

Ref. No.PAT/BSE/Sep, 2017-18/70

Date: 20<sup>th</sup> September, 2017

To,  
Listing Department  
**BSE LIMITED,**  
Phiroze Jeejeebhoy Tower,  
Dalal Street,  
MUMBAI - 400 001.

Dear Sir,

**BSE Scrip Code: 517417**

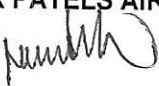
**Sub: As per Regulation 34(1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Submission of 25<sup>th</sup> Annual Report approved and Adopted by the Shareholders at 25th AGM**

Pursuant to Regulation 34(1) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed 24th Annual Report approved and Adopted by the Shareholders at 25th AGM held on Tuesday, the 19th September, 2017 at Registered office of the Company situated at 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad: 380 009.

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)**  
**COMPANY SECRETARY**

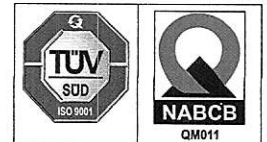
**Encl: 25<sup>th</sup> Annual Report Approved & Adopted by Shareholders**

**Works :**  
805, 806, 807, 810, Rakanpur 382 721,  
Via : Sola - Bhadaj Village, Ta. : Kalol,  
Dist. : Gandhinagar, Gujarat, India.  
Tel. : +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.  
Tel. : +91 79 27913694 / 95 / 96  
Fax : +91 79 27913693  
Email : project@patelsairtemp.co.in

**Mumbai Office :**  
310, Oberoi Chambers-II,  
New Link Road, Oshiwara,  
Andheri (W), Mumbai - 400 053 India.  
Tel. : +91 22 26734162 / 63  
Telefax : +91 22 26734162  
Email : patelsairtempmumbai@vsnl.com

ISO 9001 : 2008 COMPANY



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

ISO 9001 : 2008 COMPANY



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

25<sup>th</sup>

Annual Report 2016-2017



### Distiller - Pressure Vessel

Shell : 3400 MM ID X 25 MM THK X 25425 MM LG

Weight : 88,500 KG

Project : RSPL - Soda Ash



# Patels Airtemp (India) Ltd.

CIN : L29190GJ1992PLC017801

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

Narayanbhai G. Patel	Chairman & Whole-time Director
Prakash N. Patel	Managing Director
Sanjiv N. Patel	Managing Director
Narendra G. Patel	Whole-time Director

### NON-EXECUTIVE & NON-INDEPENDENT DIRECTOR

Devidas C. Narumalani	(Upto 29-7-2016)
-----------------------	------------------

### INDEPENDENT DIRECTORS

Hareshkumar I. Shah
Vinodkumar C. Desai
Ramanbhai R. Patel
Veenaben B. Patel
Himanshu N. Rawal

### COMPANY SECRETARY

Nikhil M. Patel

### CHIEF FINANCIAL OFFICER (CFO)

Kamlesh R. Shah

### STATUTORY AUDITORS

(Upto 18-9-2017)  
M/s. Parikh & Majmudar,  
Chartered Accountants,  
Ahmedabad

(From 19-9-2017)  
(Proposed New Auditors)  
M/s. Shah & Shah Associates  
Chartered Accountants  
Ahmedabad

### BANKERS

Bank of Baroda  
Axis Bank Ltd.

### REGISTERED OFFICE & A.C. DIVISION

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

### WORKS (FACTORY)

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

### BRANCH OFFICE

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

### LISTING

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

## 25th ANNUAL GENERAL MEETING

<b>Day</b>	- Tuesday
<b>Date</b>	- 19th September, 2017
<b>Time</b>	- 10.00 a.m.
<b>Venue</b>	- At Registered Office : 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad : 380 009.

## REGISTRAR & SHARE TRANSFER AGENT

### Ahmedabad Office

#### M/S. Bigshare Services Pvt. Ltd.

A/802, Samudra Complex,  
Near Klassic Gold, Girish Cold Drink, Off C.G Road,  
Navrangpura, Ahmedabad-380009.  
Tel: 079-40024135, 079-40392570  
Email: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

### Mumbai Office

#### M/S. Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate, Sakivihar Road,  
Saki Naka, Andheri (E), Mumbai-400 072  
Tel: 022- 28470652, Fax: 022- 28475207  
Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

### E-mail for Investor Grievances :

[share@patelsairtemp.com](mailto:share@patelsairtemp.com)

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## 25<sup>TH</sup> ANNUAL GENERAL MEETING

### NOTICE

NOTICE is hereby given that the 25th ANNUAL GENERAL MEETING of the members of PATELS AIRTEMP (INDIA) LIMITED will be held on Tuesday, the 19th day of September, 2017, at 10.00 a.m., at the Registered Office of the Company situated at 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad - 380009, to transact the following business :

#### ORDINARY BUSINESS :

- 1) To consider and adopt the Audited Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
- 2) To declare dividend on Equity Shares for the financial year ended on March 31, 2017.
- 3) To appoint a Director in place of Mr. Prakash N. Patel (DIN: 00249210) who retires by rotation at this Annual General Meeting in terms of Section 152(6)(d) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
- 4) To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of sixth consecutive Annual General Meeting and to fix their remuneration, and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution** :

"**RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee of the Board, M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad, having Firm Registration No. 113742W allotted by The Institute of Chartered Accountants of India (ICAI) be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring Auditors M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad (Firm Registration No. 107525W), who shall hold office from the conclusion of this 25th Annual General Meeting for term of consecutive five years till conclusion of the 30th Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board be and is hereby authorised to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses and applicable taxes as may be incurred in connection with the audit of the accounts of the Company."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary be and are hereby severally authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

#### SPECIAL BUSINESS :

- 5) Payment and Ratification of remuneration to Cost Auditors for the financial year ending 31st March, 2018 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Rajendra Patel & Associates, Cost Accountant, Ahmedabad (Registration No. 29021) appointed as the Cost Auditors of the Company by the Board of Directors to conduct an audit of the Cost Records of the Company for the financial year ending 31st March, 2018 (2017-2018), be paid and ratified the payment of remuneration of ₹ 70,000/- (Rupees Seventy Thousand only) for the said financial year excluding service tax and out of pocket expenses, if any, as recommended by the Audit Committee and approved by the Board of Directors of the Company."

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

- 6) To keep Register and Index of Members at other place 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 Section 94 read with Section 88 and 92 and other applicable provisions of the Companies Act, 2013 and Rules made there under, the consent of the members of the Company be and is hereby accorded to keep, maintain and preserve Register of Members and Index of Members of the Company, at the Ahmedabad Office of M/s. Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent of the Company situated at A-802, Samudra Complex, Near Klassic Gold, Girish Cold Drink, Off C. G. Road, Navrangpura, Ahmedabad - 380009, Gujarat instead of keeping and maintaining the same at the Registered Office of the Company."

**"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 - 382 721,  
Via: Sola-Bhadaj Village, Ta: Kalol,  
Dist: Gandhinagar, Gujarat.  
CIN : L29190GJ1992PLC017801

**Dated : 14th August, 2017**

**NOTES :**

- 1) **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting (on or before 17th September, 2017, 10.00 a.m. IST).**

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

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

**A proxy form is attached with this Annual Report.**

- 2) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution.

- 3) A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to Resolution No. 4, 5 and 6 to be transacted at the Meeting is annexed hereto.
- 4) Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
- 5) In case of joint holders attending the Meeting, only such joint holder who is upper in the order of names will be entitled to vote.
- 6) (a) The Company has notified closure of Register of Members and Share Transfer Books from 13th September, 2017 to 19th September, 2017 (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, 2017 as recommended by the Board, if declared at the meeting, will be paid :  
# to those members, whose names appear on the Register of Members after giving effect to all valid share transfers in physical form lodged with the Company/Share Transfer Agent on or before 12th September, 2017, or  
# in respect of shares held in electronic form, to those "Beneficial Owners" whose names appear in the Statement of Beneficial Ownership furnished by NSDL and CDSL as at the end of business hours on 12th September, 2017.
- 7) 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 Registrars 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.
- 8) Electronic copy of the Notice of the 25th Annual General Meeting of the Company along with Annual Report, inter-alia, including the Remote e-voting instructions, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has specifically requested for a hard copy of the same. For members, who have not registered their email address, physical copy of the Notice of the 25th Annual General Meeting of the Company along with Annual Report, inter-alia, including the Remote e-voting instructions, Attendance Slip and Proxy Form is being sent by the permitted mode.
- 9) The Notice of 25th Annual General Meeting and the Annual Report 2016-2017 will also be available on the Company's website [www.patelsairtemp.com](http://www.patelsairtemp.com) for download by the members. The physical copies of the Notice and Annual Report will also be available at the Company's Factory (Works) / Registered Office for inspection during working hours on all working days, except Saturdays, upto the date of this Annual General Meeting.
- 10) Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
- 11) The Unpaid / Unclaimed Dividend for the year 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015 & 2015-2016 will become due for transfer to Investor Education & Protection Fund (IEPF) in subsequent years. Those shareholders who have not en-cash their dividend warrants for the said financial years are advised to submit their claim to the Registrar / Company immediately quoting their folio number. Once the unclaimed dividend is transferred to IEPF, no claim shall lie against the Company in respect of the individual amounts which were unclaimed or unpaid.

**Please note that any dividend amount for 2009-2010 remaining unclaimed / unpaid along with shares held in these folios shall be transferred to the IEPF account established by Central Government in October / November, 2017. In terms of IEPF Rules, the Company has uploaded the information in respect of the unclaimed dividends, as on the date of last AGM, i.e. 30th July, 2016 on the website of the Company, i.e. [www.patelsairtemp.com](http://www.patelsairtemp.com)**

Also pursuant to the provisions of the recently notified "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall also be transferred to the IEPF Authority Demat Account.

- 12) Members, who hold shares in dematerialised form, are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.**
- 13) The Securities and Exchange of Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd.
- 14) Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company or Share Transfer Agent, in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.
- 15) Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection for the members at the Factory (Works) / Registered Office of the Company on all working days, except Saturdays, during normal business hours, upto the date of this Annual General Meeting.
- 16) Members are requested to bring their copy of Annual Report to the meeting, as the copies of Annual Report will not be distributed at the meeting.**
- 17) Members seeking any further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its Factory (Works) / Registered Office, at least 10 days before the date of the meeting.
- 18) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ('the Act'), and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
- 19) A route map showing directions to reach the venue of the 25th AGM is given in the Annual Report as per the requirement of the Secretarial Standards-2 on "General Meetings".
- 20) Mr. Prakash N. Patel, (DIN: 00249210), Managing Director of the Company, shall retire by rotation at this Annual General Meeting in terms of Section 152(6)(d) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

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

Name of Director	Date of Birth	Date of Appointment	Experience in specific functional areas	Qualifications	Directorship held in other Public Limited Companies	Member/ Chairman of Committees in other Public Limited Companies
Prakash Narayanbhai Patel (DIN No. 00249210)	23-7-1966	27-5-2004	Engineering Industry	B.E. (Mechanical)	Nil	Nil

Relationship between the Directors :-

- Mr. Prakash N. Patel, Managing Director is a son of Mr. Narayanbhai G. Patel, Chairman & Whole-time Director & Brother of Mr. Sanjiv N. Patel, Managing Director of the Company.
- None of the other Directors are related to any other Director on the Board.

Shares held by Non-Executive Directors :-

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

- 21) The Company shall provide facility for voting through polling paper at Annual General Meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be eligible to exercise their right to vote at the meeting through ballot paper.
- 22) The cut-off date for the purpose of remote e-voting and voting at the AGM shall be 12th September, 2017. Please note that members can opt for only one mode of voting i.e., either by voting at the meeting or remote e-voting. If Members opt for remote e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting may also attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again.

### 23) Voting through electronic means:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 25th Annual General Meeting (AGM) of the Company by electronic means and all the business may be transacted as set forth in the accompanying Notice of AGM through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Company has signed an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their vote electronically.

The e-voting facility is available at the link [www.evotingindia.co.in](http://www.evotingindia.co.in)

A. The instructions for members for voting electronically:-

- (i) The remote e-voting period begins on Saturday, 16th September, 2017 (9.00 a.m. IST) and ends on Monday, 18th September, 2017 (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 12th September, 2017, may cast their vote electronically. The e-voting shall not be allowed beyond the said time and date and e-voting module shall be disabled by CDSL for voting thereafter.



- (ii) The members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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](http://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:

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

\* This is mandatory field to be entered.

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

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat

holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xii) For Members holding shares in physical form, the details can be used only for evoting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for 'PATELS AIRTEMP (INDIA) LTD.'.
- (xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xix) Note for Non-Individual Shareholders & Custodians:
  - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto: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](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Please also contact Mr. Mehboob Lakhani, Asst. Manager of CDSL on Tel. No. 022-22723333/8588 and Toll Free No. 18002005533.
- (xxi) Any person who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as on the cut-off date 12th September, 2017 may obtain the login details and password/sequence number sending a request at [investor@bigshareonline.com](mailto:investor@bigshareonline.com).
- B. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 12th September, 2017.
- C. Mr. Punit Lath, Practising Company Secretary (ACS No. 26238 & COP No. 11139) has been appointed by the Board as the Scrutinizer to scrutinize the voting through Poll in

the meeting and remote e-voting process in a fair and transparent manner.

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

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

The following Statement sets out all material facts relating to the Resolution No. 4, 5 and 6 mentioned in the accompanying Notice and to be transacted at the Meeting is annexed hereto :

#### **ITEM NO. 4**

The Statement for this item is provided, though strictly not required as per Section 102 of the Companies Act, 2013.

The Companies Act, 2013 ('the Act') was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors, M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad (Firm Registration No. 107525W) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 25th AGM.

The Audit Committee of the Company has proposed and on 14th August, 2017, the Board has recommended the appointment of M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad, having Firm Registration No. 113742W as the statutory auditors of the Company. M/s. Shah & Shah Associates will hold office for a period of five consecutive years from the conclusion of the 25th Annual General Meeting of the Company till the conclusion of the 30th Annual General Meeting to be held in 2022 (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting). The first year of audit will be of the financial statements for the financial year ending March 31, 2018, i.e. 2017-2018.

M/s. Shah & Shah Associates, Chartered Accountants, have consented to and confirmed their eligibility and qualification required under Section 141(3)(g) of the Act and proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 for holding the office, as Statutory Auditors of the Company.

The Board therefore recommends the Ordinary Resolution as set out at Item No. 4 of the accompanying notice for approval of the members.

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

#### **ITEM NO. 5**

The Board of Directors at the Board Meeting held on 30th May, 2017, on the recommendation of Audit Committee, has appointed M/s. Rajendra Patel & Associates, Cost Accountant, Ahmedabad (Firm Registration No. FRN101163 and Membership No. 29021) as the Cost Auditor of the Company to conduct audit of cost accounting records maintained by the Company for the current financial year 2017-2018 ending on 31st March, 2018, at a remuneration of ₹ 70,000/- (Rupees Seventy Thousand Only) plus service tax and out-of-pocket expenses, subject to the approval of the Shareholders in General Meeting for payment of remuneration.

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

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

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

#### **ITEM NO. 6**

Pursuant to the provisions of Section 94 of the Companies Act, 2013 and Rules made thereunder, the Register of Members and Index of Members required to be kept and maintained by the Company under Section 88 shall be kept at the Registered Office of the Company:

Provided that such registers may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance.

In view of the above, it was proposed to authorize M/S. Bigshare Services Pvt. Ltd., Share Transfer Agent of the Company to maintain, preserve and authenticate Register of Members and Index of Members of the Company, at its office situated at Ahmedabad Office: Big Share Services Pvt. Ltd. A-802, Samudra Complex, Near Klassic Gold, Girish Cold Drink, Off C G. Road, Navrangpura, Ahmedabad - 380009, Gujarat instead of maintaining the same at Registered Office of the Company, subject to approval of the Shareholders by way of a Special Resolution.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the Shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

**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, 2017**

**DIRECTORS' REPORT**

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

Your Directors have pleasure in presenting herewith the 25th Annual Report together with the Audited Financial Statements for the year ended on 31st March, 2017.

**FINANCIAL RESULTS:****(₹ in Lacs)**

Particulars	Year ended on		Year ended on	
	31-03-2017		31-03-2016	
Revenue from Operations (Net)	13614.59		12664.72	
Other Income	50.71		45.78	
Total Revenue		13665.30		12710.50
Less: Depreciation & Amortisation Expense	258.16		239.59	
Finance Cost	315.01		186.77	
Other Expenses	11869.43		11176.34	
Total Expenses		12442.60		11602.70
		1222.70		1107.80
Profit / (Loss) on sale of Fixed Assets		(2.62)		0.93
Profit before Tax		1220.08		1108.73
Tax Expenses :				
- Net Current Tax Expenses	429.45		392.31	
- Deferred Tax	4.07	433.52	1.60	393.91
Profit after Tax		786.56		714.82
Balance brought forward from previous year		4586.36		4095.79
Less: Adjustment on Account of Change in useful life of Assets		Nil		Nil
Less : Short Provision for Dividend Distribution Tax		Nil		Nil
Profit available for Appropriation		5372.92		4810.61
Less: Proposed Dividend #		-		111.54
Less: Tax on Dividend #		-		22.71
Less Transfer to General Reserve #		-		90.00
Surplus carried forward to Balance Sheet #		5372.92		4586.36
Total		5372.92		4810.61
Earning Per Share		15.51		14.10

# Refer para "TRANSFER TO RESERVE" hereunder.

**STATE OF COMPANY'S AFFAIRS:**

The Company has earned revenue from operations (gross) of ₹ 148.61 crores during the year ended on 31st March, 2017 as against ₹ 137.66 crores earned during the previous year ended on 31st March, 2016, giving a rise of 7.95 % as compared to previous year.

Out of the revenue from operations of ₹ 148.61 crores earned by the Company during the year under review, ₹ 143.75 crores represents sale of products (Domestic & Export), ₹ 1.65 crores represents sale of Services (Processing Charges) and ₹ 3.21 crores represents other operating revenues. The Company

has also earned other income of ₹ 50.71 lakhs during the year under review as against ₹ 45.78 lakhs earned during the previous year.

The Company has earned the Profit before Tax of ₹ 12.20 crores during the year ended on 31st March, 2017 as compared to ₹ 11.09 crores earned during the previous year ended on 31st March, 2016, showing a rise of 10 %.

The Company has earned Net Profit of ₹ 7.87 crores for the year ended on 31st March, 2017 after making Provision for Tax Expenses of ₹ 4.34 crores and other adjustments, as compared to Net Profit of ₹ 7.15 crores earned by the Company during the previous year ended on 31st March, 2016, a rise of 10.07 %.

After adding the Surplus in the Statement of Profit & Loss of ₹ 45.86 crores brought forward from the previous year to the profit of ₹ 7.87 crores earned by the Company during the year under review, the total amount of ₹ 53.73 crores is available for appropriation.

### **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 ₹ 252 Crores on hand as on 01/08/2017. 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.

### **DIVIDEND :**

The Directors have recommended dividend of ₹ 2.50 per share (@ 25 %) on 50,70,240 Equity Shares of ₹ 10/- each of the Company for the Financial Year ended on 31st March, 2017 (2016-2017), as compared to Dividend of ₹ 2.20 per share (@ 22.00%) declared for the previous Financial Year ended on 31st March, 2016. This will absorb ₹ 126.76 lakhs as against ₹ 111.54 lakhs absorbed in the previous year. The corporate dividend tax payable by the Company on the said dividend will be ₹ 25.81 lakhs as against ₹ 22.71 lakhs in the previous year.

The proposed rate of dividend has been increase from 22% to 25% for the financial year 2016-2017, being Silver Jubilee Year of the Company, as 25 years completed by the Company.

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 :**

Government of India, vide Notification dated March 30, 2016 and Circular No. 4/2016 dated April 27, 2016 had amended the Companies (Accounting Standards) Rules, 2016 effective from March 30, 2016. According to the amended rules, the proposed dividend as recommended by the Board will not be recorded as a liability as at March 31, 2017 (Refer Para 8.5 of AS 4 - Contingencies and Events occurring after the Balance Sheet date). Accordingly, the proposed dividend of ₹ 2.50 per share (@ 25%) and tax thereon are not recognized as Liability in the Annual Accounts for the financial year ended 31/03/2017. However, the same will be considered as Liability on approval of shareholders at this Annual General Meeting.

In view of above, the Company has not transferred any amount to the General Reserve for the year ended on 31st March, 2017 and the total amount of ₹ 53.73 crores is proposed to be retained as the Surplus in the Statement of Profit and Loss.

### **MATERIAL CHANGES AND COMMITMENTS**

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

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

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

### **EXTRACT OF ANNUAL RETURN**

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

### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **RECOGNITION OR AWARDS**

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

We are proud to announce that after 5 years of rigorous Preparation & 4 days of Survey and Audit of Quality Systems, Procedure, Calibration and Skills by a team of Super Specialist of ASME (American Society of Mechanical Engineers-USA) Accredited N & NPT authorization to our Company, a Global Qualification to Manufacture Heat Exchangers & Pressure Vessels for Nuclear Power Plant. Our Company is the 3rd Company in India with "N-NPT" authorization to Manufacture above equipments which has put our Company in elite League of Critical Nuclear Power Plant Equipments.

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

### **FINANCE**

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

The Company is availing Working Capital facilities aggregating to ₹102.00 Crores under consortium arrangement with Bank of Baroda and Axis Bank after the sanction of Working Capital facilities of ₹22.00 Crores by AXIS Bank Ltd. (AXIS Bank) in August, 2016. The Company has duly executed security documents including Mortgage Deed, Supplemental Hypothecation Deed, Deed of Rectification, Personal Guarantees, Undertakings and other documents in favour of BOB and Axis Bank under Consortium arrangement and created securities on pari-passu basis. The Company has made regular repayment of Loan & interest and there is no any overdue payment to the said Banks.

However, BOB had reviewed in December, 2016 with decrease in existing credit facilities from ₹ 97 Crores to ₹80 Crores.

During the year under review, HDFC Bank Ltd. has also granted to the Company Bill Discounting facility to the extent of ₹ 7.00 Crores.

#### **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, 2017 and the Company is not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

During the year under review, the Company has accepted deposits from the Directors of the Company which are exempted deposits under Rule 2(1)(c)(viii) of Companies (Acceptance of Deposits) Rules,

2014, subject to compliance of the provisions of the Companies Act, 2013 and the Rules made thereunder.

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

Details of deposits accepted and repaid by the Company including interest to the Directors & their Relatives during the financial year 2016-2017 are mentioned in Note No. 28 (Relate party information) of the Notes to the Financial Statements attached with this Annual Report.

#### **TRANSFER OF UNCLAIMED DIVIDEND TO IEPF**

In terms of the provisions of Investor Education and Protection Fund Rules, 2001 (IEPF), during the year under review, the Company has transferred the amount of unclaimed/unpaid Dividend of ₹ 3,29,913/- for the financial year 2008-2009 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 July 30, 2016 on the Company's website: <http://www.patelsairtemp.com>.

#### **TRANSFER OF SHARES TO IEPF DEMAT AUTHORITY ACCOUNT**

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended vide IEPF (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, ("Rules") notified by the Ministry of Corporate Affairs effective from February 28, 2017, the Company is mandatorily required to transfer all such shares in respect of which dividend(s) has not been en-cashed or claimed by the shareholders for 7 (Seven) consecutive years or more from 2009-10 to 2015-16 to the Investor Education and Protection Fund ("IEPF") Authority Demat Account set up by the Central Government.

In this regard, the Company has communicated to the concerned shareholders individually to immediately claim their unclaimed dividends to avoid transfer of their shares to IEPF. In case the Company does not receive any communication from the concerned shareholders within three months from the date of letter issued, the Company shall with a view to adhering with the requirements of the Rules, transfer the shares to the IEPF Demat Account of Authority as per the procedure set out in the rules. No claim shall lie against the Company in respect of unclaimed dividend amount and shares transferred to IEPF pursuant to the said Rules. The Company has also published the Notice in Indian Express and Financial Express for the aforesaid matters. The full details of such shareholders and shares due for transfer to the IEPF Authority Demat Account are also uploaded on the website of the company [www.patelsairtemp.com](http://www.patelsairtemp.com) to enable the Shareholders to refer the above website to verify the details of the shares liable to be transferred to the IEPF.

Shareholders may claim back both the unclaimed dividend and corresponding shares transferred to Demat Account of Authority including all the benefits accruing on such shares, if any, from the IEPF Demat Account of Authority after following the procedure prescribed in the rules.

In case of shareholders holding shares in physical form and whose shares are liable to be transferred to the IEPF Demat Account of Authority, the Company will issue duplicate share certificate(s) in lieu of the original held by them for the purpose of transfer of the shares to the IEPF Demat Account of Authority as per the Rules and upon such issue, the original share certificate(s) which are registered in their name will stand automatically cancelled and be deemed non-negotiable and Company shall inform to Depository by Corporate Actions for transfer of shares against the demat shares that need to be transferred in favour of IEPF Authority Demat Account. In case shares are held in dematerialized form and are liable to be transferred, the Company will inform to Depository by Corporate Actions for transfer of shares in favour of IEPF Authority Demat account.



### **SUBSIDIARY, ASSOCIATE OR JOINT VENTURE COMPANY**

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

### **CONSOLIDATED FINANCIAL STATEMENTS**

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

### **CORPORATE GOVERNANCE**

Being a Listed Company, the Company has taken necessary measures to comply with the provisions of Listing Regulations regarding Corporate Governance as amended from time to time. A separate report on Corporate Governance for the year ended on 31st March, 2017 is attached herewith as a part of this Annual Report viz **Annexure - C**. A certificate from Statutory Auditors of the Company regarding compliance of the aforesaid provisions of Corporate Governance is obtained by the Company and annexed to the Corporate Governance Report. The Auditors' Certificate for the financial year 2016-2017 does not contain any qualification, reservation or adverse remark in respect of Corporate Governance Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts for the year ended 31st March, 2017, 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, 2017 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, 2017 on a going concern basis ;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

### **RELATED PARTY TRANSACTIONS**

Information on transaction with related party referred to under sub-section (1) of Section 188 of the Companies Act, 2013 in the prescribed Form AOC-2 is attached herewith viz **Annexure - D** and forming

part of the Directors' Report pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

Transaction with related parties pursuant to the provisions of Listing Regulations and erstwhile Listing Agreement are disclosed in Note No. 28 of the Notes to the Financial Statements for the year ended on 31st March, 2017, in the Annual Report as required by the Accounting Standard (AS) 18 issued by ICAI.

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

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

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

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Mr. Devidas C. Narumalani (DIN No: 00097592), who retired by rotation, ceased to be a Director of the Company with effect from 30th July, 2016, being the date of 24th Annual General Meeting of the members of the Company, by not re-appointed by the Shareholders at the said 24th Annual General Meeting and through Remote E-Voting. Mr. Devidas C. Narumalani was the Non-executive & Non-independent Director of the Company.

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

The brief resume/details relating to the said Director, who is to be re-appointed are furnished in the Notes to the Notice of the Annual General Meeting.

There were no changes in the Key Managerial Personnel of the Company during the year.

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

### **COMMITTEES OF DIRECTORS**

**The Board of Directors has the following Committees:**

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

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

The composition of various Committees and their terms of references may be accessed on the Company's website viz. [www.patelsairtemp.com](http://www.patelsairtemp.com).

### **BOARD EVALUATION**

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

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

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

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

#### **NUMBER OF BOARD MEETINGS**

During the financial year 2016-2017, 4 (Four) Board Meetings were held on 28/05/2016, 13/08/2016, 12/11/2016 & 03/02/2017. The gap between two Board Meetings did not exceed 120 days as prescribed in the Companies Act, 2013 and Regulations 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

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

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

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

#### **RISK MANAGEMENT**

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

#### **CORPORATE SOCIAL RESPONSIBILITY**

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

The Company has duly spent the required amount during the financial year ended on 31st March, 2017 towards CSR activities. The Annual Report on CSR activities including Responsibility Statement of the CSR Committee is annexed herewith marked as **Annexure - F**.

#### **INTERNAL FINANCIAL CONTROLS**

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

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

#### **STATUTORY AUDITORS & AUDIT REPORT**

The Companies Act, 2013 ('the Act') was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139

of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors, M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad (Firm Registration No. 107525W) have served the Company for more than 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 25th AGM. The Board of Directors places on record its appreciation to the services rendered by M/s. Parikh & Majmudar as the Statutory Auditors of the Company.

The Audit Committee of the Company has proposed and on 14th August, 2017, the Board has recommended the appointment of M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad, having Firm Registration No. 113742W as the statutory auditors of the Company. M/s. Shah & Shah Associates will hold office for a period of five consecutive years from the conclusion of the 25th Annual General Meeting of the Company till the conclusion of the 30th Annual General Meeting to be held in 2022 (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting). The first year of audit will be of the financial statements for the year ending March 31, 2018, i.e. 2017-2018. They have expressed their willingness to be appointed as Statutory Auditors of the Company. The Company has received a certificate from the said Auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Act and they are not disqualified under the Act. The Members are requested to consider their appointment as Statutory Auditors of the Company.

The Auditors' Report for the financial year 2016-2017 does not contain any qualification, reservation or adverse remark.

#### **SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT**

Section 204 of the Companies Act, 2013 and Rules made thereunder inter alia requires every Listed Company to annex with its Board Report a Secretarial Audit Report given by a Company Secretary in Practice in the prescribed form. The Board had appointed Mr. Punit Lath, Practicing Company Secretary, Ahmedabad (Regn. No. 11139) as the Secretarial Auditor to conduct Secretarial Audit of the records of the Company for the financial year 2016-2017 and to submit his report to the Company. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as **Annexure - G** to this Report. The Board at its meeting held on 3rd February, 2017, has reappointed Punit Lath, as Secretarial Auditor, for conducting Secretarial Audit of the Company for FY 2017-18.

The Secretarial Audit Report for the financial year 2016-2017 does not contain any qualification, reservation or adverse remark.

#### **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 May 30, 2017, 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 2017-18 on a remuneration of ₹ 70,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

The Cost Audit Report for the Financial Year ended 31st March, 2016 has been duly filed in XBRL mode. The cost audit report of the Company for financial year ended March 31, 2017 will be filed with Central Government on or before the due date as prescribed under Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014.

#### **INSURANCE**

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

#### **LISTING REGULATIONS**

Pursuant to the provisions of Listing Regulations, the Company declares that the Equity Shares of the Company are listed on the BSE Limited (BSE). The Company confirms that it has paid Annual Listing Fees to BSE up to the Financial Year 2017-2018.

## PARTICULARS OF EMPLOYEES

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

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

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

## WHISTLE BLOWER POLICY / VIGIL MECHANISM

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

## GENERAL:

- During the year under review, there was no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial position of the Company, during the period from 31st March, 2017 till the date of this report.
- The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under Section 67(3)(c) of the Companies Act, 2013 does not require.
- The disclosure in terms of Rule 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.
- The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints pertaining to sexual harassment were received during FY 2016-17.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

## ACKNOWLEDGEMENT

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

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

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

**By order of the Board of Directors**

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

Date : 14th August, 2017

Place : Rakanpur, Dist. Gandhinagar

**ANNEXURE-A TO DIRECTORS'REPORT**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31st March, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and 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 Limited Company. An Engineering Company.
5.	Address of the Registered Office & contact details	5 <sup>th</sup> Floor, Kalpana Complex, Near Memnagar Fire Station, Navrangpura, Ahmedabad-380 009, Gujarat, India Tel. No: 079-27913694-95-96 Fax No.+91-79-27913694 Website : www.patelsairtemp.com E-mail : share@patelsairtemp.com
6.	Whether Listed Company	Yes. Listed at BSE Ltd.
7.	Name, Address and Contact details of Registrar and Transfer	Bigshare Services Pvt. Ltd., Ahmedabad Office Bigshare Services Pvt. Ltd. A-802 Samudra Complex Near Klassic Gold, Girish Cold Drink , Off C. G. Road, Navrangpura Ahmedabad-380009, Gujarat Tele. No. 079 400 24135/079 40392570, Fax No. (022) 28475207, E-mail Address: investor@bigshareonline.com; bssahd2@bigshareonline.com Web-site : www.bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Air Cooled Heat Exchangers & Accessories	359.6 (NIC - 1997)	24.94
2	Heat Exchangers & Accessories	359.6 (NIC - 1997)	46.17
3	Pressure Vessels & Accessories	359.6 (NIC - 1997)	12.74

**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
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Not Applicable

The Company does not have any Holding/Subsidiary/Associate Companies

**IV. SHARE HOLDING PATTERN**

(Equity Share Capital Breakup as percentage of Total Equity)

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 2016]				No. of Shares held at the end of the year [As on March 31, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter and Promoter Group</b>									
<b>A1 Indian</b>									
(A) Individual / Huf	968421	0	968421	19.1001	961746	0	961746	18.9684	(0.1317)
(B) Central / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(C) Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
(D) Financial Institutions/Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(E) Any Others (Specify)									
(i) Directors Relatives	0	0	0	0.0000	0	0	0	0.0000	0.0000
(ii) Group Companies	1433954	0	1433954	28.2818	1433954	0	1433954	28.2818	0.0000
(iii) Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub Total (A)(1):</b>	<b>2402375</b>	<b>0</b>	<b>2402375</b>	<b>47.3819</b>	<b>2395700</b>	<b>0</b>	<b>2395700</b>	<b>47.2502</b>	<b>(0.1317)</b>
<b>A 2 Foreign</b>									
(A) Individual	0	0	0	0.0000	0	0	0	0.0000	0.0000
(B) Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
(C) Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(D) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(E) Any Others (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub Total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
Total Holding For Promoters And Promoter Group (A)=(A)(1)+(A)(2)	<b>2402375</b>	<b>0</b>	<b>2402375</b>	<b>47.3819</b>	<b>2395700</b>	<b>0</b>	<b>2395700</b>	<b>47.2502</b>	<b>(0.1317)</b>
<b>B Public Share Holding</b>									
<b>B 1 Institution</b>									
(A) Mutual Funds / Uti	0	0	0	0.0000	0	0	0	0.0000	0.0000
(B) Financial Institutions/Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(C) Central/State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(D) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(E) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000

(F) Fil's	0	0	0	0.0000	0	0	0	0.0000	0.0000
(G) Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(H) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(I) Any Others (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub Total (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>B2 Non Institution</b>									
(A) Bodies Corporate	91585	2850	94435	1.8625	136646	2850	139496	2.7513	0.8888
(B) Individual									
(I) (Capital Upto to ₹ 2 Lakh)	1843648	149959	1993607	39.3197	1804474	146509	1950983	38.4791	(0.8406)
(II) (Capital in Excess ₹ 2 Lakh)	465086	0	465086	9.1729	460835	0	460835	9.0890	(0.0839)
(C) Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(D) Any Others (Specify)									
(I) Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(II) Clearing Member	786	0	786	0.0155	16490	0	16490	0.3252	0.3097
(III) Directors Relatives	0	0	0	0.0000	0	0	0	0.0000	0.0000
(IV) Employee	0	0	0	0.0000	0	0	0	0.0000	0.0000
(V) Foreign Nationals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(VI) Non Resident Indians (NRI)	113951	0	113951	2.2474	106731	0	106731	2.1051	(0.1423)
(VII) Overseas Bodies Corporates	0	0	0	0.0000	0	0	0	0.0000	0.0000
(VIII) Unclaimed Suspense Account	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub Total (B)(2):</b>	<b>2515056</b>	<b>152809</b>	<b>2667865</b>	<b>52.6181</b>	<b>2525181</b>	<b>149359</b>	<b>2674540</b>	<b>52.7478</b>	<b>0.1317</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2515056</b>	<b>152809</b>	<b>2667865</b>	<b>52.6181</b>	<b>2525181</b>	<b>149359</b>	<b>2674540</b>	<b>52.7478</b>	<b>0.1317</b>
<b>Total (A) + (B) :</b>	<b>4917431</b>	<b>152809</b>	<b>5070240</b>	<b>100.0000</b>	<b>4920881</b>	<b>149359</b>	<b>5070240</b>	<b>100.0000</b>	<b>00.0000</b>
<b>(C) Shares Held By Custodians And Against Which Depository Receipts Have Been Issued</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>Grand Total (A) + (B) + (C)</b>	<b>4917431</b>	<b>152809</b>	<b>5070240</b>	<b>100.0000</b>	<b>4920881</b>	<b>149359</b>	<b>5070240</b>	<b>100.0000</b>	<b>00.0000</b>



**(ii) Shareholding of Promoters**

Sr. No.	Name of Shareholder's	Shareholding at the beginning of the year 01-04-2016			Share holding at the end of the year 31-3-2017			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Therm Flow Engineers Pvt. Ltd.	1364512	26.91	0.00	1364512	26.91	0.00	0.00
2	Devidas Chelaram Narumalani	290145	5.72	0.00	290145	5.72	0.00	0.00
3	Patel Prakash Narayanbhai	120000	2.37	0.00	120000	2.37	0.00	0.00
4	Narendrabhai Gopalbhai Patel	268500	5.30	0.00	268500	5.30	0.00	0.00
5	Patel Narayanbhai Gangaram	120000	2.37	0.00	120000	2.37	0.00	0.00
6	Shiv Fintrade Pvt. Ltd.	69442	1.37	0	69442	1.37	0.00	0.00
7	Patel Sitaben Narayanbhai	55000	1.08	0.00	55000	1.08	0.00	0.00
8	Narendra Gopal Patel	35301	0.70	0.00	35301	0.70	0.00	0.00
9	Patel Narayanbhai Gangaram-HUF	17700	0.35	0.00	17700	0.35	0.00	0.00
10	Sanjiv Narayanbhai Patel	16000	0.32	0.00	16000	0.32	0.00	0.00
11	Aarty P. Patel	14000	0.28	0.00	14000	0.28	0.00	0.00
12	Zinnia Narendra Patel	6675	0.13	0.00	(6675)	(0.13)	0.00	(0.13)
13	Rashmika Narendra Patel	6525	0.13	0.00	6525	0.13	0.00	0.00
14	Pushpa D Narumalani	5775	0.11	0.00	5775	0.11	0.00	0.00
15	Prakash N. Patel - HUF	5000	0.10	0.00	5000	0.10	0.00	0.00
16	Kanayalal Gagandas Narumalani	3750	0.07	0.00	3750	0.07	0.00	0.00
17	Khushal Gagandas Narumalani	3750	0.07	0.00	3750	0.07	0.00	0.00
18	Jalpa Sanjiv Patel	100	0.00	0.00	100	0.00	0.00	0.00
19	Sanjivkumar N Patel - HUF	100	0.00	0.00	100	0.00	0.00	0.00
20	Shivang Prakash Patel	100	0.00	0.00	100	0.00	0.00	0.00
	<b>Total</b>	<b>2402375</b>	<b>47.38</b>	<b>0.00</b>	<b>2395700</b>	<b>47.25</b>	<b>0.00</b>	<b>(0.13)</b>

**(iii) Change in Promoters' Shareholding**

Sr. No.	Name of the Promoters	Shareholding Beginning of the year 01.04.2016 End of the Year 31.03.2017		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 01.04.2016		2402375	47.38					
1	ZINNIA N. PATEL	6675	0.13	24.10.16	-500	Transfer	6175	0.1218
				25.10.16	-2500		3675	0.0725
				26.10.16	-3025		650	0.0128
				27.10.16	-650		0	0.0000
				31.03.17	00		0	0.000
At the end of the year 31.03.2017		2395700	47.25					

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

Sr. No.	Name of the top ten Shareholders	Shareholding Beginning of the year 01.04.16 End of the Year 31.03.17	Date	Increase/ Decrease in shareholding	Reason	Number of Shares	Percentage of total shares of the company
1	SHARAD KANAYALAL SHAH	61,000	01/04/2016	0	No Change	61,000	1.20
		61,000	31/03/2017	0		61,000	1.20
2	SNEHAL BHUPENDRA SHAH	54,000	01/04/2016	0	No Change	54,000	1.07
		54,000	31/03/2017	0		54,000	1.07
3	PATEL BHARAT CHHABILDAS	44,058	01/04/2016	0	Transfer	44,058	0.87
			22/07/2016	250		44,308	0.87
			02/09/2016	-300		44,008	0.87
			09/09/2016	1000		45,008	0.89
			23/09/2016	100		45,108	0.89
			07/10/2016	1004		46,112	0.91
			18/11/2016	600		46,712	0.92
			10/02/2017	500		47,212	0.93
			10/03/2017	200		47,412	0.94
			31/03/2017	0		47,412	0.94
4	DEENAR KRISHNARAO TORASKAR	45,082	01/04/2016		No Change	45,082	0.89
		45,082	31/03/2017			45,082	0.89
5	GAUTAM JAIN	40,828	01/04/2016		No Change	40,828	0.81
		40,828	31/03/2017			40,828	0.81
6	ZAKI ABBAS NASSER	40,000	01/04/2016	0	Transfer	40,000	0.79
			29/07/2016	10000		50,000	0.99
			02/09/2016	10000		60,000	1.18
			18/11/2016	-5000		55,000	1.08
			02/12/2016	-5000		50,000	0.99
			13/01/2017	-50000		0	0.00

		0	31/03/2017	0		0	0.00
7	MANOJ MURARKA	0	01/04/2016			0	0.00
			29/07/2016	25000		25,000	0.49
			26/08/2016	9900		34,900	0.69
			09/09/2016	400	Transfer	35,300	0.70
			14/10/2016	2700		38,000	0.75
		38,000	31/03/2017	0		38,000	0.75
8	SAAHIL MURARKA	0	01/04/2016			0	0.00
			26/08/2016	6200		6,200	0.12
			02/09/2016	9900		16,100	0.32
			09/09/2016	5620		21,720	0.43
			16/09/2016	3700		25,420	0.50
			21/10/2016	1080	Transfer	26,500	0.52
			02/12/2016	3260		29,760	0.59
			20/01/2017	946		30,706	0.61
			27/01/2017	1100		31,806	0.63
		31,806	31/03/2017	0		31,806	0.63
9	BATLIVALA & KARANI CAPITAL PVT LTD	0	01/04/2016			0	0.00
			26/08/2016	10000		10,000	0.20
			02/09/2016	2750		12,750	0.25
			09/09/2016	6250		19,000	0.37
			04/11/2016	-13500		5,500	0.11
			02/12/2016	2798	Transfer	8,298	0.16
			09/12/2016	11942		20,240	0.40
			16/12/2016	4500		24,740	0.49
			20/01/2017	1954		26,694	0.53
			27/01/2017	5000		31,694	0.63
		31,694	31/03/2017	0		31,694	0.63
10	SUNIL KUMAR GUPTA	30,000	01/04/2016		No	30,000	0.59
		30,000	31/03/2017		Change	30,000	0.59
11	KIRTIDA CHHABILDAS PATEL	27,445	01/04/2016	0		27,445	0.54
			12/08/2016	150		27,595	0.54
			19/08/2016	250		27,845	0.55
			26/08/2016	400		28,245	0.56
			02/09/2016	-250	Transfer	27,995	0.55
			09/09/2016	100		28,095	0.55
			30/09/2016	100		28,195	0.56
			07/10/2016	400		28,595	0.56
		28,595	31/03/2017	0		28,595	0.56
12	GOVARDHAN RAO MUTHINENI	27,983	01/04/2016	0		27,983	0.55
			06/05/2016	-6583		21,400	0.42
			10/06/2016	-15449		5,951	0.12
			17/06/2016	-500	Transfer	5,451	0.11
			24/06/2016	-4051		1,400	0.03
			30/06/2016	-1400		0	0.00
			31/03/2017	0		0	0.00
13	PANKAJ JAJU	26,000	01/04/2016	0	No	26,000	0.51
		26,000	31/03/2017	0	Change	26,000	0.51

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Directors & KMP	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding During the year	
		Beginning of the year 01.04.2016 End of the Year 31.03.2017					No. of shares	% of total shares of the company
		No. of shares	% of total shares of the company					
1	PATEL NARAYANBHAI GANGARAM	120000	2.37	No transaction	-	120000	2.37	
		120000	2.37					
2	#DEVIDAS CHELARAM NARUMALANI	290145	5.72	No transaction	-	290145	5.72	
		290145	5.72					
3	NARENDRABHAI GOPALBHAI PATEL	303801	5.99	No transaction	-	303801	5.99	
		303801	5.99					
4	PATEL PRAKASH NARAYANBHAI	120000	2.37	No transaction	-	120000	2.37	
		120000	2.37					
5	SANJIV NARAYANBHAI PATEL	16000	0.32	No transaction	-	16000	0.32	
		16000	0.32					
6	HARESHKUMAR ISHWARLAL SHAH	NIL	NIL	NIL	-	NIL	NIL	
7	VINODKUMAR CHOTUBHAI PATEL	NIL	NIL	NIL	-	NIL	NIL	
8	RAMANBHAI RAMDAS PATEL	NIL	NIL	NIL	-	NIL	NIL	
9	VEENABEN BHUPENDRABHAI PATEL	1079	0.02	No transaction	-	1079	0.02	
		1079	0.02					
10	HIMANSHU N. RAWAL	NIL	NIL	NIL	-	NIL	NIL	
11	KAMLESH RASIKLAL SHAH (CFO)	1050	0.02	No transaction	-	1050	0.02	
		1050	0.02					
12	NIKHIL M. PATEL (CS)	NIL	NIL	NIL	-	NIL	NIL	

# Mr. Devidas C. Narumalani (DIN No: 00097592) ceased to be a Director of the Company w.e.f. 30th July, 2016 i.e. the date of 24th Annual General Meeting of the Company, being not reappointed by the Shareholders at the 24th Annual General Meeting.

**V. INDEBTEDNESS****(Amount in ₹)**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 01.04.16</b>				
i) Principal Amount	4,58,73,433	5,66,25,000	Nil	10,24,98,433
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>4,58,73,433</b>	<b>5,66,25,000</b>	<b>Nil</b>	<b>10,24,98,433</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition (Net) / Reduction	12,53,10,483	78,17,000	Nil	13,31,27,483
<b>Net Change</b>	<b>12,53,10,483</b>	<b>78,17,000</b>	<b>Nil</b>	<b>13,31,27,483</b>
<b>Indebtedness at the end of the financial year 31.03.17</b>				
i) Principal Amount	17,11,83,916	6,44,42,000	Nil	23,56,25,916
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>17,11,83,916</b>	<b>6,44,42,000</b>	<b>Nil</b>	<b>23,56,25,916</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Directors, Whole-time Directors and/or Manager : (Amount in ₹)**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Narayanbhai G. Patel (Chairman & WTD)	Narendra G. Patel (WTD)	Prakash N. Patel (MD)	Sanjiv N. Patel (MD)	
1.	Gross salary	30,00,000	30,00,000	30,00,000	30,00,000	1,20,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,63,820	82,177	1,85,785	29,802	4,61,584
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2.	Stock Option	NA	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA	NA
4.	Commission	NA	NA	NA	NA	NA
	- as % of profit					
	- others, specify...					
5.	Others, please specify	NIL	NIL	NIL	NIL	NIL
	<b>Total</b>	<b>31,63,820</b>	<b>30,82,177</b>	<b>31,85,785</b>	<b>30,29,802</b>	<b>1,24,61,584</b>

**B. Remuneration to other Directors :**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount (₹)
		Haresh kumar I Shah	Vinod kumar C. Desai	Raman bhai R. Patel	Himanshu N. Rawal	Veena ben B. Patel	#Devidas C. Narum-alani	
1.	Independent Directors							
	- Fee for attending Board Meetings	9,000	7,500	9,000	9,000	6,500	NA	41,000
	- Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>9,000</b>	<b>7,500</b>	<b>9,000</b>	<b>9,000</b>	<b>6,500</b>	<b>NA</b>	<b>41,000</b>
2.	Other Non-Executive Directors							
	- Fee for attending Board Meetings	NA	NA	NA	NA	NA	1,500	1,500
	- Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>1,500</b>	<b>1,500</b>
	<b>Total (1+2)</b>	<b>9,000</b>	<b>7,500</b>	<b>9,000</b>	<b>9,000</b>	<b>6,500</b>	<b>1,500</b>	<b>42,500</b>

**Note :**

# Mr. Devidas C. Narumalani (DIN No: 00097592) ceased to be a Director of the Company w.e.f. 30th July, 2016 i.e. date of 24th Annual General Meeting of the Company, being not reappointed by the Shareholders at the 24th Annual General Meeting. Mr. Devidas C. Narumalani was the Non Executive & Non Independent Director of the Company.

**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	9,45,760	8,69,319	18,15,079
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	NA	NA	NA
3.	Sweat Equity	NA	NA	NA
4.	Commission	NA	NA	NA
	- as % of profit			
	- others, specify...			
5.	Others, please specify	NA	NA	NA
	<b>Total</b>	<b>9,45,760</b>	<b>8,69,319</b>	<b>18,15,079</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no penalties / punishment / compounding of offences on Company, Directors and other Officers in Default for the Financial Year ended on 31st March, 2017.

## ANNEXURE-B TO DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC OUTLOOK

The Indian economy is growing strongly and remains a bright spot in the global landscape. India's overall economic outlook remains positive, although growth will slow temporarily as a result of disruptions to consumption and business activity from the recent withdrawal of high-denomination banknotes from circulation. But the nation's expansion will pick up again as economic reforms kick in, said the International Monetary Fund (IMF) in its latest assessment. Growth is being at 6.6 percent for fiscal year i.e. 2016-2017 and at 7.2 percent in the following year as per the said report.

Global economic activity is picking up with a long-awaited cyclical recovery in investment, manufacturing, and trade, according to IMF, World Economic Outlook. World growth is expected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018. Stronger activity, expectations of more robust global demand, reduced deflationary pressures, and optimistic financial markets are all upside developments. But structural impediments to a stronger recovery and a balance of risks that remains tilted to the downside, especially over the medium term, remain important challenges. In economic examines how changes in external conditions may affect the pace of income convergence between advanced and emerging market and developing economies. Overall, economic outlook being stresses the need for credible strategies in advanced economies and emerging market and developing ones to tackle a number of common challenges in an integrated global economy.

### FINANCIAL AND OPERATIONAL PERFORMANCE

Your Company is operating in single segment namely engineering fabrication. Therefore, Company has been reporting Standalone Results. This discussion, therefore, covers the financial results and other developments during April 2016 to March 2017, in respect of the Company.

The Company has earned revenue from operations (gross) of ₹ 148.61 crores during the year ended on 31st March, 2017 as against ₹ 137.66 crores earned during the previous year ended on 31st March, 2016, giving a rise of 7.95 % as compared to previous year.

Out of the revenue from operations of ₹ 148.61 crores earned by the Company during the year under review, ₹ 143.75 crores represents sale of products (Domestic & Export), ₹ 1.65 crores represents sale of Services (Processing Charges) and ₹ 3.21 crores represents other operating revenues. The Company has also earned other income of ₹ 50.71 lakhs during the year under review as against ₹ 45.78 lakhs earned during the previous year.

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 the Profit before Tax of ₹ 12.20 crores during the year ended on 31st March, 2017 as compared to ₹ 11.09 crores earned during the previous year ended on 31st March, 2016, showing a rise of 10 %.

The Company has earned Net Profit of ₹ 7.87 crores for the year ended on 31st March, 2017 after making Provision for Tax Expenses of ₹ 4.34 crores and other adjustments, as compared to Net Profit of ₹ 7.15 crores earned by the Company during the previous year ended on 31st March, 2016, a rise of 10.07 %.

### 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" 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**

India's economic growth is gradually improving since 2014. The favorable policy as well as executive reforms by the Government to support strong and sustainable growth, prudent fiscal regime and calibrated monetary easing that reigned in inflation has helped to strengthen macroeconomic stability. In particular, the upcoming implementation of the Goods and Services Tax (GST), which has been in the making for over a decade, will help raise India's medium-term growth to above 8 percent, as it will enhance the efficiency of production and movement of goods and services across Indian states. The lower crude oil prices have also helped to reduce current account deficit, improve fiscal positions, and lower inflation. This, in turn, has helped boost economic activities in India. Driven by these positive developments, the country has emerged as the world's fastest growing major economy. The Government's endeavour to drive a bigger as well as a cleaner GDP is expected to augur well for the economy in the medium and long terms.

**OPPORTUNITIES**

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

**RISK FACTORS**

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

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

**QUALITY CONTROL**

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

**INTERNAL CONTROL SYSTEM**

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

**INDUSTRIAL RELATION & HUMAN RESOURCES**

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

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

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

**CAUTIONARY STATEMENT**

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



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

### Report on Corporate Governance for the year ended on 31st March, 2016 (2015-2016) Pursuant to SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015

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

#### 1. CORPORATE GOVERNANCE PHILOSOPHY

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

Traditional views of governance as a regulatory and compliance requirement have given a way for adoption of governance as an integral part of the Company. The Company in pursuance of Code of Corporate Governance, strongly believe that it must organize its affairs to the utmost satisfaction of all the concerned. The Company endeavor to ensure transparency, control and accountability, in all areas of its operations.

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

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

#### 2. BOARD OF DIRECTORS

##### (i) Composition and category of Directors:

As per Listing Regulations, the Board of Directors of the Company comprises of the combination of Executive and Non-Executive Directors. Out of total strength of 9 Directors as on 31st March, 2017 and as on the date of this report, 4 Directors are Executive Directors and 5 Directors are Independent Directors. The majority Directors are Non-Executive Directors and one half of the total Directors are Independent Directors including one woman Director. The Chairman of the Board is Promoter-Executive Director. The members of the Committees like Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility (CSR) Committee comprise majority of Independent Directors with Chairman, being Independent Director. The composition of the Board is in conformity with Regulation 17 of SEBI Listing Regulation read with Section 149 of the Companies Act, 2013.

The Chairman & Whole-time Director provides overall direction and guidance to the Board. In the operations and functioning of the Company, the Chairman & Whole-time Director is assisted by other three Executive Directors and a core group of senior level executives. The Chairman guides

the Board for effective governance structure in the Company. In doing so, the Chairman presides at the meetings of the Board and the Shareholders of the Company.

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

The composition of the Board as on 31st March, 2017 and as on the date of this report, 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 2016-2017 and also at the last Annual General Meeting (AGM) held are given below :

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

#Mr. Devidas C. Narumalani ceased to be a Director of the Company w.e.f. 30th July, 2016. Before that, he ceased to be a Whole-time Director of the Company w.e.f. 14th July, 2015.

None of the Directors of the Company is a member of Board of more than 20 Companies and more than 10 Public Limited Companies in terms of Section 165 of the Companies Act, 2013. None of the

Directors is a member of more than 10 Board level Committees or a Chairman of more than 5 such Committees in Public Companies as required under Regulation 26(1) of Listing Regulations. None of the Directors of the Company is a Director in other Public Companies.

As required by Listing Regulations, the particulars of Directors seeking re-appointment are given in the Notes under Notice of AGM of the Company.

**(ii) Relationship between the Directors**

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

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

**(iii) Shares held by Non-Executive Directors**

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

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

During the financial year 2016-2017, 4 (Four) Board Meetings were held on 28/5/2016, 13/8/2016, 12/11/2016 and 3/2/2017. The gap between two Board Meetings did not exceed 120 days. The Board Meetings were generally held at the Factory (Works) of the Company situated at Rakanpur, Dist. Gandhinagar, Gujarat.

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

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

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

**(vi) Minimum Information**

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

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

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

- Quarterly results of the Company
- Company's Annual Financial Results, Financial Statements, Auditors' Report and Board's Report
- Minutes of meetings of the Audit Committee and other Committees of the Board
- Non-compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as non-payment of dividend, delay in, share transfer, etc.
- Appointment, remuneration and resignation of Directors

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

**(vii) Independent Directors & Separate Meeting**

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

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

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

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

As per Regulation 25(3) of Listing Regulations and under the Companies Act, 2013 and Rules made

thereunder read with Schedule IV (VII), the Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors, Non-Independent Directors or management personnel. Such meeting was held on 30th March, 2017 and all Independent Directors were present at the meeting. The following issues were discussed in detail:

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

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

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

As per Regulation 46 of Listing Regulations, details of familiarization programmes for Independent Directors of the Company is uploaded on the Company's website [www.patelsairtemp.com](http://www.patelsairtemp.com).

**(ix) Remuneration/Sitting Fees to the Directors:**

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

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

The aggregate amount of salary and perquisites & allowances paid to the following Whole-time Directors & Managing Directors of the Company during the year ended on 31-03-2017 (i.e. from 1-4-2016 to 31-3-2017) are as under :-  
(Amount in Rs.)

Name of Whole-time & Managing Directors	Designation	Salary	Perquisites & Allowances	Total
Mr. Narayanbhai G. Patel	Whole-time Director	30,00,000	1,63,820	31,63,820
Mr. Prakash N. Patel	Managing Director	30,00,000	1,85,785	31,85,785
Mr. Sanjiv N. Patel	Managing Director	30,00,000	29,802	30,29,802
Mr. Narendra G. Patel	Whole-time Director	30,00,000	82,177	30,82,177

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

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

The Company has paid sitting fees as under to Non-executive Director and Independent Directors of the Company apart from travelling expenses for attending Board Meetings held during the year ended on 31-03-2017. Sitting fees has been increased from ₹ 1,500/- to ₹ 2,500/- per Board Meeting per Director payable to Independent Directors of the Company for attending Board Meetings w.e.f. 13th August, 2016.

Sr. No.	Name of the Directors'	Amount in (Rs.)
1	Mr. Devidas C. Narumalani #	1500
2	Mr. Hareshkumar I. Shah	9000
3	Mr. Vinodkumar C. Desai	7500
4	Mr. Ramanbhai R. Patel	9000
5	Mrs. Veenaben B. Patel	6500
6	Mr. Himanshu N. Rawal	9000

# Ceased to be Whole-time Director of the Company w.e.f. 14th July, 2015 and ceased to be a Director of the Company w.e.f. 30th July, 2016.

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

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

### 3. COMMITTEES OF THE BOARD

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

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

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

#### A) AUDIT COMMITTEE

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

As on 31st March, 2017 and as on the date of this report, the Audit Committee consists of 4 members, out of which, 3 are Independent Directors and 1 is Executive Director as under. As a good Corporate Governance practice and to appoint more Independent Directors, the Board of Directors of the Company at their meeting held on 12th November, 2016 reconstituted the Audit Committee by appointing Mr. Himanshu N. Rawal, Independent Director of the Company, as a member of the Audit Committee w.e.f. 12th November, 2016 pursuant to the provisions of Section 177 of the Companies Act, 2013 and the Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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. The constitution of the Audit Committee fulfills the requirements of Section 177 of the Companies Act, 2013, Rules made thereunder and Regulation 18 of Listing Regulations.

Mr. Nikhil Patel, who is a Company Secretary of the Company, is the Secretary to the Audit Committee w.e.f. 13th February, 2016.

During the financial year 2016-2017, 4 (Four) Audit Committee Meetings were held on 28/5/2016, 13/8/2016, 12/11/2016 and 3/2/2017. 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.

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

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

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

# Appointed as a member of the Audit Committee w.e.f. 12th November, 2016.

- Whole-time Directors, Managing Directors and Chief Financial Officer (CFO) of the Company were generally invited to attend the Audit Committee meetings. The Minutes of the Audit Committee Meetings are placed before the Board in the next Board Meeting and noted the same.
- The Committee's composition and terms of reference are in compliance with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Members of the Audit Committee possess requisite qualifications.
- The Chairman of the Audit Committee was present at the last Annual General Meeting held on 30th July, 2016.

**ii) Terms of reference:**

The terms of reference of Audit Committee are to cover the matters specified under Listing Regulations and the Companies Act, 2013 and Rules made thereunder and more particularly redefined and approved by the Board of Directors at their meeting held on 12th November, 2016 in view of the provisions of Section 177(4) of the Companies Act, 2013 and Rules made thereunder and Listing Regulations. The functions of the Committee inter alia include the overview of the Company's financial reporting processes, review of the quarterly, half yearly and yearly financial statements, review of adequacy of internal control system, review of the financial and risk management policies and review of significant findings and adequacy of internal audit function, approval of related party transactions.

**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, 2017 and as on the date of this report, NRC Committee consists of 3 Independent Directors and 1 Executive Director as under. Independent Director is the Chairman of NRC Committee and Executive Director, who is a Chairman of the Company, is not a Chairman of NRC Committee. The constitution of NRC Committee fulfills the requirements of Section 178 of the Companies Act, 2013, Rules made thereunder and Regulation 19 of Listing Regulations.

During the year under review, NRC Committee met 1 time on 28/05/2016. The presence of the Members at the meeting are as under. NRC Committee normally meets for considering proposal related to appointment and/or remuneration of Key Managerial Personnel and Directors of the Company and for considering any other matter as may be specified under the terms of reference of the committee.

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Hareshkumar I. Shah	Chairman	Independent Director	1	1
Mr. Ramanbhai R. Patel	Member	Independent Director	1	1
Mr. Vinodkumar C. Desai	Member	Independent Director	1	Not attended
Mr. Narayanbhai G. Patel	Member	Executive Director	1	1

Mr. Nikhil Patel, who is a Company Secretary of the Company, is the Secretary to the NRC Committee w.e.f. 13th February, 2016.

**ii) Terms of reference:**

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

The Policy on appointment and remuneration of Directors, KMP and other employees of the Company and other matters is uploaded on the Company's website [www.patelsairtemp.com](http://www.patelsairtemp.com).

**C) STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)**

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

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

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

During the year under review, the Stakeholders Relationship Committee met 2 times on 24/01/2017 and 28/02/2017. The presence of the Members at the meeting are as under :

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

Mr. Nikhil Patel, who is a Company Secretary of the Company, is the Secretary to Stakeholders' Relationship Committee w.e.f. 13th February, 2016.

**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 w.e.f. 13th February, 2016.

**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 31-03-2016	-	Nil
No. of complaints received during the year under review	-	5
No. of complaints disposed off during the year under review	-	5
No. of complaints outstanding as on 31-03-2017	-	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, 2017.

**D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)**

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

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

During the year under review, CSR Committee met 2 times on 13/08/2016 & 3/02/2017. The presence of the members at the meeting are as under.

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

The Company has made the required contribution of 2 % of the average net profit of the Company for preceding three financial years towards CSR activities during the financial year 2016-2017. Annual Report on CSR activities for the financial year 2016-2017 is attached with the Directors' 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 2016-2017.

**ii) Terms of reference :**

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

Mr. Nikhil Patel, who is a Company Secretary of the Company, is the Secretary to CSR Committee w.e.f. 13th February, 2016.

**iii) Corporate Social Responsibility Policy:**

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

**4. GENERAL BODY MEETINGS**

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

Financial Year	Date and Time	Venue	No. of Special Resolution Passed
2013-14 22nd AGM	30th August, 2014 at 10.00 a.m.	5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	No
2014-15 23rd AGM	19th September, 2015 at 10.00 a.m.	5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	3 #
2015-16 24th AGM	30th July, 2016 at 10.00 a.m.	5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	6 ##

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

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 25th AGM, no resolution is proposed to be passed through Postal Ballot.

**5. DISCLOSURES**

**i) Related Party transaction**

Policy on materiality of related party transactions and dealing with related party transactions has been uploaded on Company website [www.patelsairtemp.com](http://www.patelsairtemp.com).

Transaction with related parties are disclosed in Note No. 28 of the Notes to the Financial Statements for the year ended on 31st March, 2017, in the Annual Report as required by the Accounting Standard (AS) 18 issued by ICAI.

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

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

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

**ii) Risk Management :**

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

**iii) CEO/CFO Certification :**

In terms of Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Chairman & Whole-time Director and CFO of the Company have furnished certificate on the financial statements and internal controls relating to financial reporting of the Company to the Board for the year ended on 31st March, 2017 and attached to this Report. The Chairman & Whole-time Director and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

- iv) No penalties have been imposed on the Company by the Stock Exchange/s or SEBI or any statutory authority, on the matter related to capital market during the last three years.
- v) The Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this report.

**vi) Code of Conduct :**

In compliance with Regulation 26(3) of SEBI LODR Regulations, 2015, the Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management Personnel including Chief Financial Officer & Company Secretary, being KMP. The said Code has been communicated to all the Directors and Senior Management Personnel as above. They have also affirmed to the Company about the compliance of the said Code during the Financial Year ended on 31st March, 2017. The Code has also been posted on the Company's website - [www.patelsairtemp.com](http://www.patelsairtemp.com). The declaration from Chairman & Whole-time Director & Managing Director of the Company, affirming compliance of the said Code of Conduct by all the Board Members and Senior Management Personnel is annexed separately to this Report.

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

**vii) Whistle Blower Policy / Vigil Mechanism:**

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report any act of serious misconduct or wrongful activity being occurred or suspected to occur within the organization, to his immediate HOD or the HR Head or directly to the concern Whole-time Directors/Managing Directors of the Company, as he may desire. No employee of the

Company is denied access to the Audit Committee. The Whistle blower policy has been placed on the web-site of the Company [www.patelsairtemp.com](http://www.patelsairtemp.com).

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

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

**6. MEANS OF COMMUNICATION**

The Company's quarterly, half yearly and yearly financial results were taken on record and approved by the Board of Directors after reviewed by Audit Committee and submitted to the Stock Exchange in terms of the requirements of Listing Regulations. These were published in the newspapers as per prescribed guidelines and uploaded on the web-site of the Company. In pursuance of Regulation 33 (3) read with Schedule V of Listing Regulations, the Company is maintaining its website [www.patelsairtemp.com](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 downloadable form.

The Company has total 6,265 Shareholders as on 31st March, 2017. The main channel of communication to the shareholders is through its web-site as mentioned above and Annual Report, which includes inter alia, the Director's Report, Management Discussions & Analysis and Report on Corporate Governance and Audited Financial Results. The Annual Report is also posted on the web-site of the Company viz. [www.patelsairtemp.com](http://www.patelsairtemp.com).

**BSE CORPORATE COMPLIANCE & LISTING CENTRE (LISTING CENTRE)**

BSE's Listing Centre viz. [www.listing.bseindia.com](http://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](mailto:share@patelsairtemp.com) exclusively for resolving investor grievance.

### **GREEN INITIATIVE IN CORPORATE GOVERNANCE: GO PAPERLESS**

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

## **7. GENERAL SHAREHOLDERS INFORMATION**

### **i) Annual General Meeting:**

Date : Tuesday, 19th September, 2017

Time : 10.00 a.m.

Venue: At the Registered Office of the Company situated at 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad - 380 009.

### **ii) Financial Calendar (from 01-04-2017 to 31-03-2018) (Tentative) :**

Results for quarter ended on 30-06-2017 : on or before 14th September, 2017 #

Results for quarter ending on 30-09-2017 : On or before 14th December, 2017 #

Results for quarter ending on 31-12-2017 : On or before 14th February, 2018

Audited Results for the year ending on

31-03-2018 : On or before 30th May, 2018

AGM for the year ending on 31-03-2018 : In the month of September, 2018

# Extension of 1 month by SEBI/BSE due to implementation of Ind AS in the Company from 1-4-2017

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

Book-closure shall be from 13th September, 2017 to 19th September, 2017 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2017.

### **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, 2017, if approved and declared, will be paid within the prescribed time limit.

### **v) Listing on Stock Exchange :**

The equity shares of the company are listed on BSE Ltd. (BSE).

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

Listing fees upto the Financial Year 2017-2018 has already been paid to the Stock Exchange. The Annual Custody/Issuer fee for the year 2017-2018 has also been paid by the Company to NSDL and CDSL.

### **vi) Stock Code / Name:**

BSE 517417. Script Name: PATELSAI.

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

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

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

**viii) Stock Market Data :**

The monthly High, Low and Closing Price of Shares of the Company at BSE Limited, (BSE), during the financial year 2016-2017 are as under:

Months	High (Rs.)	Low (Rs.)	Closing (Rs.)
April, 2016	139.90	121.50	136.80
May, 2016	142.80	126.35	133.90
June, 2016	140.20	125.05	139.80
July, 2016	162.00	138.35	152.00
August, 2016	179.00	132.05	172.25
September, 2016	192.00	161.50	167.35
October, 2016	188.00	165.00	185.20
November, 2016	222.00	175.00	187.00
December, 2016	201.40	175.50	181.60
January, 2017	189.40	175.00	180.75
February, 2017	193.00	175.00	183.10
March, 2017	185.75	175.00	181.15

**ix) Share price performance in comparison to BSE Sensex based on share price on 31-03-2017:**

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

Months	Share price of the Company at BSE			SENSEX		
	High (₹)	Low (₹)	Closing (₹)	High	Low	Closing
April, 2016	139.90	121.50	136.80	26100.54	24523.20	25606.62
May, 2016	142.80	126.35	133.90	26837.20	25057.93	26667.96
June, 2016	140.20	125.05	139.80	27105.41	25911.33	26999.72
July, 2016	162.00	138.35	152.00	28240.20	27034.14	28051.86
August, 2016	179.00	132.05	172.25	28532.25	27627.97	28452.17
September, 2016	192.00	161.50	167.35	29077.28	27716.78	27865.96
October, 2016	188.00	165.00	185.20	28477.65	27488.30	27930.21
November, 2016	222.00	175.00	187.00	28029.80	25717.93	26652.81
December, 2016	201.40	175.50	181.60	26803.76	25753.74	26626.46
January, 2017	189.40	175.00	180.75	27980.39	26447.06	27655.96
February, 2017	193.00	175.00	183.10	29065.31	27590.10	28743.32
March, 2017	185.75	175.00	181.15	29824.62	28716.21	29620.50

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

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

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

**Ahmedabad Office**

M/s. Bigshare Services Pvt. Ltd.

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

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

Tel : 079 400 24135/079 40392570

Fax No: 0228475207

Email id : [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)

Website : [www.bigshareonline.com](http://www.bigshareonline.com)

**Mumbai Office**

Bigshare Services Pvt. Ltd.,

Regd. Office : E-2/3, Ansa Industrial Estate, Sakivihar,

Saki Naka, Andheri (E), Mumbai - 400 072

Tele. No. (022) 40430200/ 28470652, Fax No. (022) 28475207

Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

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

The Company has submitted to BSE Ltd. Compliance Certificate for half-yearly ended on 30th September, 2016 and 31st March, 2017 issued by RTA and Company Secretary that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar as per Regulation 7(3) of Listing Regulations.

**xi) Share Transfer System:**

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

Pursuant to Regulation 40(9) of Listing Regulations, certificates, on half-yearly basis, have been issued by the Company for due compliance of share transfer formalities by the Company.

**xii) Shareholding Details:**

**(a) Distribution of Shareholding as on 31st March, 2017 :**

No. of Equity Shares held	No. of Shareholders	% of total Shareholders	No. of Shares	% of Shareholding
1-500	5,444	86.90	7,00,721	13.82
501-1000	408	6.51	3,18,254	6.28
1001-2000	196	3.13	2,93,595	5.79
2001-3000	72	1.15	1,81,484	3.58
3001-4000	46	0.73	1,67,422	3.30
4001-5000	28	0.45	1,28,935	2.54
5001-10000	35	0.56	2,64,311	5.21
10001& above	36	0.57	30,15,518	59.47
Total:	6,265	100.00	50,70,240	100.00

**(b) Categories of Shareholders as on 31st March, 2017 :**

Category of Shareholders	No. of Equity Shares held	Percentage of total paid-up capital
<b>A : Promoters and Promoters Group :</b>		
Promoters	8,49,946	16.76
Promoters' Relatives	89,000	1.76
Group Companies	14,33,954	28.28
HUFs	22,800	0.45
Total (A) :	23,95,700	47.25
<b>B : Public :</b>		
Mutual Funds / UTI	0	0.00
Banks / Financial Institutions	0	0.00
Foreign Institutional Investors	0	0.00
Bodies Corporate	1,39,496	2.75
Body Corporate-NBFC	5	0.00
NRIs	1,06,731	2.11
Clearing Members	16,490	0.33
Trust	0	0.00
Indian Public	24,11,818	47.57
Total (B) :	26,74,540	52.75
Total (A+B)	50,70,240	100.00

**xiii) Dematerialization of Shares:**

The Company's shares are under demat mode. The ISIN No. of the Company is INE082C01024. Members who are desirous of holding their shares in demat form are requested to apply to their Depository Participants in prescribed demat requisition form along with original share certificate. About 96.99 % of the total Equity Capital of the Company is held in demat form as on 31st March, 2017. 100 % shares held by the Promoters & Promoters' Group have been dematerialized.



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

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

**(xv) Dividend History for last 10 years :**

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

**xvi) Plant Location(s):**

The Company's plants/offices are located at:

**Plant:**

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

**AC. Division Office:**

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

**xvii) For any assistance regarding dematerialization of shares, share transfers, change of address, non-receipt of dividend or any other query, relating to shares for both physical & Electronic form:****i) Ahmedabad Office**

M/s. Bigshare Services Pvt. Ltd.

A-802, Samudra Complex, Near Klassic gold, Girish cold Drink ,

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

Tel : 079 400 24135/079 40392570, Fax No: 0228475207

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

**ii) Mumbai Office**

M/S. Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,

Andheri (E), Mumbai-400 072

Tel: 022-28470652 Fax No: 022-2875207

Email: investor@bigshareonline.com Website: www.bigshareonline.com

**iii) Patels Airtemp (India) Ltd.**

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

Ta: Kalol, Dist. Gandhinagar, Gujarat.

Contact Person : Nikhil M. Patel, Company Secretary

Tel No.022-28470652, 40430200 Fax No. 022-28475207

Website: www.patelsairtemp.com

**xviii) Nomination facility :**

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

**xix) Compliance Certificate of the Auditors :**

The Certificate from the Company's Auditors, M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad, confirming compliance with conditions of Corporate Governance as stipulated under Listing Regulations, is attached to this Report.

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**DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT**

In terms of the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 regarding Corporate Governance, we hereby confirm that all Board Members and Senior Management Personnel of Patels Airtemp (India) Ltd. including Chief Financial Officer & Company Secretary, being KMP have affirmed the compliance of Code of Business Conduct and Ethics during the financial year ended on 31st March, 2017 (2016-2017).

	Sd/-	Sd/-
Place : Rakanpur, Dist. Gandhinagar	Narayanbhai G. Patel	Sanjiv N. Patel
Date : 30th May, 2017	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 certify that:

- a) We have reviewed the financial statements and cash flow statement of Patels Airtemp (I) Ltd. for the year ended 31st March, 2017 and to the best of our Knowledge and belief:
  - 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, 2017 are fraudulent, illegal or violative the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operations of such internal controls.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference.
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

	Sd/-	Sd/-
Place : Rakanpur, Dist. Gandhinagar	Narayanbhai G. Patel	Kamlesh R. Shah
Date : 30th May, 2017	Chairman & Whole-time Director	Chief Financial Officer

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members  
Patels Airtemp (India) Limited,  
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by **PATELS AIRTEMP (INDIA) LIMITED** ("the Company"), for the year ended on 31st March, 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C,D,E of Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") .

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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 (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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.

**FOR PARIKH & MAJMUDAR**  
CHARTERED ACCOUNTANTS  
FRNO 107525W

**Place: Ahmedabad**  
**Date: 14-08-2017**

SANJAY MAJMUDAR  
PARTNER  
M. No. 036791

**ANNEXURE – D TO THE DIRECTORS’ REPORT**

**FORM NO. AOC-2**

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

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

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	<p>The Company has paid remuneration of ₹. 5,08,002/- 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 31<sup>st</sup> March, 2017.</p> <p>No amount was paid as advance to him.</p> <p>The transaction has been approved by the Audit Committee and Board of Directors at their meetings held on 12<sup>th</sup> November, 2016.</p> <p>Approval of Shareholders not required, being not material transactions.</p>
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
a	Name (s) of the related party & nature of relationship	<p>There were no material contracts or arrangements or transactions at arm's length basis entered into by the Company with related parties during the year ended on 31<sup>st</sup> March, 2017.</p>
b	Nature of contracts/ arrangements/ transaction	
c	Duration of the contracts/ arrangements / transaction	
d	Salient terms of the contracts or arrangements or transaction including the value, if any	
e	Date of approval by the Board	
f	Amount paid as advances, if any	

## **ANNEXURE-E TO DIRECTORS' REPORT**

Details of particulars under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended on 31st March, 2017 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 natural sources of energy.

As part of Green Initiative, the Company has installed 130 KW Rooftop PV Solar Power Plant after getting required permissions from Govt. Authorities and UGVCL (Power Distribution Company in Local Area). The Solar Plant will generate nearly 190,000 Units of Energy every year; which equals to reduction of CO<sub>2</sub> absorbed by 190 trees or plantation of 341 trees.

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

#### **B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION**

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

##### **Technology Absorption**

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

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

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

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

The Company has invested about ₹72.34 Lakhs for Plant & Machineries to upgrade HI-tech equipments. The Company has HTRI Membership agreement for Catagory - II and Licence agreement for EHT (for enhanced heat transfer) and Honeywell UniSim UHX (for feed water heater) for latest technology in Heat Transfer from U.S.A. To increase productivity, Company has invested in Hydraulic Expander for tube to tube sheet expansion for higher tube sheet thickness and finned tube expansion. In-house, systems and operations are being innovated for better quality and to perform up to customers' requirement.

#### **C) FOREIGN EXCHANGE EARNING AND OUTGO**

The details of Foreign Exchange Earnings and Outgo by the Company during the year under review are given in Note No. 38, 39 and 40 of Notes on Financial Statements.

**Annexure-F to Directors' Report**

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-2017**

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes	Refer Section on Corporate Social Responsibility in Corporate Governance Report and Directors' Report  The Company has framed CSR policy and available on the web-site of the Company viz. <a href="http://www.patelsairtemp.com">www.patelsairtemp.com</a> .
2.	Composition of CSR Committee as on 31 <sup>st</sup> March, 2017 and as on the date of this report	Mr. Hareshkumar I. Shah – Chairman Mr. Ramanbhai R. Patel Mr. Narayanbhai G. Patel
3.	Average net profit of the Company for last three financial years	₹ 9,31,43,815/-
4.	Prescribed CSR expenditure (2 % of the amount mentioned in item 3 above)	₹ 18,62,876/-
5.	Details of CSR spent during the financial year:	
	a. Total amount spent during the financial year	₹ 18,66,555/-
	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 2016-2017:**

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (Clause No. of Schedule VII to the Companies Act, 2013, as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise (Rs. in lacs)	Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (Rs.in lacs)	Cumulative Expenditure upto the reporting period i.e. FY 2015-2016 (Rs. in lacs)	Amount Spent Direct or through Implementing Agency
1	2	3	4	5	6	7	8
1	Contribution to Educational Trust & Skill Development Program	Promoting Education and Vocational Skilled	Ahmedabad, Gujarat and Mumbai, Maharashtra	Rs. 20 Lacs	Rs. 18.67 Lacs	Rs. 18.67 Lacs	Direct

**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, 2017 (2016-2017) 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 2016-2017.

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

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

Date : 30th May, 2017. Place : Rakanpur, Dist. Gandhinagar.

**Annexure-G to Directors' Report**  
**Form No.MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2017**

**[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  
5<sup>th</sup> 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 (herein after called "the Company") for the year ended 31st March, 2017.**

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, 2017 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, 2017 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the Rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - There was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings by the Company during the year under review and hence the provisions in respect of the said matters are not applicable to the Company;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (vi) Looking at the nature of business of the Company and also as informed to us there are no laws which have specific applicability to the Company.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) are not applicable to the Company during the financial year under report, due to the reasons mentioned against each Regulations :
  - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable, as the Company has not issued any shares during the year under review;
  - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - Not applicable, as the Company has not issued any shares/ options to directors/ employees under the said guidelines / regulations during the year under review;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable, as the Company has not issued any debt securities which are listed during the year under review;

- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
  - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review; and
  - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.
3. I have also examined compliance with the applicable clauses of the following:
- (a) Secretarial Standards with respect to Meetings of Board of Directors and Committees (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
  - (b) The Listing Agreement entered into by the Company with BSE Limited, and SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 as amended from time to time.
4. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

**OBSERVATIONS:**

- (a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of :
    - (i) External Commercial Borrowings are not attracted to the Company under the financial year under report;
    - (ii) Foreign Direct Investment (FDI) are not attracted to the company under the financial year under report;
    - (iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad are not attracted to the company under the financial year under report.
    - (iv) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
  - (b) I further report that the Secretarial Standards on Meetings of the Board of Directors and Committees (SS-1) and General Meetings (SS-2), as approved by the Central Government, have been issued by the Institute of Company Secretaries of India (ICSI) which come into force w.e.f. 1st July 2015 are also followed by the company.
  - (c) With respect of filing of E form MGT-14 in respect of appointment of Internal Auditor, E-Form ADT-1 in respect of Appointment of Auditor, E-form CHG-1 in respect of Registration of Charges, Form AOC-4 with respect to filing of Balance Sheet for Financial Year 2015-16 with the Ministry of Corporate Affairs under the respective sections of the Companies Act, 2013 was filed late with payment of additional fees and complied with the requirements.
  - (d) During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, mentioned hereinabove and there is adequate compliance management system for the purpose of other laws.
5. I further report that :
- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors including Woman Director. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act.
  - (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - (iii) Majority decision is carried through in the Board and Committee meetings, while the dissenting members' views are captured and recorded as part of the minutes.
  - (iv) During the audit period, following events or actions having a major bearing on the company's affairs were carrying out:



(a) Adoption of new set of Articles of Association in conformity with the Companies Act, 2013 and Rules made thereunder.

(b) Revision in Remuneration of Executive Directors.

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

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

Date : 22/06/2017

Place : Ahmedabad

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

## ANNEXURE A

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

Dear Sir,

Our Secretarial Audit Report of even date for the Financial Year ended on 31st March, 2017 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 Santosh Lath  
Practicing Company Secretary  
ACS No. 26238, COP No. 11139**

Date : 22/06/2017

Place : Ahmedabad

**Annexure-H to Directors' Report**

**PARTICULARS OF EMPLOYEES:**

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

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

Sr. No.	Name of Directors & Key Managerial Personnel	Designation	Remuneration paid during the financial year 2016-2017 (₹ In lacs)	Remuneration paid during the financial year 2015-2016 (₹ 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	31.64	28.89	2.75	9.52 %	1 : 11.68
2	Narendra G. Patel	Whole-time Director	30.82	28.03	2.79	9.95 %	1 : 11.37
3	Prakash N. Patel	Managing Director	31.85	29.91	1.94	6.49 %	1 : 11.75
4	Sanjiv N. Patel	Managing Director	30.29	27.49	2.80	10.19 %	1 : 11.18
5	Kamlesh R. Shah	Chief Financial Officer	8.69	7.88	0.81	10.28 %	1 : 3.21
6	Nikhil M. Patel	Company Secretary \$	9.46	2.17	NA \$	NA \$	1 : 3.49

\$ Appointed as Company Secretary of the Company w.e.f. 13.02.2016 hence comparison for increased in Remuneration is not given.

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

Median Remuneration for FY. 2016-2017 is being ₹ 2.71 Lakhs

Increase in Median Remuneration during the year 2016-2017 @ 24% as compared to FY. 2015-2016

**B) The number of permanent employees on the rolls of Company: 160**

**C) Market capitalization of the Company & price earnings ratio:**

Date	Market Price Closing (₹.)	EPS (in ₹.)	Market Capitalization (₹. in Crores)	% change
March 31, 2017	181.15	15.51	91.85	48.99%
March 31, 2016	121.60	14.10	61.65	

The Company has made initial public offer in the year 1994 for ₹ 10/- per share (at par). The market price of the Company's share as on March 31, 2017 was ₹ 181.15/-.

**D) Affirmation:**

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

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

**A) TOP 10 Employees Remuneration**

Sr. No.	Name of Employees	Designation	Age	Date of Appointment	Qualification	Remuneration	Experience
1	Narayanbhai G. Patel	Chairman & Whole-time Director	77	10.06.1992	BE (Mechanical)	31.64	51
2	Narendra G. Patel	Whole-time Director	59	21.06.1994	BE (Mechanical), DBM	30.82	23
3	Prakash N. Patel	Managing Director	51	27.05.2004	BE (Mechanical)	31.85	23
4	Sanjiv N. Patel	Managing Director	45	01.04.2011	BE (Chemical), MBA	30.29	13
5	Apurva V. Shah	VP. Design	54	01.01.1996	BE (Mechanical)	15.46	29
6	Pravin G. Shah	Sr. VP	75	01.01.2013	BE (Mechanical)	14.07	50
7	Saket S. Bhatt	VP. Marketing	46	01.09.2013	BE (Mechanical)	13.52	21
8	Nikhil M. Patel	Company Secretary	53	01.01.2016	B. Com, LLB, ACS	9.46	26
9	Jatin N. Patel	Works Manager	46	19.02.2008	Diploma	9.44	21
10	Janak R. Patel	Manager (PGMNBD)	38	12.02.2010	BE (Mechanical), MBA	8.73	16

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

## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying Financial Statements of **M/s PATELS AIRTEMP (INDIA) LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India, in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. During the year, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and
    - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 36 to the financial statements

**For Parikh & Majmudar**  
Chartered Accountants  
FR No. 107525W

**[C.A. SANJAY MAJMUDAR]**  
PARTNER  
Membership No. 036791

Place: Ahmedabad  
Date : 30/05/2017

## **ANNEXURE – A, ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given to us, the fixed assets are verified in a phased manner by the management, during the year which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. The discrepancies noticed on verification between physical stocks and the books of accounts were not material.
- (iii) The company has not granted any loans secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. (the Act).
- (iv) According to the information and explanations given to us, the company has not made any investment or given any loans during the year. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of accounts maintained by the company in respect of products where pursuance to the rules made by the Central Government of India, the maintenance of Cost records has been prescribed in sub section (1) of section 148 of Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts & records have been maintained. We have however, not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state Insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

  - b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, duty of excise, service tax, value added tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to information & explanations given to us, the company has not defaulted in repayment of its dues to Banks. The company does not have any borrowings from Financial Institutions, Government Debenture holders.
- (ix) According to the information & explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under review. Accordingly, paragraph 3(ix) of the Order is not applicable.

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

**For Parikh & Majmudar**  
Chartered Accountants  
FR No. 107525W

**[C.A. SANJAY MAJMUDAR]**  
PARTNER  
Membership No. 036791

Place: Ahmedabad

Date : 30/05/2017

## ANNEXURE B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **M/s PATELS AIRTEMP (INDIA) LIMITED** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on 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, to the best of our information & according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Parikh & Majmudar**  
Chartered Accountants  
FR No. 107525W

**[C.A . SANJAY MAJMUDAR]**  
PARTNER  
Membership No. 036791

Place: Ahmedabad  
Date : 30/05/2017



BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

Particulars	Note No.	As at	As at
		31 March, 2017 (₹)	31 March, 2016 (₹)
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	50,702,400	50,702,400
(b) Reserves and surplus	2	620,292,153	541,635,776
<b>Sub total-Shareholder's funds</b>		<b>670,994,553</b>	<b>592,338,176</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	64,442,000	56,625,000
(b) Deferred tax liabilities (net)		25,792,104	25,384,996
(c) Other long-term liabilities	4	1,152,994	1,152,994
(d) Long-term provisions	5	3,547,993	2,375,192
<b>Sub total-Non-current Liabilities</b>		<b>94,935,091</b>	<b>85,538,182</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	171,183,916	45,873,433
(b) Trade payables	7		
Total Outstanding dues of micro enterprises and small enterprises		23,467,246	31,545,642
Total Outstanding dues of creditors other than micro enterprises and small enterprises		169,981,528	88,298,906
(c) Other current liabilities	8	145,563,750	105,438,765
(d) Short-term provisions	9	5,358,354	19,050,935
<b>Sub total-Current liabilities</b>		<b>515,554,794</b>	<b>290,207,681</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>1,281,484,439</b>	<b>968,084,039</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) FIXED ASSETS	10		
(i) Tangible assets		227,038,435	228,743,202
(ii) Intangible assets		1,240,436	2,790,006
(iii) Capital work-in-progress		5,098,770	981,990
(b) Non-current investments	11	--	20,300
(c) Deferred tax assets (net)			
(d) Long-term loans and advances	12	2,364,615	3,919,507
(d) Other non-current assets	13	47,369,256	76,058,322
<b>Sub total - Non-current assets</b>		<b>283,111,512</b>	<b>312,513,327</b>
<b>2 Current assets</b>			
(a) Current investments		--	--
(b) Inventories	14	293,123,346	227,985,379
(c) Trade receivables	15	531,028,280	350,823,361
(d) Cash and cash equivalents	16	141,633,449	59,161,893
(e) Short-term loans and advances	17	32,587,852	17,600,079
(f) Other current assets		--	--
<b>Sub total - Current assets</b>		<b>998,372,927</b>	<b>655,570,712</b>
<b>TOTAL ASSETS</b>		<b>1,281,484,439</b>	<b>968,084,039</b>

Significant Accounting Policies A  
The accompanying notes from an integral part of the standalone financial statements 1 to 42

As per our report of even date

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

For PARIKH & MAJMUDAR  
CHARTERED ACCOUNTANTS  
FR NO. 107525W

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

SANJIVKUMAR N. PATEL  
Managing Director  
DIN : 02794095

C.A. SANJAY MAJMUDAR  
PARTNER  
M.NO. 036791

NIKHIL PATEL  
Company Secretary

KAMLESH R. SHAH  
Chief Financial Officer

Place : AHMEDABAD  
Date : 30-05-2017

Place : RAKANPUR, DIST : GANDHINAGAR  
Date : 30-05-2017

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017**

Particulars	Note No.	For the year ended 31 March, 2017 (₹)	For the year ended 31 March, 2016 (₹)
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from Operations (Gross)	18	1,486,070,955	1,376,582,894
Less: Excise duty		<u>124,611,357</u>	<u>110,111,347</u>
Revenue from Operations (Net)		1,361,459,598	1,266,471,547
2 Other income	19	<u>5,070,735</u>	<u>4,578,268</u>
<b>3 Total revenue (1+2)</b>		<b><u>1,366,530,333</u></b>	<b><u>1,271,049,815</u></b>
<b>4 Expenses</b>			
(a) Cost of Materials Consumed	20	741,107,992	591,490,413
(b) Purchases of Stock-in-Trade	21	44,257,769	58,013,693
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	-70,515,060	61,485,379
(d) Employee benefits Expenses	23	79,039,689	70,660,539
(e) Other Manufacturing Expenses	24	255,457,363	201,525,921
(f) Depreciation and Amortisation Expense	10	25,815,693	23,959,182
(g) Finance Cost	25	31,501,325	18,677,409
(h) Other Expenses	26	137,594,927	134,457,918
<b>Total expenses</b>		<b><u>1,244,259,698</u></b>	<b><u>1,160,270,454</u></b>
<b>5 Profit before exceptional and extraordinary items</b>		<u>122,270,635</u>	<u>110,779,361</u>
<b>6 Exceptional items</b>		--	--
<b>7 Profit before extraordinary items and tax (5+6)</b>		<u>122,270,635</u>	<u>110,779,361</u>
<b>8 Extraordinary items</b>			
a) Profit / (Loss) on sale of Fixed Assets		(262,669)	93,900
<b>9 Profit / (Loss) before tax (7+8)</b>		<u>122,007,966</u>	<u>110,873,261</u>
<b>10 Tax expense:</b>			
(a) Current tax expense for current year (incl Wealth Tax Provision)		42,900,000	39,500,000
(b) Current tax expenses relating to prior years		44,480	(243,121)
(c) Wealth tax expenses relating to prior years		--	-25,180
(d) Net current tax expense		<u>42,944,480</u>	<u>39,231,699</u>
(e) Deferred tax		407,108	159,737
		<b><u>43,351,588</u></b>	<b><u>39,391,436</u></b>
<b>11 Profit from continuing operations (9+10)</b>		<u>78,656,378</u>	<u>71,481,825</u>
<b>12 Profit for the year (11)</b>		<u>78,656,378</u>	<u>71,481,825</u>
<b>13 Earnings per share (of ₹ 10/- each):</b>			
<b>Basic &amp; Diluted</b>		15.51	14.10

Significant Accounting Policies A  
The accompanying notes from an integral part of the standalone financial statements 1 to 42

As per our report of even date

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

For PARIKH & MAJMUDAR  
CHARTERED ACCOUNTANTS  
FR NO. 107525W

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

SANJIVKUMAR N. PATEL  
Managing Director  
DIN : 02794095

C.A. SANJAY MAJMUDAR  
PARTNER  
M.NO. 036791

NIKHIL PATEL  
Company Secretary

KAMLESH R. SHAH  
Chief Financial Officer

Place : AHMEDABAD  
Date : 30-05-2017

Place : RAKANPUR, DIST : GANDHINAGAR  
Date : 30-05-2017

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

	2016-2017		2015-2016	
	(₹)	(₹)	(₹)	(₹)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and Extra Ordinary Items		122,326,977		110,827,658
Adjustments for:				
Depreciation	25,815,693		23,959,182	
Provision for Diminuation in value of investment	20300			
Interest expenses	31,501,325		18,677,409	
Interest Income	(5,070,735)		(4,578,268)	
		52,266,583		38,058,323
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		174,593,560		148,885,981
Adjustment for:				
Trade and other receivables (Including Short term loans & advances)	(195,192,692)		(87,986,625)	
Inventories	(65,137,967)		36,358,422	
Trade Payable & Other Payables (Including other			22,327,165	
Long Term & other Current liabilities & Provisions)	101,209,431	(159,121,228)		(29,301,038)
<b>CASH GENERATED FROM OPERATIONS</b>		15,472,332		119,584,943
Direct Taxes paid /Payable	(42,944,480)		(39,231,699)	
		(42,944,480)		(39,231,699)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>		(27,472,148)		80,353,244
Extraordinary items:				
Prior period adjustments	(56,342)	(56,342)	(48,297)	(48,297)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		(27,528,490)		80,304,947
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets (Includ CWIP) (Net of Modvat benefit)	(27,460,805)		(26,559,455)	
Sale of Fixed Asset	520,000		93,900.00	
Interest Received	5,070,735		4,578,268	
Changes in Non Current Assets (Including Long term Loans & Advances)	30,243,958	8,373,888	-39,076,271	(60,963,558)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		8,373,888		(60,963,558)

	2016-2017		2015-2016	
	(₹)	(₹)	(₹)	(₹)
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds/(Repayment) from secured Borrowings	--		-6,300,000	
Proceeds/(Repayment) from Unsecured Borrowings	7,817,000		29,450,000	
Proceeds from Bank borrowings for Working Capital Facilities	125,310,483		-172,344,402	
Changes in Short Provision	--		--	
Corporate Dividend Paid & Dividend Tax	--		(13,425,327)	
Interest Paid	(31,501,325)		(18,677,409)	
		101,626,158		(181,297,138)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		101,626,158		(181,297,138)
NET INCREASE/(DECREASE) IN CASH AND CASH AND CASH EQUIVELANTS AS AT THE BEGINING OF THE YEAR		82,471,556		(161,955,749)
CASH AND CASH EQUIVELANTS AS AT THE CLOSING OF THE YEAR		59,161,893		221,117,642
		141,633,449		59,161,893

**Note: Cash and Cash Equivalents Includes:**

a) Cash on hand	894,736	640,547
b) Balance with Banks in Current account	67,904,521	5,252,193
c) Balance with Banks in Margin Money account	58,571,895	35,229,558
d) Balance in Dividend Account	1,372,447	1,484,587
(e) In EEFC Account	12,213,842	16,555,008
(f) Debit Balance in CC Account	676,008	--
	<b>141,633,449</b>	<b>59,161,893</b>

2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3 on "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.

As per our report of even date

**For PARIKH & MAJMUDAR**  
CHARTERED ACCOUNTANTS  
FR NO. 107525W

**C.A. SANJAY MAJMUDAR**  
PARTNER  
M NO. 036791

**Place :** AHMEDABAD  
**Date :** 30-05-2017

**For and on behalf of the Board of Directors of**  
**PATELS AIRTEMP (INDIA) LTD.**

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

**NIKHIL PATEL**  
Company Secretary

**Place :** RAKANPUR, DIST : GANDHINAGAR  
**Date :** 30-05-2017

**SANJIVKUMAR N. PATEL**  
Managing Director  
DIN : 02794095

**KAMLESH R. SHAH**  
Chief Financial Officer

## SIGNIFICANT ACCOUNTING POLICIES

### A. SIGNIFICANT ACCOUNTING POLICIES

#### i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied

#### ii) USE OF ESTIMATES

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

#### iii) RECOGNITION OF INCOME & EXPENDITURE

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

#### iv) EXCISE DUTY

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

#### v) FIXED ASSETS

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

#### vi) INVESTMENTS

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

#### vii) VALUATION OF INVENTORIES

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

#### viii) METHOD OF DEPRECIATION

- (a) Depreciation on fixed assets (other than land & goodwill, where no depreciation is provided) has been provided on Straight Line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

- (b) Depreciation on additions to Assets during the year is being provided on pro-rata basis with reference to month of acquisition/installation as required by Schedule II of the Companies Act, 2013.
- (c) Intangible assets are amortized over a period of 8 years.
- (d) No depreciation has been provided on the assets where the accumulated depreciation has exceeded 95% of its original cost.
- (e) No depreciation has been provided in respect of Capital Work In Progress.
- (f) No depreciation has been provided on self generated intangible assets.

**ix) FOREIGN CURRENCY TRANSACTIONS**

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

**x) IMPAIRMENT OF ASSETS**

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

**xi) TAXATION**

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

**xii) RETIREMENT BENEFITS**

**a) Short Term**

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

b) **Long Term**

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

c) **Defined Contribution Plans**

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

d) **Defined Benefit Plans**

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

e) **Leave Encashment**

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

**xiii) CONTINGENT LIABILITES/ CONTINGENT ASSETS**

a) Contingent liabilities are disclosed by way of note in the Balance Sheet.

b) Contingent Assets are neither recognized nor disclosed in the Financial Statements.

**xiv) CASH FLOW STATEMENT**

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

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

**xv) EARNING PER SHARE :**

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

**xvi) PROPOSED DIVIDEND & CORPORATE DIVIDEND TAX**

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

**xvii) CURRENT AND NON CURRENT CLASSIFICATION**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of activities and time between the activities performed and their subsequent realisation in cash or cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 1 Share capital**

PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
	Number of Shares	₹	Number of Shares	₹
(a) Authorised 7000000 (P. Y. 7000000) Equity shares of ₹ 10/- each	7,000,000	70,000,000	7,000,000	70,000,000
(b) Issued 5070240 (P. Y. 5070240) Equity shares of ₹ 10/- each	5,070,240	50,702,400	5,070,240	50,702,400
(c) Subscribed and fully paid up 5070240 (P. Y. 5070240) Equity shares of ₹ 10/- each	5,070,240	50,702,400	5,070,240	50,702,400
<b>Total</b>	<b>5,070,240</b>	<b>50,702,400</b>	<b>5,070,240</b>	<b>50,702,400</b>

**Notes :**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

PARTICULARS	As at 31 March, 2017		As at 31 March, 2016	
	No. of Shares	Amt ₹	No. of Shares	Amt ₹
Equity shares with Equal voting rights				
OP Balance	5,070,240	50,702,400	5,070,240	50,702,400
Fresh Issue	--	--	--	--
Bonus Share	--	--	--	--
CL Balance	<b>5,070,240</b>	<b>50,702,400</b>	<b>5,070,240</b>	<b>50,702,400</b>

**Note:** The Company has only one class of Shares having Par Value of ₹ 10 per Share. Each Share holder is eligible for one vote per share.

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

Class of shares / Name of shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Therm Flow Engineers Pvt. Ltd.	1,364,512	26.91%	1,364,512	26.91%
Devidas Chelaram Narumalani	290,145	5.72%	290,145	5.72%
Narendrabhai Gopalbhai Patel	303,801	5.99%	303,801	5.99%



PARTICULARS	As at 31-3-2017 (₹)	As at 31-3-2016 (₹)
<b>Note 2 Reserves and surplus</b>		
(a) General reserve		
Opening balance	81,500,000	72,500,000
Add: Transferred from surplus in Statement of Profit and Loss	--	9,000,000
Less: Utilised / transferred during the year		
Closing balance	<u>81,500,000</u>	<u>81,500,000</u>
(b) Other reserves-CAPITAL INVESTMENT SUBSIDY		
Opening balance	1,500,000	1,500,000
Add: Additions / transfers during the year	--	--
Less: Utilisations / transfers during the year	--	--
Closing balance	<u>1,500,000</u>	<u>1,500,000</u>
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	458,635,776	409,579,278
Less: Adjustment on account of change in useful life of asset	--	--
Less: Short Provision of Dividend Distribution Tax	--	--
Add: Profit / (Loss) for the year	78,656,378	71,481,825
Less: Final dividend		
Dividends proposed to be distributed to equity shareholders [(₹ NIL/- per share) (P.Y 31st March 2016, ₹ 2.20/- per Share)]	--	11,154,528
Tax on dividend	--	2,270,799
Transferred to:		
General reserve	--	9,000,000
Closing balance	<u>537,292,153</u>	<u>458,635,776</u>
<b>Total</b>	<u><u>620,292,153</u></u>	<u><u>541,635,776</u></u>
<b>Note 3 Long-term borrowings</b>		
(a) Loans and advances from related parties		
Directors : Unsecured	14,850,000	11,400,000
Relatives : Unsecured	49,592,000	45,225,000
<b>Total</b>	<u><u>64,442,000</u></u>	<u><u>56,625,000</u></u>
<b>Note 4 Other long-term liabilities</b>		
(a) Others:		
(i) Others : Long term payables	1,152,994	1,152,994
<b>Total</b>	<u><u>1,152,994</u></u>	<u><u>1,152,994</u></u>
<b>Note 5 Long-term provisions</b>		
(a) Provision for employee benefits:		
(i) Provision for Leave encashment	3,547,993	2,375,192
<b>Total</b>	<u><u>3,547,993</u></u>	<u><u>2,375,192</u></u>

PARTICULARS	As at 31-3-2017 (₹)	As at 31-3-2016 (₹)
<b>Note 6 Short-term borrowings</b>		
(a) Loans repayable on demand		
From Bank of Baroda (Refer Note 1 below)		
Secured	171,183,916	45,873,433
<b>Total</b>	<b>171,183,916</b>	<b>45,873,433</b>
<b>Notes :</b> Working Capital facilities from Bank of Baroda is secured by way of hypothecation of raw-materials, stores and spares, work-in-progress of finished goods and book debts of the company both present and future and first charge on company's plant & machinery, other movable assets of the company as well as secured by mortgage of companies factory land and building situated at Plot no. 805, 806, 807, and 810 at Rakanpur, Tal. Kalol, Dist. Gandhinagar and secured by equitable mortgage of plot no 811 of the company situated at village Rakanpur Taluka Kalol Dist Gandhinagar as collateral security and is also personally guaranteed by the Promoters of the company.		
<b>Note 7 Trade payables</b>		
Trade payables:		
Total Outstanding dues of micro enterprises and small enterprises	23,467,246	31,545,642
Total Outstanding dues of creditors other than micro enterprises and small enterprises	169,981,528	88,298,906
(Refer Note No 34 of notes forming part of financial statements)		
<b>Total</b>	<b>193,448,774</b>	<b>119,844,548</b>
For Goods	141,879,755	115,314,438
For Expenses	51,569,019	22,861,275
{Refer Note No. 38}		
<b>Total</b>	<b>193,448,774</b>	<b>138,175,713</b>
<b>Note 8 Other current liabilities</b>		
(a) Current maturities of long-term debt	--	--
(b) Unpaid dividends	1,372,447	1,484,587
(c) Statutory Liabilities	8,922,712	9,919,845
(d) Payables on purchase of fixed assets	51,722	523,829
(e) Advance from customers	135,216,869	93,510,504
<b>Total</b>	<b>145,563,750</b>	<b>105,438,765</b>
<b>Note 9 Short-term provisions</b>		
(a) Provision for employee benefits:		
(i) For bonus	2,080,100	1,750,933
(b) Provision - Others:		
(i) Provision for tax (net of Advance Tax and TDS)	3,278,254	3,874,675
(ii) Provision for proposed equity dividend	--	11,154,528
(iii) Provision for tax on proposed dividend	--	2,270,799
<b>Total</b>	<b>5,358,354</b>	<b>19,050,935</b>

## Note 10 Fixed assets

(in ₹)

A. Tangible assets	Gross block					
	Balance as at 1 April, 2016	Additions	Disposals	Balance as at 31 March, 2017	Balance as at 1 April, 2016	Amount transferred to reserve
(a) Land - Freehold	2,642,034	–	–	2,642,034	–	–
(b) Buildings	58,122,219	135,885	–	58,258,104	23,108,813	–
(c) Plant and Equipment	264,213,413	7,234,372	–	271,447,785	115,368,602	–
(d) Electrical installation	10,691,215	7,423,741	–	18,114,956	5,438,156	–
(e) Furniture and Fixtures	9,198,800	518,916	–	9,717,716	5,102,491	–
(f) Vehicles	41,773,757	6,768,781	2,383,918	46,158,620	16,316,721	–
(g) Office equipment	5,962,247	685,080	–	6,647,327	4,265,148	–
(h) Road	6,758,142	–	–	6,758,142	2,036,333	–
(i) Computer	5,087,460	577,250	–	5,664,710	4,069,821	–
<b>Total</b>	<b>404,449,287</b>	<b>23,344,025</b>	<b>2,383,918</b>	<b>425,409,394</b>	<b>175,706,085</b>	<b>–</b>
<b>Previous year</b>	<b>379,081,822</b>	<b>25,367,465</b>	<b>–</b>	<b>404,449,287</b>	<b>153,399,370</b>	<b>–</b>

A. Tangible assets	Accumulated depreciation and impairment				Net Block
	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2017	Balance as at 31 March, 2017	Balance as at 31 March, 2016
(a) Land - Freehold	–	–	–	2,642,034	2,642,034
(b) Buildings	1,653,948	–	24,762,761	33,495,343	35,013,406
(c) Plant and Equipment	13,284,526	–	128,653,128	142,794,657	148,844,811
(d) Electrical installation	958,442	–	6,396,598	11,718,358	5,253,059
(e) Furniture and Fixtures	785,911	–	5,888,402	3,829,314	4,096,309
(f) Vehicles	5,468,819	1,601,249	20,184,291	25,974,329	25,457,036
(g) Office equipment	646,188	–	4,911,336	1,735,991	1,697,099
(h) Road	966,580	–	3,002,913	3,755,229	4,721,809
(i) Computer	501,710	–	4,571,531	1,093,179	1,017,639
<b>Total</b>	<b>24,266,123</b>	<b>1,601,249</b>	<b>198,370,959</b>	<b>227,038,435</b>	<b>228,743,202</b>
<b>Previous year</b>	<b>22,306,715</b>	<b>–</b>	<b>175,706,085</b>	<b>228,743,202</b>	<b>225,682,452</b>

## Note 11 Fixed assets (contd.)

B. Intangible assets	Gross block					
	Balance as at 1 April, 2016	Additions	Disposals	Balance as at 31 March, 2017	Balance as at 1 April, 2016	Amount transferred to reserve
(a) Goodwill	37040	–	–	37,040	–	–
(b) Technical Knowhow	4,364,500	–	–	4,364,500	2,618,700	–
(c) Computer software	5698572	–	–	5,698,572	4,691,406	–
<b>Total</b>	<b>10,100,112</b>	<b>–</b>	<b>–</b>	<b>10,100,112</b>	<b>7,310,106</b>	<b>–</b>
<b>Previous year</b>	<b>9,890,112</b>	<b>210,000</b>	<b>–</b>	<b>10,100,112</b>	<b>5,657,639</b>	<b>–</b>

B. Intangible assets	Accumulated depreciation and impairment				Net Block
	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2017	Balance as at 31 March, 2017	Balance as at 31 March, 2016
(a) Goodwill	–	–	–	37,040	37,040
(b) Technical Knowhow	872,900	–	3,491,600	872,900	1,745,800
(c) Computer software	676,670	–	5,368,076	330,496	1,007,166
<b>Total</b>	<b>1,549,570</b>	<b>–</b>	<b>8,859,676</b>	<b>1,240,436</b>	<b>2,790,006</b>
<b>Previous year</b>	<b>1,652,467</b>	<b>–</b>	<b>7,310,106</b>	<b>2,790,006</b>	<b>4,232,473</b>

PARTICULARS	As at 31-3-2017 (₹)			As at 31-3-2016 (₹)		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total

**Note 11 Non-current investments**

	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>B. Other investments</b>						
(b) Investment in equity instruments						
(i) 14,000 Equity Shares of M/s. Gujarat State Financial Corporation of ₹ 10/- each purchased @ ₹ 20/- per share	280,000	–	280,000	280,000	–	280,000
<b>Total - Other investments (B)</b>	280,000	–	280,000	280,000	–	280,000
<b>Total</b>	<b>280,000</b>	<b>–</b>	<b>280,000</b>	<b>280,000</b>	<b>–</b>	<b>280,000</b>
<b>Less :</b>			<b>280,000</b>			<b>280,000</b>
Provision for diminution in value of investment			<b>280,000</b>			<b>259,700</b>
Aggregate amount of quoted investments			–			20,300
Market Value is ₹. Nil (P.Y. ₹. 3 per share)			–			20,300

**Note 12 Long-term loans and advances**

(a) Deposits	2,286,337	3,808,949
(b) Advance for Capital Expenditure	78,278	110,558
<b>Total</b>	<b>2,364,615</b>	<b>3,919,507</b>

**Note 13 Other non-current assets**

(Unsecured, considered good )		
(a) Long-term trade receivables	37,039,846	58,599,091
(b) Accruals		
(i) Interest accrued on deposits	4,907,392	11,912,617
(c) Advance to suppliers	5,422,018	5,546,614
<b>Total</b>	<b>47,369,256</b>	<b>76,058,322</b>

**Note 14 Inventories**

(As taken, valued and certified by a director)

Raw Materials (Including goods in transit ₹ 8337258 (P.Y. ₹ 7098655))	118,384,052	127,451,423
Work In Progress	169,045,028	98,053,116
Tools and Spares	3,690,278	–
Finished Goods	115,088	–
Stock in trade (acquired for trading)	1,888,900	2,480,840
<b>Total</b>	<b>293,123,346</b>	<b>227,985,379</b>

**Note 15 Trade receivables**

(Secured, considered good)

Trade receivables		
Outstanding for a period exceeding six months	131,505,972	80,973,554
Others	399,522,308	269,849,807
<b>Total</b>	<b>531,028,280</b>	<b>350,823,361</b>

**Note 16 Cash and cash equivalents**

(a) Cash on hand	894,736	640,547
(b) Balances with banks		
(i) In current accounts	67,904,521	5,252,193
(ii) In deposit accounts / Margin Money A/c (Includes ₹ 5,85,71,895 [P.Y ₹ 3,52,29,558] maturing after 12 Months from Reporting date)	58,571,895	35,229,558
(iii) In earmarked accounts		
- Unpaid dividend accounts	1,372,447	1,484,587
(iv) In EEFC Account	12,213,842	16,555,008
(v) Debit Balance in CC Account	676,008	–
<b>Total</b>	<b>141,633,449</b>	<b>59,161,893</b>

PARTICULARS	For the year ended 31 March, 2017 (₹)	For the year ended 31 March, 2016 (₹)
<b>Note 17 Short-term loans and advances</b>		
(a) Advance Recoverable in cash or in kind or for value to be received	70,421	250,332.00
(b) Prepaid expenses	3,177,406	3,463,865
(c) Balances with government authorities	7,458,440	4,626,194
(d) Advance to Suppliers	21,881,585	9,259,688
<b>Total</b>	<b>32,587,852</b>	<b>17,600,079</b>
<b>Note 18 Revenue from operations</b>		
(a) Sale of products (Refer Note (i) below)		
- Domestic	1,229,644,659	1,070,510,821
- Export	207,812,043	226,351,165
	<u>1,437,456,702</u>	<u>1,296,861,986</u>
(b) Sale of services (Refer Note (ii) below)	16,468,624	41,036,905
(c) Other operating revenues (Refer Note (iii) below)	32,145,629	38,684,003
	<u>1,486,070,955</u>	<u>1,376,582,894</u>
<u>Less:</u>		
(d) Excise duty	124,611,357	110,111,347
<b>Total</b>	<b>1,361,459,598</b>	<b>1,266,471,547</b>
(i) Sale of products comprises (Net)		
<u>Manufactured goods</u>		
1. Heat Exchanger & Accessories	628,526,629	213,639,590
2. Steam Coil / Heaters	46,336,666	28,973,720
3. Air Conditioning & Refrigeration	63,919,892	31,733,116
4. Air Cooled Heat Exchanger & Accessories	339,510,956	697,518,634
5. Pressure Vessels & Accessories	173,431,706	133,501,051
6. Finned Tubes / Fine Tube Bundles / Elements	811,823	6,547,172
7. Other Plants Equipments & Accessories	10,117,020	7,136,453
<u>Trading Goods</u>		
1 Window & Split AC with Accessories	50,190,653	67,700,903
<b>Total - Sale of manufactured goods</b>	<b>1,312,845,345</b>	<b>1,186,750,639</b>
(ii) Sale of services comprises:		
Processing Charges (TDS ₹ 236057/- P.Y ₹ 716827/-)	16,468,624	41,036,905
<b>Total - Sale of services</b>	<b>16,468,624</b>	<b>41,036,905</b>
(iii) Other operating revenues comprise:		
Inspection Charges Receipt (TDS ₹ NIL(PY ₹ Nil )	2,217,133	957,050
Transportation Charges	18,513,510	21,988,344
Octroi Charges Receipt	-	38,661
Packing Charges Receipt	266,811	443,073
Professional Charges (TDS ₹ NIL)(P.Y ₹ 99780 )	-	1,189,800
Misc Income	400,000	50,175
Service Tax Set Off	6,557,217	8,954,701
Foreign Exchange Fluctuation	-	533,426
Duty Draw Back	4,190,958	4,528,773
<b>Total - Other operating revenues</b>	<b>32,145,629</b>	<b>38,684,003</b>
<b>Total Revenue From Operations</b>	<b>1,361,459,598</b>	<b>1,266,471,547</b>
<b>Note 19 Other income</b>		
(a) Interest income (TDS of ₹ 3,85,689/- (P. Y. 3,06,930/-)	5,070,735	4,578,268
(b) Interest on I. T. Refund	-	-
<b>Total</b>	<b>5,070,735</b>	<b>4,578,268</b>

Note Particulars	For the year ended 31 March, 2017 (₹)	For the year ended 31 March, 2016 (₹)
(i) Interest income comprises:		
Interest from banks on:		
deposits [TDS ₹. 368044 (P.Y. ₹. 294199)]	4,894,240	4,450,953
Interest on Deposit with GEB [TDS ₹ 17645 (P.Y. ₹ 12731)]	176,495	127,315
Interest on I. T. Refund	-	-
<b>Total - Interest income</b>	<b>5,070,735</b>	<b>4,578,268</b>
<b>Note 20 Cost of materials consumed</b>		
Opening stock	127,451,423	102,324,466
Add: Purchases	732,040,621	616,617,370
	859,492,044	718,941,836
Less: Closing stock	118,384,052	127,451,423
<b>Cost of material consumed</b>	<b>741,107,992</b>	<b>591,490,413</b>
Material consumed comprises:		
Iron & Steel Flanges	384569955	243599944
Non Ferrous (Copper / Brass Tubes)	58137138	31457005
Non Ferrous (Copper / Allu / Brass Plates)	46624928	83419467
Pipes & Tubes	148315646	95767307
Other Material	212018905	229541231
Less	849,666,572	683,784,954
Cenvat & VAT Setoff	108558580	92294541
<b>Total</b>	<b>741,107,992</b>	<b>591,490,413</b>
<b>Note 21 Purchase of traded goods</b>		
Traded goods	44,257,769	58,013,693
<b>Total</b>	<b>44,257,769</b>	<b>58,013,693</b>
Trading Goods comprises:		
Window & Split AC with Accessoires	44,257,769	58,013,693
<b>Total</b>	<b>44,257,769</b>	<b>58,013,693</b>
<b>Note 22 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<u>Inventories at the end of the year:</u>		
Finished goods	115,088	-
Work-in-progress	169,045,028	98,053,116
Stock-in-trade	1,888,900	2,480,840
	<b>171,049,016</b>	<b>100,533,956</b>
<u>Inventories at the beginning of the year:</u>		
Finished goods	-	2,023,718
Work-in-progress	98,053,116	156,623,868
Stock-in-trade	2,480,840	3,371,749
	<b>100,533,956</b>	<b>162,019,335</b>
<b>Net Increase / (Decrease)</b>	<b>70,515,060</b>	<b>-61,485,379</b>
<b>22.a Details of Finished Goods</b>		
Oil Cooler	115,088	-
<b>TOTAL</b>	<b>115,088</b>	<b>-</b>
<b>22.b Details of Trading Goods</b>		
Window & Split AC with Accessoires	1,888,900	2,480,840
<b>TOTAL</b>	<b>1,888,900</b>	<b>2,480,840</b>
<b>Note 23 Employee benefits expense</b>		
Salaries and wages	70069257	61,670,585
Contributions to provident and other funds	5490430	6,337,826
Staff welfare expenses	3480002	2,652,128
<b>Total</b>	<b>79,039,689</b>	<b>70,660,539</b>

PARTICULARS	For the year ended 31 March, 2017 (₹)	For the year ended 31 March, 2016 (₹)
<b>Note 24 Other Manufacturing Expense</b>		
Labour Charges	141622735	116,648,795
Factory Expenses	19324984	12,911,266
Consumption of stores and welding Accessories	33130579	26,131,982
Consumption of loose tools	46148742	31,050,115
Consumption of packing materials	5091096	4,359,831
Power and fuel	10139227	10,423,932
<b>Total</b>	<b>255,457,363</b>	<b>201,525,921</b>
<b>Note 25 Finance costs</b>		
(a) Interest expense on:		
(i) Borrowings	6,938,335	1,049,713
(ii) On Unsecured Loan	6,653,750	6,355,279
(iii) Others		
- Others	40,436	184,773
(b) Other financial charges	16,621,042	11,087,644
(c) Foreign Exchange Fluctuation	1,247,762	-
<b>Total</b>	<b>31,501,325</b>	<b>18,677,409</b>
<b>Note 26 Other expenses</b>		
Provision for Excise Duty (Finished Goods)	12,788	-224,858.00
Late Delivery Charges	21,559,245	7,171,888
Sitting Fees	42,500	40,500
Repairs and maintenance - Buildings	1,577,769	1,861,250
Repairs and maintenance - Machinery	13,862,297	12,040,377
Repairs and maintenance - Others	2,708,032	4,348,931
Insurance	323,526	201,409
Rates and taxes	1,879,401	692,822
Communication and Telephone Expenses	2,621,014	2,443,693
Travelling and conveyance	11,277,070	11,706,049
Printing and stationery	2,302,238	2,310,428
Freight and forwarding	42,273,617	37,146,108
Sales Tax Expenses	1,322,500	82,526
Service Tax Expenses		
Sales commission	3,065,690	9,397,511
Business promotion expenses	650,356	678,783
Donations and contributions	18,978	74,100
Legal and professional	16,717,170	18,404,693
Payments to auditors	143,175	234,931
Balances Written off (net)	-	9,007,758
Provision for diminution in value of Investment	20,300	-
Corporate Social Responsibility Contribution	1,866,555	1,717,000
Kasar Vataw/ Rate Difference	6,433	2,636,665
Miscellaneous expenses	13,287,931	12,437,057
Prior Period Adjustment	56,342	48,297
<b>Total</b>	<b>137,594,927</b>	<b>134,457,918</b>
(i) Payments to the auditors comprises		
As auditors - Statutory audit	116000	115,450
- Tax Audit	10,500	10,500
- Taxation Matters	-	-
- Management Services	-	-
- Company Law Matters	-	-
- Certification fees & Other Services	16,675	108,981
- Reimbursement of Expenses	-	-
<b>Total</b>	<b>143,175</b>	<b>234,931</b>

**27. Capital Commitments & Contingent Liabilities not provided for:**

**a) Contingent Liabilities**

(₹ in lacs)

Particulars	As at 31/03/2017	As at 31/03/2016
Outstanding Bank Guarantees	3359.98	2659.23
Outstanding Foreign Bank Guarantees	US \$ 798618.38	US \$ 4,50,118.40
Outstanding Inland Letter of Credit	31.22	14.67
Outstanding Foreign Letter of Credit	US \$ 713036.56	US \$ NIL

**b) Capital Commitments**

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

**28. RELATED PARTY INFORMATION**

The company has transactions with following related parties

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

Note : Related Parties have been identified by the Management.

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
Narayanbhai G. Patel	Chairman & Whole-time Director	Remuneration	31,63,820 (28,89,310)	5250000 (21,75,000)
		Interest	4,20,192 (2,72,037)	
		Loan taken	30,75,000 (54,65,000)	
		Loan Repaid	NIL (99,90,000)	
Prakashbhai N. Patel	Managing Director	Remuneration	31,85,785 (29,90,899)	27,05,000 (6,95,000)



Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
		Interest	2,57,435 (1,63,057)	
		Loan taken	29,10,000 (5,70,000)	
		Loan Repaid	9,00,000 (40,00,000)	
Sanjeevkumar N. Patel	Managing Director	Remuneration	30,29,802 (27,49,246)	68,95,000 (85,30,000)
		Interest	8,06,947 (8,77,640)	
		Loan taken	23,90,000 (94,80,000)	
		Loan Repaid	40,25,000 (1,73,00,000)	
Narendra G. Patel	Director	Remuneration	30,82,177 (28,03,076)	Nil
		Sale of Air Conditioner	Nil (3,39,127)	
D.C. Narumalani*	Director	Remuneration	Nil (6,43,854)	Nil
Sitaben Patel	Wife of Director	Loan taken	6,05,000 (1,80,90,000)	95,95,000 (90,90,000)
		Loan Repaid	Nil (90,00,000)	
		Interest	10,28,117 (9,14,647)	
Shivang Patel	Son of Director	Loan taken	36,15,000 (39,00,000)	40,15,000 (34,00,000)
		Loan Repaid	30,00,000 (5,00,000)	
		Interest	3,53,002 (3,86,103)	
		Trainee Wages	50,000 (1,10,000)	
Aarti Patel	Wife of Director	Loan taken	13,20,000 (65,70,000)	7890000 (65,70,000)
		Loan Repaid	Nil (Nil)	
		Interest	8,15,575 (6,78,687)	

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in ₹)	Balance at the end of the year (in ₹)
Jalpa Patel	Wife of Director	Loan taken	6,55,000 (1,02,30,000)	1,08,70,000 (1,02,15,000)
		Loan Repaid	Nil (15,000)	
		Interest	11,55,440 (10,62,229)	
Narayanbhai G. Patel HUF	Director is Karta of HUF	Loan taken	22,000 (94,15,000)	4,37,000 (4,15,000)
		Loan Repaid	Nil (90,00,000)	
		Interest	46,533 (4,72,078)	
Prakashbhai N. Patel HUF	Director is Karta of HUF	Loan taken	4,90,000 (37,40,000)	42,30,000 (37,40,000)
		Loan Repaid	Nil (Nil)	
		Interest	4,41,012 (3,03,978)	
Sanjivkumar N. Patel HUF	Director is Karta of HUF	Loan taken	7,00,000 (1,18,10,000)	1,24,55,000 (1,17,95,000)
		Loan Repaid	40,000 (15,000)	
		Interest	13,29,497 (12,24,823)	
Mukundbhai G Patel	Relative of the Director	Remuneration	508002	NIL
Kamlesh R. Shah	Chief Financial Officer	Remuneration	8,69,319 (7,88,135)	NIL
Nikhil Patel***	Company Secretary	Remuneration	9,45,760 (217060)	NIL

## 29. 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 Accounting Standard 17.

### Secondary Segment – Geographical Segment

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

Sales within India include sales to customers located within India.

Sales outside India include sales to customers located outside India.

**Information pertaining to Secondary Segment****Gross revenue from operations as per Geographical Locations****(in ₹)**

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Within India	1,22,96,44,659	1,07,05,10,821
Canada	10,61,98,239	11,84,86,928
Nigeria	9,90,52,478	7,30,399
Indonesia	24,16,326	15,22,713
Kazakhstan	--	8,40,11,125
Dubai (UAE)	1,45,000	2,16,00,000
<b>Total</b>	<b>1,43,74,56,702</b>	<b>1,29,68,61,986</b>

**30. EARNING PER SHARE**

Particulars	31-03-2017	31-03-2016
<b>- Net Profit for the year</b>	<b>78,656,378</b>	<b>71,481,825</b>
<b>- Number of Equity Shares</b>	<b>5,070,240</b>	<b>5,070,240</b>
<b>Basic &amp; Diluted Earning per Share (Price per share ₹ 10)</b>	<b>15.51</b>	<b>14.10</b>

31. 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.

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

**33. Corporate Social Responsibility**

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

(b) Amount spent during the year on:

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

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

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

Particulars	2016-17	2015-16
The Principal Amount	23,467,246	31,545,642
Interest Paid under MSMED Act, 2006	NIL	NIL
Interest due (Other than 23.3 (b))	NIL	NIL
Interest accrued and unpaid	NIL	NIL
Interest due and payable till actual payment	NIL	NIL

**35. EMPLOYEE BENEFIT OBLIGATION**

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

**Defined Contribution Plan:**

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

Particulars	2016-17	2015-16
Employer's Contribution to Provident Fund	24,85,477	23,70,097

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

The expense recognized in the statement of Profit & Loss, which is equal to the contribution due / paid for the year.

**36. DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

SR		SEPCIFIED BANK NOTES (₹)	OTHER DENOMINATION (₹)	TOTAL (₹)
		I.E Rs 1000 & 500 DENOMINATION	NOTES I.E RS 100,50,10 ETC	
	Closing Cash on hand as on 08-11-2016	4,22,500	10,56,851	14,79,351
ADD	Permitted Receipts	NIL	11,84,131	11,84,131
Less	Permitted Payments	NIL	9,49,884	9,49,884
Less	Amount Deposited in bank	4,22,500	NIL	4,22,500
	Closing Cash on hand as on 30-12-2016	NIL	12,91,098	12,91,098

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.*

**36. A Break up of Deferred tax Liabilities (Net ) as at 31-03-17 is as under:-**

(A) Deferred Tax Assets	Amount (Rupees)	Amount (Rupees)
- 43B Difference	1947883	1428052
<b>TOTAL (A):-</b>	<b>1947883</b>	<b>1428052</b>
(B) Deferred Tax Liability		
- Depreciation Difference	27739987	26813048
<b>TOTAL (B):-</b>	<b>27739987</b>	<b>26813048</b>
<b>Deferred Tax Liabilities/(Assets) (NET) (B-A)</b>	<b>25792104</b>	<b>25384996</b>

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

(amount ₹ in)

Raw Materials	2016-17		2015-16	
	Value (₹)	(%)	Value (₹)	(%)
a) Imported	6,23,86,976	8.42	5,32,93,246	9.01
b) Indigenous	67,87,21,016	91.58	53,81,97,167	90.99
<b>TOTAL :-</b>	<b>74,11,07,992</b>	<b>100.00</b>	<b>59,14,90,413</b>	<b>100.00</b>

**[2] STORES & TOOL CONSUMED**

(amount ₹ in)

Particulars	2016-17		2015-16	
	Value (₹)	(%)	Value (₹)	(%)
a) Imported	--	--	6,75,888	1.18
b) Indigenous	79,279,321	100.00	5,65,06,209	98.82
<b>TOTAL :-</b>	<b>79,279,321</b>	<b>100.00</b>	<b>5,71,82,097</b>	<b>100.00</b>

**[3] TRADING GOODS**

(amount ₹ in)

Particulars	2016-17		2015-16	
	Value (₹)	(%)	Value (₹)	(%)
a) Imported	---	---	---	---
b) Indigenous	44,257,769	100.00	5,80,13,693	100.00
<b>TOTAL :-</b>	<b>44,257,769</b>	<b>100.00</b>	<b>5,80,13,693</b>	<b>100.00</b>

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

Particulars	Year ended 31.03.2017 (₹)	Year ended 31.03.2016 (₹)
i) Capital Goods	40,77,817	1,11,50,632
ii) Raw Materials	6,58,60,005	4,94,88,891
iii) Consumable Tools	--	6,75,888

**39. Expenditure in foreign currency**

i) Subscription and Registration Fees	25,95,574	26,98,005
ii) Repairs to Plant & M/c.	15,13,667	35,29,850
iii) Foreign Traveling Expenditure	5,88,899	21,79,518

**40. Earning in Foreign Exchange**

Earning in foreign Exchange (FOB Value of Exports)	20,78,12,043	22,63,51,165
--	--------------	--------------

41) Previous year's figures have been re-grouped/rearranged wherever necessary to make them comparable with current years figures.

42) The Government of India, vide notification dated March 30, 2016 and Circular No. 4/2016 dated April 27, 2016 had amended The Companies (Accounting Standards) Rules, 2016 effective from March 30, 2016. According to the amended rules the proposed dividend will not be recorded as a

liability as at March 31, 2017 (Refer para 8.5 of AS4- Contingencies and Events occurring after the Balance Sheet date). Accordingly the proposed dividend of ₹ 2.5 each per share and tax thereon are not recognized as Liability in the annual accounts of the financial year ending 31/03/2017. However, the same will be considered as Liability on approval of shareholders at ensuing Annual General Meeting.

Significant Accounting Policies : A

**-: Notes on Financial Statement - 1 to 42 :-**

As per our report of even date

**For PARIKH & MAJMUDAR**  
CHARTERED ACCOUNTANTS  
FR NO. 107525W

**C.A. SANJAY MAJMUDAR**  
PARTNER  
M NO. 036791

**Place : AHMEDABAD**  
**Date : 30-05-2017**

**For and on behalf of the Board of Directors of**  
**PATELS AIRTEMP (INDIA) LTD.**

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

**NIKHIL PATEL**  
Company Secretary

**Place : RAKANPUR, DIST : GANDHINAGAR**  
**Date : 30-05-2017**

**SANJIVKUMAR N. PATEL**  
Managing Director  
DIN : 02794095

**KAMLESH R. SHAH**  
Chief Financial Officer



## PATELS AIRTEMP (INDIA) LIMITED

(CIN: L29190GJ1992PLC017801)

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

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

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

### E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

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

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow Shareholders to contribute towards a greener environment. This is a golden opportunity for every Shareholder of PatelsAirtemp (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 PatelsAirtemp (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 directly to my/our Bank Account through the Electronic Clearing System (ECS)/ to prepare my/our dividend warrant with details of my/our Bank Account No. and Name of the Bank & Branch.

The Details of the Bank Account are given below.

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

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

\*\*I/We enclose a blank cancelled cheque.





## PATELS AIRTEMP (INDIA) LTD.

(CIN: L29190GJ1992PLC017801)

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

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

### ATTENDANCE SLIP

**25<sup>th</sup> Annual General Meeting - 19<sup>th</sup> September, 2017**

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

No. of Shares held : \_\_\_\_\_

I hereby record my presence at the 25<sup>th</sup> Annual General Meeting of the Members of the Company held on Tuesday, the 19<sup>th</sup> September, 2017, at 10.00 a.m., at the Registered Office of the Company at 5<sup>th</sup> Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad - 380 009.

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

- NOTES: 1. You are requested to sign and hand over this attendance slip at the entrance.  
2. Members are requested to bring their copies of the Annual Report to the meeting, since further Copies will not be available.

### Route-Map of the Venue of AGM





**PATELS AIRTEMP (INDIA) LTD.**

(CIN: L29190GJ1992PLC017801)

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

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

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

**PROXY FORM**

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

**25<sup>th</sup> Annual General Meeting - 19<sup>th</sup> September, 2017**

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

I / We, being the member(s) of \_\_\_\_\_ Equity Shares of the above named company, hereby appoint:

1. Name & Address : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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

2. Name & Address : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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

3. Name & Address : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Tuesday, the 19th September, 2017, at 10.00 a.m., at the Registered Office of the Company at 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad - 380 009 and at any adjournment thereof in respect of such resolutions as are indicated below and whose signature(s) are appended below.

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

Sr. No.	Resolution(s)	See Note No. 3	(Please mention No. of Shares)
		Vote for	Vote against
1	Adoption of Financial Statements of the Company for the financial year ended 31st March, 2017 and the Reports of the Directors and Auditors thereon.		
2	Declaration of Dividend on Equity Shares for the year ended 31st March, 2017.		
3	Re-appointment of Mr. Prakash N. Patel (DIN: 00249210), as a Director of the Company who retires by rotation in terms of Section 152(6)(d) of the Companies Act, 2013 and being eligible offers himself for re-appointment.		

**CONTINUE SEE OVERLEAF**

Sr. No.	Resolution(s)	See Note No. 3	(Please mention No. of Shares)
		Vote for	Vote against
4	Appointment of M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad, having Firm Registration No. 113742W, as Statutory Auditors of the Company in place of existing Auditors to hold office from the conclusion of this 25th AGM for term of consecutive five years till conclusion of the 30th AGM and authorize the Board to fix their remuneration.		
5	Payment and ratification of remuneration to be paid to Cost Auditors for the financial year ending March 31, 2018.		
6.	To keep Register and Index of Members at the Ahmedabad Office of M/s. Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent of the Company instead of keeping and maintaining the same at the Registered Office of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of Shareholder(s) : \_\_\_\_\_

Affix ₹ 1/-  
Revenue  
Stamp

\_\_\_\_\_  
Signature of First Proxyholder

\_\_\_\_\_  
Signature of Second Proxyholder

\_\_\_\_\_  
Signature of Third Proxyholder

**NOTES:**

- 1) This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the 25th Annual General Meeting. (On or before 17th September, 2017 at 10.00 a.m. IST)
- 2) The proxy need not be a member of the company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
- 3) It is optional to indicate your preference. If you leave the "for" or "against" column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.



## KEY PERFORMANCE INDICATORS OF THE COMPANY

(₹ In Lacs except EPS)

Sr. No.	PARTICULARS	2016-17	2015-16	2014-15	2013-14	2012-13
1	Revenue from Operations (Net)	13614.60	12664.72	11274.64	7075.22	9057.95
2	Profit Before Tax (PBT)	1220.08	1108.74	961.96	722.41	737.75
3	Profit After Tax (PAT)	786.56	714.82	620.24	466.45	494.65
4	Reserves & Surplus	6202.92	5416.36	4835.79	4417.03	4068.43
5	Dividend (In %)	25%	22%	22%	20%	20%
6	Earning Per Share (EPS in Rs.)	15.51	14.10	12.23	9.20	9.76

## DIVIDEND HISTORY FOR LAST 10 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%) (Recommended)

Patels Airtemp (India) Ltd.



URL



Business Card

## Courier

To,



If undelivered please return to :

**Patels Airtemp (India) Ltd.**

Registered Office : 5th Floor, Kalpana Complex,

Nr. Memnagar Fire Station,

Navrangpura, Ahmedabad - 380 009.

Phone : 079-27913694, 5, 6 Fax : 079-27913693

Email : [share@patelsairtemp.com](mailto:share@patelsairtemp.com)

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

