



PATELS AIRTEMP (INDIA) LIMITED

**Transcript of
29th
Annual General Meeting**

**Held on
28th September, 2021**

**At
11:30 A. M.**

**Through
Video Conferencing / Other Audio Visual Means
("VC/OAVM")**



Welcome Address –Mr. Nikhil M. Patel, Company Secretary

I am Nikhil Patel, Company Secretary of Patels Airtemp (India) Limited present in this meeting at the common venue.

On behalf of the Board of Directors and Chairman of the Company, I welcome the members at this 29th Annual General Meeting of the Members of the Company through Video Conferencing (VC).

In view of ongoing COVID-19 pandemic prevailing across the country, this Annual General Meeting is being conducted through Video Conferencing (VC) in accordance with the framework issued by Ministry of Corporate Affairs & SEBI vide their various circulars.

The Company has availed the facility of video conferencing provided by CDSL for holding this meeting and for remote e-voting as well as e-voting during this meeting.

Facility for joining this meeting through Video Conferencing (VC) is made available for the members on a first-come-first-served basis and will continue throughout the proceedings of this meeting.

In this meeting, Mr. Narayanbhai G. Patel, being Chairman of the Board of Directors, who is personally present at the common venue, has presided over this meeting as a Chairman. He is the Chairman & Whole-time Director of the Company.

Mr. Shivang P. Patel, Whole-time Director and Mr. Apurva V. Shah, Whole-time Director of the Company are also personally present in this meeting at the common venue.

Mr. Hareshkumar I. Shah, Independent Director of the Company is also personally present in this meeting at the common venue. Mr. Hareshkumar I. Shah is a Chairman of all Board Committees including Audit Committee and Stakeholder's Relationship Committee of the Directors of the Company.

Mr. Sanjiv N. Pael, Managing Director of the Company and Mr. Rajendrakumar C. Patel, Independent Director of the Company, is also present in this meeting through Video Conferencing (VC).

Mr. Kamlesh R. Shah, Chief Financial Officer (CFO) of the Company is personally present at the common venue.

Mr. Vasant Tanna, Partner of Shah & Shah Associates, Statutory Auditors of the Company, is also present in this meeting through VC.

Mr. Punit Lath, Practicing Company Secretary & Secretarial Auditor of the Company is also present at the common venue. Mr. Punit Lath, Practicing Company Secretary is also Scrutinizers to scrutinize e-voting for this meeting, *i.e.* remote e-voting as well as e-voting during this meeting.

Mrs. Veenaben B. Patel and Mr. Himanshu N. Rawal, Independent Directors of the Company, could not attend this meeting due to their pre-occupations.



We have the requisite quorum personally at the common venue to conduct the proceedings of this meeting. Participation of members through Video Conferencing (VC) is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013.

The quorum being present, with the permission of the Chairman, I call this meeting in order.

As this Annual General Meeting is being held through Video Conferencing (VC), the facility for appointment of proxies by the members was not applicable and hence the proxy register is not available for inspection to the members.

The Company has received Board Resolutions under Section 113 of the Companies Act, 2013 from Company and LLP appointing their representatives to attend this meeting and to vote on behalf of the Company and LLP either at this meeting by e-voting or through remote e-voting, holding total 14,31,954 Equity Shares in the Company representing 28.24 % of the Share Capital. In this regard, Mr. Narayanbhai G. Patel has attended this meeting as Representative on behalf of the said Company and LLP.

The Register of Directors' Shareholding and Register of Contract has been made available electronically for inspection by the members during this meeting.

Since the Annual Report for the year 2020-21 including Notice of this meeting dated 10th August, 2021 is already circulated to all the members through mail and all of you have received the same, on behalf of the Chairman I take the notice convening this meeting as read.

Members may please note that the Statutory Auditors and Secretarial Auditor of the Company have not made any Qualifications or Adverse Remarks in their report related to the Financial Statements of the Company and for other matters for the year ended 31st March, 2021. In view of the same, there is no need to read the Auditors Report.

We now take up the resolutions under Ordinary and Special Business as set forth in the Notice of this meeting. The text of the resolutions along with explanatory statement is provided in the Notice circulated to the members.

As per notice, item No. 1 is relating to adoption of Audited Standalone & Consolidated Financial Statements of the Company for the year ended 31st March, 2021, along with reports of the Directors and Auditors thereon, which is proposed to be passed by an Ordinary Resolution.

Item No. 2 is relating to declaration of dividend of Rs. 2.50 per share i.e. 25% on 50,70,240 Equity Shares of Rs. 10/- each of the Company for the year ended 31st March, 2021, as recommended by the Board of Directors, subject to deduction of tax at source, which is proposed to be passed by an Ordinary Resolution.

Item No. 3 is relating to re-appointment of Mr. Apurva V. Shah as a Director of the Company, as recommended by the Board, who retires by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible offers himself for re-appointment, which is proposed to be passed by an Ordinary Resolution.

Item No. 4 as per Notice is relating to re-appointment of Mr. Apurva V. Shah as Whole-time Director of the Company for a further period of 3 years w.e.f. 11th August, 2021 up to 10th August,



2024 with payment of remuneration including Salary of Rs. 2,30,000/- per month plus perquisites and allowances for the said period of 3 years, which is proposed to be passed by an Ordinary Resolution.

Item No. 5 as per Notice is relating to ratification for payment of remuneration of Rs. 70,000/- plus applicable taxes and out-of-pocket expenses, if any, to Cost Auditors Rajendra Patel & Associates, Cost Accountant, for the financial year ending on 31st March, 2022, which is proposed to be passed by an Ordinary Resolution.

Before we proceed, Members please note that pursuant to the provisions of Section 108 of the Companies Act, 2013 and the Rules made thereunder and SEBI Listing Regulations, the Company had provided remote e-voting facilities to its Members through CDSL, to cast their votes by electronic means on all the resolutions set forth in the Notice. The remote e-voting was commenced on 25th September, 2021 and ended on 27th September, 2021. The cut-off date for eligible vote by the members for remote e-voting and e-voting in this meeting was 21st September, 2021.

Further, the facility to vote on resolutions through electronic voting system during this meeting is made available to the members who participated in the meeting and had not cast their votes through remote e-voting.

The members who have cast their vote by remote e-voting may attend this meeting but shall not be entitled to vote again in this meeting.

So, Members can now vote on the resolutions. Members can click on "Vote" tab on the video conferencing screen to avail this feature.

Members may note that the voting on the CDSL platform will continue to be available for the next 15 minutes. Therefore, members who have not cast their vote yet are requested to do so.

However, meeting will continue for other formalities.

Now I request, the Chairman Mr. Narayanbhai G. Patel to say few words about the performance of the Company.

Welcome Address & Speech – Mr. Narayanbhai G. Patel, Chairman

Ladies and Gentlemen,

It is a great honor and privilege for me to address all of you. I am happy to welcome all the Members at this 29th Annual General Meeting of the Members of the Company.

In view of the ongoing COVID-19 pandemic prevailing in India, this Annual General Meeting is being conducted through Video Conferencing in accordance with the framework issued by the Ministry of Corporate Affairs and SEBI vide their various circulars.

The Audited Standalone and Consolidated Financial Statements of the Company for the year ended on 31st March, 2021 including Directors' Report and Auditors Report are in your hands and you would have got the opportunity of studying the same and with your



permission, I shall take them as read. I am sure that this Annual Report would give you a description of the Company and its operations pertaining to the year.

Your large presence, in this important meeting, is the testimony of your strong support and faith in us and this inspires us to achieve newer milestones of success.

FINANCIAL PERFORMANCE:-

It gives immense pleasure and happiness to share with you the performance of the Company during the financial year 2020-2021.

The Company has earned Revenue from Operations of Rs. 255.40 Crores during the year ended on 31st March, 2021 as against Rs. 237.42 Crores earned during the previous year ended on 31st March, 2020, giving a rise of 7.57 % as compared to previous year.

The Company has earned Net Profit of Rs. 11.37 Crores for the year ended on 31st March, 2021, as compared to Net Profit of Rs. 11.30 Crores earned during the previous year ended on 31st March, 2020.

However, due to ongoing COVID-19 pandemic in India and the World, the production of the Company was affected and the Rakanpur Factory of the Company was completely closed for One (1) month due to lockdown announce by the Government. Also, after lockdown, when factory was opened, there were labour shortage for three to four months, due to which, production was also affected.

Mean while, the cost of material has been increased significantly which also affected the profit margin of the Company as due to pressure, the Company was compelled to purchase the said materials with increase price.

DIVIDEND:-

I am pleased to inform you that this year also Company has continued to reward its esteemed Members for the faith and support they have shown in the Company and declared and maintained 25% dividend on Equity Shares for the year ended on 31st March, 2021. The Company has paid dividend not only continuously for the last 15 years since 2006-2007 but also increased from 10% in 2006-2007 to 25% in 2020-2021.

ORDER BOOK POSITION:-

We are proud to announce that Order book position of your Company is very sound. Your Company is having confirmed Orders of about Rs. 282 Crores on hand as on 1st August, 2021.

EXPANSION UNDER NEW GREENFIELD PROJECT:-

As the members are aware that during the previous year, the Company has set up a new Greenfield project at Dudhai, Taluka. Kadi, Dist. Mehsana, Gujarat for dedicated manufacturing of Air Cooled Heat Exchanger and Air Fin Cooler in total land area of 43,576 Sq. Mtr. and covered area of 5,900 Sq. Mtr.



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

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

RESPONSIBILITY TOWARDS SOCIETY:-

We believe to continue development of our business as well as to be a part of development of our Society. Hence, we take small initiative towards Social Responsibility for making positive impact on society through relevant provisions of the Companies Act, 2013 and Companies CSR Rules, 2014. During the Financial Year 2020-2021, your Company has spent Rs. 25.51 Lakhs on CSR for promoting Rural Development, Health Care, Education, Social Development and Skill Development.

APPRECIATION:-

The Board of Directors expresses their deep condolence on the sad demise of Mr. Narendra G. Patel on 8th February, 2021, who was Whole-time Director of the Company. The Board appreciate the valuable services rendered by him during his tenure as Whole-time Director of the Company.

The Board also appreciates the valuable services rendered by Mr. Vinodkumar C. Desai as an Independent Director of the Company, who ceased to be an Independent Director with effect from 1st January, 2021 due to his resignation.

ACKNOWLEDGMENT:-

Towards the end, I take this opportunity to thanks our Bankers for their wholehearted support to the Company. I am grateful to my colleagues on the Board for their valuable guidance and support. I also thank the suppliers for their kind co-operation. I can't forget to acknowledge the untiring dedication of all the employees and staff of the Patels Airtemp.

I express my sincere gratitude to all our shareholders for their continuous confidence reposed in the Company and look forward to their continued support and co-operation in a still larger measure in the days ahead in our endeavor to take Patels Airtemp to greater heights.

Thank you.

Mr. Nikhil M. Patel, Company Secretary

Thank you Chairman Sir.

The Company has received requests from few members to register them as speakers at the meeting. Accordingly, the floor will now be open for these members to express their views.



It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time at the meeting.

Now I'm commencing the Q & A session. I will take the name of the shareholder one by one who are registered as speakers in this meeting who will come on screen and asked Q & A. After finished the Q & A from speakers, the management team will answer the questions.

The first shareholder we have today is Mr. Hardik Jain. I request to moderator to join him and unmute for speak.

Mr. Hardik Jain you can now asked your questions.

Mr. Hardik Jain, Shareholder Speaker

Good Morning Sir I am Hardik Jain from Mumbai, I have two Questions.

Number One is what plan Greenfield projects? As now our capacity almost full Rs. 250 Cr., Rs. 300 Cr. Turnover Do you have planned any expansion in coming two years?

Number Two is, for Gas compressor systems we are getting input orders from Gujarat Gas & Adani Gas can you give numbers of order and what is status?

What is major growth plan for this Company? Because the Rs. 250 Cr., Rs. 300 Cr. Turnover Since last long?

Thank you Sir.

Mr. Narayanbhai G. Patel, Chairman

Actually for expansion we have taken up action. As I have told in my Speech, we have put up facility at set up a new Greenfield project at Dudhai, Taluka. Kadi, Dist. Mehsana, Gujarat for dedicated manufacturing of Air Cooled Heat Exchanger and Air Fin Cooler in total land area of 43,576 Sq. Mtr. and covered area of 5,900 Sq. Mtr. That's why facility for Exchangers we have achieves good result in this pandemic year. So in future this part particularly for Exchanger work at capacity 100% for facility Exchangers & research. For that part now we are anticipate further expansion for land as and when required.

We have Rs. 282 Cr. Order and there are so many orders are in pipeline. Big problem early sales and labour control. Now it is smooth going and we take necessary action and we will increase rate of production.

Mr. Hardik Jain, Shareholder Speaker

Our June Quarter Result effect only due to Corona Second wave, it is normalizes from Q3 onward or if you take some more time to normalize?

Mr. Narayanbhai G. Patel, Chairman

There is little bit problem, the rules is like that we have some material at Kandal Port for shipment. About Rs. 37 Cr. which we could not consider as Sales. Unfortunately, forging



customer they could not manage for shipment and it is pending. Even today they could lift the material. Unless, it is not shipped we cannot include it in our total turnover. That's why today we cannot maintain over growth on paper. But it is already at their.

Mr. Hardik Jain, Shareholder Speaker

Sir, we have step-up subsidiary in USA are we accepting some good order from USA?

Mr. Narayanbhai G. Patel, Chairman

Yes, we are started like that, unfortunately we could not contain customer from there. Unfortunately, we have not mobilized them. By the time everything going smooth, actually what happened in America people put the faith if we have some branch in USA. So we have opened this Company. Due to Corona-19 we have stuck-up with this.

Mr. Hardik Jain, Shareholder Speaker

Sir, One more question, margin profile for our USA export would be in the range of 20% to 22%, which is normally India in the range 12% to 13%. So, our margin profile would be better in USA Export? That is my understanding. Is my understanding is correct Sir?

Mr. Narayanbhai G. Patel, Chairman

Actually, our export in last two years order from Dangote Petroleum Refinery, Nigeria. Now order is almost completed. We have very few orders for export now day.

Mr. Hardik Jain, Shareholder Speaker

Thank you Sir. No more questions. Thank you.

Mr. Nikhil M. Patel, Company Secretary

Thank you Mr. Hardik Jain, for your questions.

Now, the second shareholder speaker is Mrs. Swechha Jain, and I request to Mrs. Swechha Jain to start her questions.

Mr. Hardik Jain, Shareholder Speaker

On behalf of Mrs. Swechha Jain, Mr. Hardik Jain replied that we are both from same family and seat together and we have same question, so no further questions from Mrs. Swechha Jain. Thank you Sir.

Mr. Nikhil Patel, Company Secretary

Thank you, Mr. Hardik Jain and Mrs. Swechha Jain for your questions.

Now request to third shareholder is Mr. Kriti Shah. I request to moderator to join him and unmute for speak.



Mr. Kriti Shah, you can ask your questions.

Sorry, we are unable to get Mr. Kriti Shah online.

Now move further, request to forth shareholder Mr. Bimal Kumar Agarwal. I request to moderator to join him and unmute for speak.

Mr. Bimal Kumar Agarwal, you can ask your questions.

Sorry, we are unable to get Mr. Bimal Kumar Agarwal online.

As there is no other shareholder register as speaker in this meeting, now we move ahead.

Pursuant to Section 108 of the Companies Act, 2013, the Company has appointed Mr. Punit Lath, Practicing Company Secretary as a Scrutinizer to scrutinize remote e-voting and e-voting in this meeting.

The Scrutinizer, after scrutinize the votes cast in this meeting through e-voting and through remote e-voting, shall submit consolidated report to the Chairman. Then after results will be declared by the Chairman and shall be placed on the website of the Company and CDSL. The results shall also be communicated to the Stock Exchange.

The resolutions, as set forth in the Notice, shall be deemed to be passed today *i.e.* 28th September, 2021 subject to receipt of requisite number of votes.

I once aging request to the shareholders to cast their votes in this meeting and click on the "Vote" tab as appeared in the screen.

Lastly, I would like to thank you all for attending the meeting and also the Chairman of the meeting and I hereby declare the proceedings as closed.

THANK YOU!!!!!!

The meeting concluded at 12:10 p.m.
