Discounting	7.79%	7.83%
Rate of Salary Increase	7.00%	7.00%
Rate of Employee Turnover	2%	2%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

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

39. The Company has elected to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Company has accordingly recognized Provision for Income tax for the year ended 31st March, 2020 and re-measured its net Deferred Tax Assets and Liabilities basis the rate prescribed in the said section. The impact of this change has been recognized in the Statement of Profit and Loss for the year ended 31st March, 2020. These standalone financial statements are prepared on the basis that the Company would avail the option to pay income tax at the lower rate. Consequently, the opening deferred tax asset (net) has been measured at the lower rate, with a one-time corresponding credit of Rs.26,46,128/- to the statement of profit or loss for the year under review.

40. The operations of the Company were impacted on account of temporary shutdown of its plant effective from 24th March 2020 following nationwide lockdown announced by the Government on account of Covid-19 global pandemic. However, after seeking the required permission from the concerned Authorities, the Company has restarted its plant from 23rd April,2020 in a phased manner. Management has taken all the necessary measures from time to time to comply with the directions issued by the local authorities and state government to prevent and contain the spread of coronavirus including temporary shutdown of its plant and offices during the nationwide lockdown. The Company's

management has made initial assessment of likely adverse impact on business and financial risks and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Further, the management of the Company has prepared cash flow projections, assessed the impact on operations and also assessed the recoverability of receivables, inventories, impairment of its property, plant & equipment using various internal and external information up to date of approval of these financial results. On the basis of evaluation and having regard to current indicators of future economic conditions, the Company management expects to recover the carrying amount of these assets and does not anticipate any impairment to any of its financial and non-financial assets on going concern basis.

41. 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:

Sl. No.	Name of the Entity	As at 31.03.2020 Amount Rupees	As at 31.03.2019 Amount Rupees	Nature of Loans/ Deposits	Purpose for which loan is proposed to be utilized by recipient
1.	Patels Airtemp (USA) Inc;	7,53,900	Nil	Inter-Corporate Loan	Working Capital

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

Sl. No.	Name of the Entity	As at 31.03.2020 Amount Rupees	As at 31.03.2019 Amount Rupees
1.	Patels Airtemp (USA) Inc;	7,17,586	NIL

42. Income taxes

A Income taxes recognised in Statement of Profit and Loss

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current tax		
In respect of the current year	3,81,00,000	3,20,00,000
(Excess)/Short provision for tax of earlier years	(2,09,474)	8,01,590
	3,78,90,526	**3,28,01,590**
Deferred tax(credit) /Charged	(30,54,015)	(7,88,602)
Total income tax expense recognised in respect of continuing operations	**3,48,36,511**	**3,20,12,988**

B Tax reconciliation

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

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit before taxes	**14,78,88,151**	**10,51,77,962**
Enacted tax rate in India*	25.168%	29.120%
Expected income tax (benefit)/expense at statutory tax rate	3,72,20,490	3,06,27,823
Effect of:		
Diffrence in Depreciation for the year as per books and as per Income tax	4,62,681	4,17,985

Timing diffrence of amounts deductible on actual payment (Net)	11,035	3,28,441
Tax effect on non-deductible expenses	4,09,089	5,76,805
Reversal of deferred tax liability on account of changes in tax rates from 29.12% to 25.168% (Effective 1st April, 2019)	(26,46,128)	-
Others	(4,11,182)	48,946
adjustments for current tax of prior years	(2,09,474)	8,01,590
Income taxes recognised in the Statement of Profit and Loss	**3,48,36,511**	**3,28,01,590**

* The tax rate used for the FY 2019-20 and FY 2018-19 reconciliations above is the corporate tax rate of 25.168% and 29.12% respectively payable by corporate entities in India on taxable profit under the Indian tax law.

C Income Tax Recognised in Other Comprehensive Income:

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	67,127	1,28,923
Total income tax recognised in other comprehensive income	**67,127**	**1,28,923**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	67,127	1,28,923
Income tax recognised in other comprehensive income	**67,127**	**1,28,923**

D Components of Deferred Tax (charge)/benefit for the year

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation and amortisation	7,87,557	3,52,901
Disallowances of employee benefits u/s. 43B of the Income Tax	(3,79,670)	4,35,701
Others (Incl. reduction in net liability on account of changes in effective tax rate)	26,46,128	-
Total deferred tax (Charge)/benefit for the year	**30,54,015**	**7,88,602**

Note: Deferred tax liability has been calculated using effective tax rate of 25.168% (previous year 29.12%)

E Components of deferred tax assets and liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Deferred tax liabilities		
Difference between book and tax depreciation	1,83,24,798	2,17,58,482
	1,83,24,798	**2,17,58,482**
(b) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	11,51,847	15,31,517
Remeasurement benefit of the defined benefit plans through OCI	7,96,310	7,29,183
	19,48,157	**22,60,700**
Deferred Tax Liabilities (Net)	**1,63,76,641**	**1,94,97,782**

43. APPROVAL OF FINANCIAL STATEMENT

The financial statements were approved for issue by the board of directors on 20th June, 2020.

As per our report of even date attached.

-: Signature to Note No. 1 to 43 :-

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 : 20TH JUNE, 2020

For and on behalf of the Board of Directors

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

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

KAMLESH R. SHAH
Chief Financial Officer

NIKHIL PATEL
Company Secretary

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 20TH JUNE, 2020

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, 2020, 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 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, 2020, and its Profits (financial performance including other comprehensive income), the changes in equity and its cash flow for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note-39 of the consolidated financial statements which describes the management's assessment of the likely impact of uncertainties related to outbreak of COVID 19 global pandemic on the operations of the Group.

Our opinion is not qualified in respect of this matter.

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 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 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 financial statements, the Board of Directors is 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 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 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 Rs.15.53 lakhs as at March 31, 2020, total revenues of Rs.0.35 lakhs and net cash outflow of Rs.15.53 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 as certified by the management.

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;

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, 2020 taken on record by Board of Directors of Parent, none of the director is disqualified as on 31st March, 2020 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, 2020 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 : 20100422AAAADH4965

Place : Ahmedabad.
Date : 20th June, 2020

"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, 2020.

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, 2020 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, 2020, 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

Place : Ahmedabad.
Date : 20th June, 2020

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at 31st March, 2020 (₹)	As at 31st March, 2019 (₹)
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	3(A)	33,34,94,222	22 23 24 651
b) Capital work-in-progress		3,49,69,854	-
c) Intangible assets	3(B)	13,99,665	12 11 352
d) Financial Assets			
Investments	4	-	-
e) Other non-current assets	5	80,49,494	1 81 10 656
		37 79 13 235	**24 16 46 659**
2) Current assets			
a) Inventories	6	1,01,45,77,377	71 83 50 920
b) Financial Assets			
(i) Trade receivables	7	91,41,66,091	64 80 00 391
(ii) Cash and cash equivalents	8	2,51,66,656	14 30 58 460
(iii) Bank balances other than (ii) above	8	8,62,98,215	9 44 80 529
(iv) Short term Loans & Advances	9	16,46,15,467	5 85 33 732
c) Current tax assets (net)	10	22,10,116	37 33 260
d) Other current assets	11	2,10,34,913	47 76 919
		2 22 80 68 835	**1 67 09 34 211**
TOTAL ASSETS		**2 60 59 82 070**	**1 91 25 80 870**
EQUITY & LIABILITIES :			
EQUITY:			
a) Equity Share capital	12	5,07,02,400	5 07 02 400
b) Other Equity	13	84,47,67,655	74 71 22 772
LIABILITIES :		**89 54 70 055**	**79 78 25 172**
1) Non-Current Liabilities			
a) Financial Liabilities			
Long Term Borrowings	14	13,34,89,000	9 97 74 000
b) Long Term Provisions	15	31,61,304	26 47 454
c) Deferred tax liabilities (Net)	16	1,63,76,641	1 94 97 782
		15 30 26 945	**12 19 19 236**
2) Current liabilities			
a) Financial Liabilities			
(i) Short Term Borrowings	17	31,27,85,265	32 08 23 497
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	18	15,42,92,206	3 83 29 310
Total outstanding dues of creditors other than micro enterprises and small enterprises		48,75,56,879	24 69 63 949
		64,18,49,085	28,52,93,259
b) Other current liabilities	19	60,09,80,946	38 40 10 452
c) Short Term Provisions	20	18,69,773	27 09 254
		1 55 74 85 069	**99 28 36 462**
TOTAL EQUITY AND LIABILITIES		**2 60 59 82 070**	**1 91 25 80 870**

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 : 20TH JUNE, 2020

For and on behalf of the Board of Directors

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

KAMLESH R. SHAH
Chief Financial Officer

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

NIKHIL PATEL
Company Secretary

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 20TH JUNE, 2020

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2020

Particulars	Note No.	For the year ended 31st March, 2020 (₹)	For the year ended 31st March, 2019 (₹)
INCOME:			
Revenue from Operations	21	2,37,41,90,139	1,50,94,89,410
Other Income	22	1,88,16,264	79,26,662
Total Income		**2,39,30,06,403**	**1,51,74,16,072**
EXPENSES:			
Cost of Materials consumed	23	1,65,60,51,686	94,32,20,582
Purchases of traded goods	24	2,47,01,292	1,90,62,316
Changes in inventories of finished goods,			
Stock-in-Trade and work-in-progress	25	(25,54,00,204)	(11,50,24,058)
Employee benefits expense	26	10,43,27,826	9,40,68,943
Finance costs	27	7,23,50,540	5,02,68,545
Depreciation and amortization expense		2,88,99,673	2,59,85,495
Other expenses	28	61,41,51,999	39,46,56,287
Total Expenses		**2,24,50,82,812**	**1,41,22,38,110**
Profit Before Tax		**14,79,23,591**	**10,51,77,962**
Tax Expense:			
Current tax		3,81,00,000	3,20,00,000
Deferred tax (Credit)/Charge		(30,54,015)	(7,88,602)
(Excess)/Short Provision of Earlier Years		(2,09,474)	8,01,590
Total Tax Expenses		**3,48,36,511**	**3,20,12,988**
Net Profit for the year		**11,30,87,080**	**7,31,64,974**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit Plan		(2,66,695)	(4,42,730)
Income tax relating to above item		67,127	1,28,923
Total Other Comprehensive Income/(Loss)		(1,99,568)	(3,13,807)
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income /(Loss) for the year)		**11,28,87,512**	**7,28,51,167**
Earnings per equity share			
(Face value of Rs.10/- each)			
Basic & Diluted		22.30	14.43

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 : 20TH JUNE, 2020

For and on behalf of the Board of Directors

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

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Managing Director
Din : 02794095

KAMLESH R. SHAH
Chief Financial Officer

NIKHIL PATEL
Company Secretary

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 20TH JUNE, 2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

Particulars	For the year ended 31st March, 2020 (₹)	For the year ended 31st March, 2019 (₹)
A. Cash flow from operating activities		
Profit before extraordinary items and tax	**14,79,23,591**	**10,51,77,962**
Adjustments for:		
Depreciation and amortisation expense	2,88,99,673	2,59,85,495
(Profit) / loss on assets sold and discarded	77,567	-
Interest Paid	7,23,50,540	3,67,21,405
Interest income	(80,65,207)	(52,51,655)
Effect of foreign exchange rate change	38,485	-
Remeasurement of Defined Benefit Plan	(2,66,695)	(4,42,730)
Operating profit / (loss) before working capital changes	**24,09,57,953**	**16,21,90,477**
Changes in working capital:		
Inventories	(29,62,26,457)	(21,03,15,500)
Trade receivables	(26,61,65,700)	(2,41,34,543)
Short-term loans and advances	(10,60,81,735)	(3,66,42,909)
Other Non-current assets	1,00,61,162	(1,55,48,191)
Long term loans and advances	-	-
Other current assets	(80,75,680)	(3,14,88,032)
Trade payables	35,65,55,826	(2,66,14,368)
Other current liabilities	21,69,70,494	29,05,79,880
Short-term provisions	(8,39,481)	(2,02,610)
Long-term provisions	5,13,850	(2,65,120)
Cash generated from operations	**14,76,70,233**	**10,75,59,083**
Income tax paid (Net of refunds)	(3,63,67,382)	(4,15,72,942)
Net cash flow from operating activities (A)	**11,13,02,851**	**6,59,86,141**
B. Cash flow from investing activities		
Capital expenditure on fixed assets	(17,55,04,978)	(3,54,98,065)
Amount of Investment made in a Subsidiary	-	-
Proceeds from sale of fixed assets	2,00,000	-
Interest Received	80,65,207	52,51,655
Net cash flow used in investing activities (B)	**(16,72,39,771)**	**(3,02,46,410)**
C. Cash flow from financing activities		
Net increase/(Decrease) in Long Term borrowings	3,37,15,000	1,99,44,000
Net increase/(Decrease) in working capital borrowings	(80,38,232)	9,67,72,046
Interest Paid	(7,23,50,540)	(3,67,21,405)
Dividend Paid (incl. Tax on dividends)	(1,52,81,113)	(1,52,56,048)
Net cash flow used in Financing activities (C)	**(6,19,54,885)**	**6,47,38,593**
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	**(11,78,91,804)**	**10,04,78,324**
Cash and cash equivalents at the beginning of the year	**14,30,58,460**	**4,25,80,136**
Cash and cash equivalents at the end of the year	**2,51,66,656**	**14,30,58,460**

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 : 20TH JUNE, 2020

For and on behalf of the Board of Directors

NARAYANBHAI G. PATEL
Chairman & Whole-time Director
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Managing Director
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KAMLESH R. SHAH
Chief Financial Officer

NIKHIL PATEL
Company Secretary

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 20TH JUNE, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31ST MARCH, 2020

A) EQUITY SHARE CAPITAL (₹)

	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the reporting year	5,07,02,400	5,07,02,400
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	**5,07,02,400**	**5,07,02,400**

B) OTHER EQUITY (₹)

	Capital Investment Subsidy	General Reserve	Fopreign Currency translation reserve	Retained Earnings	Total
Balance as of March 31, 2018	**15,00,000**	**8,15,00,000**	**-**	**60,65,27,653**	**68,95,27,653**
Net Profit for the year	-	-	-	7,31,64,974	**7,31,64,974**
Items of Other Comprehensive income for the year ,net of tax	-	-	-	-	**-**
Remeasurement benefit of defined benefit plans (Net of Tax)	-	-	-	(3,13,807)	**(3,13,807)**
Dividend	-	-	-	(1,26,75,600)	**(1,26,75,600)**
Income Tax on Dividend	-	-	-	(25,80,448)	**(25,80,448)**
Balance as of March 31, 2019	**15,00,000**	**8,15,00,000**	**-**	**66,41,22,772**	**74,71,22,772**
Net Profit for the year	**-**	-	-	**11,30,87,080**	**11,30,87,080**
Arising on translation of foreign subsidiary	-	-	38,485	-	**38,485**
Items of Other Comprehensive income for the year ,net of tax	-	-		(1,99,568)	**(1,99,568)**
Remeasurement benefit of defined benefit plans (Net of Tax)	-	-		-	**-**
Dividend	-	-		(1,26,75,600)	**(1,26,75,600)**
Income Tax on Dividend	-	-		(26,05,513)	**(26,05,513)**
Balance as of March 31, 2020	**15,00,000**	**8,15,00,000**	**38,485**	**76,17,29,170**	**84,47,67,655**

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 : 20TH JUNE, 2020

For and on behalf of the Board of Directors

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

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

KAMLESH R. SHAH
Chief Financial Officer

NIKHIL PATEL
Company Secretary

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 20TH JUNE, 2020

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 (collectively, the Group) for the financial year ended on 31st March,2020. 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.

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.

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 company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.

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

v) Property, Plant and Equipment including continuous process plants are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

vi) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units.

vii) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.

viii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows:

Buildings - 3 to 60 years

Plant and Equipments - 15 to 25 years

Furniture and Fixtures - 10 years

Vehicles - 8 to 10 years

Office Equipments - 5 to 10 years

ix) At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

(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 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.

(f) **REVENUE RECOGNITION:**

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

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

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

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

For performance obligations where one of the above conditions is not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Revenue from sale of products and services are recognized at a time on which the performance obligation is satisfied

ii) Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

iii) Other income is recognized when there is certainty of its being realized.

(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 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.

(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) **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.

(k) **FINANCIALASSETS:**

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.

(l) **FINANCIALLIABILITIES:**

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) **FAIRVALUE MEASUREMENT:**

i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

ii) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

iii) A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

iv) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(n) **FOREIGN CURRENCY TRANSACTIONS:**

i) The Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.

ii) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences

that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

iii) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

(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 asset s 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.

(q) **PROVISIONS,CONTINGENT LIABILITIES AND CONTINGENTASSETS:**

i) Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.

ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation;(b)when no reliable estimate is possible;(c)unless the probability of outflow of resources is remote.

iii) Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

(r) **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.

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

3(A) PROPERTY, PLANT & EQUIPMENT

(₹)

Particulars	Freehold Land	Buildings	Plant and Equipment	Electrical Installa-tions	Furniture and Fixtures	Vehicles	Office equipment	Computers	Road	TOTAL
Gross Carrying Value										
As at 31st March 2018	**26,42,034**	**6,42,04,101**	**27,43,18,441**	**1,85,90,448**	**1,20,75,068**	**4,16,13,862**	**68,00,845**	**60,08,510**	**73,17,019**	**43,35,70,328**
Addition	-	79,43,288	1,09,11,324	10,62,728	18,72,671	99,54,838	14,26,622	9,62,430	-	3,41,33,901
Disposal / Adjustments										-
As at 31st March 2019	**26,42,034**	**7,21,47,389**	**28,52,29,765**	**1,96,53,176**	**1,39,47,739**	**5,15,68,700**	**82,27,467**	**69,70,940**	**73,17,019**	**46,77,04,229**
Addition	7,41,36,466	38,98,512	5,36,09,925	39,50,591	16,99,565	9,58,489	7,22,444	8,41,591	-	13,98,17,583
Disposal / Adjustments						8,87,920				8,87,920
As at 31st March, 2020	**7,67,78,500**	**7,60,45,901**	**33,88,39,690**	**2,36,03,767**	**1,56,47,304**	**5,16,39,269**	**89,49,911**	**78,12,531**	**73,17,019**	**60,66,33,893**
Accumulated Depreciation										
As at 31st March 2018	**-**	**2,64,21,101**	**14,23,58,854**	**78,93,614**	**66,67,433**	**2,21,90,969**	**51,50,298**	**50,76,233**	**40,16,987**	**21,97,75,489**
Charge for the year	-	23,00,319	1,38,55,542	14,66,916	9,31,216	50,92,095	4,37,221	5,01,107	10,19,673	2,56,04,089
Disposal / Adjustments										-
As at 31st March 2019	**-**	**2,87,21,420**	**15,62,14,396**	**93,60,530**	**75,98,649**	**2,72,83,064**	**55,87,519**	**55,77,340**	**50,36,660**	**24,53,79,578**
Charge for the year		30,82,510	1,54,23,179	16,00,255	10,25,947	48,96,592	6,69,907	6,52,383	10,19,673	2,83,70,446
Disposal / Adjustments						6,10,353				6,10,353
As at 31st March, 2020	**-**	**3,18,03,930**	**17,16,37,575**	**1,09,60,785**	**86,24,596**	**3,27,90,009**	**62,57,426**	**62,29,723**	**60,56,333**	**27,31,39,671**
Net Carrying Value										
As at 31st March 2019	**26,42,034**	**4,34,25,969**	**12,90,15,369**	**1,02,92,646**	**63,49,090**	**2,42,85,636**	**26,39,948**	**13,93,600**	**22,80,359**	**22,23,24,651**
As at 31st March, 2020	**7,67,78,500**	**4,42,41,970**	**16,72,02,115**	**1,26,42,982**	**70,22,708**	**1,88,49,260**	**26,92,486**	**15,82,808**	**12,60,686**	**33,34,94,222**

3(B) INTANGIBLE ASSETS (₹)

Particulars	GOODWILL	TECHNICAL KNOWHOW	COMPUTER SOFTWARE	TOTAL
Gross Carrying Value				
As at 31st March, 2018	**37,040**	**43,64,500**	**57,70,572**	**1,01,72,112**
Addition	-	-	13,64,164	13,64,164
Disposal / Adjustments				
As at 31st March 2019	**37,040**	**43,64,500**	**71,34,736**	**1,15,36,276**
Addition	-	-	7,17,540	7,17,540
Disposal / Adjustments				
As at 31st March, 2020	**37,040**	**43,64,500**	**78,52,276**	**1,22,53,816**
Accumulated Amortization				
As at 31st March, 2018	**-**	**43,64,500**	**55,79,018**	**99,43,518**
Charge for the year	-	-	3,81,406	3,81,406
Disposal / Adjustments				
As at 31st March 2019	**-**	**43,64,500**	**59,60,424**	**1,03,24,924**
Charge for the year	-	-	5,29,227	5,29,227
Disposal / Adjustments				
As at 31st March, 2020	**-**	**43,64,500**	**64,89,651**	**1,08,54,151**
Net Carrying Value				
As at 31st March 2019	**37,040**	**-**	**11,74,312**	**12,11,352**
As at 31st March, 2020	**37,040**	**-**	**13,62,625**	**13,99,665**

	PARTICULARS	As at 31st March, 2020 (₹)	As at 31st March, 2019 (₹)
4	**INVESTMENTS (Non Current)**		
	Investment in Equity instruments-quoted (Measured at FVTPL):		
	14,000 Shares of M/s. Gujarat State Financial Corporation of Rs.10/- each	2,80,000	2,80,000
	Less: Provision for diminution in the value of Investments	2,80,000	2,80,000
	Total	**-**	**-**
	Aggregate cost of quoted investments	-	-
	Aggregate market value of quoted investments	-	-
5	**OTHER NON CURRENT ASSETS**		
	Capital Advances	60,42,880	1,62,18,002
	Security Deposits	20,06,614	18,92,654
	Total	**80,49,494**	**1,81,10,656**
6	**INVENTORIES**		
	Raw Materials	25,49,12,858	21,35,03,648
	Work In Progress	70,44,44,856	49,94,54,363
	Tools and Spares	26,24,122	32,07,079
	Finished Goods	5,12,02,199	-
	Traded goods	13,93,342	21,85,830
	Total	**1,01,45,77,377**	**71,83,50,920**

	PARTICULARS	As at 31st March, 2020 (₹)	As at 31st March, 2019 (₹)
7	**TRADE RECEIVABLES**		
	Trade Receivables-Unsecured, Considered Good	91,41,66,091	64,80,00,391
	Total	**91,41,66,091**	**64,80,00,391**
8	**CASH AND CASH EQUIVALENTS**		
	Balances with banks		
	(i) In current accounts	1,26,75,335	12,27,20,052
	(ii) In deposit accounts (incl. Margin Money deposits)	8,62,98,215	9,44,80,529
	(iii) Other Earmarked accounts - Unpaid dividend accounts	15,02,671	15,07,815
	(iv) In EEFC Account	1,03,64,465	1,82,97,200
	Cash on hand	6,24,186	5,33,393
	Total	**11,14,64,871**	**23,75,38,989**
9	**SHORT TERM LOANS & ADVANCES**		
	(Unsecured, Considered good)		
	Advances recoverable in cash or in kind or for value to be received	5,83,31,003	3,38,40,257
	Balance with government authorities	10,62,84,464	2,46,93,475
	Total	**16,46,15,467**	**5,85,33,732**
10	**CURRENT TAX ASSETS (NET)**		
	For Income Tax (Net of Advance Tax and TDS)	22,10,116	37,33,260
	Total	**22,10,116**	**37,33,260**
11	**OTHER CURRENT ASSETS**		
	Prepaid expense	51,81,632	31,12,115
	Export Incentives Receivable	1,44,92,170	3,76,879
	Other Receivable	6,51,369	6,36,369
	Interest accrued on deposits	7,09,742	6,51,556
	Total	**2,10,34,913**	**47,76,919**

12a. EQUITY SHARE CAPITAL

Particulars	As At 31st March, 2020		As At 31st March, 2019	
	Number	₹	Number	₹
Authorized Share Capital	70,00,000	7,00,00,000	70,00,000	7,00,00,000
Issued, Subscribed & Paid up share capital	50,70,240	5,07,02,400	50,70,240	5,07,02,400
Total	**50,70,240**	**5,07,02,400**	**50,70,240**	**5,07,02,400**

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

Particulars	As At 31st March, 2020		As At 31st March, 2019	
	Number	₹	Number	₹
At the beginning of the period	50,70,240	5,07,02,400	50,70,240	5,07,02,400
Issued during the period	-	-	-	-
Outstanding at the end of the period	**50,70,240**	**5,07,02,400**	**50,70,240**	**5,07,02,400**

c. Terms/Rights attached to equity shares

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

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

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

Particulars	As At 31st March, 2020		As At 31st March, 2019	
	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 64 512	26.91
Devidas Chelaram Narumalani	2 90 145	5.72	2 90 145	5.72
Narendrabhai Gopalbhai Patel	3 03 801	5.99	3 03 801	5.99

	PARTICULARS	As at 31st March, 2020 (₹)	As at 31st March, 2019 (₹)
13	**OTHER EQUITY**		
	General Reserves		
	Balance as per last balance sheet	8,15,00,000	8,15,00,000
	Capital Subsidy		
	Balance as per last balance sheet	15,00,000	15,00,000
	Foreign Currency Translation Reserve:		
	Balance as per last balance sheet	-	-
	Add: Exchange diffrence arising on translation of foreign subsidiary	38,485	-
		38,485	-
	Surplus in Statement of Profit & Loss		
	Balance as per last balance sheet	66,41,22,772	60,65,27,653
	Net Profit for the year	11,30,87,080	7,31,64,974
	Items of Other Comprehensive Income for the year (Net of tax)		
	Remeasurement of defined benefit Plan	(1,99,568)	(3,13,807)
	Appropriations:		
	Dividend	(1,26,75,600)	(1,26,75,600)
	Income Tax on Dividend	(26,05,513)	(25,80,448)
		76,17,29,170	**66,41,22,772**
	Total	**84,47,67,655**	**74,71,22,772**
14	**LONG TERM BORROWINGS**		
	Unsecured Loans from related parties		
	From Directors	5,44,89,000	4,85,24,000
	From Relatives of Directors	7,90,00,000	5,12,50,000
	Total	**13,34,89,000**	**9,97,74,000**
15	**LONG TERM PROVISIONS**		
	Provision for Employee Benefits	31,61,304	26,47,454
	Total	**31,61,304**	**26,47,454**

16	**DEFERRED TAX LIABILITIES (NET)**		
	(a) Deferred tax Liabilities:		
	Difference between book and tax block	1,83,24,798	2,17,58,482
		1,83,24,798	**2,17,58,482**
	(b) Deferred tax assets		
	Disallowances of employee benefits u/s. 43B of the Income Tax	11,51,847	15,31,517
	Remeasurement benefit of the defined benefit plans through OCI	7,96,310	7,29,183
		19,48,157	**22,60,700**
	Deferred Tax Liabilities (Net)	**1,63,76,641**	**1,94,97,782**
17	**SHORT TERM BORROWINGS**		
	Secured Loans:		
	Working capital facilities from Banks (Refer Note below)	31,27,85,265	32,08,23,497
	Total	**31,27,85,265**	**32,08,23,497**

Note:

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

18	**TRADE PAYABLES**		
	Total outstanding dues of micro enterprises and small enterprises (Refer Note No 36)	15,42,92,206	3,83,29,310
	Total outstanding dues of creditors other than micro enterprises and small enterprises	48,75,56,879	24,69,63,949
	Total	**64,18,49,085**	**28,52,93,259**
19	**OTHER CURRENT LIABILITIES**		
	Advance Received from Customers	58,94,77,335	38,12,70,546
	Creditors for capital expenditure	52,90,738	72,136
	Statutory Remittances	47,02,663	11,59,955
	Unclaimed Dividend	15,02,671	15,07,815
	Other payable	7,539	-
	Total	**60,09,80,946**	**38,40,10,452**
20	**SHORT TERM PROVISIONS**		
	Provision for Employee Benefits	18,69,773	27,09,254
	Total	**18,69,773**	**27,09,254**

	PARTICULARS	For the year ended 31st March, 2020 (₹)	For the year ended 31st March, 2019 (₹)
21	**REVENUE FROM OPERATIONS**		
	Sale of products		
	Domestic	1,81,33,99,200	1,31,37,84,267
	Export	50,93,08,396	15,90,13,408
		2,32,27,07,596	**1,47,27,97,675**
	Sale of Services	1,39,11,239	1,34,24,386
	Other Operating Revenue (incl.export incentives)	3,75,71,304	2,32,67,349
	Total	**2,37,41,90,139**	**1,50,94,89,410**
22	**OTHER INCOME**		
	Interest received	80,65,207	52,51,655
	Foreign Exchange Rate Diffrence (Net)	1,03,08,992	26,75,007
	Miscellaneous Income	4,42,065	-
	Total	**1,88,16,264**	**79,26,662**
23	**COST OF MATERIALS CONSUMED**		
	Stocks of Raw materials at the beginning of the year	21,35,03,648	11,81,97,937
	Add: Purchases during the year	1,69,74,60,896	1,03,85,26,292
		1,91,09,64,544	1,15,67,24,230
	Less: Stocks of Raw materials at the end of the year	25,49,12,858	21,35,03,648
	Total	**1,65,60,51,686**	**94,32,20,582**
24	**PURCHASE OF TRADED GOODS**		
	Purchase of traded goods- Window & Split AC & Accessories	2,47,01,292	1,90,62,316
	Total	**2,47,01,292**	**1,90,62,316**
25	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE & WORK-IN-PROCESS**		
	Closing Inventories		
	Work -in-Procress	70,44,44,856	49,94,54,363
	Finished Goods	5,12,02,199	-
	Stock-in-trade	13,93,342	21,85,830
		75,70,40,397	**50,16,40,193**
	Opening Inventory		
	Work -in-Procress	49,94,54,363	38,38,65,135
	Finished Goods	-	1,02,300
	Stock-in-trade	21,85,830	26,48,700
		50,16,40,193	**38,66,16,135**
	Total	**(25,54,00,204)**	**(11,50,24,058)**
26	**EMPLOYEE BENEFITS EXPENSES**		
	Salaries, wages and allowances	9,30,80,025	8,19,25,583
	Contributions to Provident Fund and other Funds	77,14,170	72,07,146
	Staff welfare expenses	35,33,631	49,36,214
	Total	**10,43,27,826**	**9,40,68,943**
27	**FINANCE COSTS**		
	Interest Paid	5,83,67,904	3,67,21,405
	Other borrowing costs	1,39,82,636	1,35,47,140
	Total	**7,23,50,540**	**5,02,68,545**

PARTICULARS	For the year ended 31st March, 2020 (₹)	For the year ended 31st March, 2019 (₹)
28 OTHER EXPENSES		
Rates and taxes	20,17,475	7,77,962
Insurance	7,61,119	8,26,763
Power and Fuel	1,62,72,237	1,05,54,888
Consumption of Stores , Spares & Tools	7,73,94,220	5,31,15,771
Consumption of Packing Materials	80,37,661	45,59,434
Labour Charges	26,05,88,473	14,20,35,497
Factory Expenses	3,39,71,538	2,23,68,639
Repairs to Buildings	15,72,927	23,10,483
Repairs to Machinery	1,92,03,549	1,04,08,581
Other Repairs	31,50,389	44,99,158
Printing and stationery	30,50,926	45,45,902
Communication Expenses	29,68,505	32,81,438
Travelling and conveyance	1,65,12,039	1,33,75,973
Legal and professional fees	2,57,76,088	1,80,37,156
Payments to auditors*	2,99,500	1,10,000
Freight and forwarding Charges	6,52,30,444	4,82,73,797
Commission expenses	41,52,953	66,04,325
Business Promotion Expenses	7,54,581	9,36,539
Late Delivery Charges /Liquidated damages	3,55,43,716	1,94,72,223
Charity & Donations	-	4,04,200
Expenditure incurred towards Corporate Social Responsibilty (Refer Note-35)	23,62,000	24,00,000
Bad debts written off	1,45,26,325	1,02,13,216
Loss on sale of fixed assets (Net)	77,567	-
General Charges	1,99,27,768	1,55,44,343
Total Other Expenses	**61,41,51,999**	**39,46,56,287**
*** particulars of Auditor's Remuneration**		
Statutory audit	2,00,000	1,10,000
For Taxation matters	90,000	-
Certification fees & Other Services	8,000	-
Reimbersement of Expenses	1,500	-
Total	**2,99,500**	**1,10,000**

29. Contingent Liabilities & Capital Commitments not provided for:

a) Contingent Liabilities

(₹ in lacs)

Particulars	As at 31/03/2020	As at 31/03/2019
Outstanding Bank Guarantees Outstanding Foreign Bank Guarantees	6113.01 US$ 1545527	5214.39 US$ 1438453
Outstanding Inland Letter of Credit Outstanding Foreign Letter of Credit	NIL NIL	NIL US$ 323300
Disputed Income Tax demand for completed assessment	6.47	NIL

b) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account [net of advances] and not provided for Rs. 32,30,000/- (P.Y Rs. NIL)

30. RELATED PARTY INFORMATION

The company has transactions with following related parties

a) Associates	Therm Flow Engineers Pvt. Ltd.
	Shiv Fintrade LLP
b) Key Managerial Personnel	1. Narayanbhai G. Patel
	2. Prakashbhai N. Patel (upto 15.02.2019)
	3. Sanjivkumar N. Patel
	4. Narendrabhai G. Patel
	5. Shivang P.Patel
	6. Apurva V.Shah
	7. Kamlesh R. Shah (CFO)
	8. Nikhil Patel (CS)
c) Relative of Key Managerial Personnel	1. Sitaben Patel
	2. Aarti Patel
	3. Jalpa Patel
	4. Narayanbhai G Patel HUF
	5. Prakashbhai N. Patel HUF
	6. Sanjivkumar N. Patel HUF
	7. Mukundbhai G Patel

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

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
Narayanbhai G. Patel	Chairman & Whole-time Director	Remuneration	36,94,250 (36,38,375)	1,81,90,000 (1,63,90,000)
		Interest	18,47,439 (12,26,832)	
		Loan taken	35,00,000 (1,26,00,000)	
		Loan Repaid	17,00,000 (49,00,000)	
Prakashbhai N. Patel (up to 15.02.19)	Managing Director	Remuneration	NIL (32,68,942)	NIL (36,35,000)
		Interest	NIL (4,06,868)	
		Loan taken	NIL (20,40,000)	
		Loan Repaid	36,35,000 (13,50,000)	
Sanjivkumar N. Patel	Managing Director	Remuneration	36,84,836 (35,90,547)	2,18,34,000 (2,44,99,000)
		Interest	29,90,273 (25,44,622)	

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
		Loan taken	79,05,000 (42,26,000)	
		Loan Repaid	1,05,70,000 (4,55,000)	
Narendrabhai G. Patel	Director	Remuneration	36,85,482 (36,00,287)	75,00,000 (40,00,000)
		Loan taken	35,00,000 (-)	
		Interest	6,13,890 (4,39,999)	
Sitaben Patel	Relative of Key Managerial Person	Loan taken	22,00,000 (16,90,000)	1,41,35,000 (1,19,35,000)
		Loan Repaid	NIL (3,00,000)	
		Interest	14,61,502 (12,86,736)	
Shivang P. Patel	Whole time Director (w.e.f. 01.06.19)	Loan taken	26,90,000 (15,10,000)	69,65,000 (52,75,000)
		Loan Repaid	10,00,000 (4,00,000)	
		Interest	6,97,316 (5,07,878)	
		Remuneration	34,84,115 (9,40,301)	
Aarti Patel	Relative of Key Managerial Person	Loan taken	1,64,35,000 (24,35,000)	2,62,10,000 (1,08,75,000)
		Loan Repaid	11,00,000 (NIL)	
		Interest	28,17,812 (9,94,936)	
Jalpa Patel	Relative of Key Managerial Person	Loan taken	1,01,00,000 (2,35,000)	1,03,35,000 (2,35,000)
		Loan Repaid	NIL (70,000)	
		Interest	1,73,321 (3,145)	
Narayanbhai G. Patel HUF	Director is Karta of HUF	Loan taken	2,70,000 (3,25,000)	11,02,000 (8,32,000)
		Interest	1,08,858 (81,082)	
Prakashbhai N. Patel HUF	Director is Karta of HUF	Loan taken	40,75,000 (8,40,000)	92,95,000 (52,20,000)
		Interest	9,85,089 (5,45,569)	

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
Sanjivkumar N. Patel HUF	Director is Karta of HUF	Loan taken	12,75,000 (16,48,000)	1,79,23,000 (1,68,78,000)
		Loan Repaid	2,30,000 (1,30,000)	
		Interest	19,60,126 (18,00,579)	
Mukundbhai G Patel	Relative of the Director	Remuneration	6,34,212 (5,99,884)	- (-)
Apurva V.Shah	Director	Remuneration	29,18,287 (27,66,360)	- (-)
Kamlesh R. Shah	Chief Financial Officer	Remuneration	10,86,604 (10,06,564)	- (-)
Nikhil Patel	Company Secretary	Remuneration	12,05,100 (11,39,100)	- (-)
Thermflow Engineers Pvt. Ltd.	Associate Company	Rent Income	18,000 (10,500)	6,000 (-)
Shiv Fintrade LLP	Associate Company	Rent Income	15,000 (-)	15,000 (-)

31. SEGMENT INFORMATION

Primary Segment – Business Segment

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

Secondary Segment - Geographical Segment

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

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

Information pertaining to Secondary Segment

Gross revenue from operations as per Geographical Locations **(₹)**

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Within India	181,33,99,200	131,37,84,266
Canada	16,55,43,010	4,74,88,810
Nigeria	30,92,31,285	10,50,89,254
Indonesia	26,69,534	36,04,039
Philippines	49,83,870	—
Thailand	—	28,31,306
United Kingdom	2,68,80,697	—
Total	**232,27,07,596**	**147,27,97,675**

32. EARNING PER SHARE

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net Profit for the year before other Comprehensive Income	11,30,87,080	73,164,974
Number of Equity Shares	5,070,240	5,070,240
Basic & Diluted Earnings per Share (Price per share Rs. 10)	22.30	14.43

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

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

35. CORPORATE SOCIAL RESPONSIBILITY

(a) Gross amount required to be spent by the company during the year Rs. 23,62,000/- (Previous year Rs. 24,00,000/-)

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

Sl. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	- (-)	- (-)	- (-)
(ii)	On purposes other than (i) above	23,62,000 (24,00,000)	NIL (NIL)	23,62,000 (24,00,000)

36. Outstanding Dues of Micro & Small Enterprises

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

Particulars	2019-20 (₹)	2018-19 (₹)
The Principal Amount	15,42,92,206	3,83,29,310
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. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006;

37. EMPLOYEE BENEFIT OBLIGATION

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

Defined Contribution Plan:

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

(Amount ₹)

Particulars	2019-20	2018-19
Employer's Contribution to Provident Fund	39,32,747	31,08,493

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

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

iv) Following are the risks associated with the plan:

Interest rate risk:

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

Salary Risk:

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

Investment Risk:

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

Asset Liability Matching Risk:

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

Mortality risk:

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

Concentration Risk:

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

v) **Changes in the Present Value of Projected Benefit Obligation** **(Amount ₹)**

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening defined benefit obligation	1,14,97,824	1,15,48,070
Current Service Cost	11,19,732	10,52,534
Interest Cost	8,95,680	9,04,214
Actuarial losses/(gains) due to change in Financial Assumptions	11,58,714	39,072
Actuarial losses/(gains) due to experience	(8,47,258)	3,35,270
Losses (gains) on curtailments		
Liabilities extinguished on settlements		
Benefits paid from the Fund	(3,96,547)	(23,81,336)
Closing defined benefit obligation	1,34,28,145	1,14,97,824

vi) Changes in Fair Value of Plan Assets: **(Amount ₹)**

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Opening fair value of plan assets	93,46,425	90,49,244
Interest Income	7,28,087	7,08,556
Return on plan assets excluding Interest Income	44,761	(68,388)
Assets distributed on settlements	(3,96,547)	(23,81,336)
Contributions by employer	23,70,477	20,38,349
Benefits paid		
Closing balance of fair value of plan assets	1,20,93,203	93,46,425

vii) Amount Recognized in Balance Sheet

PARTICULARS	As at 31st March 2020	As at 31st March 2019
Present value of Defined Benefit Obligation at the end of the year	(1,34,28,145)	(1,14,97,824)
Fair value of Plan Assets at the end of the year	1,20,93,203	93,46,425
Funded Status Surplus/(Deficit)	(13,34,942)	(21,51,399)
Net (Liability)/Assets recognized in the Balance sheet	**(13,34,942)**	**(21,51,399)**

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

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current Service Cost	11,19,732	10,52,534
Net Interest Cost	1,67,593	1,95,658
Past Service Cost	-	-
Expected Contribution by the Employees	-	-
(Gains)/Losses on curtailments and settlements	-	-
Expenses Recognized in Statement of Profit & Loss	12,87,325	12,48,192

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

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Actuarial (Gains)/Losses on Obligations for the period	3,11,456	3,74,342
Return on Plan Assets, excluding interest income	(44,761)	68,388
Changes in Asset Ceiling	—	—
Net Expenses for the period Recognized in OCI	2,66,695	4,42,730

x) Sensitivity Analysis of Defined Benefit Obligation

PARTICULARS	For the year ended 31st March, 2020 (Amount In Rs.)	For the year ended 31st March, 2019 (Amount In Rs.)
Projected Benefit Obligation on Current Assumptions	1,34,28,145	1,14,97,824
Delta Effect of +1% Change in Rate of Discounting	(12,14,734)	(9,04,867)
Delta Effect of -1% Change in Rate of Discounting	14,43,538	10,66,193
Delta Effect of +1% Change in Rate of Salary Increase	14,26,639	10,63,942
Delta Effect of -1% Change in Rate of Salary Increase	(12,23,571)	(9,18,946)
Delta Effect of +1% Change in Rate of Employee Turnover	(38,651)	51,501
Delta Effect of -1% Change in Rate of Employee Turnover	41,753	(60,981)

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. 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: **(Amount In Rs.)**

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Expected Return on Plan Assets	7.79%	7.83%
Rate of Discounting	7.79%	7.83%
Rate of Salary Increase	7.00%	7.00%
Rate of Employee Turnover	2%	2%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

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

38. The Company has elected to exercise the option permitted u/s 115BAA of the Income- tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Company has accordingly recognized Provision for Income tax for the year ended 31st March, 2020 and re-measured its net Deferred Tax Assets and Liabilities basis the rate prescribed in the said section. The impact of this change has been recognized in the Statement of Profit and Loss for the year ended 31st March, 2020. These standalone financial statements are prepared on the basis that the Company would avail the option to pay income tax at the lower rate. Consequently, the opening deferred tax asset (net) has been measured at the lower rate, with a one-time corresponding credit of Rs.26,46,128/- to the statement of profit or loss for the year under review.

39. The operations of the Company were impacted on account of temporary shutdown of its plant effective from 24th March 2020 following nationwide lockdown announced by the Government on account of Covid-19 global pandemic. However, after seeking the required permission from the concerned Authorities, the Company has restarted its plant from 23rd April,2020 in a phased manner. Management has taken all the necessary measures from time to time to comply with the directions issued by the local authorities and state government to prevent and contain the spread of coronavirus including temporary shutdown of its plant and offices during the nationwide lockdown. The Company's

management has made initial assessment of likely adverse impact on business and financial risks and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Further, the management of the Company has prepared cash flow projections, assessed the impact on operations and also assessed the recoverability of receivables, inventories, impairment of its property, plant & equipment using various internal and external information up to date of approval of these financial results. On the basis of evaluation and having regard to current indicators of future economic conditions, the Company management expects to recover the carrying amount of these assets and does not anticipate any impairment to any of its financial and non-financial assets on going concern basis.

40. Disclosure of Additional Information pertaining to the Parent Company and Subsidiary as per Schedule-III of the Companies Act, 2013:

Name of the Company	Net Assets		Share in Profit or Loss		Other Comprehensive Income		Other Comprehensive Income	
	% of Consolidated Net Assets	Net Assets	% of Consolidated Profit or Loss	Profit/ (Loss)	% of Consolidated OCI	OCI	% of Consolidated TCI	TCI
Parent Company								
Patels Airtemp (I) Limited	100%	8954.32	100%	1130.52	100%	(1.99)	100%	1128.53
Subsidiary								
Patels Airtemp (USA) Inc;	-	0.38	-	0.35	-	-	-	0.35

Note : Above figures are after eliminating intra-group transactions and intra group balances as at 31st March, 2020.

41. Income taxes

A Income taxes recognised in Consolidated Statement of Profit and Loss

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current tax		
In respect of the current year	3,81,00,000	3,20,00,000
(Excess)/Short provision for tax of earlier years	(2,09,474)	8,01,590
	3,78,90,526	**3,28,01,590**
Deferred tax(credit) /Charged	(30,54,015)	(7,88,602)
Total income tax expense recognised in copnsolidated statement of Profit & Loss	**3,48,36,511**	**3,20,12,988**

B Tax reconciliation

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

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit before taxes	**14,79,23,591**	**10,51,77,962**
Enacted tax rate in India*	25.168%	29.120%
Expected income tax (benefit)/expense at statutory tax rate	3,72,29,409	3,06,27,823
Effect of:		
Diffrence in Depreciation for the year as per books and as per Income tax	4,62,681	4,17,985
Timing diffrence of amounts deductible on actual payment (Net)	11,035	3,28,441
Tax effect on non-deductible expenses	4,09,089	5,76,805
Reversal of deferred tax liability on account of changes in tax rates from 29.12% to 25.168% (Effective 1st April, 2019)	(26,46,128)	-
Others	(4,11,182)	48,946
adjustments for current tax of prior years	(2,09,474)	8,01,590
Income taxes recognised in the Statement of Profit and Loss	**34,85,45,430**	**3,28,01,590**

* The tax rate used for the FY 2019-20 and FY 2018-19 reconciliations above is the corporate tax rate of 25.168% and 29.12% respectively payable by corporate entities in India on taxable profit under the Indian tax law.

C Income Tax Recognised in Other Comprehensive Income:

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	67,127	1,28,923
Total income tax recognised in other comprehensive income	**67,127**	**1,28,923**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	67,127	1,28,923
Income tax recognised in other comprehensive income	**67,127**	**1,28,923**

D Components of Deferred Tax (charge)/benefit for the year

PARTICULARS	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation and amortisation	7,87,557	3,52,901
Disallowances of employee benefits u/s. 43B of the Income Tax	(3,79,670)	4,35,701
Reduction of liability on account of changes in effective tax rate (refer Note 38)	26,46,128	-
Total deferred tax (Charge)/benefit for the year	**30,54,015**	**7,88,602**

Note: Deferred tax liability has been calculated using effective tax rate of 25.168% (previous year 29.12%)

E Components of deferred tax assets and liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Deferred tax liabilities		
Difference between book and tax depreciation	1,83,24,798	2,17,58,482
	1,83,24,798	**2,17,58,482**
(b) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	11,51,847	15,31,517
Remeasurement benefit of the defined benefit plans through OCI	7,96,310	7,29,183
	19,48,157	**22,60,700**
Deferred Tax Liabilities (Net)	**1,63,76,641**	**1,94,97,782**

42. Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated financial position of the Companies. Recognizing this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.

43. APPROVAL OF FINANCIAL STATEMENT

These consolidated financial statements were approved for issue by the board of directors on 20th June, 2020.

As per our report of even date attached.

-: Signature to Note No. 1 to 43 :-

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 : 20TH JUNE, 2020

For and on behalf of the Board of Directors

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

SANJIVKUMAR N. PATEL
Managing Director
Din : 02794095

KAMLESH R. SHAH
Chief Financial Officer

NIKHIL PATEL
Company Secretary

Place : RAKANPUR, DIST : GANDHINAGAR
Date : 20TH JUNE, 2020

PATELS AIRTEMP (INDIA) LIMITED
(CIN: L29190GJ1992PLC017801)
Factory (Works): Plot: 805, 806, 807, 810, Rakanpur - 382 722, Via: Sola-Bhadaj Village, Ta: Kalol, Dist: Gandhinagar, Gujarat, India
Ph. No.: +91-2764286634/35, **Fax No. :** +91-2764286301,
Email : share@patelsairtemp.com, **Website:** www.patelsairtemp.com

E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

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

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

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

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

Best Regards,

Nikhil Patel
Company Secretary

Folio No. / DP ID and Client ID : _____

Name of the 1st Registered Holder : _____

Name of Joint Holder[s] : _____

Registered Address : _____

E-mail ID (to be registered) : _____

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

Date : _____

Signature :

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

NECS MANDATE FORM

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

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

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

Dear Sir,

Sub: Payment of Dividend through NECS

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

The Details of the Bank Account are given below.

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

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

**I/We enclose a blank cancelled cheque.

NOTES

KEY PERFORMANCE INDICATORS OF THE COMPANY

(₹ in Lacs except EPS)

Sr. No.	PARTICULARS	2019-20	2018-19	2017-18	2016-17	2015-16
1	Revenue from Operations	23741.90	15094.39	15938.44	14860.71	12664.72
2	Profit Before Tax (PBT)	1478.88	1051.78	1264.93	1224.22	1108.74
3	Profit After Tax (PAT)	1130.51	731.65	861.15	791.19	714.82
4	Reserves & Surplus	8446.93	7471.23	6895.28	6200.28	5416.36
5	Dividend (In %)	25%	25%	25%	25%	22%
6	Earning Per Share (EPS in Rs.)	22.30	14.43	16.98	15.60	14.10

DIVIDEND HISTORY FOR LAST 13 YEARS

FINANCIAL YEARS	DIVIDEND PER SHARE (₹)
2007-08	₹ 0.50 (5% Interim) and ₹ 1.50 (15% Final Dividend)
2008-09	₹ 1.80 (18%)
2009-10	₹ 2.00 (20%)
2010-11	₹ 2.00 (20%)
2011-12	₹ 2.00 (20%)
2012-13	₹ 2.00 (20%)
2013-14	₹ 2.00 (20%)
2014-15	₹ 2.20 (22%)
2015-16	₹ 2.20 (22%)
2016-17	₹ 2.50 (25%)
2017-18	₹ 2.50 (25%)
2018-19	₹ 2.50 (25%)
2019-20	₹ 2.50 (25%) (Recommended)

Courier

To,

SERVING THE INDUSTRY SINCE - 1973

If undelivered please return to :

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