SERVING THE INDUSTRY SINCE - 1973

Patels Airtemp (India) Limited

CIN- L29190GJ1992PLC017801

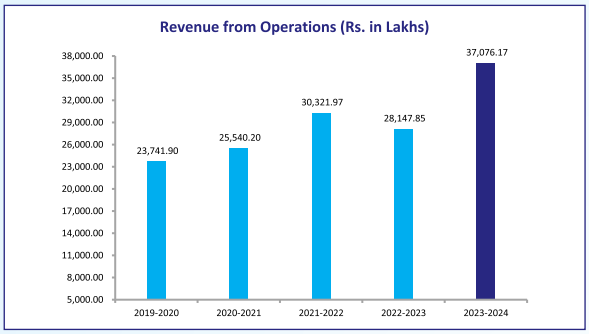
AIR COOLED HEAT EXCHANGER (WINTERIZATION SYSTEM)

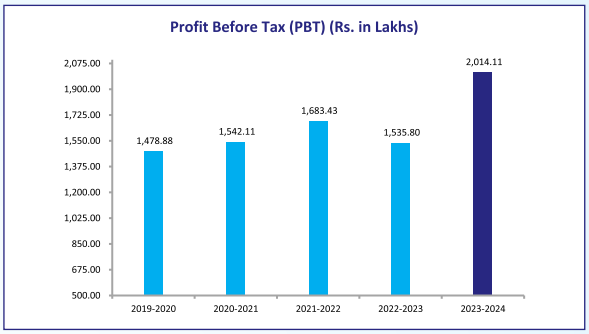
32nd ANNUAL REPORT

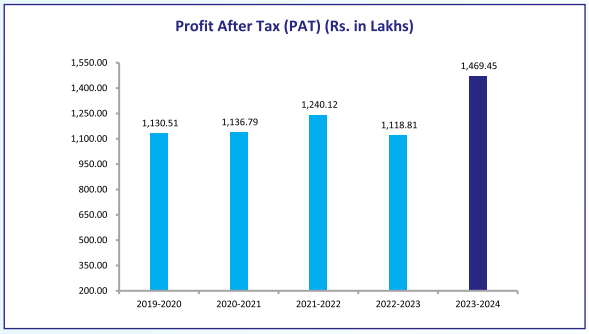
2023-24

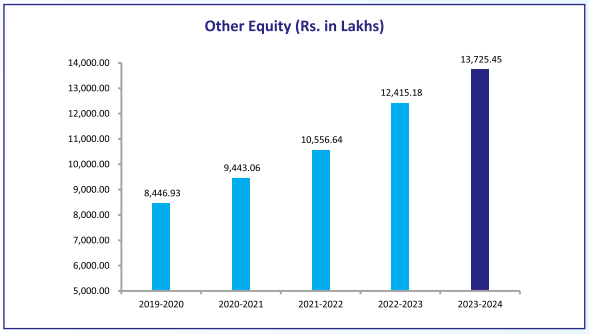
ASME "U" / "U2" / "S"
NATIONAL BOARD "NB" / "R"
MEMBER OF : HTRI - USA
ISO 9001 : 2015
ISO 14001 : 2015
ISO 45001 : 2018

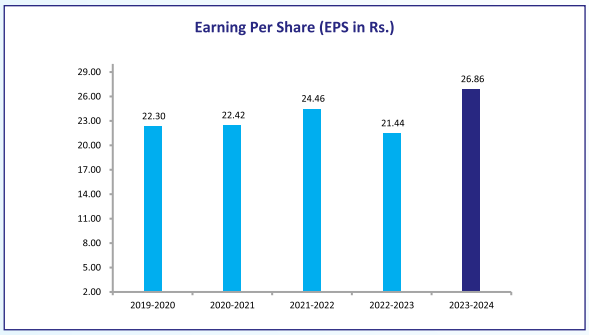
Key Performance Indicators of the Company (Standalone)

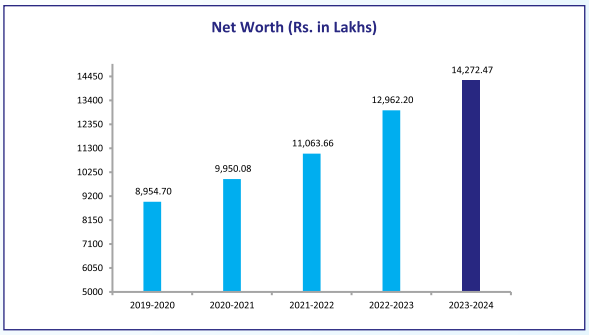


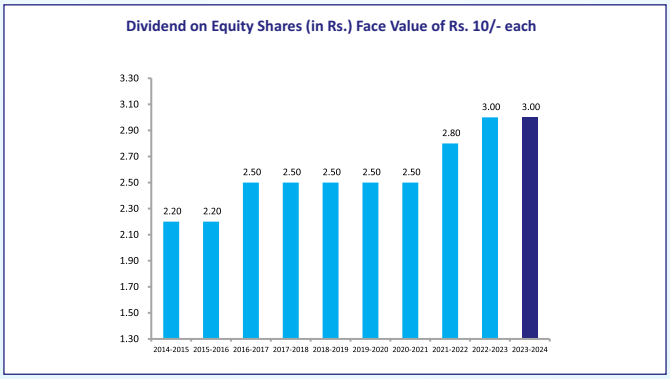












A TRIBUTE TO THE VISIONARY FOUNDER

Shri Narayanbhai Gangaram Patel (N. G. Patel)
(Founder & Visionary, Patels Airtemp (India) Limited)
(April 21, 1940 – October 3, 2023)

Shri Narayanbhai G. Patel, Founder of Patels Airtemp, was an outstanding leader and entrepreneur. His achievements are testimony of his dedication and hard-work.

Your leadership and guidance will always remain with us. You will always remain in our hearts as a source of Motivation.

We, family of Patels Airtemp, will carry your legacy forward to greater heights and achieve new milestones with your blessings.

PAT
SERVING THE INDUSTRY SINCE - 1973

From Patels Airtemp Family

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Narayanbhai G. Patel	(Chairman & Whole-time Director) (upto 2nd October, 2023)
Mr. Sanjivkumar N. Patel	(Chairman & Managing Director) (Chairman w.e.f. 9th November, 2023)
Mr. Shivang P. Patel	(Whole-time Director)
Mr. Apurva V. Shah	(Whole-time Director)

Non-Executive Independent Directors

Mr. Hareshkumar I. Shah	(Chairman of Board Committees) (upto 29th August, 2024)
Mrs. Vinaben B. Patel	
Mr. Rajendrakumar C. Patel	
Mr. Naimish B. Patel	(Chairman of Board Committees) (w.e.f. 30th August, 2024)

Company Secretary & Compliance Officer
Mr. Nikhil M. Patel

Chief Financial Officer (CFO)
Mr. Kamlesh R. Shah

Auditors

Statutory Auditors	**M/s. Parikh & Majmudar** Chartered Accountants (Firm Registration No. 107525W)
Cost Auditors	**M/s. Rajendra Patel & Associates** Cost Accountants (Firm Registration No. 101163)
Secretarial Auditor	**CS Punit Lath** Practicing Company Secretary (ACS No. 26238 COP No. 11139)
Banker	Bank of Baroda Axis Bank Limited

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

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

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

Information for 32nd Annual General Meeting

Day	:	Saturday
Date	:	21st September, 2024
Time	:	11:30 a.m. IST
Venue	:	Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)

Registrar & Transfer Agent (RTA)
Bigshare Services Private Limited
A/802, Samudra Complex, off. C. G. Road
Navrangpura, Near Girish Cold Drinks,
Ahmedabad – 380009
Tel: +91-79-40024135, +91-79-400392570
Email: bssahd@bigshareonline.com
Website: www.bigshareonline.com

Listing of Shares

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

Email for Investor Grievance:
share@patelsairtemp.com

You can also find this report online on:
Annual Reports » Investors » Patels Airtemp (India) Limited

CONTENTS **PAGE NO.**

Statutory Reports

Notice of Annual General Meeting	01
Directors Report	29
Management Discussion & Analysis	46
Corporate Governance Report	51
CSR Report	91
Secretarial Audit Report	94

Standalone Financial Statements

Independent Auditors Report	101
Balance Sheet	116
Statement of Profit & Loss	117
Cash Flow Statement	118
Statement of Changes in Equity	120
Notes on Financial Statements	121

Consolidated Financial Statements and Independent Auditors Report 165

Others

General Instructions for participating in the AGM through VC/OAVM facility	08
E-voting Instructions	12
E-Communication Registration Form	223
NECS Mandate Form	224

NOTICE OF 32ND ANNUAL GENERAL MEETING

NOTICE is hereby given that the **32ND ANNUAL GENERAL MEETING ("32nd AGM" or "AGM" or "Meeting")** of the members of **PATELS AIRTEMP (INDIA) LIMITED** will be held on Saturday, the 21st day of September, 2024, at 11.30 a.m., Indian Standard Time (IST), through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1) To consider and adopt (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2024 and the reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2024 and the report of the Auditors thereon and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

   a) **"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2024 comprising Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and Notes to the Financial Statement together with the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

   b) **"RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2024 and the report of Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

2) To declare dividend on Equity Shares for the financial year ended 31st March, 2024 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT a dividend of ₹ 3.00/- (Rupees Three only) per Share on 54,70,240 Equity Shares of ₹10/- each of the Company as recommended by the Board of Directors for the financial year ended 31st March, 2024, be and is hereby approved and declared and the same be paid out of the profits of the Company, subject to deduction of tax at source (TDS)."

3) To re-appoint Mr. Apurva V. Shah (DIN: 0008197983), who retires by rotation, as a Director and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Apurva V. Shah (DIN: 0008197983), who retires by rotation as a Director at this Annual General Meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

SPECIAL BUSINESS:

4) To ratify payment of remuneration to Cost Auditors for the financial year ending 31st March, 2025 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Rajendra Patel & Associates, Cost Accountant, Ahmedabad (Registration No. FRN101163 and Membership No. 29021), appointed as the Cost Auditors of the Company by the Board of Directors to conduct an audit of the Cost Records of the Company for the financial year ending 31st March, 2025 (2024-25), be paid and

ratified the payment of remuneration of ₹ 80,000/- (Rupees Eighty Thousand only) plus applicable taxes and out-of-pocket expenses, if any, for the said financial year, as recommended by the Audit Committee and approved by the Board of Directors of the Company."

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

5) To revise by way of increase in the remuneration payable to Mr. Sanjivkumar N. Patel (DIN: 02794095), Chairman & Managing Director of the Company, for the period from 3rd August, 2024 to 19th May, 2026 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and pursuant to the provisions of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and subject to the requisite approvals, if required, and in continuation and partial modification to the Special Resolution passed by the Shareholders at the 31st Annual General Meeting of the Company held on 23rd September, 2023 pertaining to the appointment and payment of remuneration and on the basis of recommendation and approval by Nomination and Remuneration Committee (NRC), the consent of the Company be and is hereby accorded to the revision in the terms of remuneration of Mr. Sanjivkumar N. Patel (DIN: 02794095), Chairman & Managing Director of the Company, by way of increase in the salary from existing ₹ 4,00,000/- per month to ₹ 5,50,000/- per month plus perquisites and allowances payable for the period from 3rd August, 2024 to 19th May, 2026 as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT except for the aforesaid revision in remuneration, all other terms and conditions of his re-appointment as Managing Director of the Company, as approved by the Special Resolution passed at the 31st Annual General Meeting of the Company held on 23rd September, 2023, shall remain unchanged and shall continue to remain in full force and effect.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year during the said period from 3rd August, 2024 to 19th May, 2026, the remuneration mentioned herein above and in the Explanatory Statement here under shall be paid to Mr. Sanjivkumar N. Patel (DIN: 02794095) as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Sanjivkumar N. Patel (DIN: 02794095), Chairman & Managing Director, including the monetary value thereof, to the extent recommended by Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified under the Companies Act, 2013, Rules and Schedule made thereunder.

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

6) To revise by way of increase in the remuneration payable to Mr. Shivang P. Patel (DIN: 08136652), Whole-time Director of the Company, for the period from 3rd August, 2024 to 31st May, 2025 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 (the Act) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and pursuant to the provisions of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and subject to the requisite approvals, if required, and in continuation and partial modification to the Special Resolution passed by the Shareholders through Postal Ballot on 14th June, 2022 pertaining to the appointment and payment of remuneration and on the basis of recommendation and approval by Nomination and Remuneration Committee (NRC), the consent of the Company be and is hereby accorded to the revision in the terms of remuneration of Mr. Shivang P. Patel (DIN: 08136652), Whole-time Director of the Company, by way of increase in the salary from existing ₹ 4,00,000/- per month to ₹ 5,50,000/- per month plus perquisites and allowances payable for the period from 3rd August, 2024 to 31st May, 2025 as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT except for the aforesaid revision in remuneration, all other terms and conditions of his re-appointment as Whole-time Director of the Company, as approved by the Special Resolution passed by the Shareholders through Postal Ballot on 14th June, 2022, shall remain unchanged and shall continue to remain in full force and effect.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year during the said period from 3rd August, 2024 to 31st May, 2025, the remuneration mentioned herein above and in the Explanatory Statement here under shall be paid to Mr. Shivang P. Patel (DIN: 08136652), as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Shivang P. Patel (DIN: 08136652), Whole-time Director, including the monetary value thereof, to the extent recommended by Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified under the Companies Act, 2013, Rules and Schedule made thereunder.

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

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

Sanjivkumar N. Patel
Chairman & Managing Director
(DIN: 02794095)

Factory (Works) :
Plot: 805, 806, 807, 810,
Rakanpur – 382 722,
Via: Sola-Bhadaj Village, Ta: Kalol,
Dist: Gandhinagar, Gujarat.
CIN : L29190GJ1992PLC017801
Dated: 3rd August, 2024

IMPORTANT NOTES:

1) An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") setting out the material facts relating to the Special Business to be transacted at the meeting i.e. resolution as per Item No. 4, 5 & 6 mentioned in the above notice is as under.

2) As per provisions of Clause 3.A.II of the General Circular No. 20/2020 dated 5th May 2020 issued by the Ministry of Corporate Affairs (**MCA**), the matters of Special Business as appearing at Item No. 4, 5 & 6 of the accompanying notice, are considered to be unavoidable by the Board of Directors and hence, form part of this Notice.

3) **Normally - PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON THEIR BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY**.

   Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form and attendance slip are not annexed to this notice.

4) A statement providing additional details of the Director seeking re-appointment at the 32nd AGM as set out at Item No. 3 of the Notice is included in the Notes forming part of the Notice and annexed as per **Annexure – I** to this Notice as required under Regulation 36 of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ('ICSI').

5) **General instructions for (i) accessing and participating in the 32nd AGM through VC/OAVM facility and voting through electronic means during 32nd AGM, (ii) Notes forming part of the Notice, (iii) Remote E-Voting process and (iv) Dividend related matters including Book-Closure, please refer Para No. I, II, III & IV respectively annexed hereto.**

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

The following Statement sets out all material facts relating to the resolution mentioned in the accompanying Notice as per Item No. 4, 5 & 6 to be transacted at the Meeting:

ITEM NO. 4

The Board of Directors at the Board Meeting held on 24th May, 2024, on the recommendation of Audit Committee, has appointed M/s. Rajendra Patel & Associates, Cost Accountant, Ahmedabad (Firm Registration No. FRN101163 and Membership No. 29021) as the Cost Auditor of the Company to conduct audit of cost accounting records maintained / will maintain by the Company for the current financial year 2024-25 ending on 31st March, 2025, at a remuneration of ₹ 80,000/- (Rupees Eighty Thousand only) plus applicable taxes and out-of-pocket expenses, if any, subject to the approval of the Shareholders in General Meeting by ratification for payment of remuneration.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration as above payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2025.

The Board recommends the Resolution set forth at Item No. 4 of the Notice for the approval of the Members.

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

ITEM NO. 5

Mr. Sanjivkumar N. Patel (DIN: 02794095) was re-appointed as Managing Director of the Company at the 31st Annual General Meeting of the members of the Company held on 23rd September, 2023 with payment of remuneration by way of salary of ₹ 4,00,000/- per month plus perquisites and allowances for a period of 3 years with effect from 20th May, 2023 up to 19th May, 2026.

Taking into consideration the increased business activities of the Company, establishment of new Unit under Greenfield project known as Dudhai Unit, looking to the growth of the Company in recent years, the duties and responsibilities of the Managing Director in the Company, his contribution in the overall progress and growth of the Company and the prevailing managerial remuneration in industry and in continuation and partial modification to the Special Resolution passed by the Shareholders at the 31st Annual General Meeting of the Company held on 23rd September, 2023 pertaining to the re-appointment and payment of remuneration and on the basis of recommendation and approval by Nomination and Remuneration Committee (NRC) of the Company, the Board of Directors at their meeting held on 3rd August, 2024, increased the remuneration payable to Mr. Sanjivkumar N. Patel by way of increase in the salary from existing ₹ 4,00,000/- per month to ₹ 5,50,000/- per month plus perquisites and allowances for the remaining period from 3rd August, 2024 to 19th May, 2026 as under, subject to the approval of the members of the Company by passing Special Resolution:

(A) Period: From 3rd August, 2024 to 19th May, 2026

(B) Salary: ₹ 5,50,000/- per month (Rupees Five Lakh Fifty Thousand Only)

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

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

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

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

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

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

(vi) Gratuity as per Rules of the Company.

(D) Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the Company in any financial year during the period 3rd August, 2024 to 19th May, 2026, the remuneration as above shall be paid to Mr. Sanjivkumar N. Patel as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.

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

A Statement as per requirement of Section II of Part II of Schedule V of the Companies Act, 2013 containing the information of the Company and Mr. Sanjivkumar N. Patel is annexed with this Notice as per **Annexure – II**.

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

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

(i) the fees or compensation payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or

(ii) where there is more than one such director, the aggregate fees or compensation to such directors exceeds 5 per cent of the net profits of the listed entity

In view of above, Special Resolution is required to be passed by the Members for increase in remuneration payable to Mr. Sanjivkumar N. Patel as above.

Except for the aforesaid revision in remuneration, all other terms and conditions of his re-appointment as Managing Director of the Company, as approved by the Members by Special Resolution passed at the 31st Annual General Meeting of the members of the Company held on 23rd September, 2023, remain unchanged and shall continue to remain in full force and effect.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the revised terms of remuneration specified above are now being placed before the members for their approval.

The Directors are of the view that the remuneration payable to Mr. Sanjivkumar N. Patel is commensurate with his abilities and experience and, accordingly, commend the Resolution at Item No. 5 of the accompanying Notice for approval by the members of the Company.

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of revision of remuneration as mentioned above as per Section 190 of the Companies Act, 2013.

Mr. Sanjivkumar N. Patel and Mr. Shivang P. Patel are interested in the resolution set out at Item No. 5 of the Notice. The relatives of Mr. Sanjivkumar N. Patel and Mr. Shivang P. Patel may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company.

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

ITEM NO. 6

Mr. Shivang P. Patel (DIN: 08136652) was re-appointed as Whole-time Director of the Company by passing Special Resolution by the Shareholders through Postal Ballot on 14th June, 2022 with payment of remuneration by way of salary of ₹ 4,00,000/- per month plus perquisites and allowances for a period of 3 years with effect from 1st June, 2022 up to 31st May, 2025.

Taking into consideration the increased business activities of the Company, establishment of new Unit under Greenfield project known as Dudhai Unit, looking to the growth of the Company in recent years, the duties and responsibilities of the Whole-time Directors in the Company, his contribution in the overall progress and growth of the Company and the prevailing managerial remuneration in industry and in continuation and partial modification to the Special Resolution passed by the Shareholders through Postal Ballot on 14th June, 2022 pertaining to the re-appointment and payment of remuneration and on the basis of recommendation and approval by Nomination and Remuneration Committee (NRC) of the Company, the Board of Directors at their meeting held on 3rd August, 2024, increased the remuneration payable to Mr. Shivang P. Patel by way of increase in the salary from existing ₹ 4,00,000/- per month to ₹ 5,50,000/- per

month plus perquisites and allowances for the remaining period from 3rd August, 2024 to 31st May, 2025 as under, subject to the approval of the members of the Company by passing Special Resolution:

(A) Period: From 3rd August, 2024 to 31st May, 2025

(B) Salary: ₹ 5,50,000/- per month (Rupees Five Lakh Fifty Thousand Only)

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

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

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

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

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

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

(vi) Gratuity as per Rules of the Company.

(D) Minimum Remuneration: In the event of any loss, absence or inadequacy of profits of the Company in any financial year during the period 3rd August, 2024 to 31st May, 2025, the remuneration as above shall be paid to Mr. Shivang P. Patel as minimum remuneration subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013.

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

A Statement as per requirement of Section II of Part II of Schedule V of the Companies Act, 2013 containing the information of the Company and Mr. Shivang P. Patel is annexed with this Notice as per **Annexure – II**.

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

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

(i) the fees or compensation payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or

(ii) where there is more than one such director, the aggregate fees or compensation to such directors exceeds 5 per cent of the net profits of the listed entity

In view of above, Special Resolution is required to be passed by the Members for increase in remuneration payable to Mr. Shivang P. Patel as above.

Except for the aforesaid revision in remuneration, all other terms and conditions of his re-appointment as Whole-time Director of the Company, as approved by the Members by Special Resolution passed through Postal Ballot on 14th June, 2022, remain unchanged and shall continue to remain in full force and effect.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the revised terms of remuneration specified above are now being placed before the members for their approval.

The Directors are of the view that the remuneration payable to Mr. Shivang P. Patel is commensurate with his abilities and experience and, accordingly, commend the Resolution at Item No. 6 of the accompanying Notice for approval by the members of the Company.

This explanation together with the accompanying notice is and should be treated as an abstract of the terms of revision of remuneration as mentioned above as per Section 190 of the Companies Act, 2013.

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

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

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

Sanjivkumar N. Patel
Chairman & Managing Director
(DIN: 02794095)

Factory (Works) :
Plot: 805, 806, 807, 810,
Rakanpur – 382 722,
Via: Sola-Bhadaj Village, Ta: Kalol,
Dist: Gandhinagar, Gujarat.
CIN : L29190GJ1992PLC017801
Dated: 3rd August, 2024

I GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE 32nd AGM THROUGH VIDEO CONFERENCING (VC) / OTHER AUDIO VISUAL MEANS (OAVM) AND VOTING THROUGH ELECTRONIC MEANS DURING 32nd AGM

a. Ministry of Corporate Affairs **(MCA)** has vide its circular nos. 14/2020 and 17/2020 dated 08th April, 2020 and 13th April, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and Rules made thereunder on account of the threat posed by Covid-19" and circular nos. 20/2020, 02/2021, 19/2021, 21/2021, 02/2022, 10/2022 and 09/2023 dated 5th May, 2020, 13th January, 2021, 8th December, 2021, 14th December, 2021, 5th May, 2022, 28th December, 2022 and 25th September, 2023 respectively in relation to "Clarification on holding of Annual General Meeting (AGM) through Video Conferencing **(VC)** or Other Audio-Visual Means **(OAVM)**" (collectively referred to as '**MCA Circulars**') permitted the Companies whose AGMs are due in the year 2024, to conduct their AGMs on or before 30th September, 2024 through VC / OAVM, without the physical presence of the members at a common venue and also provided relaxation from dispatching of physical copies of Notice of AGM and financial statements for the year 2023-24 and considering the above MCA Circulars, Securities and Exchange Board of India (**SEBI**) vide its circular no. SEBI/HO/CFD/CFD-POD-2/P/CIR/2023/167 dated 7th October, 2023 ('**SEBI Circular**') in relation to "Relaxation from compliance with certain provisions of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015" provided relaxation up to 30th September, 2024 from Regulation 36(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**') which requires sending hard copy of the Annual Report containing salient features of all the documents prescribed in Section 136 of the Companies Act, 2013 ('**Act**') to the shareholders who have not registered their email addresses.

In compliance with the MCA Circulars and SEBI Circular, the 32nd AGM of the Company is being conducted through VC/OAVM, which does not require physical presence of Members at a common venue. Hence, members can attend and participate in the 32nd AGM through VC/OAVM only.

b. Pursuant to the MCA and SEBI Circulars as above, the Notice of the 32nd AGM and Annual Report for the year 2023-24 including therein the Audited Standalone & Consolidated Financial Statements for the year ended 31st March, 2024 and other documents, are being sent only by email to those Members whose e-mail addresses are registered with the Company/Depositories/ Depository Participants/Registrar and Transfer Agent (**RTA**), unless any Member has requested for a physical copy of the same.

Therefore, those Members, whose email address are not registered with the Company or its Registrar and Transfer Agent (RTA) or with their respective Depository Participant/s, and who wish to receive the Notice of the 32nd AGM and the Annual Report for the year 2023-24 and all other communication sent by the Company by email and who wish to participate in the 32nd AGM or cast their vote through remote e-Voting or through e-Voting during the meeting, **can get their email address registered by following the steps as given below**:-

I) For Members holding shares in physical form, are requested to register / update their e-mail address by submitting Form ISR-1 (available on the website of the Company at www.patelsairtemp.com) duly filled and signed along with requisite supporting documents or send scan copy of a signed request letter mentioning your folio number, complete address, email address and mobile number to be registered along with scanned self attested copy of the PAN Card and any document (such as Driving Licence, Passport, Bank Statement, Aadhaar) supporting the registered address of the Member, by email to the Company's email address at share@patelsairtemp.com or at RTA's e-mail address at bssahd@bigshareonline.com.

II) For Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

c. In line with the MCA and SEBI Circulars as above, the Annual Report for the year 2023-24 including Notice of 32nd AGM and Financial Statements therein will be available on the website of the Company at http://www.patelsairtemp.com, on the website of BSE Limited at http://www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL at http://www.evotingindia.com.

d. Since the 32nd AGM will be held through VC/OAVM, the Route Map of the venue of the Meeting is not annexed hereto and no proxies would be accepted by the Company.

e. Central Depository Services (India) Limited ("**CDSL**") will be providing facility for voting through remote e-Voting, for participation in the 32nd AGM through VC/OAVM and e-Voting during 32nd AGM.

f. **Members will be able to attend the 32nd AGM through VC/OAVM through CDSL e-Voting system at https://www.evotingindia.com under shareholders login by using the remote e-Voting credentials and selecting the EVSN for the Company's 32nd AGM. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in this Notice of the 32nd AGM to avoid last minute rush**.

The link for VC/OAVM to attend meeting will be available where EVSN of the Company will be displayed after successful login as per the instructions mentioned below for Remote e-voting.

The procedure for attending and e-Voting during 32nd AGM is same as the instructions mentioned below for Remote e-voting.

g. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM. If any Votes are cast by the shareholders through e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM, however, they will not be eligible to vote at the AGM.

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

h. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories **as on 14th September, 2024 (cut-off date)** only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.

i. A person who is not a Member as on the cut-off date should treat this Notice of 32nd AGM for information purpose only.

j. 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 14th September, 2024**.

k. Facility to join the Meeting shall be opened 30 (thirty) minutes before the scheduled time of the Meeting and shall be kept open throughout the proceedings of the Meeting.

l. Members may note that the VC/OAVM facility, provided by CDSL, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the 32nd AGM without any restriction on account of first-come-first-served principle.

m. Attendance of the Members participating in the 32nd AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

n. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

o. During 32nd AGM, the Chairman shall, formally propose to the Members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of 32nd AGM and announce the start of the casting of vote through e-Voting system and e-Voting will be closed with the formal announcement of closure of the 32nd AGM.

p. Institutional shareholders/corporate shareholders (i.e. other than Individuals, HUF, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board Resolution or

governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting or e-Voting during 32nd AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to punit.lath@yahoo.com or to the Company at the email address viz; www.share@patelsairtemp.com. They can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. in the CDSL e-voting system.

q. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call Toll Free No. 1800 22 55 33.

II NOTES FORMING PART OF THE NOTICE

1) Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), KYC details, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:

   a. For shares held in electronic form: to their Depository Participants (DPs)

   b. For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company had earlier sent letters to the members for furnishing the required details in the prescribed forms attached with the said letters. The forms are also available on the Company's website at http://www.patelsairtemp.com under "Other Disclosures - Investor Forms".

2) Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate share certificate; renewal/ exchange of share certificate; endorsement; sub-division/splitting of share certificate; consolidation of share certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, which is available on the Company's website at http://www.patelsairtemp.com. under "Other Disclosures - Investor Forms". It may be noted that any service request can be processed only after the folio is KYC Compliant.

3) SEBI vide its notification no. SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022 has mandated that all requests for transfer of shares including transmission and transposition requests shall be processed only in dematerialized form to eliminate all risks associated with physical shares and avail various benefits of dematerialisation,

4) SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their depository participants. Members holding shares in physical form are requested to submit their PAN details to the Company's RTA.

5) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form only.

6) As per provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website at http://www.patelsairtemp.com under "Other Disclosures - Investor Forms". Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

7) Shareholders who would like to express their views or having questions with regard to the financial statements or any other matters to be placed at the 32nd AGM may register themselves as a speaker by sending their request and queries in advance at least 10 days prior to meeting i.e. should reach on or before 11th September, 2024 mentioning their name, demat account number/folio number, email id, mobile number at company's email id at share@patelsairtemp.com.

   Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least 10 days prior to meeting i.e. should reach on or before 11th September, 2024 mentioning their name, demat account number/folio number, email id, mobile number at share@patelsairtemp.com.

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

   Those Members who have registered themselves as a speaker will only be allowed to express their views during 32nd AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for AGM.

8) Members may note that in case they have any dispute against the Company and/or its Registrar and Share Transfer Agent, as per SEBI Circular SEBI/HO/OIAE/ OIAE_ IAD-3/P/CIR/2023/195 dated July 31, 2023, they can file for Online Resolution of Dispute which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. Members can use this mechanism only after they have lodged their grievance with the Company and SEBI SCORES system and are not satisfied with the outcome.

9) During 32nd AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to CDSL e-Voting system at www.evotingindia.com.

III VOTING THROUGH ELECTRONIC MEANS AND JOINING VIRTUAL MEETING:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to "E-voting facility provided by Listed Entities" and Secretarial Standards on General Meetings (SS2) issued by the Institute of Company Secretaries of India read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business as set forth in the accompanying Notice of AGM to be transacted at the 32nd AGM and facility for those Members participating in the 32nd AGM through VC/OAVM to cast vote through e-Voting during 32nd AGM through e-Voting services provided by Central Depository Services (India) Limited (CDSL).

The cut-off date for the purpose of remote e-voting and e-voting at the AGM shall be 14th September, 2024. Please note that members can opt for only one mode of voting i.e. either by

e-voting at the meeting or remote e-voting. If Members opt for remote e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again.

The e-voting facility is available at the link www.evotingindia.com of CDSL e-Voting system.

A. The instructions for members for voting electronically:

(i) **The remote e-voting period begins on Wednesday, 18th September, 2024 (9.00 a.m. IST) and ends on Friday, 20th September, 2024 (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 14th September, 2024, 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 through VC/OAVM but shall not be entitled to cast their vote again.

(iii) **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 14th September, 2024 may obtain the login details and password/sequence number sending a request at investor@bigshareonline.com. and bssahd@bigshareonline.com. However, if you are already registered with CDSL for remote e-Voting then you can use your existing user ID and password for casting your vote**.

(iv) **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES /MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

(v) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, and Regulation 44 of SEBI Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

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

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

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

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meeting for Individual shareholders holding shares in Demat mode with CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL /KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.: 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(vii) Login method for e-Voting and joining virtual meeting for **shareholders holding shares in physical mode and non-individual shareholders in demat mode**.

1) The shareholders should log on to the e-voting website www.evotingindia.com
2) Click on "Shareholders" tab to cast your vote(s).
3) Now enter your User ID
   (a) For CDSL: 16 digits beneficiary ID,
   (b) For 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.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
6) If you are a first time user, follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is communicated by the Company by mail indicated in the PAN field. Members who have not registered their email address may obtain sequence number from the Company after registering their email address as per the process mentioned in the Notice.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3) above.

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

(ix) 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.

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

(xi) Click on the EVSN for 'PATELS AIRTEMP (INDIA) LTD.' on which you choose to vote.

(xii) 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.

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

(xiv) 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.

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

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

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xix) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only:

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module as Corporates and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s)/folio numbers on which they wish to vote.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of Non-Individual Shareholders and Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz; punit.lath@yahoo.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xx) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on toll free No. 1800225533.

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

The Scrutinizer shall, after the conclusion of e-Voting at the 32nd AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall be submitted to the Chairman or a person authorized by him. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the Company's website www.patelsairtemp.com and on website of CDSL e-Voting www.evotingindia.com and will also be communicated to BSE Limited, where the shares of the Company are listed.

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.

IV DIVIDEND RELATED MATTERS

(1) PAYMENT OF DIVIDEND

(a) The Company has notified closure of Register of Members and Share Transfer Books from 13th September, 2024 to 21st September, 2024 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if approved at the Meeting.

(b) Dividend of ₹ 3.00 per share (@ 30 %) on Equity Shares of ₹ 10/- each for the year ended 31st March, 2024 as recommended by the Board, if approved at the meeting, will be paid subject to deduction of tax at source:

To those members, whose names appear in the Register of Members in respect of shares held in physical form on 12th September, 2024, 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, 2024.

(c) SEBI vide its Master Circular No. SEBI/HO/MIRSD/ POD-1/P/CIR/2024/37 dated May 7, 2024, has mandated that with effect from April 1, 2024, dividend to security holders who are holding securities in physical form, shall be paid only through electronic mode. Such payment shall be made only after the shareholders furnish their PAN, contact details (postal address with PIN and mobile number), bank account details & specimen signature ("KYC") and choice of Nomination.

(d) In order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending a request and scanned copy of the details/documents by email to reach the Company's email address at share@patelsairtemp.com and submit particulars of their bank accounts in 'Form ISR – 1'

(e) Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agent, cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

(f) Members may note that as per SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, members holding securities in physical form may note that any future dividend payable against their shareholding would be withheld if their KYC and choice of Nomination are not updated with the RTA.

(g) In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member by post/courier in due course.

(2) UNPAID/UNCLAIMED DIVIDEND & IEPF

(a) The Unpaid / Unclaimed Dividend for the year 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022 and 2022-2023 will become due for transfer to Investor Education & Protection Fund (IEPF) in subsequent years. Those shareholders who have so far not en-cash their dividend warrants for the aforesaid financial years are advised to submit their claim to the Registrar and Transfer Agent / Company immediately quoting

their folio number. Once the unclaimed/unpaid dividend is transferred to IEPF, no claim shall lie against the Company in respect of the individual amounts which were unclaimed or unpaid.

(b) The Company has transferred the unpaid or unclaimed dividends declared up to the financial year 2015-2016 to IEPF established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on 23rd September, 2023 (date of the previous Annual General Meeting) on the website of the Company i.e. http://www.patelsairtemp.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

(c) Pursuant to the provisions of Section 124(6) of the Act and IEPF Rules as amended from time to time, shares in respect of which dividends have not been en-cashed for seven consecutive years or more are required to be transferred to IEPF. The Company has sent individual notice on 2nd June, 2023 to all the concerned shareholders intimating them particulars of equity shares due for transfer. These details are also available on the Company's website viz. http://www.patelsairtemp.com. Advertisement in newspapers in this respect has also been published in English language and regional language i.e. Gujarati on 2nd June, 2023. Shareholders are requested to claim the unclaimed dividend well before the due date. If unclaimed dividends are not claimed by the shareholders, shares covered by such unclaimed dividends will be transferred to IEPF. It may be noted that no claim shall lie against the Company in respect of shares so transferred to IEPF. Upon transfer, the shareholders will be able to claim these equity shares only from the IEPF authority as per the procedure prescribed under IEPF Rules, the details of which are available at www.iepf.gov.in.

(d) Details of shares transferred to IEPF Authority are available on the website of the Company i.e. http://www.patelsairtemp.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

(3) COMMUNICATION IN RESPECT OF DEDUCTION OF TAX AT SOURCE ON DIVIDEND PAY OUT

The Board of Directors of the Company at their meeting held on 24th May, 2024, have recommended a dividend of ₹3.00 per equity share of ₹ 10 each (i.e. 30%), for the financial year ended March 31, 2024. This dividend is subject to approval of the shareholders at this Annual General Meeting of the Company and will be paid to eligible shareholders within 30 days of the date of its declaration.

Shareholders may note that pursuant to the changes in the Income Tax Act, 1961 ('the Act') as amended by the Finance Act, 2020, dividend income will be taxable in the hands of the shareholders and the Company is required to deduct tax at source (TDS) at the time of making payment of dividend to shareholders at the prescribed rates as under.

Also, please note that the TDS rate would vary depending on the residential status, category of the shareholder, compliant/ non-compliant status in terms of Section 206AB of the Income Tax Act, 1961 and is subject to submission of all the requisite declarations/documents to the Company.

The Company has already sent a communication to the shareholders with the details of applicable tax rates to different categories of shareholders and the documents/details required to be submitted by the shareholders.

For Resident shareholders

For Resident shareholders, taxes shall be deducted at source under Section 194 of the Act, as follows:

Valid PAN of shareholders available with the Company	10% or as notified by the Government of India
Shareholders without PAN/ invalid PAN with the Company	20% or as notified by the Government of India
Shareholders covered under section206AB as per utility prescribed by CBDT	20%

In case of failure of linking Aadhar with PAN within the prescribed timelines, PAN shall be considered inoperative / invalid and, in such scenario too, tax shall be deducted at higher rate of 20%. If PAN is not submitted/is inoperative/is invalid, TDS would be deducted @ 20% as per Section 206AA of the Act.

However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received by him during the financial year 2024-25 does not exceed ₹ 5,000/- and also in cases where shareholder provide valid Form 15G (applicable to any person other than HUF or a Company or a firm)/ Form 15H (applicable to an individual who is 60 years and older) subject to conditions specified in the Act. Shareholders may also submit any other document as prescribed under the Act to claim a lower/ nil withholding tax. PAN is mandatory for shareholders providing valid Form 15G/ Form 15H or any other documents as mentioned above. The formats of Form 15G/ Form 15H are also available on the website of our Registrar and Transfer Agent (RTA), Bigshare Services Private Limited at www.bigshareonline.com.

For Resident Mutual funds and Insurance Company shareholders:

In order to provide exemption from TDS on the dividend payable to a Mutual Fund as specified under Clause (23D) of Section 10 of the Act or an Insurance Company as specified in Section 194 of the Act, shareholders should submit the below document along with exemption notification, if any, as per the relevant provisions of the Act:

a. Declaration by shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938

b. Declaration by Mutual Fund shareholder eligible for exemption under Section 10(23D) of the Act

c. Declaration by Category 1/11 Alternate Investment Fund (AIF) registered with SEBI

Declaration for exemption under Circular 18/2017 of the Act:

In case of any shareholder whose income is subject to lower rate of TDS, or is exempt under the Act, such shareholder is requested to submit the following documents, if eligible as per the relevant provisions of the Act, duly signed by the authorized signatory:

a. Lower withholding tax certificate for the financial year 2024-25, if any obtained from the Income Tax authorities.

b. In case the shareholder has obtained tax exemption status under any provisions of the Act, the documentary evidence along with declaration for the same

For Non-Resident shareholders

For Non-Resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the Act, non-resident shareholders may have an option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. In order to avail the benefits of DTAA, the non-resident shareholders will have to provide the following:

- Self-attested Tax Residency Certificate (TRC) for the financial year 2024-25, obtained from the tax authorities of the country of which the shareholder is a resident.

- Self-attested copy of PAN allotted by the Indian Income Tax authorities. In case of non-availability of PAN, information under sub-rule 2 of Rule 37BC to be submitted
- Self-declaration in Form 10F duly filled and signed
- Self-declaration from non-resident shareholder addressed specifically to the Company - primarily covering the following:
    a. Non-resident is and will continue to remain a tax resident of the country of residence during the financial year 2024-25;
    b. Non-resident is eligible to claim the benefit of respective tax treaty;
    c. Non-resident has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
    d. Non-resident receiving the dividend income is the beneficial owner of such income;
    e. Dividend income is not attributable/ effectively connected to any permanent establishment (PE) or fixed base in India;
    f. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self attested copy of SEBI registration certificate; and
    g. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).
- Any other documents as prescribed under the Act for lower withholding tax if applicable, duly attested by the shareholder.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholder.

Declaration by shareholders under Rule 37BA (2) of the Income Tax Rules, 1962:

In order to enable the Company to provide credit of tax deducted at source to beneficial shareholders in whose hands dividend paid by Company is assessable, shareholders are requested to provide declaration in format as prescribed under Rule 37BA(2) of the Income Tax Rules, 1962

Section 206AB of the Act

Rate of TDS @10% under Section 194 of the Act is subject to provisions of Section 206AB of the Act (effective from July 1, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in Section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where Sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the tax return, the tax shall be deducted at the higher of the two rates prescribed in these two sections.

As per Central Board of Direct Taxes vide Circular No. 11 of 2021 dated 21st June 2021, for determining TDS rate on Dividend, the Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the Act. Rate of 20% will be applied for shareholders who are determined as specified person in Income tax department portal.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

For all shareholders:

Shareholders are requested to update tax residential status, address, permanent account number (PAN), registered email address, mobile number, Bank Account details, in case of individual shareholders, Aadhaar number (in addition to PAN) and other details with their depository participants, in case the shares are held in dematerialized form. Shareholder holding shares in physical mode, are requested to furnish details to the Company's Registrar and Share Transfer Agent (RTA) bssahd@bigshareonline.com.

Further as per the Notification of Central Board of Direct Taxes, individual shareholders are requested to link their Aadhaar number with PAN within prescribed timelines, to avoid deduction of tax at higher rates.

The formats of above declarations are available on the website of RTA at www.bigshareonline.com. The aforementioned documents (duly completed and signed) are required to be submitted to the Company's RTA at bssahd@bigshareonline.com.

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Act, we request you to provide the above-mentioned details and documents as applicable to you on or before 5.00 pm (IST) on 12th September, 2024. The Company will arrange to e-mail a soft copy of TDS certificate at the shareholders registered e-mail ID in due course, post payment of the said dividend.

Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after 5.00 pm (IST) on 12th September, 2024.

Please note that for the purpose of complying with the applicable TDS provisions, the Company will rely on the above-mentioned information available as on 12th September, 2024 as per the details available with the Depositories/R & T Agent.

Shareholder holding shares in Physical mode may note that SEBI vide its various circulars mandated that the security holders (holding securities in physical form), whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number and Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024.

All the documents submitted by the shareholders will be verified by the Company and the Company will consider the same while deducting the appropriate taxes if they are in accordance with the provisions of the Act.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents, option is available to the shareholder to file the return of income as per the Act, and claim an appropriate refund, if eligible.

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

Shareholders are further requested to complete necessary formalities to link their bank accounts to their demat accounts to enable the Company to make timely credit of dividend in respective bank account. For Shareholders who have not updated their Bank Account details, dividend warrants/demand drafts will be send to their registered address by post/courier.

Disclaimer: Above communication on TDS only sets out the provisions of law in a summarized manner and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult their own tax advisors for the tax provisions applicable to their particular circumstances.

Annexure – I to the Notice of AGM

Details of the Directors seeking re-appointment at the 32nd Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SS - 2 - Secretarial Standard on General Meetings]

Mr. Apurva V. Shah

Name of Director	**Mr. Apurva V. Shah (DIN: 0008197983)**
Appointment and Re-appointment and terms and conditions of appointment and re-appointment	Mr. Apurva V. Shah to be re-appointed as a Director of the Company, who will be retired by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013.
A brief resume and nature of expertise in specific functional areas;	Mr. Apurva V. Shah, aged about 61 years, is holding degree of B.E. (Mechanical) and Post Diploma in Refrigeration and Air-conditioning (PDRA). He is having around 40 years of experience in complete designing (Thermal and Mechanical including review of FE Analysis) and Estimation/Costing of pressure vessels, Column, Shell & Tube Heat Exchangers, Air cooled Heat Exchangers as per National & International Codes like ASME, TEMA, HEI, API, BS, EN, IS, IBR used in Hydrocarbon Sector, Refineries, Petrochemicals, Fertilizers, Power Plants, Textiles, Air-Conditioning, Compressor, Packaging manufacturers etc. He also took training in USA for Designing & Estimation of Air Cooled Heat Exchangers for water cooling, Steam Condensing, Oil Cooling, Refinery Coolers and Condensers. Before becoming an Whole-time Director in 2018, he was Vice President (Operations) of the Company (joined the Company as a Sr. Design Engineer in 1992) handling various departments including Design, Proposal & Offer, Marketing, Shop Operation etc. for various products of the Company namely pressure vessels, Column, Shell & Tube Heat Exchangers, Air cooled Heat Exchangers, Power Plant Heat Exchanger, Inter Coolers, After Coolers, Oil Coolers, Air Pre-heaters, LPG Bullets, Ammonia Storage Tanks, Condenser.
Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel	Mr. Apurva V. Shah is not related to any other Directors of the Company, Manager and other Key Managerial Personnel (KMP).
Details of remuneration last drawn	Mr. Apurva V. Shah draws remuneration as Whole-time Director of the Company by Salary of ₹ 3,60,000/- per month plus perquisites and allowances. Mr. Apurva V. Shah, Whole-time Director of the Company, drawn ₹ 36,08,239/- towards salary including perquisites and allowances during the financial year 2023-24.
Shareholding in the Company	1,100 Equity Shares of ₹ 10/- each of the Company (0.02 % Share Capital of the Company).
Name of Listed entities (other than Patels Airtemp (India) Limited) in which holds Directorships	NIL

Name of Director	Mr. Apurva V. Shah (DIN: 0008197983)
Chairperson of Board Committees	NIL
Member of Board Committees	NIL
Listed Entities from which resigned as Director in past 3 years	NIL
Number of Board Meetings attended during the financial year 2023-24	4 out of 4
Details of core skills and expertise of the Board of Directors	Strategic Planning, Research & Development and Innovation

Annexure – II to the Notice of AGM

I. GENERAL INFORMATION:

(1) Nature of industry

The Company is operating in one segment i.e. engineering fabrication having different products, such as Heat Exchangers, Air Cooled Heat Exchangers, Pressure Vessels, Air-conditioning & Refrigeration Equipments, Turnkey HVAC projects and other Misc. products.

(2) Date of commencement of commercial production

The Company commenced its operation in 1993.

(3) In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus

The Company is in existence since 1992.

(4) Financial performance based on given indicators

Following is the financial performance of the Company since last 3 years:

(₹ in Lacs)

Financial Year	Revenue from Operations	Profit before Tax	Net Profit after Tax
2023-24	37076.17	2014.11	1469.45
2022-23	28147.85	1535.80	1118.81
2021-22	30321.97	1683.43	1240.12

(5) Foreign investments or collaborators, if any.

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

The aforesaid Patels Airtemp (USA) Inc., Wholly Owned Subsidiary (WOS) of the Company has not commenced any business activities since its incorporation and incurring loss and no plan to commence any business activities in future and therefore it was proposed to wind-up / dissolve the said USA Company by disinvestment of Equity Capital.

Patels Airtemp (USA) Inc., has been duly dissolved w.e.f. 11th December, 2023 as per certificate of Dissolution issued by State of Delaware (USA). Consequent upon the said dissolution, Patels Airtemp (USA) Inc., ceased to be a Subsidiary of the Company and accordingly the Company has written off investment in subsidiary amounting to ₹ 7.17 Lakhs and Loan to subsidiary amounting to ₹ 5.32 Lakhs in the books of accounts of the Company.

Patels Airtemp (USA) Inc., has been duly dissolved w.e.f. 11th December, 2023 by disinvestment of Equity Capital and write off USD 15,941 and net balance of USD 9,059 remitted to India from USA, pursuant to the provisions of Foreign Exchange Management Overseas Investment Rules, Regulations and Directions issued by the Central Government along with Reserve Bank of India (RBI) and also the laws applicable in the State of Delaware, USA.

II. INFORMATION ABOUT THE APPOINTEES:

(1) Background details:

Name	Sanjivkumar N. Patel (DIN: 02794095)	Shivang P. Patel (DIN: 08136652)
Designation	Chairman & Managing Director	Whole-time Director
Age	52 years	32 years
Experience	28 years	10 years

(2) Past Remuneration:

The details of managerial remuneration paid to Mr. Sanjivkumar N. Patel, Chairman & Managing Director and Mr. Shivang P. Patel, Whole-time Director during the previous financial year ended on 31st March, 2024, are as under:

(Amount in ₹)

Particulars	Sanjivkumar N. Patel, Chairman & Managing Director	Shivang P. Patel, Whole-time Director
Salary	48,00,000	48,00,000
Perquisites/ Allowances	1,50,535	4,82,136
Total	**49,50,535**	**52,82,136**

(3) Recognition or awards:

Along with development of product design and product manufacturing application, the Company in its tenure of 51+ years continuously upgraded quality and product system by acquiring world's most recognized system like ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ASME (U2, U, S-Stamps).

The Company is having Quality Management System as per ISO 9001-2015 certification from TUV-SUD and Certificate for Environment Management System as per ISO 14001:2015 and Occupational Health and Safety (OH&S) Management System as per ISO 45001:2018 from TUV-NORD.

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

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

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

(4) Job profile and their suitability

Mr. Sanjivkumar N. Patel is holding Engineering degree in B.E. (Chemical) and MBA Degree from USA. He is associated with the Company since 2009. He is one of the Promoter of the Company. He was Whole-time Director of the Company from 2009 to 2015 and is a Managing Director of the Company since 2015. He has worked as a Business Consultant in the field of Management Information System (MIS) and also worked as a Business Analyst. He has experience of working with ERP System and has more than 28 years of experience in different areas.

Mr. Shivang P. Patel, aged about 32 years, is a Mechanical Engineer. He has completed MBA in Global Marketing from London, UK. He has been associated with the Company since 2014 and having experience of around 10 years. Initially, Mr. Shivang P Patel was appointed as "Executive - Business Development" of the Company. He subsequently promoted to "Vice President - Business Development" of the Company and thereafter was appointed as Whole-time Director of the Company in June, 2019.

(5) Remuneration proposed

It is proposed to increase the remuneration of Mr. Sanjivkumar N. Patel by way of Salary from ₹ 4,00,000/- to ₹ 5,50,000/- per month plus perquisites and allowances for the remaining period from 3rd August, 2024 to 19th May, 2026, the details of which are mentioned in the explanatory statement as above.

It is proposed to increase the remuneration of Mr. Shivang P. Patel by way of salary from ₹ 4,00,000/- per month to ₹ 5,50,000/- per month plus perquisites and allowances for the remaining period from 3rd August, 2024 to 31st May, 2025, the details of which are mentioned in the explanatory statement as above.

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

The proposed increase in remuneration to be paid to Mr. Sanjivkumar N. Patel and Mr. Shivang P. Patel as above is adequate taking into consideration the increased business activities and growth of the Company, establishment of new Unit by the Company under Greenfield project known as Dudhai Unit, the duties and responsibilities of the Managing Director and Whole-time Director and their contribution in the overall progress of the Company, the prevailing managerial remuneration in industry and at par with the industry scale, size and profitability of the Company.

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

Mr. Sanjivkumar N. Patel holds 1,83,500 Equity Shares of ₹ 10/- each in Patels Airtemp (India) Limited (3.35% Share Capital of the Company) in his individual capacity as on 3rd August, 2024.

Mr. Shivang P. Patel holds 82,400 Equity Shares of ₹ 10/- each in Patels Airtemp (India) Limited (1.51% Share Capital of the Company) in his individual capacity.

Mr. Sanjivkumar N. Patel is a Son of Late Shri Narayanbhai G. Patel, who was Promoter and Chairman & Whole-time Director of the Company and died on 3rd October, 2023.

Mr. Shivang P. Patel is a Son of Late Shri Prakash N. Patel, who was one of the Promoter and Managing Director of the Company and died on 15th February, 2019. Mr. Shivang P. Patel is a Grand Son of Late Shri Narayanbhai G. Patel, who was Promoter and Chairman & Whole-time Director of the Company and died on 3rd October, 2023.

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

Mr. Sanjivkumar N. Patel and Mr. Shivang P. Patel are not a Director in other Public Limited Company. They are also not a Director in any Listed Company.

III. OTHER INFORMATION:

(1) Reasons of inadequate profits

Due to competition and increase in the cost of materials, the profit of the Company during the year ended on 31st March, 2024 is inadequate.

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

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

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

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

IV. DISCLOSURES:

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

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

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

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

(iii) Service contracts, notice period, severance fees

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

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

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

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DIRECTORS' REPORT

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

Your Directors have pleasure in presenting herewith the 32nd Annual Report 2023-24 together with the Audited Standalone & Consolidated Financial Statements of **Patels Airtemp (India) Limited** (herein after referred to as "**the Company**") for the year ended 31st March, 2024.

FINANCIAL RESULTS (STANDALONE)

(₹ in lakhs except EPS)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Revenue from Operations	37076.17	28147.85
Other Income	198.94	132.56
Total Income	37275.11	28280.41
Less: Depreciation & Amortisation Expenses	406.39	410.83
Finance Cost	1286.27	1204,84
Other Expenses	33568.34	25128.94
Total Expenses	35261.00	26744.61
Profit before Tax	2014.11	1535.80
Less :Tax Expenses	544.66	416.99
Net Profit for the year	1469.45	1118.81
Balance brought forward from previous year	10735.91	9759.06
Profit available for Appropriation	12205.36	10877.87
Less: Proposed Dividend	164.11	141.97
Less: Tax on Dividend	--	--
Less Transfer to General Reserve	--	--
Surplus carried forward to Balance Sheet	12041.24	10735.91
Other Comprehensive Income / (Loss) for the Year	4.93	(6.31)
Total Comprehensive Income for the year	1474.38	1112.50
Earnings Per Share of ₹ 10/- each (₹)	26.86	21.44

STATE OF COMPANY'S AFFAIRS (STANDALONE)

The Company has earned total revenue from operations of ₹ 37076.17 Lakhs during the year ended on 31st March, 2024 as against ₹ 28147.85 Lakhs earned during the previous year ended on 31st March, 2023, an increase of 31.72 %. The Company has also earned other income of ₹ 198.94 Lakhs during the year under review as against ₹ 132.56 Lakhs earned during the previous year.

Out of revenue from operations of ₹ 37076.17 Lakhs earned by the Company during the year under review, ₹ 36597.61 Lakhs represents sale of products (Domestic & Export), ₹ 72.01 Lakhs represents sale of Services (Processing Charges) and ₹ 406.55 Lakhs represents other operating revenue including export incentives.

The Company has incurred total expenses of ₹ 35261.00 Lakhs during the year ended on 31st March, 2024 as compared to ₹ 26744.61 Lakhs incurred during the previous year ended on 31st March, 2023.

The Company has paid total fees of ₹ 4,38,000 including statutory audit fees, certification fees and fees for other services to M/s. Parikh & Majmudar (Firm Registration No. 107525W & Membership No. 107628), Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company.

The company has written off Investment in Wholly Owned Subsidiary amounting to ₹ 7.17 Lakhs and Loan to Wholly Owned Subsidiary amounting to ₹ 5.32 Lakhs in the books of accounts due to dissolution of M/s. Patels Airtemp (USA) Inc., a Wholly Owned Subsidiary (WOS/Foreign Entity) of the Company w.e.f. 11th December, 2023.

The Company has earned the Profit before Tax of ₹ 2014.11 Lakhs during the year ended on 31st March, 2024 as compared to ₹ 1535.80 Lakhs earned during the previous year ended on 31st March, 2023, an increase of 31.14 %.

The Company has earned Net Profit of ₹ 1469.45 Lakhs for the year ended on 31st March, 2024 after making Provision for Tax Expenses of ₹ 544.66 Lakhs and other adjustments, as compared to Net Profit of ₹ 1118.81 Lakhs earned by the Company during the previous year ended on 31st March, 2023, an increase of 31.34 %.

After adding the Surplus in the Statement of Profit & Loss of ₹ 10735.91 Lakhs brought forward from the previous year to the profit of ₹ 1469.45 Lakhs earned by the Company during the year under review, the total amount of ₹ 12205.36 Lakhs is available for appropriation.

After appropriating the Dividend amount of ₹ 164.11 lacs, as recommended, out of ₹ 12205.36 Lakhs available for appropriation, the balance amount of ₹ 12041.24 Lakhs carried forward to Balance Sheet.

The Audited Standalone Financial Statements of the Company and all other documents required to be attached thereto have been included in the Annual Report 2023-24, which has been put on the Company's website https://patelsairtemp.com/investors/annual-reports/

DIVIDEND

The Directors have recommended dividend of ₹ 3.00 per share (@ 30 %) on increased share capital of 54,70,240 Equity Shares of ₹ 10/- each of the Company out of the profits of the Company for the Financial Year ended 31st March, 2024 (2023-24), as compared to Dividend of ₹ 3.00 per share (@ 30 %) declared on 54,70,240 Equity Shares of ₹ 10/- each for the previous Financial Year ended 31st March, 2023. This will absorb ₹ 164.11 lakhs.

A resolution to that effect has been placed for the approval of the members at this Annual General Meeting of the Company and that the same, when declared, shall be paid to the Members within 30 days from the date of declaration.

Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates, subject to the provisions of Income Tax Act, 1961. In this regard, the details of provisions regarding TDS on dividend amount have already been mailed to the shareholders earlier and have also been included in the Notes to the Notice of AGM included in this Annual Report.

TRANSFER TO RESERVE

In view of above, the Company has not transferred any amount to the General Reserve for the year ended on 31st March, 2024 and retain the entire amount of profits in the Profit & Loss Account.

DISSOLUTION OF WHOLLY-OWNED SUBSIDIARY (WOS/FOREIGN ENTITY) (OVERSEAS SUBSIDIARY)

Patels Airtemp (USA) Inc., a Corporation, was formed in the State of Delaware, USA. The Company acquired 10,00,000 Shares with a par value of USD 0.01 per Share of Patels Airtemp (USA) Inc. (Equity Investment), to become 100 % Wholly Owned Subsidiary (WOS) of Patels Airtemp (India) Ltd. with effect from 13th January, 2020.

However, the aforesaid Patels Airtemp (USA) Inc., Wholly Owned Subsidiary (WOS) of the Company was dissolved w.e.f. 11th December, 2023, as per Certificate of Dissolution issued by State of Delaware (USA), as the said WOS did not commence any business activities since its incorporation and incurred loss and there was no plan to commence any business activities in future. The said WOS was dissolved by disinvestment of Equity Capital and write off USD 15,941 and net balance of USD 9,059 remitted to India from USA, pursuant to the provisions of Foreign Exchange Management Overseas Investment Rules, Regulations and Directions issued by the Central Government along with Reserve Bank of India (RBI) and also the laws applicable in the State of Delaware, USA.

Consequent upon the said dissolution, Patels Airtemp [USA) Inc., ceased to be the subsidiary of the Company w.e.f. 11th December, 2023. Patels Airtemp (USA) Inc., was not a Material Subsidiary of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the requirements of Section 129(3) read with Schedule III of the Companies Act, 2013 and Rules made thereunder and as stipulated by Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as "**SEBI Listing Regulations**") and applicable Indian Accounting Standards, the Consolidated Financial Statements of the Company and its Wholly Owned Subsidiary (WOS/Foreign Entity) namely Patels Airtemp (USA) Inc. for the year ended 31st March, 2024 have been attached with the Financial Statements of the Company. The Audited Consolidated Financial Statements together with Auditors' Report form part of the Annual Report 2023-24. The Consolidated Financial Statements comprise of Audited Financial Statements of the Company and Patels Airtemp (USA) Inc.

During the year under review, M/s. Patels Airtemp (USA) Inc., a Wholly Owned Subsidiary (WOS/Foreign Entity) of the Company, stands dissolved w.e.f. 11th December, 2023 as per Certificate of Dissolution issued by State of Delaware (USA). In this regard, the Consolidated Financial Statements for the year ended on 31st March, 2024 comprises of Audited Financial Statements of the Company for the year ended 31st March, 2024 and Audited Financial Statements of Patels Airtemp (USA) Inc. up to 30th November, 2023.

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

As on March 31, 2024, the Company did not have any material unlisted subsidiary as defined in Regulation 16(1)(c) of SEBI Listing Regulations. Accordingly, the requirement of appointment of Independent Director of the Company on the Board of Directors of the material unlisted subsidiary companies as per Regulation 24 of SEBI Listing Regulations does not apply.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is put up on the Company's website and can be accessed at https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/policy-on-material-subsidiaries.pdf.

In accordance with the provisions of Section 136 of the Act and the amendments thereto, read with the SEBI Listing Regulations, the Audited Consolidated Financial Statements of the Company and all other documents required to be attached thereto have been included in the Annual Report 2023-24, which has been put on the Company's website https://www.patelsairtemp.com/investors/annual-reports/

The Audited Financial Statements of the Wholly Owned Subsidiary (WOS/Foreign Entity) for the period up to 30th November, 2023, as required, are also put up on the Company's website and can be accessed at https://www.patelsairtemp.com/investors/subsidiary-company-accounts/ These documents will also be available for inspection on all working days, except Saturdays, during business hours, at the Company's Factory (Works) at Rakanpur, Dist. Gandhinagar.

A statement containing the salient features of the financial statements of the Company's Wholly-Owned Subsidiary (WOS/Foreign Entity) for the year ended 31st March, 2024 in the prescribed Form AOC-1 as per first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 and Rule 5 of the Companies (Accounts) Rules, 2014 is attached herewith as per **Annexure - A** and forms an integral part of this Report.

The Company has already filed an Annual Performance Report (APR) in Form ODI Part II with the Reserve Bank of India for the period up to 30th November, 2023 for its Overseas Direct Investment (ODI) in its Wholly Owned Subsidiary (WOS) Patels Airtemp (USA) Inc.

The Company has also filed an Annual Return on Foreign Liabilities and Assets (FLA) for the year 2023-24 (as on 31st March, 2024) with Reserve Bank of India.

EXPANSION UNDER NEW GREENFIELD PROJECT (DUDHAI UNIT)

In respect of new Greenfield project set up by the Company in the year 2019-20 at Dudhai, Taluka. Kadi, Dist. Mehsana, Gujarat (Dudhai Unit), the Company has constructed total four bays/shades with total covered area of 11,016 Sq. Mtrs., with total capital outlay of around ₹ 24.00 crores. In this regard, during the financial year 2023-24, the Company has further incurred additional capital expenditure to the extent of ₹ 86.26 Lacs for the said project mainly in Plant & Machinery and Factory Road.

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 ₹ 312 Crores on hand as on 1st August, 2024. 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.

MATERIAL EVENTS DURING THE YEAR

SHRI NARAYANBHAI G. PATEL, CHAIRMAN & WHOLE-TIME DIRECTOR

During the year, Shri Narayanbhai G. Patel, the Founder and one of the Promoter and Chairman & Whole-time Director of the Company, died on 3rd October, 2023 due to illness. Unexpected demise of Shri Narayanbhai G. Patel will be irreparable loss to the Company and all Directors and Employees of the Company convey deep sympathy, sorrow and condolences to his family members. In absence of Shri Narayanbhai G. Patel, highly experienced Board of Directors and Senior Management of the Company are committed to take legacy of Shri Narayanbhai G. Patel and release his vision for the Company.

PATELS AIRTEMP (USA) INC., WHOLLY OWNED SUBSIDIARY (WOS)

Patels Airtemp (USA) Inc., Wholly Owned Subsidiary (WOS) of the Company was dissolved w.e.f. 11th December, 2023 as per Certificate of Dissolution issued by State of Delaware (USA). The said WOS was dissolved by disinvestment of Equity Capital and write off USD 15,941 and net balance of USD 9,059 remitted to India from USA, pursuant to the provisions of Foreign Exchange Management Overseas Investment Rules, Regulations and Directions issued by the Central Government along with Reserve Bank of India (RBI) and also the laws applicable in the State of Delaware, USA.

Consequent upon the said dissolution, Patels Airtemp [USA) Inc., ceased to be the subsidiary of the Company w.e.f. 11th December, 2023. Patels Airtemp (USA) Inc., was not a Material Subsidiary of the Company.

MATERIAL CHANGES AND COMMITMENTS

In terms of Section 134(3)(l) of the Companies Act, 2013, except as mentioned above, 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

PREFERENTIAL ISSUE OF SHARES

Regarding Interlocutory Application (IA) No. IA/69(AHM)2022 in No. IA/68(AHM)2022 read with Company Petition (CP) No. 58/(AHM)2018 filed by one Mr. Bhavesh D. Narumalani (Applicant) vs. Therm Flow Engineers Private Limited (Respondent) with National Company Law Tribunal (NCTL), Ahmedabad Bench, with regards to approval of the Shareholders received at the Extraordinary General Meeting ("EGM") of the members of the company held on 8th October, 2022 for the Preferential Issue of 4,00,000 Equity Shares of face value of ₹ 10/- each of the Company for cash at a premium of ₹ 222/- per share aggregating to ₹ 9,28,00,000/- issued and allotted to the Promoters and Promoter Group on 16th November, 2022, the Company has so far not received any directives from the Hon'ble NCLT in the said matter as on the date of this Report.

Meanwhile, the Company has already received listing and trading approval from BSE Ltd. vide its letter No. LOD/PREF/TP/CP/13646/2022-23, dated 1st December, 2022 for trading of 4,00,000 Equity Shares of ₹ 10/- each effective from 2nd December, 2022.

SEBI SETTLEMENT PROCEEDINGS

During the financial year 2023-24, the Company has applied for settlement under the settlement scheme pursuant to the provisions of SEBI (Settlement Proceedings) Regulations, 2018 as amended in the matter of Show Cause Notice No. SEBI/HO/EAD-8/SKV/VC/36027/2023 Dated September 01, 2023 (SCN) issued by SEBI against the Company in the matter of Extra-ordinary General Meeting (EGM) of the Company held on 8th October, 2022 and disclosures made in Explanatory Statement for Shares issued and allotted to the Promoters and Promoter Group under Preferential Issue made by the Company. Pursuant to the said Settlement Application, the Company is awaiting for approval / order from SEBI regarding the settlement terms, subject to other legal course of action available to the Company.

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

ANNUAL RETURN

Annual Return of the Company as on 31st March, 2024 as required under Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 in the prescribed Form MGT-7 is put up on the Company's website and can be accessed at https://patelsairtemp.com/investors/annual-return/

MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

In terms of provisions of Regulation 34 of SEBI Listing Regulations, the Management Discussion and Analysis Report has been enclosed herewith as per **Annexure – B** and forming part of the Directors' Report.

RECOGNITION OR AWARDS

Along with development of product design and product manufacturing application, the Company in its tenure of 51+ years continuously upgraded quality and product system by acquiring world's most recognized system like ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ASME (U2, U, S-Stamps).

The Company is having Quality Management System as per ISO 9001-2015 certification from TUV-SUD and Certificate for Environment Management System as per ISO 14001:2015 and Occupational Health and Safety (OH&S) Management System as per ISO 45001:2018 from TUV-NORD.

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

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

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

FINANCE

The Company is availing working capital facilities of ₹ 180.92 Crores from Bank of Baroda and ₹ 68.25 Crores from Axis Bank Ltd. aggregating to ₹ 249.17 Crores under consortium arrangement.

During the year 2023-24, the Company has also availed additional SBLC limit of ₹ 5.00 Crores, being sub-limit of Bank Guarantee, within overall working capital facilities of ₹ 68.25 Crores sanctioned by Axis Bank Ltd.

The Company is also availing L.C. Bill Discounting facility amounting to ₹ 10.00 Crores from Axis Bank Ltd.

The Company is also availing Bill Discounting facility from Citibank NA.

The Company is also availing overdraft facility against fixed deposit with various branches of Bank of Baroda.

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, 2024 and the Company is not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

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

During the year under review, the Relatives of the Directors also brought in unsecured loan/deposits by way of contribution to bring additional long term funds as a part of conditions imposed by Bank of Baroda on the Promoters and their relatives, while reviewing working capital facilities to the Company vide its Letter No. AR/SMEBR/2021-22/July, 94 dated 7th August, 2021, which are exempted deposits under Rule 2(1)(c)(xiii) of Companies (Acceptance of Deposits) Rules, 2014.

Details of exempted deposits accepted and repaid by the Company including interest to the Directors & their Relatives during the financial year 2023-24 are mentioned in Note No. 17 and 33 (Relate Party information) of the Notes to the Standalone Financial Statements attached with this Annual Report.

The Company has duly filed the required Form DPT-3 during the year under review regarding exempted deposits under MCA portal.

TRANSFER OF UNCLAIMED DIVIDEND TO IEPF

In terms of the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF), as amended, during the year under review, the Company has transferred the amount of unclaimed/unpaid Dividend of ₹ 2,25,299.80/- for the financial year 2015-16 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 / unclaimed amounts lying with the Company as on 23rd September, 2023 (date of the previous Annual General Meeting) on the Company's website: https://www.patelsairtemp.com/investors/unclaimed-dividend/

TRANSFER OF SHARES TO IEPF DEMAT AUTHORITY ACCOUNT

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2023-24, transferred to the IEPF Authority 3,667 Equity Shares of the face value of ₹ 10/- each belonging to 41 Shareholders in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more from 2015-16 to 2021-22. Details of shares transferred to the IEPF Authority are available on the website of the Company https://www.patelsairtemp.com/investors/iepf-shares-transfer/

The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in. In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement. The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

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

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

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

CORPORATE GOVERNANCE

Being a Listed Company, the Company has taken necessary measures to comply with the provisions of SEBI Listing Regulations regarding Corporate Governance as amended from time to time. A separate report on Corporate Governance for the year ended 31st March, 2024 is attached herewith as a part of this Annual Report viz **Annexure - C**. A certificate from Practicing Company Secretary 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 Certificate on Corporate Governance issued by Practicing Company Secretary for the financial year 2023-24 does not contain any qualification, reservation or adverse remark in respect of Corporate Governance Report.

The Company has furnished to BSE Ltd., where the Shares of the Company are listed, Corporate Governance Compliance Report for the Quarter/Half-year/Whole year during the financial year 2023-24 in the format as specified by SEBI from time to time as placed before the Board as per various provisions of SEBI Listing Regulations. The said Corporate Governance Compliance Report have also been uploaded on the website of the of the Company https://www.patelsairtemp.com/investors/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, 2024, 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, 2024 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, 2024 on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOAN GIVEN AND INVESTMENT MADE

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

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

However, during the year ended on 31st March, 2024, the company has written off Investment in Wholly Owned Subsidiary amounting to ₹ 7.17 Lakhs and Loan to Wholly Owned Subsidiary amounting to ₹ 5.32 Lakhs in the books of accounts due to dissolution of M/s. Patels Airtemp (USA) Inc., a Wholly Owned Subsidiary (WOS/Foreign Entity) of the Company w.e.f. 11th December, 2023 as per Certificate of Dissolution issued by State of Delaware (USA).

RELATED PARTY TRANSACTIONS (RPTs)

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

Pursuant to the provisions of SEBI Listing Regulations, details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in Note No. 33 of the Notes to the Standalone Financial Statements for the year ended 31st March, 2024, forming part of this Report.

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

"Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions" related to entering into Related Party Transactions by the Company with Related Parties is uploaded on the Company's website viz. https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/policy-on-materiality-of-related-party-transaction-and-dealing-with-related-party-transactions.pdf.

SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 pertaining to Related Party, Related Party Transactions, Prior Approvals and Disclosures effective from April 01, 2022 and other earlier amendments, except for a few provisions which will be effective from April 01, 2023, have introduced substantial changes in the RPT framework. In view of the said amendments, policy on materiality of related party transactions and dealing with related party transactions of the Company (Policy on RPTs) was modified / revised / updated in line of the above amendments which is effective from 12th November, 2022.

All Related Party Transactions are placed before the Audit Committee for its prior approval (by Independent Directors only from 1st January, 2022 as per amendment in SEBI Listing Regulations) as also to the Board

for approval including Omnibus approval for the transactions for one financial year, which are repetitive in nature and also for the transactions, which are not foreseen (subject to financial limit). However, the Company has not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder and SEBI Listing Regulations and as such no approval of the Shareholders require.

As per Regulation 23 and 18(3) read with Part C of Schedule II of SEBI Listing Regulations as amended from time to time, the Audit Committee of the Board has reviewed and ratified Related Party Transactions (RPTs) entered into by the company with related parties during the financial year ended 31st March, 2024 (2023-24) pursuant to each of the omnibus approvals given.

The Company has duly filed with BSE Ltd. half-yearly statement of Related Party Transactions ended on 31st March, 2023 and 30th September, 2023 in accordance with applicable Indian Accounting Standards on a consolidated basis in the format as specified by SEBI from time to time pursuant to Regulation 23(9) of SEBI Listing Regulations and uploaded the said details on website of the Company viz. https://www. patelsairtemp.com/investors/disclosures-of-related-party-transactions/

SECRETARIAL STANDARDS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

With profound sorrowfully, the Board of Directors of the Company express their deep condolences at the sad demise of Shri Narayanbhai G. Patel (DIN: 00023107), the Founder, one of the Promoter and the Chairman & Whole-time Director of the Company on 3rd October, 2023 due to ill-health. Unexpected demise of Shri Narayanbhai G. Patel will be irreparable loss to the Company and all Directors and Employees of the Company convey deep sympathy, sorrow and condolences to his family members. Due to sad demise, Shri Narayanbhai G. Patel ceased to be a Chairman & Whole-time Director and Member of the Audit Committee (AC), Nomination & Remuneration Committee (NRC), Stakeholders' Relationship Committee (SRC) and Corporate Social Responsibility Committee (CSR) committee of Board of Directors of the Company. In absence of Shri Narayanbhai G. Patel, highly experienced Board of Directors and senior management of the Company are committed to take legacy of Mr. Narayanbhai G. Patel and release his vision for the Company. However, before his demise, Shri Narayanbhai G. Patel (DIN: 00023107) was duly re-appointed as Whole-time Director of the Company designated as "Chairman & Whole-time Director" for a further period of 3 years with effect from 20th May, 2023 up to 19th May, 2026, with payment of remuneration by way of Salary of ₹ 4,00,000/- per month plus perquisites and allowances, as recommended and approved by Nomination & Remuneration Committee and Board of Directors and duly approved by the Shareholders by passing Special Resolution at the 31st Annual General Meeting (AGM) held on 23rd September, 2023.

Mr. Sanjivkumar N. Patel (DIN:02794095) has been duly re-appointed as Managing Director of the Company for a further period of 3 years with effect from 20th May, 2023 up to 19th May, 2026, with payment of remuneration by way of Salary of ₹ 4,00,000/- per month plus perquisites and allowances, as recommended and approved by Nomination & Remuneration Committee and Board of Directors and duly approved by the Shareholders by passing Special Resolution at the 31st Annual General Meeting (AGM) held on 23rd September, 2023. Meanwhile, Mr. Sanjivkumar N. Patel, Managing Director (DIN: 02794095), has been appointed as the Chairman of the Board of Directors of the Company designated as "Chairman & Managing Director" with effect from 9th November, 2023 and to remain the Chairman of the Board until otherwise decided by the Board of Directors in place of Shri Narayanbhai G. Patel (DIN: 00023107) who ceased to be the Chairman & Whole-time Director of the Company w.e.f. 3rd October, 2023 due to his sad demise.

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder and Articles of Association, Mr. Apurva V. Shah (DIN: 0008197983), Whole-time Director of the Company, shall retire by

rotation as Director of the Company at this Annual General Meeting, and being eligible, offers himself for re-appointment, for which necessary resolution has been incorporated in the notice of the meeting. The Board of Directors recommends re-appointment of Mr. Apurva V. Shah (DIN: 0008197983) as Director of the Company. Meanwhile, Mr. Apurva V. Shah has been re-appointed as a Whole-time Director of the Company for a further period of 3 (Three) years with effect from 11th August, 2024 up to 10th August, 2027, upon the terms and conditions including remuneration by way of Salary of ₹ 3,60,000/- per month plus Perquisites and Allowances for the said period of 3 years from 11th August, 2024 up to 10th August, 2027 as recommended and approved by Nomination & Remuneration Committee and Board of Directors and duly approved by the Shareholders by passing an Ordinary Resolution through Postal Ballot of the Company. The brief resume/details relating to Mr. Apurva V. Shah, who is to be re-appointed are furnished in the Notes to the Notice of the Annual General Meeting.

The second term of Mr. Hareshkumar I. Shah (DIN: 00216585) as Independent Director of the Company, shall be completed on 29th August, 2024 and accordingly he will cease to be an Independent Director of the Company. Consequently. Mr. Hareshkumar I. Shah will also cease to be a Chairman of Audit Committee (AC), Nomination & Remuneration Committee (NRC), Stakeholders Relationship Committee (SRC) and Corporate Social Responsibility (CSR) Committee of the Board w.e.f. 30th August, 2024. The Board places on record their appreciation for the assistance and guidance provided by Mr. Hareshkumar I. Shah during his tenure as an Independent Director of the Company and also as a Chairman of AC, NRC, SRC & CSR Committees of the Board.

Mr. Rajendrakumar C. Patel (DIN: 06532676) has been duly re-appointed as Independent Director (Non-executive & Independent) of the Company not liable to retire by rotation, for a second term of five years from 10th August, 2024 up to 9th August, 2029 as recommended and approved by Nomination & Remuneration Committee and Board of Directors and duly approved by the Shareholders by passing Special Resolution through Postal Ballot.

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)

Re-constitution of Committees during the year 2023-24:

The Board of Directors reconstituted AC, NRC, SRC and CSR Committees of the Board w.e.f. 12th August, 2023 by appointing Mr. Naimish B. Patel (DIN: 02813295), an Independent Director, as a Member of AC, NRC, SRC and CSR Committee, in place of Mr. Himanshu N. Rawal (DIN: 06631728), who ceased to be a Director of the Company and consequently as a Member of AC, NRC, SRC and CSR Committee of the Board w.e.f. 23rd September, 2023 due to completion of 2nd term as Independent Director of the Company.

The Board of Directors also reconstituted CSR Committee w.e.f. 9th November, 2023 by appointing Mrs. Veenaben B. Patel (DIN: 07131341), Independent Director, as a Member of CSR Committee in place of Shri Narayanbhai G. Patel, who ceased to be the Chairman & Whole-time Director and Member of CSR Committee due to sad demise on 3rd October, 2023.

Re-constitution of Committees during the period from 1st April, 2024 up to the date of this Report:

The Board of Directors reconstituted AC, NRC, SRC and CSR Committees of the Board w.e.f. 3rd August, 2024 by appointing Mr. Rajendrakumar C. Patel (DIN: 06532676), an Independent Director, as a Member of AC, NRC, SRC and CSR Committee, in place of Mr. Hareshkumar I. Shah (DIN: 00216585), who will cease to be an Independent Director of the Company and consequently as a Chairman of AC, NRC, SRC and CSR Committee of the Board w.e.f. 30th August, 2024 due to completion of 2nd term as Independent Director of the Company.

Chairman of re-constituted Committees:

The Board of Directors also appointed Mr. Naimish B. Patel (DIN: 02813295), an Independent Director, as a Chairman of AC, NRC, SRC and CSR Committee w.e.f. 30th August, 2024 in place of Mr. Hareshkumar I. Shah (DIN: 00216585), who will cease to be an Independent Director of the Company w.e.f. 30th August, 2024 and consequently as a Chairman of AC, NRC, SRC and CSR Committee of the Board.

The details of various Committees of Directors constituted by the Board of Directors as above under various provisions of Companies Act, 2013 and Rules made thereunder and SEBI 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. https://www.patelsairtemp.com/investors/composition-of-committees-of-board-of-directors/.

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 SEBI 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 https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/nomination-and-remuneration-policy.pdf.

In a separate meeting of independent Directors held on 30th March, 2024, 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. https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/nomination-and-remuneration-policy.pdf.

NUMBER OF BOARD MEETINGS AND CIRCULAR RESOLUTIONS

During the financial year 2023-24, 4 (Four) Board Meetings of the Company were held on 27th May, 2023, 12th August, 2023, 9th November, 2023 and 10th February, 2024.

For the Board Meetings held as above, the gap between two Board Meetings did not exceed 120 days as prescribed in the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations. The Board Meetings were held at the Factory (Works) of the Company situated at Rakanpur, Dist. Gandhinagar, Gujarat.

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

During the financial year 2023-24, 3 (three) Circular Resolutions in respect of the following matters have been passed by the Board of Directors on 27th September, 2023 and 8th December, 2023 and duly confirmed by the Board of Directors in the next Board Meeting of the Company as per Section 175 of the Companies Act, 2013 and Rules made thereunder and as per Secretarial Standards SS-1issued by ICSI:

1) Approval of Cost Audit Report for the year 2022-23 issued by M/s. Rajendra Patel & Associates, Cost Accountant, Ahmedabad (Firm Regn. No. FRN 101163), Cost Auditor of the Company in respect of cost records maintained by the Company for various products of the company.

2) Taking note of Show Cause Notice (SCN) dated 1st September, 2023 received from SEBI and authority to Managing Director to sign the Settlement Application along with all annexures on behalf of the Company and submit the same to SEBI and to appoint various persons to appear, act and plead before SEBI under Settlement Scheme on behalf of the Company against the said SCN.

3) Approval to wind-up / dissolve Patels Airtemp (USA) Inc., a 100% Wholly-Owned Subsidiary (WOS) of the Company.

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

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

RISK MANAGEMENT

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

CORPORATE SOCIAL RESPONSIBILITY

The details regarding Corporate Social Responsibility of the Company are given in the Corporate Governance Report, which forms part of this Report.

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

The policy also indicates the activities to be undertaken by the Company within the broad framework of Schedule VII of the Companies Act, 2013, as in force and as amended from time to time which includes promotion of educational and employment enhancing vocational skills and education of underprivileged children, social development/services, promotion of healthcare, including preventive health care i.e. for medical treatment, rehabilitation and sanitation and disaster management, environmental sustainability, rural development project, eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups and such other activities and programs as recommended by CSR committee from time to time.

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

M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad (Firm Registration No. 107525W) were appointed as Statutory Auditors of your Company at the 30th Annual General Meeting of the Company held on 27th September, 2022, for a first term of five consecutive years from the conclusion of the said 30th Annual General Meeting of the Company till the conclusion of the 35th Annual General Meeting to be held in the year 2027 in place of retiring Statutory Auditors M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad (Firm Registration No. 113742W).

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs (MCA), the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. Accordingly, no resolution has been proposed for ratification of appointment of Auditors of the Company.

No fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

During the Financial Year 2023-24, the Company has paid total fees of ₹ 4,38,000 including statutory audit fees, certification fees, and fees for other services to M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company (Firm Registration No. 113742W).

AUDIT REPORT (EMPHASIS OF MATTERS)

The Statutory Auditors have mentioned in their Audit Report the following Notes in respect of Audited Standalone Financial Statements of the Company for the year ended 31st March, 2024 as Emphasis of the Matter:

"During the year under review, M/s. Patels Airtemp (USA) Inc., a Wholly Owned Subsidiary (WOS/Foreign Entity) of the Company, stands dissolved w.e.f. 11th December, 2023 as per Certificate of Dissolution issued by State of Delaware (USA). Consequent, upon the said dissolution, Patels Airtemp (USA) Inc. ceased to be a Subsidiary Company and accordingly the company has written off Investment in Wholly Owned Subsidiary amounting to ₹ 7.17 Lakhs and Loan to Wholly Owned Subsidiary amounting to ₹ 5.32 Lakhs in the books of accounts during the financial year ended on 31st March, 2024."

The Statutory Auditors have also mentioned the following notes in their Auditors' Report as Emphasis of the Matter:

"The balance confirmation from the suppliers and customers have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables and trade payables have been taken as per the books of accounts submitted by the company and are subject to confirmation from the respective parties."

However, the Auditors clarified in its report that their Conclusion is not modified in respect of the above matters of emphasis.

The Notes on financial statement referred to in the Auditors' Report and mentioned above are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer, except Emphasis of the Matter as mentioned above.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Section 204 of the Companies Act, 2013 and Rules made thereunder inter alia requires every Listed Company to annex with its Board Report a Secretarial Audit Report given by a Company Secretary in Practice in the prescribed form. The Board appointed Mr. Punit Lath, Practicing Company Secretary, Ahmedabad (COP No. 11139 & Membership No. 26238) as the Secretarial Auditor to conduct Secretarial Audit of the records of the Company for the financial year 2023-24. Secretarial Auditor has submitted to the Company the Secretarial Audit Report for the financial year ended March 31, 2024 and annexed herewith marked as **Annexure – G** to this Report.

The Secretarial Audit Report for the financial year 2023-24 does not contain any qualification, reservation or adverse remark. During the year under review, the Secretarial Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

The Board at its meeting held on 10th February, 2024, has re-appointed Mr. Punit Lath as Secretarial Auditor, for conducting Secretarial Audit of the Company for the financial year 2024-25. The Company has received his written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

COMPLIANCE CERTIFICATE

The Company has also received Secretarial Compliance Report for the year ended 31st March, 2024 from Mr. Punit Lath (COP No. 11139 & Membership No. 26238), Practicing Company Secretary and duly filed with BSE Ltd., in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("**SEBI**").

COST AUDIT

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Amendment Rules 2014, your Company is required to get its cost accounting records audited by a Cost Auditor.

Accordingly, the Board at its meeting held on 24th May, 2024, has on the recommendation of the Audit Committee, appointed M/s. Rajendra Patel & Associates, Cost Accountant, Ahmedabad (Firm Registration No. FRN101163) to conduct the audit of the cost accounting records of the Company for FY 2023-24 on a remuneration of ₹ 80,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder and confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013. They have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013.

The Cost Audit Report for the Financial Year ended 31st March, 2023 has been duly filed in XBRL mode. The cost audit report of the Company for financial year ended March 31, 2024 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.

INTERNAL AUDIT

Pursuant to the provisions of Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations, the Audit Committee reviews quarterly the Report of internal audit received from Internal Auditor of the Company relating to internal control weakness, if any, as mentioned in the Internal Audit Report.

LISTING FEES

Pursuant to the provisions of SEBI Listing Regulations, the Company declares that the Equity Shares of the Company are listed on the BSE Limited (BSE). The Company confirms that it has paid Annual Listing Fees to BSE up to the Financial Year 2024-25.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

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

WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report any act of serious misconduct or wrongful activity being occurred or suspected to occur within the organization, to his immediate HOD or the HR Head or directly to the concern Whole-time Directors or Managing Directors of the Company, as he may desire. No employee of the Company is denied access to the Audit Committee. The vigil mechanism/whistle blower policy is also available on the web-site of the Company viz. https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/whistel-blower-cum-vigil-mechanism-policy.pdf. During the year under review, the Company has not received any whistle blower complaint.

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

The Company has zero tolerance towards sexual harassment at the workplace. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. All employees (permanent, contractual, temporary, trainees) are covered under the said Policy.

All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints pertaining to sexual harassment were received during the financial year 2023-24.

Policy on Prevention, Prohibition and Punishment of Sexual Harassment is also available on the web-site of the Company viz. https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/sexual-harassment-policy.pdf

GENERAL

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

- The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under Section 67(3)(c) of the Companies Act, 2013 does not require.
- The disclosure in terms of Rule 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- The Company has not issued any shares under any scheme including Employees' Stock Options Schemes or Sweat Equity Shares to employees of the Company.

- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from its subsidiary.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of onetime settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENT

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

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

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

By order of the Board of Directors

Sanjivkumar N. Patel
Chairman & Managing Director
(DIN: 02794095)

Date : 3rd August, 2024
Place : Rakanpur, Dist. Gandhinagar

Annexure – A

Form AOC-1

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

Statement containing salient features of the financial statement of Subsidiary
Part A: Wholly Owned Subsidiary (WOS)

(₹ in Lakhs)

1	**Name of the subsidiary**	**:**	**Patels Airtemp (USA) Inc.** (Refer note below)
2	The date since when subsidiary was acquired	:	13th January, 2020
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	31st December, 2023
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	:	US Dollar 1 = ₹ 83.12
5	Share Capital	:	7.18
6	Other Equity	:	(13.71)
7	Total Assets	:	0.00
8	Total Liabilities	:	0.00
9	Investments	:	NIL
10	Turnover	:	NIL
11	Profit/(Loss) before Taxation	:	(8.49)
12	Provision for Taxation	:	NIL
13	Profit/(Loss) after Taxation	:	(8.49)
14	Proposed Dividend	:	NIL
15	% of Shareholding	:	100.00

Note :

Patels Airtemp (USA) Inc., a Wholly Owned Subsidiary (WOS/Foreign Entity) of Patels Airtemp (India) Limited ("the Company") has not commenced any business activities since its incorporation and incurring loss and no plan to commence any business activities in future.

In view of above, Patels Airtemp (USA) Inc., stands dissolved w.e.f. 11th December, 2023 as per Certificate of Dissolution issued by State of Delaware (USA). Consequent upon the said dissolution, Patels Airtemp (USA) Inc., ceased to be a Subsidiary of the Company w.e.f. 11th December, 2023.

The said WOS was dissolved by disinvestment of Equity Capital and write off USD 15,941 and net balance of USD 9,059 remitted to India from USA, pursuant to the provisions of Foreign Exchange Management Act, Overseas Investment Rules, Regulations and Directions issued by the Central Government along with Reserve Bank of India (RBI) and also the laws applicable in the State of Delaware, USA.

Part B: Associates and Joint Ventures

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

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

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

Sanjivkumar N. Patel	**Shivang P. Patel**
Chairman & Managing Director	**Whole-time Director**
(DIN: 02794095)	**(DIN: 08136652)**
Kamlesh R. Shah	**Nikhil M. Patel**
Chief Financial Officer	**Company Secretary**

Place : Rakanpur, Dist. Gandhinagar
Date : 24th May, 2024

ANNEXURE-B TO DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS

The Management's perspective on performance of the Company for the financial year 2023-2024 in given in this report. This report should be read along with the Company's financial statements, the schedules and notes thereto and other information included in this Annual Report for the financial year 2023-2024. The Company' financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") complying with requirements of the Companies Act, 2013 and SEBI regulations as amended from time to time.

ECONOMIC OUTLOOK

In fiscal 2023-2024, due to uncertain environment, the global economy showed strong resilience led by robust in advanced economies. The journey has been eventful, starting with supply chain disruptions in the aftermath of the pandemic and a considerable surge in inflation, followed by globally synchronized monetary policy tightening. The global financial system has broadly withstood the unprecedented monetary tightening across the world with the resilience of emerging market economies, which were at the receiving end of pervious years of volatility, standing out.

The forecast for the world economy to continue growing at 3.2% during 2024 and 2025, at same pace in 2023. Advanced economies where growth is expected to slight acceleration from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025 will be offset by economies from 4.3% in 2023 to 4.2% in the year 2024 and 2025.

The financial year 2023-2024 remained a mixed bag of opportunities and challenges. Despite of facing headwind from the sluggish global market for last three years, the Indian economy continue to stand out as the fastest growing economies and there is every sign that this trend will continue in the near future. Policy and regulatory support and prudence have helped, as has the gradual reinvigoration of the private sector organizations in India.

Favorable government policies, like the Production Linked Incentive (PLI) Scheme, alongside India's increasing demands in construction, infrastructure, and global markets, continue to uplift the industry. In the engineering sector, demand is fueled by investments and capacity expansion in crucial areas such as power, infrastructure, mining, oil, as well as in sectors like general manufacturing, automotive, process industries, and consumer goods.

The interim Budget for 2024-2025 has projected an accelerated reduction of fiscal deficit of GDP in 2024-2025, while continuing its focus on capital expenditure. The finance ministry has projected India to become third-largest economy in the global market by 2027 rom fifth largest currently. India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds which are evidence of investor faith in the "Invest in India" narrative.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is operating in single segment business namely engineering. The Company is engaged in the manufacture and sale of extensive range of Heat Exchangers such as Shell & Tube Type, Finned Tube Type and Air Cooled Heat Exchangers, Pressure Vessels, Air-conditioning and Refrigeration equipments and Turnkey HVAC Projects in India & marketing of equipments in India and outside India. All these products are supplied to leading Industrial Sections like Power Projects, Refineries, Fertilizers, Cements, Petrochemicals, Pharmaceuticals, Textile and Chemical Industries make them a single window option for multiple products. With their design to delivery ability, The Company could always offer and deliver something extra to their clients, including ease of one-stop solutions.

The manufacturing facilities in India are located in Gujarat at Rakanpur, Dist: Gandhinagar and Dudhai, Dist: Kadi. During the year under review the staff in both units worked diligently towards meet it's highest

ever turnover. Despite of mixed bag of opportunities and challenges, strong domestic demand and global geopolitical uncertainty the Company able to achieve considerable improvements across the targets and achieved its highest ever turnover of ₹ 37,076.17 Lakhs during the financial year even in highly cut-thought competition and the prevailing market conditions.

FINANCIAL AND OPERATIONAL PERFORMANCE

Your Company is engaging in single segment namely engineering business. The Company has commenced its ever progressing journey with expertise of Design and Manufacturing of process equipments. This discussion, therefore, covers the financial results and other developments during April 2023 to March 2024, in respect of the Company.

Against the backdrop of domestic economic resurgence amidst at world level volatility, the Company has recorded a healthy performance across its business, spread across geographies.

The Company has earned total revenue from operations of ₹ 37076.17 Lakhs during the year ended on 31st March, 2024 as against ₹ 28147.85 Lakhs earned during the previous year ended on 31st March, 2023, an increase of 31.72 %. The Company has also earned other income of ₹ 198.94 Lakhs during the year under review as against ₹ 132.56 Lakhs earned during the previous year.

Product wise bifurcation of total revenue of the Company during the financial year 2023-2024:

Sr. No.	Description	% as on 31/03/2024	% as on 31/03/2023
1	Heat Exchanger & Accessories	39.81	55.74
2	Air Cooled Heat Exchanger & Accessories	50.07	40.11
3	Other	10.12	4.15

Out of revenue from operations of ₹ 37076.17 Lakhs earned by the Company during the year under review, ₹ 36597.61 Lakhs represents sale of products (Domestic & Export), ₹ 72.01 Lakhs represents sale of Services (Processing Charges) and ₹ 406.55 Lakhs represents other operating revenue including export incentives.

The Company has incurred total expenses of ₹ 35261.00 Lakhs during the year ended on 31st March, 2024 as compared to ₹ 26744.61 Lakhs incurred during the previous year ended on 31st March, 2023.

The Company has earned the Profit before Tax of ₹ 2014.11 Lakhs during the year ended on 31st March, 2024 as compared to ₹ 1535.80 Lakhs earned during the previous year ended on 31st March, 2023, an increase of 31.14 %.

The Company has earned Net Profit of ₹ 1469.45 Lakhs for the year ended on 31st March, 2024 after making Provision for Tax Expenses of ₹ 544.66 Lakhs and other adjustments, as compared to Net Profit of ₹ 1118.81 Lakhs earned by the Company during the previous year ended on 31st March, 2023, an increase of 31.34 %.

FINANCIAL RATIOS

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of the key financial ratios of the Company and comparison to previous year has been provided in Note No. 57 to standalone financial statements of the Company.

PERFORMANCE OF PRODUCT

Along with development of product design and product manufacturing application, the Company in its tenure of 51+ years continuously upgraded quality and product system by acquiring world's most recognized system like ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ASME (U2, U, S-Stamps).

The Company is having Quality Management System as per ISO 9001-2015 certification from TUV-SUD and Certificate for Environment Management System as per ISO 14001:2015 and Occupational Health and Safety (OH&S) Management System as per ISO 45001:2018 from TUV-NORD.

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

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

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

FUTURE OUTLOOK

The engineering sector is the largest of the industrial sector in India. India's engineering sector is dividend in to two major segments – Heavy Engineering and Light Engineering. The Heavy Engineering industry is one of the largest sectors in the world. It produces machinery, capital goods and components and parts for various industries.

In the interdependent world we live in an age of unpredictability. This has disrupted the global supply chains and triggered an alarming spike in prices. The consensus view is that prices of various commodities would remain elevated in the near term. The opportunities for our company business remain positive for order booking prospects. The strong growth movement in the short terms as well as long terms due to continuing enquiries from current and new clients from Domestic and Export Market.

In respect of new Greenfield project set up by the Company in the year 2019-20 at Dudhai, Taluka. Kadi, Dist. Mehsana, Gujarat (Dudhai Unit), the Company has constructed total four bays/shades with total covered area of 11,016 Sq. Mtrs. In this regard, during the financial year 2023-24, the Company has further incurred additional capital expenditure to the extent of ₹ 86.26 Lacs for the said project mainly in Plant & Machinery and Factory Road.

With this, 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.

Your Company has about ₹ 312 Crores order on hand as on 1st August, 2024. Your Directors are cautious and making untiring efforts so as not to compromise on growth, quality, and profitability of the Company.

OPPORTUNITIES

With the expansion of infrastructure in Dudhai Unit there are number of new opportunities are available to the Company to enhance the various products, enter into new market and industry sectors both in the domestic and international market through Export. Export in the developed countries like UK, USA, Canada & Singapore and other countries like Nigeria, Indonesia, Zambia etc. is to be developed and it is expected to provide large impetus to engineering exports to these countries after obtaining the ASME "U"/ "U2"/ "S" Stamp Authorization. Your company is preparing itself to meet the increased demand in the years to come through efficient production management system which will enable to minimize the risk of raw materials price fluctuations.

RISK FACTORS

As per the nature of our business, your Company often exposed to various risks owing to the changing market and volatility external environment. As Risk is an integral part of every business and your Company always tries to deliver superior shareholder value by achieving an appropriate trade-off between risk and

returns. Our risk management strategy is based on a clear understanding of various risks i.e. operational risk, marketing risk involved, systematic risk assessment and taking steps to overcome risks and continuous monitoring.

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

QUALITY CONTROL

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

INTERNAL CONTROL SYSTEM

The Company has adequate and effective internal control system in operation commensurate with the size and nature of its business for enduring efficiency of operation and protection of Company's assets. Our internal control system ensures that all business transactions are recorded in a timely manner, resources are utilized effectively and our assets are safeguarded. Internal Audit is conducted by experienced Chartered Accountants in close coordination with Company's Accounts and other departments of the Company. The Audit Committee formed by the Company review on periodical basis the compliance with the Company's policies, procedures and prevailing laws.

The system is supported by documents policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

INDUSTRIAL RELATION & HUMAN RESOURCES

The manpower is internal customer of the Company. If they are not happy, survival would be difficult. No employee union has ever been formed in the Company since inception which is a testament of how we keep each employee and their family member happy in the Company.

The Company believes that the Company future will grow when its employees and works are grows. Human Capital is true assets for smooth functioning of business activities and greatest tool for shaping the future growth of Company. 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. To enrich the skills of employees and enrich their experience, the Company arranges, Practical Training Courses by Internal and External Faculties. The Company organizes regular medical camps, awareness sessions, and life skills workshops for employees and works. These initiatives are aimed at fostering a healthy work life balance and nurturing an open and caring culture within the organization. The Company extending best possible medical facilities like health check-ups for employees and workers, regular Health Camps, Awareness Talks, Immunization camps at units.

Due to the employees' friendly working environment, performance oriented work and performance appraisal on yearly basses, it attract and retain the best employees in the Company. As on 31st March, 2024, the Company has 187 employees including workers on the roll of the Company.

HEALTH, SAFETY & ENVIRONMENT

We at Patels Airtemp (India) Limited (the Company) are fully committed to provide Quality services with safe working place and clean environment to our employees, subcontractors, suppliers, and any other stakeholder involved as an integral part of our business philosophy and value system. We recognize that providing and integrating a sound environmental, health and safety program into our business is the key to our success.

The well – experienced members of our HSE segment are constantly and tirelessly working towards making our organization Accident – free. Some of the HSE protocols and procedures that are included in the system;

- Comply with all pertinent environmental and safety laws, rules and regulations, not just because it is legally required, but also because we believe it is the responsible way to conduct our business.
- Set HSE targets and goals annually to measure our performance and identify areas for improvement.
- Conducting regular audits to identify potential workplace risks and hazards and its preventive measures.
- Employees and workers working at shop floor are provided with Personal Protective Equipments (PPE's) to protect themselves from potential hazards.
- Provide education and training to our employees and contractors to enhance their knowledge, skills and understanding to perform their responsibilities and duties safely.
- Prevent environmental pollution and impact by conserving natural resources, improving efficiency and reducing wastages in our processes.
- Conducting regular meetings with workers across the organization to ensure their consultation and participation is effectively done.
- Ensure continual improvement of business processes through motivation and empowerment of employees.

CAUTIONARY STATEMENT

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

Annexure - C
CORPORATE GOVERANANCE REPORT

Report on Corporate Governance for the year ended 31st March, 2024 (2023-24) pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time

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

This report is prepared in accordance with the provisions of SEBI Listing Regulations and the report contains the details of Corporate Governance systems and processes at Patels Airtemp (India) Limited ("the **Company**").

1. CORPORATE GOVERNANCE PHILOSOPHY:

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

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

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

- Code of Conduct for Directors and Senior Management Personnel (Revised w.e.f. 20th June, 2020)
- Code of Conduct for Prohibition of Insider Trading (Revised w.e.f. 1st April, 2019)
- Vigil Mechanism and Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions (Revised w.e.f. 12th November, 2022)
- Corporate Social Responsibility (CSR) Policy (Revised w.e.f. 19th June, 2021)
- Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy on Determination and Disclosure of Materiality of Events and Information (Revised w.e.f. 10th February, 2024)

2. BOARD OF DIRECTORS:

(i) Composition and category of Directors as on 31st March, 2024:

As per SEBI Listing Regulations, the Board of Directors of the Company comprises of the combination of Executive and Non-Executive Directors. Out of total strength of 7 (Seven) Directors as on 31st March, 2024, 3 (Three) Directors are Executive Directors and 4 (Four) Directors are Non-Executive Independent Directors. The Board of Directors comprise of not less than Six Directors. The Chairman of the Board is Promoter-Executive Director. More than fifty per cent of the Board of Directors is comprise of Non-Executive Independent Directors including one Independent

Woman Director. All members of the Committees like Audit Committee (AC), Nomination & Remuneration Committee (NRC), Stakeholders' Relationship Committee (SRC) and Corporate Social Responsibility (CSR) Committee comprise of Independent Directors with Chairman of all Committees, being Independent Director. The composition of the Board is in conformity with Regulation 17 of SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

The Chairman provides overall direction and guidance to the Board. In the operations and functioning of the Company, the Chairman also a Managing Director is assisted by other two Executive Directors and a core group of senior level executives. The Chairman guides the Board for effective governance structure in the Company. In doing so, the Chairman presides at the meetings of the Board and the Shareholders of the Company.

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

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

The composition of the Board as on 31st March, 2024, details of other Directorship in other listed entity and Committee Membership/Chairmanship held by them in other Public Companies, are given below as per circular issued by Ministry of Corporate Affairs ("**MCA**") and SEBI:

Sr. No.	Name of Director & Category	Designation	Number of other Directorship and other Committee Membership / Chairpersonship held in other Public Companies			Particulars of Directorship in other Listed Entities	
			Director-ship	Committee Membership	Committee Chairmanship	Name of Company	Category of Directorship
Executive Directors							
1.	Mr. Sanjivkumar N. Patel @	Chairman & Managing Director	NIL	NIL	NIL	NIL	NIL
2.	Mr. Apurva V. Shah #	Whole-time Director	NIL	NIL	NIL	NIL	NIL
3.	Mr. Shivang P. Patel	Whole-time Director	NIL	NIL	NIL	NIL	NIL
Non-Executive Directors							
4.	Mr. Hareshkumar I. Shah $	Independent Director	NIL	NIL	NIL	NIL	NIL
5.	Mrs. Vinaben B. Patel	Independent Director	NIL	NIL	NIL	NIL	NIL
6.	Mr. Rajendrakumar C. Patel %	Independent Director	1	2	NIL	Praveg Limited (Earlier known as Praveg Communi-cations (India) Limited	Independent Director
7.	Mr. Naimish B. Patel *	Independent Director	NIL	NIL	NIL	NIL	NIL

Note:

Shri Narayanbhai G. Patel (DIN: 00023107) ceased to be a Chairman & Whole-time Director of the Company and Member of the Audit Committee (AC), Nomination & Remuneration Committee (NRC), Stakeholders' Relationship Committee (SRC) and Corporate Social Responsibility Committee (CSR) of the Board w.e.f. 3rd October, 2023 due to his sad demise on 3rd October, 2023. However, before his sad demise, Shri Narayanbhai G. Patel was duly re-appointed as Whole-time Director of the Company designated as "Chairman & Whole-time Director" for a further period of 3 years with effect from 20th May, 2023 up to 19th May, 2026, duly approved by the Shareholders by passing Special Resolution at the 31st Annual General Meeting (AGM) held on 23rd September, 2023.

@ Mr. Sanjivkumar N. Patel, Managing Director (DIN: 02794095), has been duly appointed as the Chairman of the Board of Directors of the Company designated as "Chairman & Managing Director" with effect from 9th November, 2023 and to remain the Chairman of the Board until otherwise decided by the Board of Directors in place of Shri Narayanbhai G. Patel (DIN: 00023107) who ceased to be the Chairman & Whole-time Director of the Company w.e.f. 3rd October, 2023 due to his sad demise.

Mr. Sanjivkumar N. Patel (DIN:02794095) has been re-appointed as Managing Director of the Company for a further period of 3 years with effect from 20th May, 2023 up to 19th May, 2026, duly approved by the Shareholders by passing Special Resolution at the 31st Annual General Meeting (AGM) held on 23rd September, 2023.

Mr. Apurva V. Shah (DIN: 0008197983) has been re-appointed as Whole-time Director of the Company for a further period of 3 years with effect from 11th August, 2024 up to 10th August, 2027, duly approved by the Shareholders by passing an Ordinary Resolution through Postal Ballot.

$ Mr. Hareshkumar I. Shah (DIN: 00216585) will cease to be an Independent Director of the Company and Chairman of Audit Committee (AC), Nomination & Remuneration Committee (NRC), Stakeholders' Relationship Committee (SRC) and Corporate Social Responsibility Committee (CSR) of the Board with effect from 30th August, 2024 due to completion of his second term as Independent Director.

% Mr. Rajendrakumar C. Patel (DIN: 06532676) has been re-appointed as an Independent Director of the Company (Non-executive Independent), not liable to retire by rotation, for a second term of five years from 10th August, 2024 up to 9th August, 2029 duly approved by the Shareholders by passing Special Resolution through Postal Ballot on 16th July, 2024 and also appointed as a Member of Audit Committee (AC), Nomination & Remuneration Committee (NRC), Stakeholders' Relationship Committee (SRC) and Corporate Social Responsibility Committee (CSR) of the Board with effect from 3rd August, 2024.

* Mr. Naimish B. Patel (DIN: 02813295) has been appointed as an Independent Director of the Company (Non-Executive Independent), not liable to retire by rotation, for a first term of five years from 12th August, 2023 up to 11th August, 2028, duly approved by the Shareholders by passing Special Resolution at the 31st Annual General Meeting (AGM) held on 23rd September, 2023 in place of Mr. Himanshu N. Rawal (DIN: 06631728), who ceased to be a Director, being Independent Director, of the Company w.e.f. 23rd September, 2023 upon completion of his 2nd term as Independent Director. He has also been appointed as a Member of Audit Committee (AC), Nomination & Remuneration Committee (NRC), Stakeholders' Relationship Committee (SRC) and Corporate Social Responsibility Committee (CSR) of the Board with effect from 12th August, 2023 in place of Mr. Himanshu N. Rawal. Mr. Naimish B. Patel has also been appointed as a Chairman of all Board Committees i.e. AC, NRC, CSR and SRC Committee w.e.f. 30th August, 2024 in place of Mr. Hareshkumar I. Shah, who will cease

to be an Independent Director of the Company and also Chairman of AC, NRC, SRC and CSR Committees of the Board with effect from 30th August, 2024 due to completion of his second term as Independent Director.

From the above, no Director hold office as a Director, including any alternate directorship, in more than twenty companies nor held as a Director in more than ten public companies.

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

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

The number of directorship(s), committee membership(s) / chairmanship(s) of all Directors is / are within the respective limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

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

(ii) Relationship between the Directors:

Mr. Shivang P. Patel, Whole-time Director of the Company, is a Son of Late Mr. Prakash N. Patel, who was a Brother of Mr. Sanjivkumar N. Patel, Chairman & Managing Director of the Company.

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

(iii) Shares held by Non-Executive Directors:

Mrs. Vinaben B. Patel, Non-Executive Independent Director, holds 1,079 Equity Shares of ₹ 10/- each of the Company (0.02% of Share Capital). None of the other Non-Executive Directors held the Shares in the Company.

(iv) Number of Board Meetings and Annual General Meeting held and the dates on which held and Attendance:

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

During the financial year 2023-24, 4 (Four) Board Meetings of the Company were held on 27th May, 2023, 12th August, 2023, 9th November, 2023 and 10th February, 2024. The Board Meetings were held at the Factory (Works) of the Company situated at Rakanpur, Dist. Gandhinagar, Gujarat.

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

Attendance of Directors at the Board Meetings held as above and at the 31st Annual General Meeting (AGM) held on 23rd September, 2023 are as under:

Name of Director	Total Board Meeting held during the year	Attendance	
		Board Meeting	31st AGM held on 23rd September, 2023 *
Mr. Narayanbhai G. Patel @	4	1	No
Mr. Sanjivkumar N. Patel	4	3	Yes
Mr. Apurva V. Shah	4	4	Yes
Mr. Shivang P. Patel	4	4	Yes
Mr. Hareshkumar I. Shah	4	4	Yes
Mrs. Vinaben B. Patel	4	3	No
Mr. Himanshu N. Rawal #	4	2	NA #
Mr. Rajendrakumar C. Patel	4	4	Yes %
Mr. Naimish B. Patel $	4	2	Yes

Note:

@ Shri Narayanbhai G. Patel (DIN: 00023107) ceased to be a Chairman & Whole-time Director of the Company w.e.f. 3rd October, 2023 due to his sad demise on 3rd October, 2023.

Mr. Himanshu N. Rawal (DIN: 06631728) ceased to be a Director, being Independent Director, of the Company w.e.f. 23rd September, 2023 upon completion of his 2nd term as Independent Director.

$ Mr. Naimish B. Patel (DIN: 02813295) has been appointed as an Independent Director of the Company (Non-Executive Independent), not liable to retire by rotation, for a first term of five years from 12th August, 2023 up to 11th August, 2028.

* Due to relaxations given by MCA & SEBI, the 31st AGM of the Company as above was held through Video Conferencing (**VC**) / Other Audio Visual Means ("**OAVM**").

% Mr. Rajendrakumar C. Patel, Independent Director of the Company was present in the 31st AGM through Video Conferencing (VC).

The provisions related to Quorum of Board Meeting have been complied by the Company as per Regulation 17(2A) of SEBI Listing Regulations as amended.

During the financial year 2023-24, 3 (three) Circular Resolutions in respect of the following matters have been passed by the Board of Directors on 27th September, 2023 and 8th December, 2023 and duly confirmed by the Board of Directors in the next Board Meeting of the Company as per Section 175 of the Companies Act, 2013 and Rules made thereunder and as per Secretarial Standards SS-1issued by ICSI:

1) Approval of Cost Audit Report for the year 2022-23 issued by M/s. Rajendra Patel & Associates, Cost Accountant, Ahmedabad (Firm Regn. No. FRN 101163), Cost Auditor of the Company in respect of cost records maintained by the Company for various products of the Company.

2) Taking note of Show Cause Notice (SCN) dated 1st September, 2023 received from SEBI and authority to Managing Director to sign the Settlement Application along with all annexures on behalf of the Company and submit the same to SEBI and to appoint various persons to appear, act and plead before SEBI under Settlement Scheme on behalf of the Company against the said SCN.

3) Approval to wind-up / dissolve Patels Airtemp (USA) Inc., a 100% Wholly-Owned Subsidiary (WOS) of the Company.

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

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

The Board of Directors of the Company in their meeting held on 24th May, 2024 has carried out the evaluation of the performance of (i) the Board as a whole, (ii) Individual Directors (including Independent Directors and Chairperson) and (iii) various Committees of the Board for the year 2023-24.

The Board has carried out an evaluation of its own performance and that of its Committees and Directors and also Chairperson in terms of Section 134(3)(p) of the Companies Act, 2013 and Rules made thereunder and SEBI Listing Regulations for the year 2023-24 after taking into consideration the observations made for the previous year 2022-23. The Nomination and Remuneration policy (NRC Policy) for criteria of determining qualifications, selection, appointment and remuneration of Directors, KMP and Senior Management and the same has been uploaded on the Company's website https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/nomination-and-remuneration-policy.pdf

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

Directors are appointed/re-appointed with the approval of the Members for a term in accordance with the provisions of the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations and Articles of Association. All Directors other than Independent Directors are liable to retire by rotation unless otherwise specifically provided under the Articles of Association or under any statute. One-third of the Directors who are liable to retire by rotation, retire at every Annual General Meeting and are eligible offer themselves for re-appointment.

(vi) Minimum Information

Board members are informed well in advance about the schedule of the Meeting. Appropriate information/details and documents are sent in advance to each Director and normally submitted as a part of Agenda papers, except in case of matters/documents which are Unpublished Price Sensitive Information (UPSI), in order to enable the Board to discharge its responsibilities effectively. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted and place before the Board under other business with the permission of the Chairman and with the consent of majority Directors present at the meeting and approved by ratification by a majority Directors of the Company.

The same procedure as above are followed in case of Board Committee meetings.

The Company Secretary records minutes and proceedings of each Board and Committee meetings. Minutes and proceedings of Committee meetings are circulated to the respective committee members and placed before Board meetings for noting. Draft minutes are circulated to Board/ Committee members for their comments as prescribed under the Secretarial Standard - 1. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

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

Circular Resolutions duly passed by the Directors have been confirmed by the Board of Directors in their next Board Meeting.

Action taken report on decisions / minutes of the previous meeting(s) is placed at the succeeding meeting of the Board / Committees for noting.

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

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

- Quarterly financial 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, if any;
- 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;
- Declaration of Dividend;
- 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, 2018;
- 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; and
- Recruitment and remuneration of senior officers just below the level of board of directors, if any.

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

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

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

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

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

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

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

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

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

The Directors have following skills:

Sr. No.	Name of Director	Designation	Skills / Expertise / Competencies
1.	Mr. Sanjivkumar N. Patel	Chairman & Managing Director	Leadership / Operational Experience / Financial / Legal & Compliance / Corporate Governance / Industry Experience / Global Business
2.	Mr. Apurva V. Shah	Whole-time Director	Strategic Planning / Research & Development and Innovation
3.	Mr. Shivang P. Patel	Whole-time Director	Financial / Global Business / Industry Experience / General Management
4.	Mr. Hareshkumar I. Shah	Non-executive & Independent Director	Industry Experience / Operational Experience / General Management
5.	Mrs. Vinaben B. Patel	Non-executive & Independent Director	Strategic Planning / General Management
6.	Mr. Rajendrakumar C. Patel	Non-executive & Independent Director	Industry Experience / Operational Experience / Financial / Legal & Compliance
7.	Mr. Naimish B. Patel	Non-executive & Independent Director	Industry Experience / General Management

(viii) Independent Directors & Separate Meeting

During the financial year 2023-24, the Company has obtained declarations of Independence from all Independent Directors of the Company pursuant to Section 149(7) of the Companies Act, 2013 and as per Regulation 16(1)(b) of SEBI Listing Regulations as amended and based on such declarations received from them, the Board of Directors after undertaking due assessment of the veracity confirmed that they met the criteria of Independence as provided in Regulation 16(1)(b) & 25 of SEBI Listing Regulations and Section 149(6) of the Act and in the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. The Board also confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and they are independent of the management. Every Independent Director is abide by the provisions specified in Schedule – IV to the Companies Act, 2013 related to Code of Conduct for Independent Directors.

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

Sr. No.	Name of Director	2nd Term
1	Mr. Hareshkumar I. Shah	Up to 29th August, 2024
2	Mrs. Vinaben B. Patel	Up to conclusion of 33rd AGM in the year 2025
3	Mr. Rajendrakumar C. Patel #	Up to 9th August, 2029

Mr. Rajendrakumar C. Patel (DIN: 06532676) has been re-appointed as an Independent Director of the Company (Non-executive & Independent), not liable to retire by rotation, for a second term from 10th August, 2024 up to 9th August, 2029 by passing Special Resolution through Postal Ballot on 16th July, 2024.

Following Independent Director of the Company has been appointed for a first term of 5 years:

Sr. No.	Name of Director	1st Term
4	Mr. Naimish B. Patel @	Up to 11th August, 2028

@ Mr. Naimish B. Patel (DIN: 02813295) has been appointed as an Independent Director of the Company (Non-Executive & Independent), not liable to retire by rotation, for a first term of five years from 12th August, 2023 up to 11th August, 2028, by passing Special Resolution in the 31st AGM held on 23rd September, 2023.

Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors have duly registered their name with Data Bank maintained by the Indian Institute of Corporate Affairs (IICA) as per Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019. They have confirmed the compliance of the said Rules vide their declaration of independence under Section 149(7) of the Act.

The terms & conditions of their appointment as Independent Directors are available on the website of the Company https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/terms-and-conditions-of-appointment-of-independent-directors.pdf

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

A separate meeting of independent Directors for evaluation of the performance of Non-independent Directors, performance of the Board as a whole and performance of the Chairman, is required to be held every year. During the financial year 2023-24, a separate meeting of Independent Directors of the Company was held on 30th March, 2024, wherein they reviewed (i) the performance of non-independent Directors and the Board as a whole, (ii) the performance of the Chairperson of the Company, taking into accounts the views of Executive Directors and Non-Executive Directors and (iii) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board of Directors.

The Board of Directors at their meeting held on 24th May, 2024 also evaluated the performance of independent directors of the company and fulfillment of independence criteria and their independence from the management.

During the financial year 2023-24, all the Directors have completed process of KYC as per requirement of Ministry of Corporate Affairs ("MCA").

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

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

As per Regulation 46 of SEBI Listing Regulations, details of familiarization programmes for Independent Directors of the Company is uploaded on the Company's website As per Regulation 46 of SEBI Listing Regulations, details of familiarization programmes for Independent Directors of the Company is uploaded on the Company's website https://www.patelsairtemp.com/ pdf/policies-and-code-of-conduct/famalirisation-programme-for-independent-director.pdf

(x) Remuneration/Sitting Fees to the Directors

The Nomination and Remuneration Policy (NRC Policy) on appointment and remuneration of Directors is uploaded on the Company's website on Policy (NRC Policy) on appointment and remuneration of Directors is uploaded on the Company's website https://www.patelsairtemp.com/pdf/ policies-and-code-of-conduct/nomination-and-remuneration-policy.pdf

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

The aggregate amount of salary, perquisites & allowances paid to the following Whole-time Directors & Managing Director of the Company during the financial year 2023-24 ended on 31st March, 2024 (i.e. from 1st April, 2023 to 31st March, 2024) are as under:

(Amount in ₹)

Name of Executive Directors	Designation	Salary	Perquisites & Allowances	Total
Mr. Narayanbhai G. Patel @	Whole-time Director	20,00,000	44,203	20,44,203
Mr. Sanjivkumar N. Patel $	Managing Director	48,00,000	1,50,535	49,50,535
Mr. Shivang P. Patel	Whole-time Director	48,00,000	4,82,136	52,82,136
Mr. Apurva V. Shah	Whole-time Director	34,80,000	1,28,239	36,08,239

Note:

@ Shri Narayanbhai G. Patel (DIN: 00023107) ceased to be a Chairman & Whole-time Director of the Company w.e.f. 3rd October, 2023 due to his sad demise on 3rd October, 2023. However, before his sad demise, salary of Shri Narayanbhai G. Patel was increase from ₹ 3,00,000/- per month to ₹ 4,00,000/- per month plus perquisites and allowances for the period from 1st June, 2022 to 19th May, 2023. Subsequently, Shri Narayanbhai G. Patel was duly re-appointed as Whole-time Director of the Company designated as "Chairman & Whole-time Director" with salary of ₹ 4,00,000/- per month plus perquisites and allowances for a further period of 3 years with effect from 20th May, 2023 up to 19th May, 2026, which was duly approved by the Shareholders by passing Special Resolution at the 31st Annual General Meeting (AGM) held on 23rd September, 2023.

$ Salary of Mr. Sanjiv N. Patel (DIN: 02794095), Managing Director of the Company, was increase from ₹ 3,00,000/- per month to ₹ 4,00,000/- per month plus perquisites and allowances for the period from 1st June, 2022 to 19th May, 2023. Subsequently, Mr. Sanjivkumar N. Patel has been re-appointed as Managing Director of the Company with salary of ₹ 4,00,000/- per month plus perquisites and allowances for a further period of 3 years with effect from 20th May, 2023 up to 19th May, 2026, duly approved by the Shareholders by passing Special Resolution at the 31st Annual General Meeting (AGM) held on 23rd September, 2023.

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

The Company has paid sitting fees as under to Non-executive Independent Directors of the Company apart from travelling expenses for attending Board Meetings held during the financial year 2023-24 (i.e. from 1st April, 2023 to 31st March, 2024):

Sr. No.	Name of Independent Director	Sitting Fees Amount in (₹)
1	Mr. Hareshkumar I. Shah	18,000
2	Mr. Himanshu N. Rawal #	9,000
3	Mrs. Vinaben B. Patel	13,500
4	Mr. Rajendrakumar C. Patel	18,000
5	Mr. Naimish B. Patel @	9,000

Mr. Himanshu N. Rawal (DIN: 06631728) ceased to be a Director, being Independent Director, of the Company w.e.f. 23rd September, 2023 upon completion of his 2nd term as Independent Director.

@ Mr. Naimish B. Patel (DIN: 02813295) has been appointed as an Independent Director of the Company (Non-Executive & Independent), for a first term of five years from 12th August, 2023 up to 11th August, 2028, by passing Special Resolution in the 31st AGM held on 23rd September, 2023.

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

Criteria of making payments to Independent and /or Non-executive Directors are uploaded on the Company website at Criteria of making payments to Independent and /or Non-executive Directors are uploaded on the Company website at https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/criteria-of-making-payment.pdf.

3. COMMITTEES OF THE BOARD:

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

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

Re-constitution of Committees during the year 2023-24:

The Board of Directors reconstituted AC, NRC, SRC and CSR Committees of the Board w.e.f. 12th August, 2023 by appointing Mr. Naimish B. Patel (DIN: 02813295), an Independent Director, as a Member of AC, NRC, SRC and CSR Committee, in place of Mr. Himanshu N. Rawal (DIN: 06631728), who ceased to be a Director of the Company and consequently as a Member of AC, NRC, SRC and CSR Committee of the Board w.e.f. 23rd September, 2023 due to completion of 2nd term as Independent Director of the Company.

The Board of Directors also reconstituted CSR Committee w.e.f. 9th November, 2023 by appointing Mrs. Veenaben B. Patel (DIN: 07131341), Independent Director, as a Member of CSR Committee in place of Shri Narayanbhai G. Patel, who ceased to be the Chairman & Whole-time Director and Member of CSR Committee due to sad demise on 3rd October, 2023.

Re-constitution of Committees during the period from 1st April, 2024 up to the date of this Report:

The Board of Directors reconstituted AC, NRC, SRC and CSR Committees of the Board w.e.f. 3rd August, 2024 by appointing Mr. Rajendrakumar C. Patel (DIN: 06532676), an Independent Director, as a

Member of AC, NRC, SRC and CSR Committee, in place of Mr. Hareshkumar I. Shah (DIN: 00216585), who will cease to be an Independent Director of the Company and consequently as a Chairman of AC, NRC, SRC and CSR Committee of the Board w.e.f. 30th August, 2024 due to completion of 2nd term as Independent Director of the Company.

Chairman of re-constituted Committees:

The Board of Directors also appointed Mr. Naimish B. Patel (DIN: 02813295), an Independent Director, as a Chairman of AC, NRC, SRC and CSR Committee w.e.f. 30th August, 2024 in place of Mr. Hareshkumar I. Shah (DIN: 00216585), who will cease to be an Independent Director of the Company w.e.f. 30th August, 2024 and consequently as a Chairman of AC, NRC, SRC and CSR Committee of the Board.

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

Recommendation of the Committees have been duly accepted by the Board of Directors, wherever necessary, during the financial year 2023-24.

Composition of various Committees of the Board along with respective terms of reference are uploaded on the Company website at Composition of various Committees of the Board along with respective terms of reference are uploaded on the Company website at https://www.patelsairtemp.com/pdf/ policies-and-code-of-conduct/composition-of-various-committees-of-board.pdf.

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

(A) AUDIT COMMITTEE:

(i) Composition of Committee and Meetings and Attendance:

The audit committee shall have minimum three directors as members. At least two-thirds of the members of audit committee shall be independent directors as amended by SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 read with the corrigendum, w.e.f. 1.1.2022. The chairperson of the audit committee shall be an independent director.

As on 31st March, 2024, the Audit Committee consists of 3 members, all are Independent Directors of the Company as under. The Committee's composition and terms of reference are in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations as above.

Independent Director is the Chairman of the Audit Committee and all members are financially literate and ability to read and understand the financial statements and one member has accounting or related financial management expertise.

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

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

During the financial year 2023-24, 4 (Four) Audit Committee Meetings were held on 27th May, 2023, 12th August, 2023, 9th November, 2023 and 10th February, 2024. The Audit Committee Meetings were held at the Factory (Works) of the Company situated at Rakanpur, Dist. Gandhinagar, Gujarat.

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

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

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

As per Regulation 18(2)(b) of SEBI Listing Regulations as amended, the quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

Attendance of Members at the Audit Committee Meeting during the financial year 2023-24 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 Non-Independent Director	4	2
Mr. Himanshu N. Rawal @	Member	Independent Director	4	2
Mrs. Vinaben B. Patel	Member	Independent Director	4	3
Mr. Naimish B. Patel $	Member	Independent Director	4	2

Shri Narayanbhai G. Patel (DIN: 00023107) ceased to be a Chairman & Whole-time Director of the Company and consequently as a Member of Audit Committee w.e.f. 3rd October, 2023 due to his sad demise on 3rd October, 2023.

@ Mr. Himanshu N. Rawal (DIN: 02813295), Independent Director, ceased to be a Member of Audit Committee w.e.f. 23rd September, 2023 due to completion of his 2nd term as Independent Director of the Company.

$ Mr. Naimish B. Patel (DIN: 02813295), Independent Director, has been appointed as a Member of Audit Committee w.e.f. 12th August, 2023.

Whole-time Directors, Managing Director and Chief Financial Officer (CFO) of the Company were generally invited to attend the Audit Committee meetings.

The Minutes of the Audit Committee Meetings are placed before the Board in the next Board Meeting and noted the same.

The Chairman of the Audit Committee was present at the last 31st Annual General Meeting held on 23rd September, 2023.

(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 12thNovember, 2016 in view of the provisions of Section 177(4) of the Companies Act, 2013 and Rules made thereunder and SEBI Listing Regulations. The functions of the Committee inter alia include the overview of the Company's financial reporting processes, review of the quarterly, half yearly and yearly financial statements, review of adequacy of internal control system, review of the financial and risk management policies and review of significant findings and adequacy of internal audit function, approval or any subsequent modification of transactions with related parties of the Company, recommendation for appointment, remuneration and terms of appointment of auditors of the company, etc.

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

(B) NOMINATION & REMUNERATION COMMITTEE (NRC):

The erstwhile Remuneration Committee of the Directors of the Company was re-nomenclature as "Nomination and Remuneration Committee" at the meeting of the Board of Directors held on 9th August, 2014, pursuant to the provisions of Clause – 49 (IC) of erstwhile Listing Agreement with Stock Exchange and Section 178 of the Companies Act, 2013 and Rules made thereunder.

(i) Composition of Committee and Meeting and Attendance:

The Board of Directors shall constitute the Nomination and Remuneration Committee (NRC) as follows as amended by SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 read with the corrigendum, w.e.f. 1.1.2022:

(a) the committee shall comprise of at least three directors;

(b) all directors of the committee shall be non-executive directors; and

(c) at least two-thirds of the directors shall be independent directors.

The Chairperson of the NRC Committee shall be an independent director:

Provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of NRC Committee and shall not chair such Committee.

As on 31st March, 2024, NRC Committee consists of 3 members, all are Independent Directors as under. Mr. Hareshkumar I. Shah, Independent Director, is the Chairman of NRC Committee. Mr. Narayanbhai G. Patel, Executive Director, who was a Chairman of the Company till 3rd October, 2023, was not a Chairman of NRC Committee and he did not chair such Committee Meeting. The constitution of NRC Committee fulfills the requirements of Section 178 of the Companies Act, 2013, Rules made thereunder and Regulation 19 of SEBI Listing Regulations.

During the year under review, NRC Committee met 1 time on 12th August, 2023.

As per Regulation 19(2A) of SEBI Listing Regulations, the quorum for a meeting of the NRC shall be either two members or one third of the members of the committee, whichever is greater, including at least one Independent Director in attendance.

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

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Hareshkumar I. Shah	Chairman	Independent Director	1	1
Mr. Narayanbhai G. Patel #	Member	Executive Non-Independent Director	1	Nil
Mr. Himanshu N. Rawal @	Member	Independent Director	1	1
Mrs. Vinaben B. Patel	Member	Independent Director	1	Nil
Mr. Naimish B. Patel $	Member	Independent Director	1	NA

Shri Narayanbhai G. Patel (DIN: 00023107) ceased to be a Chairman & Whole-time Director of the Company and consequently as a Member of NRC Committee w.e.f. 3rd October, 2023 due to his sad demise on 3rd October, 2023.

@ Mr. Himanshu N. Rawal (DIN: 02813295), Independent Director, ceased to be a Member of NRC Committee w.e.f. 23rd September, 2023 due to completion of his 2nd term as Independent Director of the Company.

$ Mr. Naimish B. Patel (DIN: 02813295), Independent Director, has been appointed as a Member of NRC Committee w.e.f. 12th August, 2023.

NRC Committee normally meets for considering proposal related to the following matters after evaluation of the performance of existing Directors and Whole-time & Managing Directors of the Company and recommendation to the Board of Directors:

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

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

(ii) Terms of reference:

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

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

Salient features of the Policy on appointment and remuneration of Directors, KMP and other employees and other matters as required under Section 178(3) of the Companies Act, 2013 is available on the web-site of the Company viz. https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/ nomination-and-remuneration-policy.pdf.

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):

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

(i) Composition of Committee and Meeting and Attendance:

As per Regulation 20(2A) of SEBI Listing Regulations, at least three Directors, with at least one being an Independent Director, shall be members of the Committee. The chairperson of this committee shall be a Non-executive Director.

As on 31st March, 2024, SRC Committee consists of 3 members, all are Independent Directors as under. Independent Director is the Chairman of the Committee. The constitution of SRC Committee fulfills the requirements of Regulation 20 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013 and Rules made thereunder.

During the year under review, the Stakeholders Relationship Committee met 2 times on 27th May, 2023 and 10th February, 2024 for taking note of the following matters occurred during the financial year 2023-24 i.e. from 1st April, 2023 to 31st March, 2024 related to Stakeholders:

- Request/application from the Shareholders in respect of Transfer/ Transmission/Issue of Duplicate Certificate / Name deletion etc.
- Request / Application for Dematerialisation / Rematerialisation of shares;
- Investors Grievances/Complaints
- Complaints from Stock Exchange, SEBI and other Government Authorities.
- Statement of Grievance Redressal Mechanism to BSE Ltd.
- Quarterly / Half yearly disclosures to BSE Limited;
- E-Voting facilities to the Shareholders of the Company
- Service Standards of Share Transfer Agent (RTA) of the Company
- Transfer of unclaimed/unpaid Dividend amount to IEPF
- Transfer of shares to IEPF demat authority account

Meeting of SRC Committee of the Directors of the Company (Sr. No. 01/2023-24) held on 27th May, 2023 was held at a shorter notice as per consent letters received from all the members of CSR Committee.

Mr. Hareshkumar I. Shah, the Chairperson of the SRC Committee was present at the 31st Annual General Meeting held on 23rd September, 2023 to answer queries of the shareholders.

The SRC committee shall meet at least once in a year.

Attendance of Members at the SRC Committee Meeting during the financial year 2023-24 are as under:

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Hareshkumar I. Shah	Chairman	Independent Director	2	2
Mr. Narayanbhai G. Patel #	Member	Executive Non-Independent Director	2	1
Mr. Himanshu N. Rawal @	Member	Independent Director	2	1
Mrs. Vinaben B. Patel	Member	Independent Director	2	2
Mr. Naimish B. Patel $	Member	Independent Director	2	1

Shri Narayanbhai G. Patel (DIN: 00023107) ceased to be a Chairman & Whole-time Director of the Company and consequently as a Member of SRC Committee w.e.f. 3rd October, 2023 due to his sad demise on 3rd October, 2023.

@ Mr. Himanshu N. Rawal (DIN: 02813295), Independent Director, ceased to be a Member of SRC Committee w.e.f. 23rd September, 2023 due to completion of his 2nd term as Independent Director of the Company.

$ Mr. Naimish B. Patel (DIN: 02813295), Independent Director, has been appointed as a Member of SRC Committee w.e.f. 12th August, 2023.

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

(ii) Terms of Reference:

Pursuant to Section 178 of the Companies Act, 2013, Rules made thereunder and Listing Regulations, the Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also functions in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly.

The Committee, inter alia, approves the transfer/transmission of Shares, issue of new/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, Company Secretary, as Compliance Officer of the Company pursuant to Regulation 6 of SEBI Listing Regulations.

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

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

Complaint as on 01/04/2023	Received during the year	Resolved during the year	Pending as on 31/03/2024
NIL	NIL	NIL	NIL

The Company interacts with Bigshare Services Pvt. Ltd., Registrar & Transfer Agent and takes effective steps/actions for resolving queries/complaints of the shareholders.

(v) Number of pending transfers:

No requests for transfer and dematerialization of shares were pending for approval as on 31st March, 2024.

(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 Company is required to constitute a Corporate Social Responsibility (**CSR**) Committee of the Board consisting of three or more Directors, out of which at least one Director shall be an Independent Director. In this regard, a Committee of the Directors of the Company has been constituted as Corporate Social Responsibility Committee (CSR). CSR Committee as on 31st March, 2024 consists of 3 Independent Directors with Chairman, being Independent Director. CSR Committee fulfills the requirements of Section 135 of the Companies Act, 2013 and the Rules made thereunder.

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 as amended ("**CSR Rules**") and in accordance with the CSR Policy, your Company has duly spent the amount of ₹ 32,00,000/- towards CSR activities during the financial year 2023-24, as against the requirement of ₹ 31,74,000/-, being the average 2% of the net profit of the preceding three financial years, i.e. 2022-23, 2021-22 and 2020-21, i.e. ₹ 26,000/- in excess, which will be available for set off and adjusted against the CSR contribution for the current financial year 2024-25, as duly approved by the Board of Directors at their meeting held on 24th May, 2024 to that effect.

The Chief Financial Officer (CFO) of the Company has issued Certificate that the full amount of contribution of ₹ 32,00,000/- made by the Company to the Implementing Agencies have been utilized and spent by the said Implementing Agencies towards CSR activities during the financial year 2023-24 as per CSR policy and as specified in Scheduled VII of the Companies Act, 2013 and as approved by CSR Committee and Board of Directors.

As per the amendment in the Companies (Corporate Social Responsibility Policy) Rules, 2014 by Ministry of Corporate Affairs (MCA), the Annual Report on CSR activities during the financial year 2023-24 as required under the Rules has been annexed with Board's Report. Annual Report on CSR Activities included in Board's Report has been issued and signed by Mr. Sanjivkumar N. Patel, Chairman & Managing Director and Mr. Hareshkumar I. Shah, Chairman of CSR Committee of the Company.

During the year under review, CSR Committee met 2 (two) times on 27th May, 2023 and 10th February, 2024. The presence of the members at the meeting are as under:

Name of the Member	Position	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Hareshkumar I. Shah	Chairman	Independent Director	2	2
Mr. Narayanbhai G. Patel #	Member	Executive Non-Independent Director	2	1
Mr. Himanshu N. Rawal @	Member	Independent Director	2	1
Mrs. Vinaben B. Patel $	Member	Independent Director	2	1
Mr. Naimish B. Patel *	Member	Independent Director	2	1

\# Shri Narayanbhai G. Patel (DIN: 00023107) ceased to be a Chairman & Whole-time Director of the Company and consequently as a Member of CSR Committee w.e.f. 3rd October, 2023 due to his sad demise on 3rd October, 2023.

@ Mr. Himanshu N. Rawal (DIN: 02813295), Independent Director, ceased to be a Member of CSR Committee w.e.f. 23rd September, 2023 due to completion of his 2nd term as Independent Director of the Company.

$ Mrs. Veenaben B. Patel (DIN: 07131341), Independent Director, has been appointed as a Member of CSR Committee w.e.f. 9th November, 2023 in place of Shri Narayanbhai G. Patel, who ceased to be the Chairman & Whole-time Director and Member of CSR Committee due to sad demise on 3rd October, 2023.

* Mr. Naimish B. Patel (DIN: 02813295), Independent Director, has been appointed as a Member of CSR Committee w.e.f. 12th August, 2023.

MCA vide notification dated 11th February, 2020 has amended the Companies (Accounts) Rules, 2014 which requires companies falling under the provisions of section 135 of the Companies Act, 2013, to furnish a report on CSR to Registrar in form CSR-2. In this regard, the Company has duly filed form CSR-2 before 31st March, 2024.

(ii) Terms of reference:

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

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

(iii) Corporate Social Responsibility Policy:

CSR Committee has formulated modified / revised CSR Policy in line of amendment of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Section 135 of the Companies Act, 2015. The modified / revised CSR policy on the Corporate Social Responsibility measures to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 is available on the web-site of the Company viz. https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/corporate-social-responsibility-policy.pdf.

4. GENERAL BODY MEETINGS:

(a) Details of Annual General Meetings (AGM) 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
2022-23 (31st AGM)	23rd September, 2023 at 11:30 a.m.	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in compliance with the various circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) and as per the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder.	5
2021-22 (30th AGM)	27th September, 2022 at 11:30 a.m.	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in compliance with the various circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) and as per the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder.	--
2020-21 (29th AGM)	28th September, 2021 at 11:30 a.m.	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in compliance with the various circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) and as per the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder.	--

(b) Details of Special Resolution passed in last three AGMs:

Financial Year	Sr. No.	Particulars of Special Resolution
2022-23	1	Authority to the Board of Directors of the Company to borrow money up to ₹ 350 crores under Section 180(1)(c) of the Companies Act, 2013.
	2	Authority to Board of Directors of the Company for creation of security on increased Borrowing Power up to ₹ 350 crores under Section 180(1)(a) of the Companies Act, 2013.
	3	Re-appointment of Mr. Narayanbhai G. Patel (DIN: 00023107) as Whole-time Director of the Company designated as "Chairman & Whole-time Director" for a further period of 3 years w.e.f. 20th May, 2023 up to 19th May, 2026 and payment of remuneration for the said period of 3 years.
	4	Re-appointment of Mr. Sanjivkumar N. Patel (DIN:02794095) as Managing Director of the Company for a further period of 3 years w.e.f. 20th May, 2023 up to 19th May, 2026 and payment of remuneration for the said period of 3 years.
	5	Appointment of Mr. Naimish B. Patel (DIN: 02813295) as an Independent Director of the Company not liable to retire by rotation for a first term of 5 years from 12th August, 2023 up to 11th August, 2028.

Financial Year	Sr. No.	Particulars of Special Resolution
2021-22	--	No Special Resolution was passed in the 30th AGM held on 27th September, 2022.
2020-21	--	No Special Resolution was passed in the 29th AGM held on 28th September, 2021.

(c) Details of Special Resolutions passed through Postal Ballot on 16th July, 2024 i.e. during the period from 1st April, 2024 up to the date of this Report and details of voting pattern:

During the period from 1st April, 2024 up to the date of this Report, the following Special Resolutions have been passed by the Shareholders through Postal Ballot on 16th July, 2024:

Financial Year	Sr. No.	Particulars of Special Resolution
from 1st April, 2024 up to the date of this Report (Postal Ballot)	1	Re-appointment of Mr. Rajendrakumar C. Patel (DIN: 06532676) as an Independent Director of the Company not liable to retire by rotation for a second term of 5 years from 10th August, 2024 up to 9th August, 2029.
	2	Approval for continuing the directorship of Mr. Rajendrakumar C. Patel (DIN: 06532676) as Non-executive Independent Director who has attained the age of 75 years.

The persons who conducted the Postal Ballot process, details of the voting pattern and procedure of Postal Ballot:

Persons who conducted the Postal Ballot process: CS Punit Lath, Practicing Company Secretary (ACS No. 26238 and COP No. 11139), was appointed as the Scrutinizer for conducting this Postal Ballot process through remote e-voting, in fair and transparent manner.

Details of voting pattern: The details of voting pattern are available on the website of the Company viz. http://www.patelsairtemp.com.

Procedure for Postal Ballot: The Postal Ballot was carried out through remote e-voting only pursuant to the provisions of Section 108 and Section 110 of the Companies Act, 2013 ("the Act") read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time ("the Rules") and other applicable provisions of the Act and Rules and in accordance with the requirements prescribed by the Ministry of Corporate Affairs ('MCA') for holding general meetings/ conducting postal ballot process through e-Voting, vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023, (collectively the 'MCA Circulars'), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time).

(d) At the forthcoming 32nd AGM, no special resolution is proposed to be passed through Postal Ballot except mentioned above in para (c).

5. DISCLOSURES:

(i) Related Party transactions:

Policy on materiality of related party transactions (RPTs) and dealing with related party transactions has been uploaded on website of the Company viz. https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/policy-on-materiality-of-related-party-transaction-and-dealing-with-related-party-transactions.pdf.

SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 pertaining to Related Party, Related Party Transactions, Prior Approvals and Disclosures effective from April 01, 2022 and other earlier amendments, except for a few provisions which will be effective from April 01, 2023, have introduced substantial changes in the RPT framework. In view of the said amendments, policy on materiality of related party transactions and dealing with related party transactions of the Company (Policy on RPTs) was modified / revised / updated in line of the above amendments which is effective from 12th November, 2022.

Transactions with related parties are disclosed in Note No. 33 of the Notes to the Standalone Financial Statements for the year ended on 31st March, 2024, in the Annual Report as required by the Indian Accounting Standard (Ind AS) 24 issued by ICAI.

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

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

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

The Company has duly taken prior approval from Audit Committee (by Independent Directors only from 1st January, 2022 as per amendment in SEBI Listing Regulations) and Board of Directors at their respective meetings held on 11th February, 2023 for entering into related party transactions by the Company with related parties including Omnibus approval during the year ended on 31st March, 2024.

The Audit Committee and Board of Directors of the Company at their respective meetings held on 24th May, 2024 reviewed and ratified Related Party Transactions (RPTs) entered into by the Company including omnibus approval with Related Parties during the previous financial year ended 31st March, 2024 (2023-24).

The Company has duly filed with BSE Ltd. half-yearly statement of Related Party Transactions ended on 31st March, 2023 and 30th September, 2023 in accordance with applicable Indian Accounting Standards on a consolidated basis in the format as specified by SEBI from time to time pursuant to Regulation 23(9) of SEBI Listing Regulations and uploaded the said details on website of the Company viz. https://www.patelsairtemp.com/investors/disclosures-of-related-party-transactions/.

(ii) Conflict of interest

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

(iii) Risk Management

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

(iv) CEO/CFO Certification:

In terms of Regulation 17(8) of SEBI Listing Regulations, Chairman & Managing Director and Chief Financial Officer (CFO) of the Company have furnished certificate on the financial statements (standalone & consolidated) and internal controls relating to financial reporting of the Company to the Board for the year ended on 31st March, 2024 and attached to this Report certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The Chairman & Whole-time Director up to 3rd October, 2023 and thereafter, the Chairman & Managing Director and Chief Financial Officer (CFO) also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of SEBI Listing Regulations.

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

During the financial year 2023-24, the Company had applied for settlement under the settlement scheme pursuant to the provisions of SEBI (Settlement Proceedings) Regulations, 2018 as amended in the matter of Show Cause Notice No. SEBI/HO/EAD-8/SKV/VC/36027/2023 Dated September 01, 2023 (SCN) issued by SEBI against the Company in the matter of Extra-ordinary General Meeting (EGM) of the Company held on 8th October, 2022 and disclosures made in Explanatory Statement for Shares issued and allotted to the Promoters and Promoter Group under Preferential Issue made by the Company. Pursuant to the said Settlement Application, the Company is awaiting for approval / order from SEBI regarding the settlement terms, subject to other legal course of action available to the Company.

There was no other non-compliance by the Company during the last three years and there was no penalties have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on the matter related to capital market during the last three year, except the above.

(vi) Management Discussion and Analysis Report:

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

(vii) Code of Conduct:

In compliance with Regulation 26(3) of SEBI Listing Regulations, the Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management Personnel (SMP) 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, 2024. The declaration from Chairman & Managing Director & Whole-time Director of the Company, affirming compliance of the said Code of Conduct by all the Board Members and Senior Management Personnel is annexed separately to this Report.

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

The Code of Business Conduct and Ethics for Directors and Senior Management Personnel of the Company and posted on website of the Company viz. https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/code-of-conduct-for-directors-seniors-management-personnel.pdf.

(viii) Whistle Blower policy / Vigil Mechanism:

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report any act of serious misconduct or wrongful activity being occurred or suspected to occur within the organization, to his immediate HOD or the HR Head or directly to the concern Whole-time Directors/Managing Director 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 website of the Company viz. https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/whistel-blower-cum-vigil-mechanism-policy.pdf. During the financial year 2023-24, the Company has not received any Whistle Blower complaints.

(ix) Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 1992/2015:

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

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

During the financial year 2023-24, the Company has complied with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders as under.

1. Initial Disclosure as per Regulation 7(1)(a) and 7(1)(b) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as and when required;
2. Continual Disclosure as per Regulation 7(2)(a) and 7(2)(b) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as and when required;
3. Annual Disclosure as per Regulation 9(1) read with Point No. 14 of Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015;
4. Maintain Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as envisaged under SEBI (Prohibition of Insider Trading) Regulations, 2015 read with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018;
5. Follow the regulations of Code of Conduct of the Company as per the Policy of Code of Conduct of the Company;
6. Pre-clearance and Post-clearance procedure for buying and selling of shares of the Company by the Designated Persons of the Company;
7. Maintain details of member(s) of promoter group and designated person(s) in addition to the promoter(s) and director(s) of company and uploaded as per System Driven Disclosure (SDD) under Regulation 7(2) of PIT Regulations;

8. Intimation of Closure of Trading Window of Company for dealing in securities of the Company by all specified persons including Promoter and Promoter Group, Directors, Designated Persons including HODs, Employees, Auditors and their relatives and all connected persons, and also to BSE Limited and also uploaded on the website of the Company as and when required and comply with the provisions of Clause 4 of the Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015; and

9. Maintenance of structured digital data base of Designated Persons of the Company.

10. A structured digital database is maintained by the Company containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database has been maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

11. Pursuant to the SEBI circular dated September 09, 2020, the Company has provided information including PAN number of Promoter(s) including member(s) of the promoter group, designated person(s) and director(s) to the Designated Depository' ('DD') in the manner and format prescribed by the depositories.

12. The Company has submitted Compliance Certificate to BSE Ltd. the stock exchanges where its securities are listed, duly certified by the Compliance Officer on a quarterly basis and the same duly certified by a Practising Company Secretary certify that the Company has maintained a Structured Digital Database (SDD) pursuant to provisions of Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations).

13. SEBI vide circular dated August 05, 2022, has provided a framework for restricting trading [i.e. on-market transactions, off-market transfers, and creation of pledge in equity shares and equity derivatives contracts (Futures and Options)], by Designated Persons ("DPs"), at the time of declaration of financial results, in those listed companies which are or were part of benchmark indices i.e. SENSEX and NIFTY 50, by freezing their PAN at Company's security level, during trading window closure period, in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, ("PIT Regulations") as amended from time to time.

In line with the same, the Exchanges i.e. NSE and BSE issued notices dated August 05, 2022, and August 08, 2022 respectively, regarding the Trading Window closure period.

In case of Patels Airtemp (India) Limited, the above matters are applicable w.e.f. 1st April, 2024.

In line of above, the Company designated CDSL Depository as its Designated Depository and provided the information including PAN of Promoters, Promoter Group, Directors, and Designated Persons in the manner as specified by the depositories according to SEBI circular no – SEBI/HO/ISD/ISD/CIR/P/2020/168 dated September 09, 2020, with respect to System Driven Disclosures.

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

As required by Clause 10(i) of Part C under Schedule V and Regulation 34 of SEBI Listing Regulations, the Company has received a certificate from Practicing Company Secretary and attached here with certifying that none of the Directors on the Board of the Company for the financial year ended 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India or Ministry of Corporate Affairs or such other statutory authority.

(xi) During the financial year 2023-24, the quarterly/half yearly/yearly compliance reports, which have been duly noted by the Board of Directors in respective Board Meetings, have been duly submitted by the Company to BSE Limited as per various provisions of SEBI Listing Regulations /Depositories Act, 2018 and Regulations and uploaded the said reports on the website of the Company.

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

Pursuant to amendment in Regulation 40(1) of SEBI Listing Regulations, effective from 24th January, 2022, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository and transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

0The transfer of shares in physical form is processed and completed by M/s. Bigshare Services Private Limited within a period of 15 days from the date of such receipt of request for transfer and receipt of all concern documents thereof and also processed and completed the transmission requests within 7 days, after receipt of the specified documents. In case of shares in electronic form, the transfer is processed by NSDL/CDSL through the respective Depository Participants.

The Company had sent communication to the shareholders encouraging them to dematerialise their holdings in the Company. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

The Company has complied with all procedural requirements as specified in Schedule VII of SEBI Listing Regulations with respect to transfer and transmission of shares.

As per Regulation 40(9) of SEBI Listing Regulations, the Company has obtained certificate on annual basis, from the Company Secretary in Practice certifying that all certificates have been issued within 30 days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies and compliance of share transfer formalities and the same have been submitted to the Stock Exchanges within stipulated time.

SEBI, vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 has prescribed the common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination. It is now mandatory for all holders of physical securities in listed companies to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folio numbers to their registrar and transfer agents.

SEBI has also issued a Press Release dated March 08, 2023 advising all investors to ensure linking of their PAN with Aadhaar number prior to March 31, 2023, for continual and smooth transactions in securities market and to avoid consequences of non-compliance with the said CBDT circular, as such accounts would be considered non-KYC compliant, and there could be restrictions on securities and other transactions until the PAN and Aadhaar are linked.

(xiii) Reconciliation of Share Capital Audit:

In terms of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, the Company Secretary in Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') (collectively 'Depositories') and the total issued and listed capital. The Audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and in dematerialised form (held with Depositories). This audit is carried out every quarter and the report thereon is submitted to stock exchange, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

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

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

(xv) Consolidated Fees paid to Statutory Auditors:

During the Financial Year 2023-24, the Company has paid total fees of ₹ 4,38,000/- including statutory audit fees, certification fees, and fees for other services to M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad (Firm Registration No. 107525W), the Statutory Auditors of the Company.

(xvi) Audit Qualification:

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

However, as a result of dissolution of Patels Airtemp (USA) Inc., Wholly-Owned Subsidiary of the Company, w.e.f. 11th December, 2023, the notes as a matter of emphasis, were included in the (a) Notes to the Audited Standalone & Consolidated Financial Results published for the quarter and year ended 31st March, 2024 (b) Auditors' Reports issued by the Statutory Auditors of the Company on the said results and (c) Directors' Report for the year ended 31st March, 2024, which are self explanatory and does not require further clarifications.

(xvii) Wholly Owned Subsidiary (WOS/Foreign Entity):

The disclosures regarding dissolution of Patels Airtemp (USA) Inc., Wholly-Owned Subsidiary (WOS/Foreign Entity) of the Company, w.e.f. 11th December, 2023 are given in the Board's Report.

(xviii) Amendment in existing policies of the Company:

During the financial year 2023-24, the Board of Directors duly adopted the revised "Policy for Determination and Disclosure of Materiality of Events or Information" w.e.f. 10th February, 2024 based on the amendments made to Regulation 30 and Schedule III of SEBI Listing Regulations, by way of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 ("LODR Amendments") and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/ 2023/123, dated July 13, 2023 ("SEBI Disclosure Circular") and uploaded the same on the Company's website.

The Company also authorized Key Managerial Personnel (KMP) of the Company to determine materiality of an event or information and making disclosures to stock exchange, in supersession of earlier authorities given to KMP pursuant to Regulation 30(5) of SEBI Listing Regulations and also uploaded the said details on the Company's website.

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

The Company's quarterly, half yearly and yearly financial results were taken on record and approved by the Board of Directors after reviewed by Audit Committee as per SEBI Listing Regulations. These were published in the newspapers as per prescribed guidelines and uploaded on the website of the Company.

In pursuance of Regulation 46 of SEBI Listing Regulations, the Company is maintaining its functional website viz. http://www.patelsairtemp.com contains a separate dedicated section under "Investors" (Regulation 46 of SEBI (LODR) Regulations, 2015 and Other Disclosures), where shareholders' information is available and basic information about the company e.g. details of its business, financial information, shareholding pattern, corporate governance, policies and code of conduct etc. The company also agrees to ensure that the contents of the said website are updated at any given point of time. The Company's Annual Report is also available in down loadable form.

The Company has total 7195 Shareholders as on 31st March, 2024. The main channel of communication to the shareholders is through its website as mentioned above, through the website of BSE Ltd.,

newspaper advt. and Annual Report, which includes inter alia, the Director's Report along with all annexures, Management Discussions & Analysis Report, Report on Corporate Governance, Audited Financial Statements (Standalone & Consolidated), Auditors' Report, E-voting instructions, etc. The Annual Report is also posted on the website of the Company viz. https://www.patelsairtemp.com/investors/annual-reports.

BSE Corporate Compliance & Listing Centre (Listing Centre):

BSE's Listing Centre viz. https://listing.bseindia.com/home 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):

Entities that receive complaints from investors on SCORES, resolve the complaint and submit an Action Taken Report (ATR) on SCORES within 21 calendar days of receipt of such complaint from April 01, 2024. The Complaint shall also be simultaneously forwarded to the concerned Designated Bodies who are responsible for ensuring of submission of ATR by the entities.

In its continuous pursuit of protection of interests of investors in the securities market, SEBI has launched the new version of the SEBI Complaint Redress System (SCORES 2.0). The new version of SCORES strengthens the investor complaint redress mechanism in the securities market by making the process more efficient through auto-routing, auto-escalation, monitoring by the 'Designated Bodies and reduction of timelines. The new SCORES system has also been made more user friendly. SCORES is an online system where investors in securities market can lodge their complaints through web URL and an App. SEBI vide Circular with reference number SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 had appointed the Designated Bodies and defined the roles and responsibilities of the SEBI regulated entities and the Designated Bodies. The website URL for SCORES 2.0 from April 01, 2024 is https://scores.sebi.gov.in. The salient features of SCORES 2.0 are as (i) Reduced and uniform timelines for redressal of investor complaints across the Securities Market i.e. 21 Calendar days from date of receipt of complaint. (ii) Introduction of auto-routing of complaints to the concerned regulated entity so as to eliminate time lapses, if any, in the flow of complaints. (iii) Monitoring of the timely redressal of the investors' complaints by the 'Designated Bodies'. (iv) Providing two levels of review: First review by the 'Designated Body' if the investor is dissatisfied with the resolution provided by the concerned regulated entity. Second review by SEBI if the investor is still dissatisfied after the first review. (v) Introduction of auto-escalation of complaint to the next level in case of non-adherence to the prescribed timelines by the regulated entity or the Designated Body as the case may be. (vi) Integration with KYC Registration Agency database for easy registration of the investor on to SCORES.

After extensive public consultations and in furtherance of the interests of investors and consequent to the gazette notification (dated July 3, 2023) of the SEBI (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023 the existing dispute resolution mechanism in the Indian securities market is being streamlined under the aegis of Stock Exchanges and Depositories (collectively referred to as Market Infrastructure Institutions (MIIs)), by expanding their scope and by establishing a common Online Dispute Resolution Portal ("ODR Portal") which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. Disputes between Investors/Clients (including institutional/corporate clients) and listed companies (including their registrar and share transfer agents) or any of the specified intermediaries / regulated entities in securities market (as specified in Schedule A) arising out of latter's activities in the securities market, will be resolved in accordance with the above SEBI circular.

The dispute resolution through the ODR Portal can be initiated when the complaint/dispute is not under consideration in terms of SCOREs guidelines as applicable or not pending before any arbitral process, court, tribunal or consumer forum or are non-arbitrable in terms of Indian law (including

when moratorium under the Insolvency and Bankruptcy Code is in operation due to the insolvency process or if liquidation or winding up process has been commenced against the Market Participant) or is against the Government of India / President of India or a State Government / Governor of a State.

Usage of Electronic Payment Modes for making payments to Investors:

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

Designated Exclusive email-id:

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

Green Initiative in Corporate Governance: Go Paperless

As part of the green initiative process, the company has taken an initiative of sending documents like Notice calling Annual General Meeting, Corporate Governance Report, Directors' Report, Audited Financial Statements (Standalone & Consolidated), Auditors' Report, E-voting instructions, dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the Company and for the bounced-mail cases. Shareholders are requested to register their email id with Bigshare Services Private Limited, Registrar and Transfer Agent / concerned depository to enable the Company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

7. GENERAL SHAREHOLDERS INFORMATION:

(i) Day, Date & Time for 32nd Annual General Meeting

Date : 21st September, 2024

Time : 11.30 a.m. [Indian Standard Time ("IST")]

Venue : Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

(ii) Financial Calendar (from 1/4/2024 to 31/3/2025) (Tentative) :

Results for quarter ended on 30/6/2024	On 3rd August, 2024
Results for quarter ending on 30/9/2024	On or before 14th November, 2024
Results for quarter ending on 31/12/2024	On or before 14th February, 2025
Audited Results for the year ending on 31/03/2025	On or before 30th May, 2025
AGM for the year ending on 31/3/2025	On or before 30th September, 2025

(iii) Book Closure Date(s) :

Book-closure shall be from 13th September, 2024 to 21st September, 2024 (both days inclusive) for the purpose of payment of dividend on Equity Shares for the year ended on 31st March, 2024.

(iv) Dividend payment date :

The Dividend of ₹ 3.00 per share (@ 30 %) on 54,70,240 Equity Shares of ₹ 10/- each for the year ended on 31st March, 2024, if approved and declared, will be paid within the prescribed time limit.

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

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

Listing fees up to the Financial Year 2024-25 has already been paid to the Stock Exchange. The Annual Custody/Issuer fee for the year 2024-25 has also been paid by the Company to NSDL and CDSL.

(vi) Corporate Identity Number (CIN) :

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

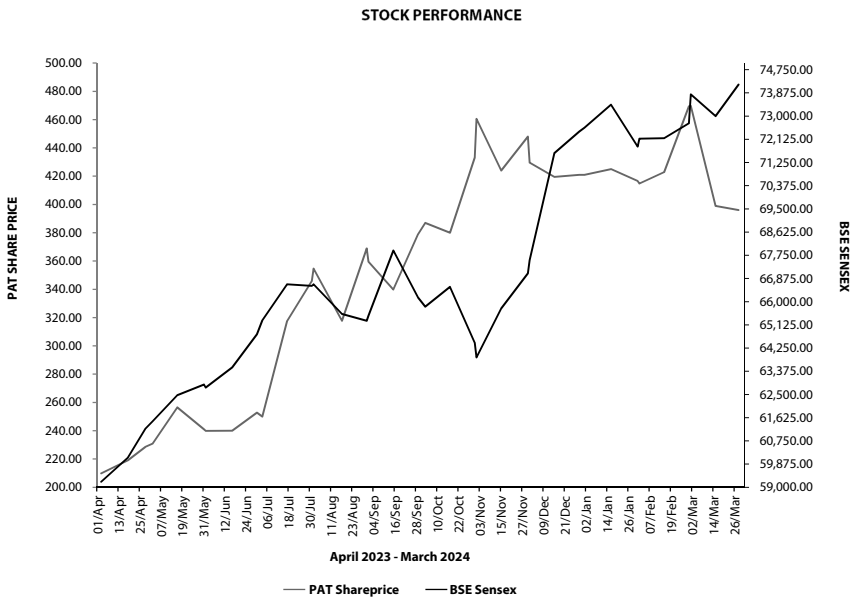
(vii) Stock Market Data and Share price performance in comparison to BSE Sensex based on share price on 31st March, 2024:

The monthly High, Low and Closing Price of Shares of the Company at BSE Limited, (BSE), during the financial year 2023-24 and performance of the same in comparison to BSE Sensex are given below:

Months	Share price of the Company at BSE			BSE SENSEX		
	High	Low	Closing	High	Low	Closing
April, 2023	239.00	205.00	224.45	61,209.46	58,793.08	61,112.44
May, 2023	256.50	202.30	233.70	63,036.12	61,002.17	62,622.24
June, 2023	263.00	230.00	244.70	64,768.58	62,359.14	64,718.56
July, 2023	345.00	244.60	332.60	67,619.17	64,836.16	66,527.67
August, 2023	374.40	290.00	350.50	66,658.12	64,723.63	64,831.41
September, 2023	379.00	312.30	372.35	67,927.23	64,818.37	65,828.41
October, 2023	433.20	322.40	427.65	66,592.16	63,092.98	63,874.93
November, 2023	469.00	400.00	417.70	67,069.89	63,550.46	66,988.44
December, 2023	450.00	370.00	410.65	72,484.34	67,149.07	72,240.26
January, 2024	466.00	394.20	406.30	73,427.59	70,001.60	71,752.11
February, 2024	489.00	392.40	458.65	73,413.93	70,809.84	72,500.30
March, 2024	469.70	341.05	380.15	74,245.17	71,674.42	73,651.35

(viii) Stock performance:

Performance of share price of the Company in comparison to BSE Sensex for the financial year 2023-24 as under:



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

In terms of SEBI Circulars dated 27th December, 2002 & 12th March, 2003 on appointment of common agency for share registry works, the Company has appointed the below mentioned agency as Registrar & Share Transfer Agent (RTA), for both physical and demat segment of equity shares of the company, which provides all shareholders related services.

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

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

Bigshare Services Private Limited	
Ahmedabad Office	**Mumbai Office**
A-802, Samudra Complex, Near Klassic Gold, Girish Cold Drink , Off C. G. Road, Navrangpura, Ahmedabad-380009, Gujarat Tel : 079 400 24135/079 40392570 Fax No: 0228475207 Email id : bssahd@bigshareonline.com Website : www.bigshareonline.com	Regd. Office : 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai – 400 059 Website : www.bigshareonline.com Tele. No. : (022) 62638200

The Company has submitted to BSE Limited Compliance Certificate on annual basis 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 SEBI Listing Regulations.

Shareholding Details:

(i) Distribution of Shareholding as on 31st March, 2024:

No. of Equity Shares held	No. of Shareholders	% of total Shareholders	No. of Shares	% of Shareholding
1 – 500	6600	90.11	637119	11.65
501 – 1000	366	5.00	287271	5.25
1001 – 2000	168	2.29	254135	4.65
2001 – 3000	64	0.87	158772	2.90
3001 – 4000	31	0.42	110719	2.02
4001 – 5000	14	0.19	64513	1.18
5001 – 10000	40	0.55	313724	5.74
10001 & above	41	0.56	3643987	66.61
Total:	**7324**	**100**	**5470240**	**100**

(ii) Shareholding pattern of the Company as on 31st March, 2024:

Category of Shareholders			No. of Equity Shares held	Percentage of total paid-up capital
A	**PROMOTER & PROMOTER GROUP**			
	A1	**Promoters**		
		- Promoters#	783,821	14.32
	A2	**Promoter Group**		
		- Promoters' Relatives	257,575	4.71
		- Group Company	1,362,512	24.91
		- LLP	69,442	1.27
		- HUFs	67,300	1.23
	Total A (A1 + A2) :		**2,540,650**	**46.44**
B	**PUBLIC**			
	- Bodies Corporate		25,256	0.46
	- NRIs		55,488	1.01
	- Clearing Members		3,512	0.06
	- Directors and their relatives (excluding Independent Directors)		2,300	0.04
	- Key Managerial Personnel		1,050	0.02
	- IEPF		52,544	0.96
	- Indian Public		2,789,440	51.01
	Total (B)		**2,929,590**	**53.56**
Total (A+B)			**5,470,240**	**100.00**

227,776 Equity Shares (4.16%) held in the name of Late Shri Narayanbhai G. Patel, Promoter are subject to transmission due to sad demise of Shri Narayanbhai G. Patel who passed away on 3rd October, 2023.

(x) Dematerialization of Shares:

The Company's shares are under demat mode. The ISIN No. of the Company is INE082C01024. Members who are desirous of holding their shares in demat form are requested to apply to their Depository Participants in prescribed demat requisition form along with original share certificate. About 98.74 % of the total Equity Capital of the Company is held in demat form as on 31st March, 2024. 100 % shares held by the Promoters & Promoters' Group have been dematerialized.

(xi) Dividend History for last 17 years of the Company:

Financial year	Dividend Per Share (₹)
2007-2008	₹ 0.50 (5 % Interim Dividend) and ₹ 1.50 (15 % Final Dividend)
2008-2009	₹ 1.80 (18 %)
2009-2010	₹ 2.00 (20 %)
2010-2011	₹ 2.00 (20 %)
2011-2012	₹ 2.00 (20 %)
2012-2013	₹ 2.00 (20 %)
2013-2014	₹ 2.00 (20 %)
2014-2015	₹ 2.20 (22 %)
2015-2016	₹ 2.20 (22 %)
2016-2017	₹ 2.50 (25 %)
2017-2018	₹ 2.50 (25 %)
2018-2019	₹ 2.50 (25 %)
2019-2020	₹ 2.50 (25 %)
2020-2021	₹ 2.50 (25 %)
2021-2022	₹ 2.80 (28 %)
2022-2023	₹ 3.00 (30 %)
2023-2024	₹ 3.00 (30 %) (Recommended)

(xii) Plant Location(s):

The Company's plants/offices are located at:

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

Contact Person : Nikhil M. Patel, Company Secretary

Website: http://www.pateslairtemp.com

(xiii) Nomination facility:

On March 16, 2023, SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 issued common and simplified norms for processing investor service requests by RTAs and for furnishing PAN, KYC details, and Nomination.

As per provisions of Section 72 of the Companies Act, 2013 and SEBI Circular, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website at www.patelsairtemp.com under Investor Forms. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

Nomination is a facility that enables an individual investor to nominate a person, who can claim the securities held by him/ her in their demat accounts in the event of demise of the investor. Investor get two options regarding Nomination for Demat Account:

Providing nomination in the specified format.

Opting out of nomination through prescribed declaration form.

Earlier the deadline for nomination/opting out of nomination for demat Account was December 31, 2023. This is further extended till June 30, 2024. If you do not nominate or opt out of nomination by June 30, 2024, your folios/demat account will be frozen.

(xiv) Compliance Certificate of the Practicing Company Secretary:

The Certificate from the Practicing Company Secretary, CS Punit Lath, Company Secretary, Ahmedabad (Membership No. 26238 and COP No. 11139), confirming the compliance with the conditions of Corporate Governance by the Company during the year ended on 31st March, 2024 (financial year 2022-23) as stipulated under SEBI Listing Regulations, is attached to this Report.

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Corporate Governance, we hereby confirm that all Board Members and Senior Management Personnel (SMP) of Patels Airtemp (India) Ltd. including Chief Financial Officer (CFO) & Company Secretary (CS), being Key Managerial Personnel (KMP), have affirmed the compliance of Code of Business Conduct and Ethics of the Company during the financial year ended on 31st March, 2024 (2023-24).

	Sanjivkumar N. Patel	**Shivang P. Patel**
Place: Rakanpur, Dist. Gandhinagar	Chairman & Managing Director	Whole-time Director
Date: 24th May, 2024	(DIN: 02794095)	(DIN: 08136652)

CEO AND CFO CERTIFICATION

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

We, Mr. Sanjivkumar N. Patel, Chairman & Managing Director and Mr. Kamlesh R. Shah, Chief Financial Officer (CFO) of the Company, in our respective capacities, certify that:

A. We have reviewed the Financial Statements (Standalone & Consolidated) and Cash Flow Statement of Patels Airtemp (India) Limited for the year ended 31st March, 2024 and to the best of our knowledge and belief, we state that:

   (1) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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

B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2024 are fraudulent, illegal or violative the Company's code of conduct.

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

D. We have indicated to the auditors and the Audit Committee

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

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

   (3) There are no instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date : 24th May, 2024
Place : Rakanpur, Gandhinagar

Sanjivkumar N. Patel
Chairman & Managing Director
(DIN: 02794095)

Kamlesh R. Shah
Chief Financial Officer

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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

I have examined the compliance of conditions of Corporate Governance by **Patels Airtemp (India) Limited** for the year ended on March 31, 2024, as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and Clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (collectively referred to as '**SEBI Listing Regulations, 2015**').

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company.

My examination and verification of records was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance.

It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representation made by the management of the Company, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 for the year ended March 31, 2024. I state that such compliance is neither an assurance to the future viability nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Punit Santosh Kumar Lath
Practicing Company Secretary
ACS No. 26238, COP No. 11139
Date: 05/08/2024

UDIN: A026238F000897955
ICSI Unique Code: I2012GJ946500
Peer Review Certificate No.: 809/2020
Place: Ahmedabad

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

To
The Board of Directors,
Patels Airtemp (India) Limited
CIN: L29190GJ1992PLC017801
5th Floor, Kalpana Complex,
Nr. Memnagar Fire Station,
Navrangpura, Ahmedabad – 380009.

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), or any such other Statutory Authority(ies).

List of Directors as on 31/03/2024

DIN	Name of Director	Designation	Date of Appointment
02794095	Sanjivkumar Narayanbhai Patel	Chairman & Managing Director	30/09/2009
08136652	Shivang Prakashchandra Patel	Wholetime Director	01/06/2019
08197983	Apurva Vinubhai Shah	Wholetime Director	11/08/2018
00216585	Hareshkumar Ishwarlal Shah	Independent Director	29/10/2005
06532676	Rajendrakumar Chaturbhai Patel	Independent Director	10/08/2019
02813295	Naimish Bhanuprasad Patel	Independent Director	12/08/2023
07131341	Vinaben Bhupendra Patel	Independent Director	30/03/2015

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Punit Santosh Kumar Lath
Practicing Company Secretary
ACS No. 26238, COP No. 11139
Date: 09/05/2024

UDIN: A026238F000340156
ICSI Unique Code: I2012GJ946500
Peer Review Certificate No.: 809/2020
Place: Ahmedabad

ANNEXURE – D
FORM NO. AOC - 2
(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties during the financial year 2023-24 referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	(i) Monthly service charges maximum up to ₹ 60,000/- and taxes, if any, paid to Mr. Amratbhai Patel, being the Contractor and Brother of Mrs. Vinaben B. Patel, Independent Director of the Company, towards manpower supplied by him for various jobs required for the Company's factories during the financial year 2023-24.
b)	Nature of contracts/arrangements/ transaction	
c)	Duration of the contracts/ arrangements/ transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	(ii) Salary of ₹ 9.28 lacs including other benefits as per Rules of the Company paid to Smt. Aartiben P. Patel, Officer (HRD) of the Company and Mother of Mr. Shivang P. Patel, Whole-time Director of the Company during the financial year 2023-24.
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	No amount was paid as advance to above Related Parties.
g)	Amount paid as advances, if any	The above Related Party Transactions have been duly approved (prior approval) by the Audit Committee and Board of Directors at their respective meetings held on 11th February, 2023.
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	Since no material related party transactions were entered into by the Company, approval of Shareholders was not required.

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

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	There were no material contracts or arrangements or transactions at arm's length basis entered into by the Company with related parties during the year ended on 31st March, 2024 (2023-24).
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

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, 2024 are given as under:

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

A) CONSERVATION OF ENERGY:

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

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

As part of Green Initiative, the Company has installed 130 KW Rooftop PV Solar Power Plant after getting required permissions from Govt. Authorities and UGVCL (Power Distribution Company in Local Area). The Solar Plant has generated 105,374 Units of Energy in F.Y. 2023-24. With installation of this plant, company is contributing significantly in CO2 emission reduction.

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

B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION:

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

(1) Research & Development (R & D)

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

Along with development of product design and product manufacturing application, the Company in its tenure of 51+ years continuously upgraded quality and product system by acquiring world's most recognized system like ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ASME (U2, U, S-Stamps).

The Company is having Quality Management System as per ISO 9001-2015 certification from TUV-SUD and Certificate for Environment Management System as per ISO 14001:2015 and Occupational Health and Safety (OH&S) Management System as per ISO 45001:2018 from TUV-NORD.

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

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

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

(2) Technology Absorption, Adaptation & Innovation

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

The Company has invested about ₹ 77.87 Lakhs for Plant & Equipment to upgrade high tech equipment and to increase built up area. The Company has HTRI Membership agreement for Category - II for latest technology in Heat Transfer from U.S.A. To increase productivity, Company has invested in high tech Finning Machine. In-house, systems and operations are being innovated for better quality and to perform up to customers' requirement.

C) FOREIGN EXCHANGE EARNING AND OUTGO:

The details of Foreign Exchange Earnings and Outgo by the Company during the year ended 31st March, 2024 (2023-24) are as under:

CIF value of Imports: ₹ 2138.85 Lacs as against ₹ 1363.12 Lacs in previous year.

Expenditure in Foreign Currency: ₹ 147.56 Lacs as against ₹ 120.07 Lacs in previous year

Earning in Foreign Exchange: ₹ 525.32 Lacs as against ₹ 744.00 Lacs in previous year

ANNEXURE – F

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE YEAR 2023-24

1. Brief outline on CSR Policy of the Company:

The Board of Directors has adopted a CSR Policy which lays down the guidelines for undertaking various CSR programmes for development and promotion of the society. CSR Policy of the Company has been revised w.e.f. 19th June, 2021 as recommended by CSR Committee and approved by the Board of Directors pursuant to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The revised CSR Policy has been uploaded on the Company's web-site https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/corporate-social-responsibility-policy.pdf. The concept of CSR has gained prominence from all avenues. The Company believes that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, customers and society in which it operates and formulated CSR Policy. CSR means not only investment of funds for social activities but also integration of business process with social processes.

The policy also indicates the activities to be undertaken by the Company within the broad framework of Schedule VII of the Companies Act, 2013, as in force and as amended from time to time which includes promotion of educational and employment enhancing vocational skills and education of underprivileged children, social development/services, promotion of healthcare, including preventive health care i.e. for medical treatment, rehabilitation and sanitation and disaster management, environmental sustainability, rural development project, eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups and such other activities and programs as recommended by CSR committee from time to time.

2. Composition of CSR Committee and Meetings:

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

@ Mr. Himanshu N. Rawal (DIN: 06631728), Independent Director, ceased to be a Member of CSR Committee w.e.f. 23rd September, 2023 due to completion of his 2nd term as Independent Director of the Company.

Shri Narayanbhai G. Patel (DIN: 00023107) ceased to be a Chairman & Whole-time Director of the Company and consequently as a Member of CSR Committee w.e.f. 3rd October, 2023 due to his sad demise on 3rd October, 2023.

$ Mrs. Veenaben B. Patel (DIN: 07131341), Independent Director, has been appointed as a Member of CSR Committee w.e.f. 9th November, 2023 in place of Shri Narayanbhai G. Patel, who ceased to be the Chairman & Whole-time Director and Member of CSR Committee due to sad demise on 3rd October, 2023.

* Mr. Naimish B. Patel (DIN: 02813295), Independent Director, has been appointed as a Member of CSR Committee w.e.f. 12th August, 2023.

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

Web-link for:-

- **Composition of CSR Committee:-**

  https://www.patelairtemp.com/pdf/policies-and-code-of-conduct/composition-of-various-committees-of-board.pdf

- **CSR Policy and CSR Projects approved by the Board:-**

  https://www.patelsairtemp.com/pdf/policies-and-code-of-conduct/corporate-social-responsibility-policy.pdf

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. Not Applicable

(₹ In Lacs)

5.	**(a)**	Average net profit of the Company as per section 135(5) (financial year 2022-23, 2021-22 & 2020-21:	1587.11
	(b)	Two percent of average net profit of the Company as per section 135(5) (Financial Year 2021-22, 2020-21 & 2019-20) :-	31.74
	(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	NIL
	(d)	Amount required to be set off for the financial year, if any	NIL
	(e)	Total CSR obligation for the financial year (b)+(c)-(d)	31.74

(₹ In Lacs)

6.	**(a)**	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).	32.00
	(b)	Amount spent in Administrative Overheads.	NIL
	(c)	Amount spent on Impact Assessment, if applicable.	NIL
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	32.00

(e) CSR amount spent or unspent for the financial year:

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

(f) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (₹ in Lacs)
(i)	Two percent of average net profit of the Company as per section 135(5)	31.74
(ii)	Amount required to be set off for the financial year 2022-23	NIL
(iii)	Total amount required to be spent in the financial year 2023-24	31.74
(iv)	Total amount spent for the Financial Year	32.00
(v)	Excess amount spent for the financial year [(i)-(ii)-(i)]	0.26
(vi)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	NIL
(vii)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.26

7. Details of Unspent CSR amount for the preceding three financial years: NIL

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Balance amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso of section 135(5), if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2022-23	NIL	--	--	NIL	--	--	--
2	2021-22	NIL	--	--	NIL	--	--	--
3	2020-21	NIL	--	--	NIL	--	--	--

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: NIL

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

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

Date: 24th May, 2024
Place: Rakanpur, Gandhinagar

Sanjivkumar N. Patel
Chairman & Managing Director
(DIN: 02794095)

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

ANNEXURE – F
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Patels Airtemp (India) Limited
(CIN: L29190GJ1992PLC017801)
5th Floor, Kalpana Complex, Near Memnagar Fire Station
Navrangpura, Ahmedabad, Gujarat – 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, 2024.

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, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, 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:

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, 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - There was no Foreign Direct Investment and External Commercial Borrowings by the Company during the year under review and hence the provisions in respect of the said matters are not applicable to the Company;

(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;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (to the extent of allotment of equity shares upon conversion of loan under preferential issue as per chapter V);

d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - *(Not applicable, as the Company has not issued any shares/ options to directors/ employees under the said guidelines / regulations during the year under review);*

e. the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;- *(Not applicable, as the Company has not issued any debt securities which were listed during the year under review);*

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – *(Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review);*

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; – *(Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review); and*

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – *(Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review).*

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors and Committees (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with BSE Limited, and SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 (effective 1st December, 2015).

The Company has during the Audit Period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

In respect to other specific laws applicable to the Company, as per information provided by Company and as per the confirmation of Compliances placed before the Board of Directors and verified by me on Test Check basis, I confirm of existence of proper compliance management system in respect of industries specific laws applicable as under:

(1) Water (Prevention & Control of Pollution) Act 1974,

(2) The Air (Prevention & Control of Pollution) Act 1981,

(3) The Hazardous Wastes (Management & Handling) Rules 1989, as amended up to 2008,

(4) Noise Pollution (regulation & control) Rules 2000 as are specifically applicable to the Company.

I further report that:

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and a Woman Director. No changes in the composition of the Board of Directors that took place during the period under review were 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 were 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) All the decisions of the Board and Committees thereof were carried through unanimously/requisite majority. Dissenting members' views were not required to be captured and recorded as part of the minutes, as there was no such instance.

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.

I further report that during the audit period, the Company has following specific events/actions, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1) Sudden demise of Shri Narayanbhai G. Patel (DIN: 00023107), the Founder, Promoter, Chairman & Whole-time Director of the Company on 3rd October, 2023 due to ill-health. Due to sad demise, Shri Narayanbhai G. Patel ceased to be a Chairman & Whole-time Director and Member of Audit Committee (AC), Nomination & Remuneration Committee (NRC), Stakeholders' Relationship Committee (SRC) and Corporate Social Responsibility Committee (CSR) of Board of Directors of the Company.

2) During the financial year 2023-24, Mr. Sanjivkumar N. Patel, Managing Director (DIN: 02794095), has been appointed as the Chairman of the Board of Directors of the Company designated as "Chairman & Managing Director" with effect from 9th November, 2023 and to remain the Chairman of the Board until otherwise decided by the Board of Directors in place of Shri Narayanbhai G. Patel (DIN: 00023107) who ceased to be the Chairman & Whole-time Director of the Company w.e.f. 3rd October, 2023 due to his sad demise.

3) Mr. Apurva V. Shah (DIN: 0008197983) has been re-appointed as a Whole-time Director of the Company for a further period of 3 (Three) years with effect from 11th August, 2024 up to 10th August, 2027, upon the terms and conditions including remuneration by way of Salary of ₹ 3,60,000/- per month plus Perquisites and Allowances as recommended and approved by Nomination & Remuneration Committee and Board of Directors at their respective meetings held on 24th May, 2024, subject to approval by the Shareholders by passing an Ordinary Resolution through Postal Ballot of the Company.

4) Mr. Rajendrakumar C. Patel (DIN: 06532676) has been re-appointed as Independent Director (Non-executive & Independent) of the Company not liable to retire by rotation, for a second term of five years from 10th August, 2024 up to 9th August, 2029 as recommended and approved by Nomination & Remuneration Committee and Board of Directors at their respective meetings held on 24th May, 2024, subject to approval by the Shareholders by passing Special Resolution through Postal Ballot.

5) During the financial year 2023-24, the Company has applied for settlement under the settlement scheme pursuant to the provisions of SEBI (Settlement Proceedings) Regulations, 2018 as amended in the matter of Show Cause Notice No. SEBI/HO/EAD-8/SKV/VC/36027/2023 Dated September 01, 2023 (SCN) issued by SEBI against the Company in the matter of Extra-ordinary General Meeting (EGM) of the Company held on 8th October, 2022 and disclosures made in Explanatory Statement for Shares issued and allotted to the Promoters and Promoter Group under Preferential Issue made by the Company.

   Pursuant to the said Settlement Application, Settlement amount of ₹ 28,53,180/- (Rupees Twenty Eight Lakh Fifty Three Thousand One Hundred Eighty Only) has been levied on the Company, towards settlement terms as decided by SEBI in the Internal Committee (IC) Meeting held on June 19, 2024 via video conferencing (zoom platform). However, the Company is awaiting for final approval from SEBI regarding the said settlement amount, subject to other legal course of action available to the Company.

6) During the financial year 2023-24, Patels Airtemp (USA) Inc., Wholly Owned Subsidiary (WOS) of the Company was dissolved w.e.f. 11th December, 2023, as per Certificate of Dissolution issued by State of Delaware (USA), as the said WOS did not commence any business activities since its incorporation and

incurred loss and there was no plan to commence any business activities in future. The said WOS was dissolved by disinvestment of Equity Capital and write off USD 15,941 and net balance of USD 9,059 remitted to India from USA, pursuant to the provisions of Foreign Exchange Management Overseas Investment Rules, Regulations and Directions issued by the Central Government along with Reserve Bank of India (RBI) and also the laws applicable in the State of Delaware, USA.

Consequent upon the said dissolution, Patels Airtemp [USA) Inc., ceased to be the subsidiary of the Company w.e.f. 11th December, 2023. Patels Airtemp (USA) Inc., was not a Material Subsidiary of the Company.

Punit Santosh Kumar Lath
Practicing Company Secretary
ACS No. 26238, COP No. 11139
Date: 06/07/2024

UDIN: A026238F000684016
Peer Review Certificate No.: 809/2020
Place: Ahmedabad

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

"ANNEXURE" to the Secretarial Audit Report

To,
The Members,
Patels Airtemp (India) Limited
(CIN: L29190GJ1992PLC017801)
5th Floor, Kalpana Complex, Near Memnagar Fire Station,
Navrangpura, Ahmedabad, Gujarat – 380009

Dear Sir,

My Secretarial Audit Report of even date for the Financial Year ended on March 31, 2024 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 my audit.
2. I have followed the audit practices and processes as were 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 my opinion.
3. I have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India (ICSI).
4. 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.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.
7. 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.
8. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.

Punit Santosh Kumar Lath
Practicing Company Secretary
ACS No. 26238, COP No. 11139
Date: 06/07/2024

UDIN: A026238F000684016
Peer Review Certificate No.: 809/2020
Place: Ahmedabad

Annexure - H
PARTICULARS OF REMUNERATION

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 2023-24 and the percentage increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary (CS) in the financial year 2023-24:

Sr. No.	Name Of Directors & Key Managerial Personnel	Designation	Remuneration Paid During The Financial Year 2023-24 (₹ In Lacs)	Remuneration Paid During The Financial Year 2022-23 (₹ 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	20.44	47.12	(26.68)	(56.62)	4.32
2	Sanjivkumar N. Patel @	Chairman & Managing Director	49.51	47.06	2.44	5.20	10.46
3	Shivang P. Patel $	Whole-Time Director	52.82	50.95	1.87	3.67	11.16
4	Apurva V. Shah ^	Whole-Time Director	36.08	35.89	5.64	18.54	7.62
5	Kamlesh R. Shah	Chief Financial Officer (CFO)	15.12	13.52	1.60	11.81	3.19
6	Nikhil M. Patel	Company Secretary (CS)	15.94	14.89	1.05	7.04	3.37

\# Shri Narayanbhai G. Patel (DIN: 00023107) ceased to be a Chairman & Whole-time Director of the Company w.e.f. 3rd October, 2023 due to his sad demise on 3rd October, 2023. However, before his sad demise, Shri Narayanbhai G. Patel was duly re-appointed as Whole-time Director of the Company designated as "Chairman & Whole-time Director" for a further period of 3 years with effect from 20th May, 2023 up to 19th May, 2026 with payment of salary of ₹ 4,00,000/- per month plus perquisites and allowances. However, during the financial year 2022-23, the salary of Shri Narayanbhai G. Patel was increase from ₹ 3,00,000/- per month to ₹ 4,00,000/- per month plus perquisites and allowances for the period from 1st June, 2022 to 19th May, 2023.

@ Mr. Sanjivkumar N. Patel (DIN:02794095) has been re-appointed as Managing Director of the Company designated as "Chairman & Managing Director" for a further period of 3 years with effect from 20th May, 2023 up to 19th May, 2026, with payment of salary of ₹ 4,00,000/- per month plus perquisites and allowances. However, during the financial year 2022-23, the salary of Mr. Sanjivkumar N. Patel was increase from ₹ 3,00,000/- per month to ₹ 4,00,000/- per month plus perquisites and allowances for the period from 1st June, 2022 to 19th May, 2023.

$ Mr. Shivang P. Patel (DIN: 08136652) has been re-appointed as Whole-time Director of the Company for a further period of 3 (Three) years with effect from 1st June, 2022 up to 31st May, 2025 with Salary of ₹ 4,00,000/- per month plus Perquisites and Allowances.

^ The Company did not increase the remuneration of Mr. Apurva V. Shah (DIN: 08197983), Whole-time Director of the Company during the F.Y. 2023-24 and the variation of Remuneration between 2023-24 and 2022-23 is due to perquisites & allowances paid to the said Director.

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

(B) Median Remuneration for Financial Year 2023-24 is ₹ 4.73 Lakhs.

(C) The Median Remuneration of employees in the Financial Year 2023-24 decreased by 68.94% as compared to Financial Year 2022-23. (Increase due to increase / decrease in permanent employees in the Company during the year).

(D) The number of permanent employees including workers on the roll of Company: 187 employees

(E) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentage increase in the salaries of employees other than the managerial personnel in the financial year i.e. 2023-24 was 10.10% whereas increase in the salaries of Whole-time Directors and Managing Director for the same financial year was 14.76%.

(F) Affirmation: The Company affirms that the remuneration of the Whole-time Directors and Managing Director and Employees of the Company are as per the remuneration policy of the Company.

(G) None of the employees of the Company including Managing Director and Whole-time Directors of the Company are in receipt of remuneration in excess of limit as provided in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time). As such the statement of particulars of employees is not annexed with this report.

(H) The Statement of particulars of top ten employees as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 (as amended from time to time), in terms of remuneration drawn and other particulars of the employees as set out in the said Rules forms part of this report. Further, the Annual Report is being sent to the shareholders excluding the aforesaid statement. In terms of Section 136 of the Companies Act, 2013, the said statement is open for inspection by the shareholde₹ Any shareholder, who is interested in obtaining these details, may also write to the Company Secretary to email id at share@patelsairtemp.com.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of **Patels Airtemp (India) Limited**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **PATELS AIRTEMP (INDIA) LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Key Audit Matters

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

Key Audit Matter:

Description of Key audit Matter	Our response and results
REVENUE (Refer Note No. 56) to the Standalone Ind AS Financial Statements. Revenue of the company comprises of sale of extensive range of Heat Exchangers such as Shell & Tube Type, Finned Tube Type and Air-Cooled Heat Exchangers, Pressure Vessels, Air-conditioning and Refrigeration equipments and Turnkey HVAC Projects in India & marketing of equipments in and outside India. Revenue recognition is a significant audit risk across the company. Specifically, there is a risk that revenue is recognized on sale of goods before the control in the goods is transferred.	Our key audit procedures to assess the recognition of revenue on sale of goods included the following: ♦ We assessed the appropriateness of the Company's revenue recognition policies, including those related to discounts and incentives; ♦ We obtained an understanding of process and assessed the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition from sale of goods. We also tested the Company's controls over timing of revenue recognition; ♦ We also tested, on a sample basis, whether specific revenue transactions around the year end had been recognized in the appropriate period on the basis of the terms of sale of the contract, particularly with reference to the transfer of control in the goods in question with regard to the year end transactions. We inspected key customer contracts/ purchase orders to identify terms and conditions related to acceptance of goods and the right to return and assessing the company's revenue recognition policies with reference to the requirements of the prevailing accounting standards;

Emphasis of Matters:

1. **Refer Note No. 41 of the Standalone Ind AS Financial Statements which states that during the year under review M/s. Patels Airtemp (USA) Inc., a Wholly Owned Subsidiary (WOS/ Foreign Entity) of the Company, stands dissolved w.e.f. 11th December, 2023 as per Certificate of Dissolution issued by State of Delaware (USA). Consequent, upon the said dissolution, Patels Airtemp (USA) Inc., ceased to be a Subsidiary of the Company, and accordingly the company has written off Investment in Subsidiary amounting to ₹ 7.17 lakhs and loan to Subsidiary of ₹ 5.32 lakhs in the books of accounts during the year ended on 31st March, 2024.**

2. **The balance confirmation from the suppliers and customers have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables and trade payables have been taken as per the books of accounts submitted by the company and are subject to confirmation from the respective parties. (Refer to Note No. 37 of Notes forming part of Standalone Ind AS Financial Statements).**

   Our opinion is not modified on the above matters.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information

and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act as amended, In our Opinion and to the best our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act read with schedule V of the Act.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

3. As required by Section 143(3) of the Act, based on our audit 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 except for the matters stated in the paragraph 3(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, standalone Statement of Changes in Equity and the standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March

31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

g) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3(b) above on reporting under Section 143(3)(b) of the Act and paragraph 3(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us :

(i) The Company has disclosed the impact of pending litigations on its financial position in the Standalone Ind AS Financial Statements (Refer Note No. 32 to the Standalone Ind AS Financial Statements.)

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) (a) The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the company have proposed final dividend for the year which is subject to the approval of the members at the ensuing annual general meeting. The amount of dividend proposed is in accordance with section 123 of the act, as applicable.

(vi) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from April 1, 2023.

Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same operated throughout the year for all relevant transaction recorded in the software except for the instances mentioned below:

1. In respect of Rakanpur Plant & Bombay Office location, the feature of edit log was not enabled for period 1st April, 2023 to 14th April, 2023 and 1st April, 2023 to 23rd April, 2023 respectively and security feature was not enabled throughout the year.

2. In respect of Kalpana Office at Ahmedabad location, the books of account does not have feature of recording audit trail (edit log) facility.

Further, during the course of our audit, we did not come across any instances of audit trail feature being tampered with from the date of its maintenance.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For, Parikh & Majmudar
Chartered Accountants
Firm's Registration No. 107525W

[CA Satwik A. Durkal]
Partner
Membership No. 107628
UDIN: 24107628BJZWRO4201

Place: Ahmedabad
Date: 24th May, 2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PATELS AIRTEMP (INDIA) LIMITED of even date)

With reference to the Annexure A, referred to in the Independent Auditors Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended on 31st March 2024, we report following:

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us, the property, plant and equipment are physically 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 including the self-constructed property are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable and the coverage and procedure of such verification by the management is appropriate. As explained to us, there were no discrepancies of 10% or more in aggregate for each class on physical verification of inventory as compared to the book records.

(b) The Company has been sanctioned working capital limits (including fund based and non-fund-based limits) in excess of Rupees Five crores in aggregate from banks on the basis of security of the current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising (stock statements) filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters, except for the followings:

For the Quarter	Name of Bank	Nature of the Current Assets	Nature of discrepancy	Amount as per Un-audited Books of Accounts (in Lakhs)	Amount as per Quarterly Return & Statements (in Lakhs)	Amount of Diffe-rence (in Lakhs)	Remarks including subse-quent rectifi-cation, if any
June 2023	Bank of Baroda and Axis Bank Limited	Inventory – Work in Progress	As informed by the management to us, the company at the time of submitting the work in progress stock to the bank, the company had taken the project completion stage which was on the provisional basis and at the time of finalization of quarterly results the project completion stage was taken on actual basis.	12,093.43	11,893.08	200.35	No Revised Statement filed by the Company.
June 2023	Bank of Baroda and Axis Bank Limited	Inventory – Tools	As informed by the management to us, the company is not required to submit the stock of tools to the bank. Hence, there is a difference.	24.17	NIL	24.17	No Revised Statement filed by the Company.
September 2023	Bank of Baroda and Axis Bank Limited	Inventory – Work in Progress	As informed by the management to us, the company at the time of submitting the work in progress stock to the bank, the company had taken the project completion stage which was on the provisional basis and at the time of finalization of quarterly results the project completion stage was taken on actual basis.	13,254.29	13,044.16	210.13	No Revised Statement filed by the Company.

Patels Airtemp (India) Limited

For the Quarter	Name of Bank	Nature of the Current Assets	Nature of discrepancy	Amount as per Un-audited Books of Accounts (in Lakhs)	Amount as per Quarterly Return & Statements (in Lakhs)	Amount of Difference (in Lakhs)	Remarks including subsequent rectification, if any
September 2023	Bank of Baroda and Axis Bank Limited	Inventory – Tools	As informed by the management to us, the company is not required to submit the stock of tools to the bank. Hence, there is a difference.	24.12	NIL	24.12	No Revised Statement filed by the Company.
December 2023	Bank of Baroda and Axis Bank Limited	Inventory – Work in Progress	As informed by the management to us, the company at the time of submitting the work in progress stock to the bank, the company had taken the project completion stage which was on the provisional basis and at the time of finalization of quarterly results the project completion stage was taken on actual basis.	13,878.83	13,687.73	100.10	No Revised Statement filed by the Company.
December 2023	Bank of Baroda and Axis Bank Limited	Inventory – Tools	As informed by the management to us, the company is not required to submit the stock of tools to the bank. Hence, there is a difference.	20.75	NIL	20.75	No Revised Statement filed by the Company.

For the Quarter	Name of Bank	Nature of the Current Assets	Nature of discrepancy	Amount as per Un-audited Books of Accounts (in Lakhs)	Amount as per Quarterly Return & Statements (in Lakhs)	Amount of Difference (in Lakhs)	Remarks including subsequent rectification, if any
March 2024	Bank of Baroda and Axis Bank Limited	Inventory – Raw Material	As informed by the management, At the time of final submission of stock of raw material to the bank certain invoices from the suppliers were pending. The same were received and posted in the books of accounts at the time of finalization of books of accounts. Hence, there is a difference.	2,996.32	2,960.89	35.43	No Revised Statement filed by the Company.
March 2024	Bank of Baroda and Axis Bank Limited	Inventory – Work in Progress	As informed by the management to us, the company at the time of submitting the work in progress stock to the bank, the company had taken the project completion stage which was on the provisional basis and at the time of finalization of quarterly results the project completion stage was taken on actual basis.	13,923.03	13,640.60	282.43	No Revised Statement filed by the Company.
March 2024	Bank of Baroda and Axis Bank Limited	Inventory – Tools	As informed by the management to us, the company is not required to submit the stock of tools to the bank. Hence, there is a difference.	13.60	NIL	13.60	No Revised Statement filed by the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties. Accordingly, clause 3(iii) (a) (A), (B), (b), (c), (d) (e) and (f) of the order are not applicable. However, the Company has written off the loan granted to its wholly owned subsidiary in earlier year due to dissolution of wholly owned subsidiary company. (Refer to the Note No. 41 forming part of Standalone Ind AS Financial Statement)

iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any investment or given guarantee or security during the year under review. Accordingly, clause 3(iv) of the order is not applicable.

v. The Company has not accepted any deposits from the public during the year under review. Accordingly, clause 3(v) of the Order is not applicable.

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 under sub section (1) of section 148 of Companies Act, 2013, 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 with a view to determine whether they are accurate or complete.

vii. (a) The company does not have liability in respect of Service Tax; Duty of excise, Sales Tax and Value Added Tax during the year since effective 1st July 2017, these statutory dues has been subsumed in to Goods & Service Tax.

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, ESIC, income-tax, duty of customs, Goods & Service Tax, cess and other material statutory dues have generally 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, ESIC, income tax, duty of customs, Goods & Service Tax, cess and other material statutory dues were in arrears as at 31st March 2024 for a period of more than six months from the date it became payable.

(b) According to the information and explanations given to us, there are no material dues of Goods & Service Tax, Sales Tax, Duty of Customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income Tax have not been deposited by the company on account of Dispute:

Sr. No	Name of the statue	Nature of Dues	Financial year to which it relates	From where the dispute is pending	Amount in lakhs (net of payment)
1.	Income Tax Act, 1961	Income Tax	2017-18	Commissioner of Income Tax (Appeals)	6.48

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to information & explanations given to us, the company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on overall examination of the records of the company, we report that the company has not taken any funds from any entity or person account of or to meet the obligations of its subsidiaries and therefore, reporting under clause 3(ix)(e) of the order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, and therefore, clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Accordingly, clause 3(x)(b) of the order is not applicable.

xi. (a) 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.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT - 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented by the management, there are no whistle blower complaints received by the company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not required.

xiii. According to the information & explanation 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 transaction have been disclosed in the Standalone Financial statements as required by applicable accounting standards.

xiv. (a) In our opinion the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

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. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, 3(xvi)(a) and 3(xvi) (b) of the Order are not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve bank of India. Accordingly, 3(xvi)(c) of the Order is not applicable.

(c) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us, On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a fund specified in schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, clause 3(xx) of the Order is not applicable for the year.

For, Parikh & Majmudar
Chartered Accountants
Firm's Registration No. 107525W

[CA Satwik A. Durkal]
Partner
Membership No. 107628
UDIN: 24107628BJZWRO4201

Place: Ahmedabad
Date: 24th May, 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PATELS AIRTEMP (INDIA) LIMITED of even date)

Report on the Internal Financial Controls with reference to the standalone financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of **PATELS AIRTEMP (INDIA) LIMITED** (the "Company") as of March 31, 2024 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to standalone financial statements issued by The Institute of Chartered Accountants of India (the "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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to standalone financial statements (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 judgement, 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 with reference to the standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Ind AS Financial Statements

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements 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 Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to the standalone financial statements, 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 with reference to the standalone financial statements to future periods are subject to the risk that the internal financial control with reference to the standalone financial statements 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 and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to the standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to the standalone financial statements issued by the ICAI.

For, Parikh & Majmudar
Chartered Accountants
Firm's Registration No. 107525W

[CA Satwik A. Durkal]
Partner
Membership No. 107628
UDIN: 24107628BJZWRO4201

Place: Ahmedabad
Date: 24th May, 2024

STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2024

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
	ASSETS			
1	**Non-current assets**			
a)	Property, plant and equipment	3(A)	4,476.87	4,619.24
b)	Capital work-in-progress	3(B)	-	-
c)	Intangible assets	3(C)	47.44	80.77
d)	Financial Assets:			
	Investments	4	-	7.18
	Trade Receivables	4a	143.78	47.78
	Loans	5	-	12.70
	Other Financial Assets	6	1,666.80	1,322.96
e)	Deferred tax assets (Net)	19	51.96	-
f)	Other Non-Current assets	7	63.22	61.72
	TOTAL NON-CURRENT ASSESTS		**6,450.06**	**6,152.35**
2)	**Current assets**			
a)	Inventories	8	16,955.86	14,957.64
b)	Financial Assets			
(i)	Trade receivables	9	10,639.19	11,067.25
(ii)	Cash and cash equivalents	10	454.84	1,129.27
(iii)	Bank balances other than (ii) above	11	-	-
(iv)	Other Financial assets	12	12.51	15.75
c)	Current tax assets (net)	13	-	-
d)	Other current assets	14	2,606.34	2,724.89
	TOTAL CURRENT ASSETS		**30,668.75**	**29,894.80**
	TOTAL ASSETS		**37,118.81**	**36,047.14**
	EQUITY & LIABILITIES :			
	EQUITY:			
a)	Equity Share Capital	15	547.02	547.02
b)	Other Equity	16	13,725.45	12,415.18
			14,272.47	**12,962.20**
	LIABILITIES :			
1)	**Non-Current Liabilities**			
a)	Financial Liabilities			
	Borrowings	17	1,529.67	1,968.15
b)	Provisions	18	37.46	36.09
c)	Deferred tax liabilities (Net)	19	-	178.90
d)	Other Financial Liabilities	19a	5.00	5.00
	TOTAL NON-CURRENT LIABILITIES		**1,572.13**	**2,188.14**
2)	**Current Liabilities**			
a)	Financial Liabilities			
(i)	Borrowings	20	7,735.30	7,556.02
(ii)	Trade payables			
	Total outstanding dues of micro enterprises and small enterprises		1,854.14	975.26
	Total outstanding dues of creditors other than micro enterprises and small enterprises		5,524.03	6,634.08
iii)	Other Financial Liabilities		157.60	151.48
b)	Other Current Liabilities		5,691.35	5,528.98
c)	Provisions		26.09	48.01
d)	Current Tax Liabilities (Net)		285.69	2.98
	TOTAL CURRENT LIABILITIES		**21,274.20**	**20,896.80**
	TOTAL LIABILITIES		**22,846.33**	**23,084.94**
	TOTAL EQUITY AND LIABILITIES		**37,118.81**	**36,047.14**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For, **PARIKH & MAJMUDAR**
Chartered Accountants
Firm's Registration No. 107525W
UDIN: 24107628BJZWRO4201

CA Satwik A. Durkal
Partner
Membership No.107628
PLACE: AHMEDABAD
DATE: 24th May, 2024

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

Sanjivkumar N. Patel
Chairman & Managing Director
DIN : 02794095

Shivang P. Patel
Whole Time Director
DIN : 08136652

Kamlesh R. Shah
Chief Financial Officer
PLACE: AHMEDABAD
DATE: 24th May, 2024

Nikhil M. Patel
Company Secretary

STANDALONE STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED ON 31ST MARCH, 2024

(₹ in Lakhs except EPS)

Particulars		Note No.	For the Year ended on 31st March, 2024	For the Year ended on 31st March, 2023
I.	Revenue from Operations	24	37,076.17	28,147.85
II.	Other Income	25	198.94	132.56
III.	**Total Income (I+II)**		**37,275.11**	**28,280.41**
IV.	**EXPENSES:**			
	Cost of materials consumed	26	25,849.97	22,697.39
	Purchases of Stock-In-Trade	27	264.46	167.60
	Changes in inventories of Finished Goods, Stock-In-Trade and Work-In-Progress	28	(1,674.20)	(5,480.69)
	Employee Benefits Expense	29	1,467.41	1,347.24
	Finance Costs	30	1,286.27	1,204.84
	Depreciation and Amortization Expense	3(a)&(c)	406.39	410.83
	Other Expenses	31	7,660.70	6,397.40
	Total Expenses		**35,261.00**	**26,744.61**
V.	**Profit Before Tax (III-IV)**		**2,014.11**	**1,535.80**
VI.	**Tax Expense:**			
	Current tax		773.00	397.00
	Deferred tax		(232.52)	(1.73)
	(Excess)/Short Provision of Earlier Years		4.18	21.72
	Net Tax Expenses		**544.66**	**416.99**
VII.	**Net Profit for the year**		**1,469.45**	**1,118.81**
VIII.	**Other Comprehensive Income**			
a)	Items that will not be reclassified to profit or loss			
i)	Remeasurement of defined benefit Plan		6.59	(8.43)
ii)	Income tax relating to above item		(1.66)	2.12
b)	Items that will be reclassified to Profit and Loss		-	-
	Other Comprehensive Income/(Loss) For the Year		**4.93**	**(6.31)**
IX.	**Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income /(Loss) for the year) (VII+VIII)**		**1,474.38**	**1,112.50**
X.	**Earnings per equity share (Face value of ₹10/- each)**			
	Basic & Diluted	35	26.86	21.44

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For, **PARIKH & MAJMUDAR**
Chartered Accountants
Firm's Registration No. 107525W
UDIN: 24107628BJZWRO4201

CA Satwik A. Durkal
Partner
Membership No.107628
PLACE: AHMEDABAD
DATE: 24th May, 2024

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

Sanjivkumar N. Patel
Chairman & Managing Director
DIN : 02794095

Shivang P. Patel
Whole Time Director
DIN : 08136652

Kamlesh R. Shah
Chief Financial Officer
PLACE: AHMEDABAD
DATE: 24th May, 2024

Nikhil M. Patel
Company Secretary

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2024

(₹ in Lakhs)

Particulars		For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
A.	**Cash flow from Operating Activities**		
	Profit before extraordinary items and tax	**2,014.11**	**1,535.80**
	Adjustments for:		
	Depreciation and amortisation expense	406.39	410.83
	(Profit) / loss on assets sold and discarded	2.64	(2.97)
	Interest Paid	1,286.27	1,204.84
	Interest income	(142.62)	(66.06)
	Remeasurement of Defined Benefit Plan	6.59	(8.43)
	Operating profit before working capital changes	**3,573.39**	**3,074.00**
	Net Changes in :		
	Inventories	(1,998.23)	(5,188.83)
	Trade receivables	332.06	(1,780.26)
	Loans and advances	3.24	4.70
	Other financial assets	(343.84)	(62.35)
	Other current assets	118.56	(116.33)
	Trade payables	(225.04)	3,567.72
	Other current liabilities	445.08	1,375.56
	Short-term provisions	(21.92)	27.61
	Long-term provisions	1.38	0.92
	Cash generated from operations	**1,884.67**	**902.74**
	Income tax paid (Net of refunds)	(777.18)	(418.72)
	Net cash flow from Operating Activities (A)	**1,107.48**	**484.01**
B.	**Cash flow from Investing Activities**		
	Purchase of Property, Plant and Equipment	(244.37)	(387.67)
	Proceeds on Write off of Subsidiary	7.18	-
	Sale of Property, Plant and Equipment	11.03	3.25
	Interest Received	142.62	66.06
	Net cash flow used in Investing Activities (B)	**(83.54)**	**(318.36)**
C.	**Cash flow from Financing Activities**		
	Repayment of Long Term borrowings	(438.48)	(938.64)
	Net increase/(Decrease) in working capital borrowings	179.28	1,684.21
	Long term loans and advances	11.21	14.19
	Interest Paid	(1,286.27)	(1,204.84)
	Issue of Equity Share capital	-	40.00
	Securities Premium Account	-	888.00
	Dividend Paid	(164.11)	(141.97)
	Net cash flow used in Financing Activities (C)	**(1,698.37)**	**340.96**
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**(674.43)**	**506.62**
	Cash and cash equivalents at the beginning of the year	**1,129.27**	**622.65**
	Cash and cash equivalents at the end of the year	**454.84**	**1,129.27**

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

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2024

Components of Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Balances with banks		
(i) In current accounts	52.71	953.59
(ii) Debit Balance in Over Draft Account	336.25	155.26
(iii) Other Earmarked accounts		
- In dividend accounts	14.26	14.47
(iv) In EEFC Account	44.10	-
Cash on hand	7.52	5.95
TOTAL	**454.84**	**1,129.27**

Disclosure of Cash and Non-Cash Changes in Liabilities from Financing Activities

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Borrowings (Current & Non-Current)		
Opening Balance	9,524.17	8,778.60
Changes from Cash flows	(259.20)	745.58
Effect of changes in Foreign Exchange rates	-	-
Changes in fair value	-	-
Closing Balance	**9,264.97**	**9,524.17**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For, **PARIKH & MAJMUDAR**
Chartered Accountants
Firm's Registration No. 107525W
UDIN: 24107628BJZWRO4201

CA Satwik A. Durkal
Partner
Membership No.107628
PLACE: AHMEDABAD
DATE: 24th May, 2024

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

Sanjivkumar N. Patel
Chairman & Managing Director
DIN : 02794095

Shivang P. Patel
Whole Time Director
DIN : 08136652

Kamlesh R. Shah
Chief Financial Officer
PLACE: AHMEDABAD
DATE: 24th May, 2024

Nikhil M. Patel
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED ON 31ST MARCH, 2024

A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the reporting year	547.02	507.02
Changes in Equity Share capital during the year	-	40.00
Balance at the end of the reporting year	**547.02**	**547.02**

B) OTHER EQUITY

(₹ in Lakhs)

Particulars	RESERVES & SURPLUS				Equity Instrument through OCI	Total
	Capital Investment Subsidy	General Reserve	Securities Premium	Retained Earnings		
Balance as of April 1, 2022	**15.00**	**815.00**	**-**	**9,759.06**	**(32.42)**	**10,556.64**
Net Profit for the year	-	-	-	1,118.81	-	1,118.81
Adjustments For the Year	-	-	888.00	-	-	888.00
Remeasurement benefit of defined benefit plans (Net of Tax)	-	-		-	(6.31)	(6.31)
Dividend	-	-	-	(141.97)	-	(141.97)
Balance as of March 31, 2023	**15.00**	**815.00**	**888.00**	**10,735.91**	**(38.73)**	**12,415.18**
Balance as of April 1, 2023	**15.00**	**815.00**	**888.00**	**10,735.91**	**(38.73)**	**12,415.18**
Net Profit for the year	-	-		1,469.45	-	1,469.45
Adjustments For the Year	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans (Net of Tax)	-	-	-	-	4.93	4.93
Dividend	-	-	-	(164.11)	-	(164.11)
Balance as of March 31, 2024	**15.00**	**815.00**	**888.00**	**12,041.24**	**(33.79)**	**13,725.45**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For, **PARIKH & MAJMUDAR**
Chartered Accountants
Firm's Registration No. 107525W
UDIN: 24107628BJZWRO4201

CA Satwik A. Durkal
Partner
Membership No.107628
PLACE: AHMEDABAD
DATE: 24th May, 2024

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

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Kamlesh R. Shah
Chief Financial Officer
PLACE: AHMEDABAD
DATE: 24th May, 2024

Nikhil M. Patel
Company Secretary

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a Public Company domiciled in India and incorporated on 10.06.1992. The Company is engaged in the manufacturing and selling 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 equipment's in and outside India. The Company's equity shares are listed on the Bombay Stock Exchange (BSE).

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

RECENT ACCOUNTING PRONOUNCEMENT:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There are no such notifications which have been applicable from April 1, 2024.

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

(a) STATEMENT OF COMPLIANCE WITH INDIAN ACCOUNTING STANDARDS (IND AS):

The financial statements have been prepared in accordance with section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India from time to time and other relevant provisions of the Act.

(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The Financial Statements have been prepared on the historical cost convention on the accrual basis except for certain assets and liabilities that are required to be carried at fair values by Ind AS. In accordance with the notification issued by Ministry of Corporate Affairs, Company is required to prepare its Standalone Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

(c) USE OF ESTIMATES:

In the preparation of financial statements, the Company makes judgements in the application of accounting policies; and estimates and assumptions which affects carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are:

- Useful lives of Property, Plant and Equipment
- Valuation of financial instruments
- Provisions and contingencies
- Income tax and Deferred tax
- Measurement of defined employee benefit obligations

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

- Valuation of Work-in-Progress in Inventories
- Provision for Loss Allowance using Expected Credit Loss Model in respect of Trade Receivables
- Offsetting of Financial Instruments

(d) PROPERTY, PLANT AND EQUIPMENT:

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

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

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

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

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

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

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

Asset		Useful Life
Buildings	-	3 to 60 years
Plant and Equipments	-	15 to 25 years
Furniture and Fixtures	-	10 years
Vehicles	-	8 to 10 years
Office Equipments	-	5 to 10 years
Electrial Installations	-	10 years
Computers	-	3 years
Roads	-	10 years

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

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

(e) INTANGIBLE ASSETS:

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

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

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

Asset		Useful Life
Computer Software	-	3 Years
Technical Know-how	-	3 Years

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

(f) REVENUE RECOGNITION:

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

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided.

The Company recognizes revenue generally at a point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their stand-alone selling prices. Revenue from sale of by products are included in revenue.

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

iii) All other incomes are recognised and accounted for on accrual basis

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

(g) EMPLOYEE BENEFITS:

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

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

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

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

(h) VALUATION OF INVENTORIES:

i) All Inventories are measured at Lower of Cost or Net Realizable Value.

ii) The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

iii) Cost of Purchase is Purchase Price, Import Duties and other non recoverable taxes, transport and other handling cost directly attributable to the acquisition of inventory.

iv) Cost of Conversion includes costs directly related to the units of production, systematic allocation of fixed and variable production overheads that are related to conversion of materials to the finished goods.

(i) CASH FLOW STATEMENT:

i) Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.

ii) Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments with an original maturity of three months or less.

(j) FINANCIAL ASSETS:

i) The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortized cost.

ii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/ credit to Profit and Loss.

iii) A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

(k) FINANCIAL LIABILITIES:

i) Borrowings are initially recognized and subsequently measured at amortized cost, net of transaction costs incurred. The transaction costs is amortized over the period of borrowings using the effective interest method and subsequently under finance costs in profit and loss account.

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

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

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

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

(l) FAIR VALUE MEASUREMENT:

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

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

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

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

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

(m) FOREIGN CURRENCY TRANSACTIONS:

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

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

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

(n) BORROWING COSTS:

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

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

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

(o) ACCOUNTING FOR TAXES ON INCOME:

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

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

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

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

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

v) Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income. As such, deferred tax is also recognised in other comprehensive income.

vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

(p) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

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

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

iv) Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

(q) CURRENT AND NON-CURRENT CLASSIFICATION:

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

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

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

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

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

(r) EARNING PER SHARE:

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

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

(s) SEGMENT REPORTING:

An operating segment is component of the company that engages in the business activity from which the company earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, in deciding about resources to be allocated to the segment and assess its performance. The company's chief operating decision maker is the Managing Director.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(t) EXPENSES FOR CORPORATE SOCIAL RESPONSIBILITY:

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

3 (A) PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Electrical Installations	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Road	Total
Gross Carrying Value										
As at 31st March 2022	**842.50**	**2,047.68**	**3,757.65**	**272.92**	**173.05**	**560.74**	**137.02**	**80.00**	**107.30**	**7,978.85**
Addition	152.72	32.22	86.16	17.03	14.79	6.54	18.84	4.94	31.01	364.24
Disposal / Adjustments	-	-	-	-	-	10.52	-	-	-	10.52
As at 31st March 2023	**995.22**	**2,079.90**	**3,843.80**	**289.95**	**187.84**	**556.76**	**155.86**	**84.95**	**138.30**	**8,332.58**
Addition	-	5.50	77.87	1.82	33.77	48.51	16.16	1.62	46.43	231.70
Disposal / Adjustments	-	-	-	-	-	69.47	-	-	-	69.47
As at 31st March 2024	**995.22**	**2,085.40**	**3,921.68**	**291.77**	**221.61**	**535.81**	**172.01**	**86.57**	**184.74**	**8,494.82**
Accumulated Depreciation										
As at 31st March 2022	**-**	**407.24**	**2,071.50**	**154.85**	**106.78**	**379.25**	**80.89**	**73.71**	**83.63**	**3,357.84**
Charge for the year	-	68.99	189.46	29.26	10.74	40.63	15.06	2.60	9.00	365.75
Disposal / Adjustments	-	-	-	-	-	10.24	-	-		10.24
As at 31st March 2023	**-**	**476.24**	**2,260.96**	**184.11**	**117.52**	**409.63**	**95.95**	**76.30**	**92.63**	**3,713.34**
Charge for the year	-	70.36	189.26	28.69	12.14	33.84	16.53	2.25	13.82	366.88
Disposal / Adjustments	-	-	-	-	-	62.28	-	-	-	62.28
As at 31st March 2024	**-**	**546.60**	**2,450.22**	**212.80**	**129.66**	**381.19**	**112.48**	**78.55**	**106.45**	**4,017.95**
Net Carrying Value										
As at 31st March 2023	**995.22**	**1,603.66**	**1,582.84**	**105.84**	**70.32**	**147.13**	**59.91**	**8.64**	**45.68**	**4,619.24**
As at 31st March 2024	**995.22**	**1,538.81**	**1,471.46**	**78.97**	**91.95**	**154.62**	**59.54**	**8.02**	**78.29**	**4,476.87**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

3 (B) CAPITAL WORK IN PROGESS

The Capital work in progress represent Capital Inventory and direct/ incidental expenses incurred during construction period in connection with proposed project which will be capitalised on commencement of commercial production, consequently expenses disclosed under the respective note are net of such amount .

The details of the same is as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Balance (a)	-	7.76
Additions (b)	-	28.60
Less : Amount capitalised/ deduction during the year (c)	-	36.36
Closing Balance (a+b-c)	**-**	**-**

CWIP Ageing Schedule:

As at 31st March, 2024

(₹ in Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

As at 31st March, 2023

(₹ in Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

3 (C) INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Goodwill	Technical Knowhow	Computer Software	Total
Gross Carrying Value				
As at 31st March, 2022	**0.37**	**43.65**	**179.95**	**223.96**
Addition	-	-	31.18	31.18
Disposal / Adjustments	-	-	-	-
As at 31st March, 2023	**0.37**	**43.65**	**211.13**	**255.14**
Addition	-	-	12.66	12.66
Disposal / Adjustments	-	-	-	-
As at 31st March, 2024	**0.37**	**43.65**	**223.79**	**267.81**
Accumulated Amortization				
As at 31st March, 2022	-	**43.65**	**85.65**	**129.30**
Charge for the year	-	-	45.08	45.08
Disposal / Adjustments	-	-	-	-
As at 31st March, 2023	-	**43.65**	**130.73**	**174.37**
Addition	-	-	45.99	45.99
Disposal / Adjustments	-	-	-	-
As at 31st March, 2024	**-**	**43.65**	**176.72**	**220.37**
Net Carrying Value				
As at 31st March, 2023	**0.37**	-	**80.40**	**80.77**
As at 31st March, 2024	**0.37**	**-**	**47.07**	**47.44**

Note:

1) Refer to Note No. 17 & 20 for information on Property, Plant & Equipment given as a security by the company.

4 NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Investment in Equity instruments		
in a Wholly Owned Subsidiary Company , Unquoted (Measured at Amortised Cost):		
10,00,000 Shares of Patels Airtemp (USA) Inc. of $ 0.01 each	-	7.18
Investment in Equity instruments-quoted (Measured at FVTPL):		
14,000 Shares of M/s. Gujarat State Financial Corporation of ₹10/- each	2.80	2.80
Less: Provision for diminution in the value of Investments	2.80	2.80
	-	-
Total	**-**	**7.18**
Aggregate amount of unquoted investments	**-**	**7.18**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

4a TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
(Unsecured, Considered good)	143.78	47.78
(Refer to Note No. 4a.1)		
Total	**143.78**	**47.78**

4a . 1 AGEING OF TRADE RECEIVABLES (LONG-TERM)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
As at 31st March, 2024							
i) Undisputed - considered good	-	-	-	-	-	143.78	**143.78**
ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
iii) Undisputed - credit impaired	-	-	-	-	-	-	**-**
iv) Disputed - considered good	-	-	-	-	-	-	**-**
v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
vi) Disputed - credit impaired	-	-	-	-	-	-	**-**
Total	**-**	**-**	**-**	**-**	**-**	**143.78**	**143.78**
As at 31st March, 2023							
i) Undisputed - considered good	-	-	-	-	-	47.78	**47.78**
ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
iii) Undisputed - credit impaired	-	-	-	-	-	-	**-**
iv) Disputed - considered good	-	-	-	-	-	-	**-**
v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
vi) Disputed - credit impaired	-	-	-	-	-	-	**-**
Total	**-**	**-**	**-**	**-**	**-**	**47.78**	**47.78**

5 LOANS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
(Unsecured, Considered good)		
Loan to Patels Airtemp (USA) Inc. (A Wholly Owned Subsidiary Company)	-	12.70
Total	**-**	**12.70**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

Details of Loan Given (₹ in Lakhs)

Particulars	Amount of Loan Outstanding as on 31st March, 2024	Percentage to the Total Loan as on 31st March, 2024	Amount of Loan Outstanding as on 31st March, 2023	Percentage to the Total Loan as on 31st March, 2023
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnels	-	-	-	-
Related Parties	-	-	12.70	100.00%
Total	**-**	**-**	**12.70**	**100.00%**

6 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Security Deposits	7.96	7.00
Bank deposits More than 12 Months (Including Interest)	1,658.84	1,315.96
Total	**1,666.80**	**1,322.96**

7 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
(Unsecured, Considered good)		
Capital Advances	1.46	0.04
Loans and Advances	10.94	10.94
Balance With Govt Authorities (Income Tax refund)	50.81	50.74
Total	**63.22**	**61.72**

8 INVENTORIES

(As taken valued and Certified by Management) (₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Raw Materials	2,996.32	2,658.85
Work In Progress	13,923.03	12,248.86
Tools and Spares	13.60	27.05
Traded goods	22.91	22.88
Total	**16,955.86**	**14,957.64**

Note: Inventories are valued at lower of Cost or Net Realisable Value.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
(Unsecured, considered good)	10,639.19	11,067.25
(Refer to Note No. 9.1)		
Total	**10,639.19**	**11,067.25**

9.1 AGEING OF TRADE RECEIVABLES (SHORT-TERM)

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
As at 31st March, 2024							
i) Undisputed - considered good	4,614.01	4,251.99	1,460.72	290.03	22.44	-	**10,639.19**
ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
iii) Undisputed - credit impaired	-	-	-	-	-	-	**-**
iv) Disputed - considered good	-	-	-	-	-	-	**-**
v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
vi) Disputed - credit impaired	-	-	-	-	-	-	**-**
Total	**4,614.01**	**4,251.99**	**1,460.72**	**290.03**	**22.44**	**-**	**10,639.19**
As at 31st March, 2023							
i) Undisputed - considered good	8,217.88	1,350.07	587.03	842.62	69.65	-	**11,067.25**
ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
iii) Undisputed - credit impaired	-	-	-	-	-	-	**-**
iv) Disputed - considered good	-	-	-	-	-	-	**-**
v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
vi) Disputed - credit impaired	-	-	-	-	-	-	**-**
Total	**8,217.88**	**1,350.07**	**587.03**	**842.62**	**69.65**	**-**	**11,067.25**

10 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Balances with banks		
(i) In current accounts	52.71	953.59
(ii) Debit Balance in Over Draft Account	336.25	155.26
(ii) Other Earmarked accounts		
- Unpaid dividend accounts	14.26	14.47
(iii) In EEFC Account	44.10	-
Cash on hand	7.52	5.95
Total	**454.84**	**1,129.27**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

11 BANK BALANCE (OTHER THAN CASH AND CASH EQUIVALENTS)

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
	-	-
Total	**-**	**-**

12 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
(Unsecured, considered good)		
Export Incentives Receivable	12.51	15.75
Total	**12.51**	**15.75**

13 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Advance Income Tax & TDS (Net of provision for taxation)	-	-
Total	**-**	**-**

14 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
(Unsecured, considered good)		
Balance with government authorities	1,503.76	2,168.49
Advances for goods and services	1,019.59	440.15
Prepaid expenses	82.99	111.32
Other Receivable	-	4.92
Total	**2,606.34**	**2,724.89**

15 EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorized Share Capital	70,00,000	700.00	70,00,000	700.00
Issued, Subscribed & Paid up share capital	54,70,240	547.02	54,70,240	547.02
Total	**54,70,240**	**547.02**	**54,70,240**	**547.02**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

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

Equity Shares (₹ in Lakhs except No. of Shares)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Balance at the beginning of the reporting year	54,70,240	547.02	50,70,240	507.02
Issued during the period*	-	-	4,00,000	40.00
Balance at the end of the reporting year	**54,70,240**	**547.02**	**54,70,240**	**547.02**

* Issued & allotted on preferential basis to promoters & promoters group during F.Y. 2022-23.

b. Terms/rights attached to equity shares

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

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

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

Name of Shareholder/Company	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares held	% of Total Shares	No. of Shares held	% of Total Shares
Names of person holding more than 5% shares				
Therm Flow Engineers Private Limited	13,62,512	24.91	13,62,512	24.91
Rashmika Narendra Patel*	-	-	3,07,326	5.62
Devidas Chelaram Narumalani	2,90,145	5.30	2,90,145	5.30

** Share holding is less than 5% i.e. 3.10% in FY 2023-24.*

d. Shares held by the promoters:

Name of Promoters	As at 31st March, 2024		As at 31st March, 2023		% Change during the year
	No. of Shares held	%	No. of Shares held	%	
Narayanbhai Gangaram Patel ^	2,27,776	4.16	2,27,776	4.16	-
Sanjiv Narayanbhai Patel	1,83,500	3.35	1,83,500	3.35	-
Shivang Prakashchandra Patel	82,400	1.51	82,400	1.51	-
Devidas Chelaram Narumalani	2,90,145	5.30	2,90,145	5.30	-

^ The 2,27,776 Equity Shares (4.16%) held in the name of Mr. Narayanbhai G. Patel, who was Promoter of the Company, are subject to transmission due to sad demise of Mr. Narayanbhai G. Patel, who passed away on 3rd October, 2023.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

16 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
General Reserves		
Balance as per last balance sheet	815.00	815.00
Capital Subsidy		
Balance as per last balance sheet	15.00	15.00
Securities premium		
Opening Balance	888.00	-
Additions during the year	-	888.00
Deduction during the year	-	-
Balance as at balance sheet date	**888.00**	**888.00**
Retained earnings:		
Balance as per last balance sheet	10,735.91	9,759.06
Net Profit for the year	**1,469.45**	**1,118.81**
Appropriations:		
Dividend	(164.11)	(141.97)
Balance as at balance sheet date	**12,041.24**	**10,735.91**
Other Comprehensive Income/(Expenses)		
Balance as per last balance sheet	(38.73)	(32.42)
Additions During the year	4.93	(6.31)
Deduction during the year		
Balance as at balance sheet date	**(33.79)**	**(38.73)**
Total	**13,725.45**	**12,415.18**

Nature and purpose of reserves:

General Reserve: Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit and loss to the General reserves. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

Capital Subsidy: represents investment linked capital subsidy received from the State Government.

Retained earnings: This represents the accumulated profits earned by the Company till date.

Security Premium : Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

17 BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Secured:		
Rupee Term Loans from Banks:		
From Banks (refer note (a) & (b) below)	826.60	1,307.95
Unsecured:		
Loans from related parties:		
From Directors	141.08	131.18
From Relatives of Directors	562.00	529.03
Total	**1,529.67**	**1,968.15**

Notes:

(a) Rupee term loan of ₹ 325 lakhs from Axis Bank Limited is secured by way of Hypothecation charge (2nd charge) on primary securities available for existing facilities on second ranking basis. 2nd charge over entire current assets and movable assets of the company, both present and future. The applicable interest rate is 7.75% p.a and repayable in 35 equal monthly principal instalments of ₹ 9.02 lakhs each and last instalment of ₹ 9.05 lakhs after moratorium period of 24 months from the date of first disbursement.

(b) Rupee term loan from Bank of Baroda aggregating to ₹ 1,092 lakhs is secured by way of Hypothecation charge (2nd charge) with existing credit facilities in terms of cash flows (including repayments). Existing primary/ collateral securities would be extended to cover the ECLGS facility. The applicable interest rate is 7.50% p.a. and would be repaid in 36 equal monthly instalments of ₹ 30.33 lakhs after moratorium period of 24 months from the date of first disbursement.

(c) Above term loans from Axis Bank Limited & Bank of Baroda are further secured by way of equitable mortgage of revised survey Block No. 727, 728, 729, 730 and 714 (Old Block No. 805, 806, 807, 810 & 811) at Rakanpur, Tal. Kalol, Dist. Gandhinagar and Land & Factory Building situated at new amalgamated Survey No. 100 (Old Survey No. 100, 101, 102, 103 and 105) mouje Dudhai, Tal. Kadi, Dist. Mehsana and is further secured by personal guarantee of (a) Mr. Sanjivkumar N. Patel (b) Mr. Apurva V. Shah and (c) Mr. Shivang P. Patel, directors of the company.

(d) All the loans taken by the Company have been utilised for the purpose for which the same was taken. The Company is regular in payment of interest and installment thereon.

18 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for Employee Benefits	37.46	36.09
Total	**37.46**	**36.09**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

19 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
(a) Deferred Tax Liabilities		
Difference between book and tax block	205.93	209.50
	205.93	**209.50**
(b) Deferred Tax Assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	241.54	15.91
Remeasurement benefit of the defined benefit plans through OCI	16.35	14.69
	257.89	**30.60**
Deferred Tax Liabilities (Net)	**(51.96)**	**178.90**

19a OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Security Deposit	5.00	5.00
Total	**5.00**	**5.00**

20 BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Secured :		
Working capital facilities from Banks (Refer Note below)	7,262.97	7,446.97
Current maturity of Long-Term Debt	472.32	109.05
Total	**7,735.30**	**7,556.02**

Note:

(a) Working Capital facilities from Banks 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 pari passu charge on plant & machinery, other movable assets of the comapany as well as further secured by way of equitable mortgage of Plot No. 805, 806, 807, 810 and 811 at Rakanpur, Tal. Kalol, Dist. Gandhinagar and Land & factory Building situated at New amalgamated survey No.100 (Old Survey No. 100,101,102,103 and 105) mouje Dudhai, Tal. Kadi, Dist. Mehsana as well as Lien over FDR of ₹59.00 Lakhs as collateral security and is further secured by personal guaranteed of (a) Mr. Sanjivkumar N. Patel (b) Mr. Apurva V. Shah and (c) Mr. Shivang P. Patel, directors of the company.

21 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 39)	1,854.14	975.26
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer to Note No. 21.1)	5,524.03	6,634.08
Total	**7,378.17**	**7,609.34**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

21.1 AGEING OF TRADE PAYABLES

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
As at 31st March, 2024						
MSME	1,714.93	139.21	-	-	-	**1,854.14**
Others	4,465.86	1,055.86	1.60	0.71	-	**5,524.03**
Disputed dues - MSME	-	-	-	-	-	**-**
Disputed dues - Others	-	-	-	-	-	**-**
Total	**6,180.79**	**1,195.07**	**1.60**	**0.71**	**-**	**7,378.17**
As at 31st March, 2023						
MSME	819.20	156.06	-	-	-	**975.26**
Others	5,131.18	1,496.95	5.95	-	-	**6,634.08**
Disputed dues - MSME	-	-	-	-	-	**-**
Disputed dues - Others	-	-	-	-	-	**-**
Total	**5,950.38**	**1,653.01**	**5.95**	**-**	**-**	**7,609.34**

21a OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Salary , Wages and Bonus Payable	141.27	134.09
Creditors for capital expenditure	2.07	2.92
Unclaimed Dividend	14.26	14.47
Total	**157.60**	**151.48**

22 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Advance Received from Customers	5,666.45	5,507.97
Statutory Remittances	24.90	21.01
Total	**5,691.35**	**5,528.98**

23 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Provision for Employee Benefits	26.09	48.01
Total	**26.09**	**48.01**

23a CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Provision for Taxation (Net of Advance Tax, TDS and TCS)	285.69	2.98
Total	**285.69**	**2.98**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Sale of products		
Domestic	36,072.29	27,113.45
Export	525.32	670.91
	36,597.61	**27,784.36**
Sale of Services	72.01	163.60
Other Operating Revenue (incl.export incentives)	406.55	199.90
Total	**37,076.17**	**28,147.85**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Reconciliation of revenue from operations with the contracted price:		
Contracted Price	36,679.95	27,785.72
Adjustment :		
- Discounts/ Rate Difference	-	(1.36)
- Sales Returns	(82.34)	
Sales of Products	**36,597.61**	**27,784.36**
Other Operating Revenue (including sales of services)	478.56	363.50
Revenue From Operations	**37,076.17**	**28,147.85**
Revenue Disagreegation by Geography		
India	36,072.29	27,113.45
Outside India		
- Canada	515.86	302.12
- Others	9.46	368.79
Total	**36,597.61**	**27,784.36**

25 OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest received	142.62	66.06
Foreign Exchange Rate Diffrence (Net)	42.09	60.47
Rent Received	11.30	3.06
Misc income	2.94	-
Profit on Property Plant and Equipment	-	2.97
Total	**198.94**	**132.56**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

26 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Stocks of Raw materials at the beginning of the year	2,658.85	2,949.40
Add: Purchases during the year	26,187.44	22,406.85
	28,846.29	**25,356.24**
Less: Stocks of Raw materials at the end of the year	2,996.32	2,658.85
Total	**25,849.97**	**22,697.39**

27 PURCHASE OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Purchase of traded goods- Window & Split AC & Accessories	264.46	167.60
Total	**264.46**	**167.60**

28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE & WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Closing Inventories		
Work -in-Progress	13,923.03	12,248.86
Finished Goods	-	-
Stock-in-trade	22.91	22.88
	13,945.94	**12,271.73**
Opening Inventories		
Work -in-Progress	12,248.86	6,772.15
Finished Goods	-	-
Stock-in-trade	22.88	18.89
	12,271.73	**6,791.04**
Total	**(1,674.20)**	**(5,480.69)**

29 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Salaries, wages and allowances	1,265.75	1,198.41
Contributions to Provident Fund and other Funds	120.14	99.20
Staff welfare expenses	81.52	49.62
Total	**1,467.41**	**1,347.24**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

30 FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest Expense	888.62	834.68
Other borrowing costs	355.95	366.63
Interest on Income Tax	41.70	3.53
Total	**1,286.27**	**1,204.84**

31 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Rates and taxes	8.54	4.95
Insurance	22.26	19.26
Power and Fuel	175.43	200.75
Consumption of Stores , Spares & Tools	1,026.23	781.32
Consumption of Packing Materials	68.34	60.06
Labour Charges	3,149.46	2,541.20
Testing & Inspection charges	428.44	332.45
Repairs to Buildings	67.23	36.06
Repairs to Machinery	178.36	197.19
Repairs to Others	49.92	57.46
Printing and stationery	62.35	61.62
Communication Expenses	35.64	36.46
Travelling and conveyance	221.55	207.04
Legal and professional fees	255.90	343.43
Payments to auditors*	4.38	4.38
Freight and forwarding Charges	700.31	525.43
Commission expenses	55.03	48.88
Business Promotion Expenses	14.44	34.17
Expenditure incurred towards Corporate Social Responsibilty (Refer Note No. 38)	32.00	31.05
Foreign Exchange Rate Diffrence (Net)	-	-
Late Delivery Charges /Liquidated damages	700.88	339.11
Bad debts written off	25.84	170.34
Loss on sale of Property, Plant & Equipment (Net)	2.64	-
Investment in Subsidiary Company Written off due to dissolution	7.18	-
Loan in Subsidiary Compnay written off due to dissoltuion	5.33	-
General Charges	363.04	364.80
Total	**7,660.70**	**6,397.40**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

* Particulars of Auditor's Remuneration	Year ended 31st March, 2024	Year ended 31st March, 2023
Statutory audit fees (including Tax Audit)	3.00	3.00
Certification fees & Other Services	1.38	1.38
Re-Imbursement of Expenses		-
Total	**4.38**	**4.38**

32 CONTINGENT LIABILITIES & CAPITAL COMMITMENTS NOT PROVIDED FOR:

a) Contingent Liabilities

(₹ in Lakhs)

Particulars		As at 31st March, 2024	As at 31st March, 2023
a)	**Claims against Company not acknowledged as Debt :**		
	i) Disputed Income Tax demand, and	6.48	6.48
	ii) Disputed Tax Demand under Central Sales Tax/ Goods & Service Tax.	-	4.38
b)	**Guarantees excluding financial guarantees :**		
	• Outstanding Bank Guarantees	12,307.40	10,458.28
	• Outstanding Foreign Bank Guarantees	US$ 16,37,888.30	US$ 15,50,439.90
	• Outstanding Inland/Foreign LC	US$ 30,110.00	US$ 2,12,813.50

b) Capital Commitments

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

Note:

a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/ authorities.

b) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

33. RELATED PARTY INFORMATION

a) List of Related Parties :

Subsidiary Company (Wholly-owned Subsidiary)	Patels Airtemp (USA) Inc. (dissolved on 11/12/2023)
Enterprise over which Key Management Personnel exercise significant influence	Therm Flow Engineers Private Limited Shiv Fintrade LLP
Key Managerial Personnel (KMP)	Narayanbhai G. Patel (Upto 03/10/2023) (Chairman & Whole Time Director upto 03/10/2023) Sanjivkumar N. Patel (Chairman & Managing Director) (Chairman w.e.f. 09/11/2023) Apurva V. Shah (Whole Time Director) Shivang P. Patel (Whole Time Director) Kamlesh R. Shah (Chief Financial Officer) Nikhil M. Patel (Company Secretary) Hareshkumar I. Shah (Independent Director) Vinaben B. Patel (Independent Director) Rajendrakumar C. Patel (Independent Director) Himanshu N. Rawal (Independent Director) (upto 23/09/2023) Naimish B. Patel (Independent Director) (w.e.f 12/08/2023)
Close Member of Key Managerial Personnel (KMP)	Aarti P. Patel Jalpa S. Patel Narayanbhai G. Patel-HUF Prakashbhai N. Patel-HUF Sanjivkumar N. Patel-HUF Vedang S. Patel

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

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

b) Details of Related Party Transactions for the year ended 31st March, 2024:

Category	Name of the Related Party	Year ended 31st March, 2024 (₹ in Lakhs)	Year ended 31st March, 2023 (₹ in Lakhs)
Managerial Remuneration paid	Narayanbhai G. Patel	20.44	47.12
	Sanjivkumar N. Patel	49.51	47.06
	Shivang P. Patel	52.82	50.95
	Apurva V. Shah	36.08	35.89
Salary paid	Aarti P. Patel	9.28	8.67
	Kamlesh R. Shah	13.90	12.75
	Nikhil M. Patel	14.84	14.06
Sitting Fees (Note-1)	Hareshkumar I. Shah	0.18	0.30
	Vinaben B. Patel	0.14	0.30
	Rajendrakumar C. Patel	0.18	0.30
	Himanshu N. Rawal	0.09	0.26
	Naimish B. Patel	0.09	-
Unsecured Loans Accepted (Note-2)	Narayanbhai G. Patel	17.50	75.00
	Sanjivkumar N. Patel	77.19	48.34
	Shivang P. Patel	32.65	12.00
	Aarti P. Patel	17.65	44.50
	Jalpa S. Patel	10.80	14.90
	Vedang S. Patel	20.95	23.65
	Narayanbhai G. Patel-HUF	-	-
	Sanjivbhai N. Patel- HUF	-	-
	Prakashbhai N. Patel-HUF	-	-
Unsecured Loans Repaid (Note-2)	Narayanbhai G. Patel	83.46	91.01
	Sanjivkumar N. Patel	9.75	3.90
	Shivang P. Patel	24.22	9.45
	Aarti P. Patel	16.40	15.10
	Jalpa S. Patel	-	-
	Vedang S. Patel	-	-
	Narayanbhai G. Patel-HUF	-	-
	Sanjivbhai N. Patel- HUF	0.03	0.51
	Prakashbhai N. Patel-HUF	-	-
Interest on Unsecured Loans	Narayanbhai G. Patel	3.17	25.03
	Sanjivkumar N. Patel	8.96	10.10
	Shivang P. Patel	3.26	5.64
	Aarti P. Patel	11.75	28.09
	Jalpa S. Patel	2.74	12.19
	Vedang S. Patel	27.00	24.69
	Narayanbhai G. Patel-HUF	1.22	1.21
	Sanjivbhai N. Patel- HUF	8.12	15.28
	Prakashbhai N. Patel-HUF	10.24	10.22

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

Category	Name of the Related Party	Year ended 31st March, 2024 (₹ in Lakhs)	Year ended 31st March, 2023 (₹ in Lakhs)
Allotment of Shares (including Securities Premium)	Narayanbhai G. Patel	-	257.52
	Sanjivkumar N. Patel	-	103.24
	Shivang P. Patel	-	51.74
	Aarti P. Patel	-	257.52
	Jalpa S. Patel	-	154.74
	Vedang S. Patel	-	-
	Narayanbhai G. Patel-HUF	-	-
	Sanjivbhai N. Patel- HUF	-	103.24
	Prakashbhai N. Patel-HUF	-	-
Gratuity Paid (Note-3)	Sanjivbhai N. Patel	10.00	-
	Shivang P. Patel	5.00	-
	Aarti P. Patel	5.00	-
Rent Income	Therm Flow Engineers Private Limited	0.18	0.18
	Shiv Fintrade LLP	0.18	0.18
Unsecured Loans Given	Patels Airtemp (USA) Inc.	-	-
Unsecured Loans written off (Note-4)	Patels Airtemp (USA) Inc.	5.33	-
Investment	Patels Airtemp (USA) Inc.	-	-
Investment written off (Note -5)	Patels Airtemp (USA) Inc.	7.18	-

Notes:

1. Mr. Himanshu N. Rawal (DIN: 06631728) ceased to be a Director, being Independent Director of the Company w.e.f 23rd September, 2023 upon completion of his 2nd term as Independent Director. Mr. Naimish B. Patel (DIN: 02813295) has been appointed as an Independent Director of the Company (Non-Executive & Independent), for a first term of five years from 12th August, 2023 upto 11th August, 2028.
2. Unsecured Loans accepted from Narayanbhai G. Patel is upto his date of death i.e. 03rd October, 2023. Further, Unsecured Loans accepted from Mr. Sanjivkumar N. Patel includes ₹ 25.29 Lakhs, Mr. Shivang P. Patel includes ₹ 12.65 Lakhs, Mrs. Aarti P. Patel includes ₹ 12.65 Lakhs transferred from Mr. Narayanbhai G. Patel, as his legal heirs.
3. Gratuity of Late Shri Narayanbhai G. Patel, Chairman & Whole-time Director of the Company expired on 03rd October, 2023, transferred to Mr. Sanjivkumar N. Patel, Mrs. Aartiben P. Patel and Mr. Shivang P. Patel as legal heirs.
4. Unsecured Loan given by the Company to Patels Airtemp (USA) Inc., Wholly-owned Subsidiary has been written off due to dissolution of the said Wholly-owned Subsidiary w.e.f. 11th December, 2023.
5. Investment made by the Company in Patels Airtemp (USA) Inc., Wholly-owned Subsidiary has been written off upon dissolution of the said Wholly-owned Subsidiary w.e.f. 11th December, 2023.
6. The remuneration to directors and other members of key management personal during the year are in the nature of short-term benefits.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

c) Closing Balances of Related Party Transactions for the year ended 31st March, 2024:

Category	Name of the Related Party	Year ended 31st March, 2024 (₹ in Lakhs)	Year ended 31st March, 2023 (₹ in Lakhs)
Unsecured Loans (Note-1)	Narayanbhai G. Patel	-	65.97
	Sanjivkumar N. Patel	115.19	47.75
	Shivang P. Patel	25.89	17.46
	Aarti P. Patel	101.23	99.98
	Jalpa S. Patel	30.33	19.53
	Vedang S. Patel	252.97	232.02
	Narayanbhai G. Patel-HUF	11.02	11.02
	Sanjivbhai N. Patel- HUF	73.60	73.63
	Prakashbhai N. Patel-HUF	92.85	92.85
Unsecured Loans Given	Patels Airtemp (USA) Inc.	-	12.70
Investment	Patels Airtemp (USA) Inc.	-	7.18

Note:

1. Upon death of Mr. Narayanbhai G. Patel as on 03rd October, 2023, his closing balance of unsecured loan amounting to ₹ 50.59 Lakhs has been transferred to legal heirs Mr. Sanjivkumar N. Patel ₹ 25.29 Lakhs, Mr. Shivang P. Patel ₹ 12.65 Lakhs, Mrs. Aarti P. Patel ₹ 12.65 Lakhs.

34. SEGMENT INFORMATION

Primary Segment – Business Segment

The Company's operation predominantly comprise of only one segment. In view of the same, separate segmental information is not required to be disclosed as per the requirement of Indian Accounting Standard 108 Operating Segment.

Secondary Segment – Geographical Segment

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

Sales within India include sales to customers located within India. Sales outside India include sales to customers located outside India.

Information pertaining to Secondary Segment

Gross revenue from operations as per Geographical Locations (₹ in Lakhs)

Particulars	Year ended on 31st March,2024	Year ended on 31st March,2023
Within India	36,072.29	27,113.45
Outside India		
- Canada	515.86	302.12
- Other	9.46	441.88
Total	**36,597.61**	**27,784.36**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

35. EARNING PER SHARE

(₹ in Lakhs)

Particulars	Year ended on 31st March,2024	Year ended on 31st March,2023
Net Profit for the year before other Comprehensive Income	1,469.45	1,118.81
Number of Equity Shares:		
Opening Number of Shares	54,70,240	50,70,240
Issued During the year on 16th November 2022 (F.Y 2022-23)	-	4,00,000
Weighted Average Number of Shares	**54,70,240**	**52,19,281**
Basic & Diluted Earnings per Share (Price per share ₹ 10)	26.86	21.44

36. 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.

37. The balance confirmation from the suppliers and customers have been called for, but the same are awaited till date of audit. Thus, the balances or receivables and trade payables have been taken as per the books of accounts submitted by the company and are subject to Confirmation from respective parties.

38. CORPORATE SOCIAL RESPONSIBILITY

(₹ in Lakhs)

	Particulars	Year ended on 31st March,2024	Year ended on 31st March,2023
(1)	Amount required to be spent by the company	32.00	31.01
(2)	Amount of expenditure incurred on:		
(i)	Construction/acquisition of any asset	--	--
(ii)	On purposes other than (i) above	32.00	31.05
(3)	Shortfall at the end of the year	--	--
(4)	Previous year shortfall	--	--
(5)	Reason for shortfall	N.A.	N.A.
(6)	Nature of CSR activities	Education & Health*	
(7)	Details of related party transactions in relation to CSR expenditures	--	--

** a. Educational, Social Development/ Services and employment enhancing vocational skills and especially among children and women.*

b. Medical treatment & rehabilitation, eradicating hunger poverty and malnutrition, promoting rural development and preventive healthcare, setting up day care centers and promoting livelihood enhancement projects.

39. OUTSTANDING DUES OF MICRO & SMALL ENTERPRISES

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

(₹ in Lakhs)

Particulars	2023 – 24	2022 – 23
The Principal Amount	1,854.14	975.26
Interest Paid under MSMED Act, 2006	--	--
Interest due (Other than 23.3 (b))	--	--
Interest accrued and unpaid	--	--
Interest due and payable till actual payment	--	--

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

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

40. EMPLOYEE BENEFIT OBLIGATION

As per Indian Accounting Standard (Ind AS) 19 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan:

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

(₹ in Lakhs)

Particulars	2023 – 24	2022 – 23
Employer's Contribution to Provident Fund	77.04	76.29

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

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

iv) Following are the risks associated with the plan:

Interest rate risk:

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

Salary Risk:

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

Investment Risk:

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

Asset Liability Matching Risk:

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

Mortality risk:

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

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

Concentration Risk:

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

v) Changes in the Present Value of Projected Benefit Obligation: (₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Opening defined benefit obligation	**253.97**	**226.05**
Current Service Cost	17.73	17.88
Past Sevice Cost	--	--
Interest Cost	19.02	16.52
Actuarial losses/(gains) due to change in Financial Assumptions	5.27	(3.25)
Actuarial losses/(gains) due to experience	(13.58)	9.44
Actuarial losses/(gains) due to demographic assumptions	--	--
Losses (gains) on curtailments	--	--
Liabilities extinguished on settlements	--	--
Benefits Paid Directly by Employer	--	--
Benefits paid from the Fund	(19.04)	(12.66)
Closing defined benefit obligation	**263.37**	**253.97**

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

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Opening fair value of plan assets	**214.04**	**213.27**
Interest Income	16.03	15.59
Return on plan assets excluding Interest Income	(1.71)	(2.25)
Assets distributed on settlements	--	--
Contributions by employer	36.93	0.09
Benefits paid	(19.04)	(12.66)
Closing balance of fair value of plan assets	**246.25**	**214.04**

vii) Amount Recognized in Balance Sheet: (₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Present value of Defined Benefit Obligation at the end of the year	(263.37)	(253.97)
Fair value of Plan Assets at the end of the year	246.25	214.04
Funded Status Surplus/(Deficit)	(17.12)	(39.93)
Net (Liability)/Assets recognized in the Balance sheet	**(17.12)**	**(39.93)**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

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

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Current Service Cost	17.72	17.88
Net Interest Cost	2.99	0.93
Past Service Cost	--	--
Expected Contribution by the Employees	--	--
(Gains)/Losses on curtailments and settlements	--	--
Expenses Recognized in Statement of Profit & Loss	**20.71**	**18.81**

ix) Expenses Recognized in the Other Comprehensive Income (OCI): (₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Actuarial (Gains)/Losses on Obligations for the period	(8.31)	6.18
Return on Plan Assets, excluding interest income	1.72	2.25
Net Expenses for the period Recognized in OCI	**(6.59)**	**8.43**

x) Sensitivity Analysis of Defined Benefit Obligation: (₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Projected Benefit Obligation on Current Assumptions	263.38	253.97
Delta Effect of +1% Change in Rate of Discounting	(17.79)	(16.47)
Delta Effect of -1% Change in Rate of Discounting	20.89	19.36
Delta Effect of +1% Change in Rate of Salary Increase	19.27	17.87
Delta Effect of -1% Change in Rate of Salary Increase	(16.72)	(15.49)
Delta Effect of +1% Change in Rate of Employee Turnover	0.77	1.04
Delta Effect of -1% Change in Rate of Employee Turnover	(0.94)	(1.24)

Sensitivities have been calculated to show the movement in Defined Benefit Obligation in isolation and assuming there are no other changes in market conditions at the accounting date. In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

xi) Actuarial Assumptions:

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Expected Return on Plan Assets	7.21 %	7.49 %
Rate of Discounting	7.21 %	7.49 %
Rate of Salary Increase	7.00 %	7.00 %
Rate of Employee Turnover	2.00 %	2.00 %
Mortality Rate During Employment	Indian Assured Lives Mortality (2012 -14) (Urban)	Indian Assured Lives Mortality (2012 -14) (Urban)
Mortality Rate After Employment	N.A.	N.A.

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

40. PARTICULARS IN RESPECT OF LOAN TO RELATED PARTIES AND INVESTMENT IN SUBSIDIARIES AS REQUIRED BY THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

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

(₹ in Lakhs)

Sl. No.	Name of the Entity	As at 31.03.2024	As at 31.03.2023	Nature of Loans/ Deposits	Purpose for which loan is proposed to be utilized by recipient
1.	Patels Airtemp (USA) Inc;	-	12.70	Inter-Corporate Loan	Working Capital

(b) Particulars in respect of Investments in a Wholly Owned Subsidiary (WOS):

(₹ in Lakhs)

Sl. No.	Name of the Entity	As at 31.03.2024	As at 31.03.2023
1.	Patels Airtemp (USA) Inc;	-	7.18

41. During the Financial Year 2023-2024, M/s. Patels Airtemp (USA) Inc., a Wholly Owned Subsidiary (WOS/Foreign Entity) of the Company, stands dissolved w.e.f. 11th December, 2023 as per Certificate of Dissolution issued by State of Delaware (USA). Consequent upon the said dissolution, Patels Airtemp (USA) Inc., ceased to be a Subsidiary of the Company. Patels Airtemp (USA) Inc., was not a material subsidiary of the Company. Accordingly, the Company has written off Investment in Wholly Owned Subsidiary amounting to ₹ 7.18 Lakhs and Loan to Wholly Owned Subsidiary amounting to ₹ 5.32 Lakhs in the books of accounts during the financial year ended 31st March, 2024.

42. APPROVAL OF FINANCIAL STATEMENT

The financial statements were approved for issue by the board of directors on 24th May, 2024.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

43. UNDISCLOSED TRANSACTIONS

As stated, & confirmed by the Board of Directors, The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

44. BENAMI TRANSACTIONS

As stated & confirmed by the Board of Directors, the Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

45. LOAN OR INVESTMENT TO ULTIMATE BENEFICIARIES

As stated & confirmed by the Board of Directors, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

46. LOAN OR INVESTMENT FROM ULTIMATE BENEFICIARIES

As stated & confirmed by the Board of Directors, the Company has not received any funds from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

46a. As stated & confirmed by the Board of Directors, the company has not been sanctioned any term loan during the year ended on 31st March 2023.

47. As stated & confirmed by the Board of Directors, the company has not been sanctioned any term loan during the year ended on 31st March 2024.

48. As stated & confirmed by the board of Directors, the company has not revalued its Property, Plant and Equipment and intangible assets during the year under review.

49. WILLFUL DEFAULTER

As stated & confirmed by the Board of Directors, the company has not been declerated willful defaulter by the bank during the year under review.

49. TRANSACTIONS WITH STRUCK OFF COMPANIES

As stated & confirmed by the Board of Directors, the company has not been decelerated willful defaulter by the bank during the year under review.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

50. TRANSACTIONS WITH STRUCK OFF COMPANIES

As stated & confirmed by the Board of Directors, the company has not under taken any transactions nor has outstanding balance with the company Struck Off either under section 248 of the Act or under Section 560 of The Companies Act, 1956.

51. CRYPTO CURRENCY

As stated & confirmed by the Board of Directors, the Company has not traded or invested in Crypto Currency or Virtual Currency.

52. COMPLIANCE WITH APPROVED SCHEMES OF ARRANGEMENT

The Company has not applied for any scheme of Arrangements under sections 230 to 237 of The Companies Act, 2013.

53. The Company has assessed internal and external information upto the date of approval of the audited financial statements while reviewing the recoverability of assets, adequacy of financial resources, performance of contractual obligations, ability to service the debt and liabilities etc. Based on such assessment, the company expects to fully recover the carrying amounts of the assets and comfortably discharge its debts and obligations. Hence, the management does not envisage any material impact on the audited financial statements of the company for the year ended on 31st March 2024.

54. BORROWING SECURED AGAINST CURRENT ASSETS

As stated & confirmed by the board of directors, below is the discrepancy in respect of Stock and Book Debt Statement filed by the company with bank:

For the Quarter	Name of the Bank	Nature of the Current Assets-Inventory	Amount as per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Nature of discrepancy
June 2023	Bank of Baroda and Axis Bank Limited	Work in Progress	12,093.43	11,893.08	200.35	The company at the time of submitting the work in progress stock to the bank, the company had taken the project completion stage which was on the provisional basis and at the time of finalization of quarterly results the project completion stage was taken on actual basis.
June 2023	Bank of Baroda and Axis Bank Limited	Tools	24.17	NIL	24.17	The company is not required to submit the stock of tools to the bank. Hence, there is a difference.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

For the Quarter	Name of the Bank	Nature of the Current Assets-Inventory	Amount as per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Nature of discrepancy
September 2023	Bank of Baroda and Axis Bank Limited	Work in Progress	13,254.29	13,044.16	210.13	The company at the time of submitting the work in progress stock to the bank, the company had taken the project completion stage which was on the provisional basis and at the time of finalization of quarterly results the project completion stage was taken on actual basis.
September 2023	Bank of Baroda and Axis Bank Limited	Tools	24.12	NIL	24.12	The company is not required to submit the stock of tools to the bank. Hence, there is a difference.
December 2023	Bank of Baroda and Axis Bank Limited	Work in Progress	13,787.83	13,687.73	100.10	The company at the time of submitting the work in progress stock to the bank the company had taken the project completion stage which was on the provisional basis and at the time of finalization of quarterly results the project completion stage was taken on actual basis.
December 2023	Bank of Baroda and Axis Bank Limited	Tools	20.75	NIL	20.75	The company is not required to submit the stock of tools to the bank. Hence, there is a difference.
March 2024	Bank of Baroda and Axis Bank Limited	Raw Material	2,996.32	2,960.89	35.43	At the time of final submission of stock of raw material to the bank certain invoices from the suppliers were pending. The same were received and posted in the books of accounts at the time of finalization of books of accounts. Hence, there is a difference.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

For the Quarter	Name of the Bank	Nature of the Current Assets-Inventory	Amount as per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Nature of discrepancy
March 2024	Bank of Baroda and Axis Bank Limited	Work in Progress	13,923.03	13,640.60	282.43	The company at the time of submitting the work in progress stock to the bank the company had taken the project completion stage which was on the provisional basis and at the time of finalization of quarterly results the project completion stage was taken on actual basis.
March 2024	Bank of Baroda and Axis Bank Limited	Tools	13.60	NIL	13.60	The company is not required to submit the stock of tools to the bank. Hence, there is a difference.

54A. EVENT OCCURING AFTER THE BALANCE SHEET DATE

On 24th May, 2024, the Board of Directors recommended a final dividend of ₹ 3.00/- per equity share to be paid to the shareholders for the financial year 2023-24, which is subject to approved by the share holders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 164.11 lakhs.

54B. SATISFACTION OF CHARGE

As informed by the Management there are no charges which are yet to be registered or yet to be satisfied with Registrar of Companies beyond statutory period. However, while carrying out search on MCA portal, following charges are yet to be satisfied beyond the statutory period, details of which are as under:

(₹ in Lakhs)

Sr. No.	SRN	Charge ID	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount	Address
1	C40649634	10543789	Bank of Baroda	17-01-15	-	-	600.00	Navrangpura Branch, Navrangpura, Ahmedabad, Gujarat, India,380014
2	C30180350	10526540	Bank of Baroda	29-09-14	-	-	70.00	Navrangpura Branch, Nr. Income Tax Underbridge, Navjeevan Post Office Ahmedabad, Gujarat, India, 380009

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Sr. No.	SRN	Charge ID	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount	Address
3	B44437044	10367325	Bank of Baroda	18-07-12	-	-	850.00	Navrangpura Branch, Nr. Income Tax Underbridge, Navjeevan Post Office Ahmedabad, Gujarat, India, 380009
4	Y10193061	90103369	Bank of Baroda	08-12-04	-	-	170.00	Corporate Banking Branch, Ahmedabad, Gujarat, India.

54. INCOME TAXES

a. Income taxes recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Current tax		
In respect of the current year	773.00	397.00
(Excess)/Short provision for tax of earlier years	4.18	21.72
	777.18	**418.72**
Deferred tax(credit) /Charged	(232.52)	(1.73)
Total income tax expense recognised in respect of continuing operations	**544.66**	**416.99**

b. Tax reconciliation

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Profit before taxes	**2,014.11**	**1,535.80**
Enacted tax rate in India*	25.168%	25.168%
Expected income tax (benefit)/expense at statutory tax rate	506.91	386.53
Effect of:		
Diffrence in Depreciation for the year as per books and as per Income tax	11.16	(12.99)
Timing diffrence of amounts deductible on actual payment (Net)	(53.12)	(121.57)
Tax effect on non -deductible expenses	75.52	143.30
Others	-	-
Adjustments for current tax of prior years	4.18	21.72
Income taxes recognised in the Statement of Profit and Loss	**544.66**	**416.99**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

c. Income Tax Recognised in Other Comprehensive Income:

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(1.66)	2.12
Total income tax asset/(liability) recognised in other comprehensive income	**(1.66)**	**2.12**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	(1.66)	2.12
Income tax asset/(liability) recognised in other comprehensive income	**(1.66)**	**2.12**

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Depreciation and amortisation	(3.57)	4.02
Disallowances of employee benefits u/s. 43B of the Income Tax	(228.95)	(5.75)
Total deferred tax Charge/(benefit) for the year	**(232.52)**	**(1.73)**

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

e. Components of deferred tax assets and liabilities

(₹ in Lakhs)

Particulars		Year ended 31st March 2024	Year ended 31st March 2023
(a)	**Deferred tax liabilities**		
	Difference between book and tax depreciation	205.93	209.50
		205.93	**209.50**
(b)	**Deferred tax assets**		
	Disallowances of employee benefits u/s. 43B of the Income Tax	241.54	15.91
	Remeasurement benefit of the defined benefit plans through OCI	16.35	14.69
		257.89	**30.60**
Deferred Tax Liabilities (Net)		**(51.96)**	**178.90**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

55A. CAPITAL MANAGEMENT

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Equity Share Capital	547.02	547.02
Other Equity	-	-
Total Equity	**547.02**	**547.02**
Interest-bearing loans and borrowings	9,264.97	9,524.17
Less: Cash and Cash Equivalent	454.84	1,129.27
Less: Other Bank Balances	1,658.84	1,315.96
Net Debt	**7,151.28**	**7,078.94**
Gearing Ratio	**13.07**	**12.94**

55B. FINANCIAL INSTRUMENTS DISCLOSURE

(i) Categories of Financial Instruments

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	10,782.97	11,115.03
(ii) Cash and Cash Eqivalents (Incl bank deposits)	2,113.68	2,445.23
(iii) Loans	-	12.70
(iv) Investments	-	7.18
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	9,264.97	9,524.17
(ii) Trade Payables	7,378.17	7,609.34
(iii) Other Financial Liabilities	157.60	151.48

(ii) Fair Value Measurement

This note provides information about how the Company determines fair values of various financial assets.

Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required).

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(iii) Financial Risk Management Objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk of uncertainity arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk.

i. Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Interest risk arises to the Company mainly from borrowings with variable rates. The Company measures risk through sensitivity analysis. The banks are now finance at variable rate only, which is the inherent business risk.

The Company's exposure to interest rate risk is as follows :

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Liability		
Term Loans	1,298.92	1,417.00
Working Capital Loan - from Banks (Including Interest Accrued thereon)	7,262.97	7,446.97
TOTAL	**8,561.89**	**8,863.97**

(₹ in Lakhs)

Particulars	Impact on Profit and Loss after Tax	
	Year ended 31st March, 2024	Year ended 31st March, 2023
Impact on Profit and Loss after Tax		
Interest Rate increase by 0.50 basis point	32.04	33.17
Interest Rate decrease by 0.50 basis point	(32.04)	(33.17)

ii. Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The following are the contractual maturities of financial liabilities, based on contractual cash flows:

(₹ in Lakhs)

Particulars	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
As at 31st March, 2024				
Borrowings				
Trade Payables	7,375.86	2.31	-	7,378.17
Other Financial Liabilities	157.60	-	-	157.60
Total	**7,533.46**	**2.31**	**-**	**7,535.77**
As at 31st March, 2023				
Borrowings	-	-	-	-
Trade Payables	7,603.38	5.96	-	7,609.34
Other Financial Liabilities	151.48	-	-	151.48
Total	**7,754.86**	**5.96**	**-**	**7,760.82**

iii. Credit Risk

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

(₹ in Lakhs)

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March, 2024				
(i) Trade and Other Receivables	10,329.72	352.51	143.78	10,826.01
(ii) Cash and Cash Eqivalents (incl bank deposits)	2,113.68	-	-	2,113.68
(iii) Loans	-	-	-	
(iv) Investments	-	-	-	-
Total	**12,443.40**	**352.51**	**143.78**	**12,939.69**
As at 31st March, 2023				
(i) Trade and Other Receivables	10,154.98	912.27	47.78	11,115.03
(ii) Cash and Cash Eqivalents (incl bank deposits)	2,445.23	-	-	2,445.23
(iii) Loans	12.70	-	12.70	
(iv) Investements	7.18	-	-	7.18
Total	**12,620.09**	**912.27**	**47.78**	**13,580.14**

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

56. IND AS 115 DISCLOSURE

The Company has recognised the following amounts relating to revenue in the statement of profit or loss:

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Revenue from contracts with customers	36,597.61	27,784.36
Total Revenue	**36,597.61**	**27,784.36**

Revenue is recognized upon transfer of control of products to customers.

a. Disaggregation of revenue from contract with customers

Revenue from sale of products represents revenue generated from external customers which is attributable to the company's country of domicile i.e. India and external customers outside India as under:

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Revenue from India	36,072.29	27,113.45
Revenue from Outside India	525.32	670.91

b. Information about major customers

Following are the customer representing more than 10% of the total revenue of the Company

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Revenue from such customers		
Customer attributing highest revenue	9,298.56	5,645.19
Customer attributing second highest revenue	6,659.65	4,809.23
Customer attributing third highest revenue	5,901.87	3,292.47
Customer attributing fourth highest revenue	3,643.47	2,069.68

c. Contract Assets and Liabilities

The Company has recognised the following revenue-related contract assets and liabilities :

Particulars	As at 31st March, 2023	As at 31st March, 2022
Contract Assets	10,782.97	11,115.03
Total Contract Assets	10,782.97	11,115.03
Contract Liabilities	5,666.45	5,507.97
Total Contract Liabilities	5,666.45	5,507.97

d. Performance obligations

The performance obligation is satisfied upon delivery of the finished goods and payment is generally due within 1 to 3 months from delivery. The performance obligation to deliver the finished goods is started after receiving of sales order. The customer can pay the transaction price upon delivery of the finished goods within the credit period, as mentioned in the contract with respective customer.

NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

57. RATIO ANALYSIS

(₹ in lakhs)

Particulars	Numerator	Denominator	31st March, 2024	31st March, 2023	Variances	Reasons for variance more than 25 %
Current Ratio (times)	Current Assets	Current Liabilities	1.44	1.43	0.77%	
Debt Equity Ratio (times)	Total Debt	Share Holder's Equity	0.65	0.73	-11.65%	
Debt Service Coverage Ratio (times)	Earnings available for debt Service (Refer Note i below)	Debt Service	2.88	2.62	10.17%	
Return on Equity (ROE)	Net Profit after Taxes	Average Shareholder's Equity	10.79%	9.31%	15.87%	
Inventory Turnover Ratio (times)	Cost of Material Consumed + Channges in WIP/ FG	Average Inventory	1.53	1.41	8.93%	
Trade Receivable Turnover Ratio (times)	Revenue from Operations	Average Trade Receivables	3.39	2.75	23.01%	
Trade Payable Turnover Ratio (times)	Purchases	Average Trade Payables	3.53	3.88	-9.13%	
Net Capital Turnover Ratio (times)	Revenue from Operations	Working Capital	3.95	3.13	26.16%	Due to Increase in Turnover by 31.72%.
Net Profit Ratio	Net Profit	Revenue from Operations	3.96%	3.97%	-0.29%	
Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	14.02%	12.19%	15.05%	
Return on Investment	Income generated from investments	Average Investments	0.00%	0.00%	N.A.	

Note : i: Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

As per our report of even date attached.

For, **PARIKH & MAJMUDAR**
Chartered Accountants
Firm's Registration No. 107525W
UDIN: 24107628BJZWRO4201

CA Satwik A. Durkal
Partner
Membership No.107628
PLACE: AHMEDABAD
DATE: 24th May, 2024

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

Sanjivkumar N. Patel
Chairman & Managing Director
DIN : 02794095

Shivang P. Patel
Whole Time Director
DIN : 08136652

Kamlesh R. Shah
Chief Financial Officer
PLACE: AHMEDABAD
DATE: 24th May, 2024

Nikhil M. Patel
Company Secretary

INDEPENDENT AUDITORS' REPORT

To
The Members of
PATELS AIRTEMP (INDIA) LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial statements of **PATELS AIRTEMP (INDIA) LIMITED** ("the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Ind AS Financial Statements including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs (Consolidated financial Position) of the Group as at March 31, 2024, and its Consolidated profits (Consolidated financial performance including other comprehensive income), its Consolidated Cash flows and Consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

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

Key Audit Matter:

Description of Key audit Matter	Our response and results
REVENUE (Refer Note No. 56) to the Consolidated Ind AS Financial Statements) Revenue of the Holding company comprises of 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 equipment's and Turnkey HVAC Projects in India & marketing of equipment's in and outside India Revenue recognition is a significant audit risk across the Holding company. Specifically, there is a risk that revenue is recognized on sale of goods before the control in the goods is transferred.	Our key audit procedures to assess the recognition of revenue on sale of goods included the following: • We assessed the appropriateness of the Holding Company's revenue recognition policies, including those related to discounts and incentives; • We obtained an understanding of process and assessed the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition from sale of goods. We also tested the Holding Company's controls over timing of revenue recognition; • We also tested, on a sample basis, whether specific revenue transactions around the year end had been recognized in the appropriate period on the basis of the terms of sale of the contract, particularly with reference to the transfer of control in the goods in question with regard to the year-end transactions. We inspected key customer contracts/ purchase orders to identify terms and conditions related to acceptance of goods and the right to return and assessing the Holding Company's revenue recognition policies with reference to the requirements of the prevailing accounting standards;

Emphasis of Matters:

1. **Refer Note No. 37 of the Consolidated Ind AS financial statements which states that during the year under review M/s. Patels Airtemp (USA) Inc., a Wholly Owned Subsidiary (WOS/Foreign Entity) of the Company, stands dissolved w.e.f. 11th December, 2023 as per Certificate of Dissolution issued by State of Delaware (USA). Consequent, upon the said dissolution, Patels Airtemp (USA) Inc., ceased to be a Subsidiary of the Company, and the Consolidated Financial Statements, include the Financials up to date of Dissolution.**

2. **The balance confirmation from the suppliers and customers have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables and trade payables have been taken as per the books of accounts submitted by the Holding company and are subject to confirmation from the respective parties. (Refer note no 37A of the notes forming part of Consolidated Ind AS financial Statement.)**

Our opinion is not modified on the above matters.

Information other than the Consolidated Ind AS Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), Consolidated Profit or Loss (consolidated financial performance including other comprehensive income), Consolidated Changes in Equity and Consolidated Cash Flow of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Ind AS Financial Statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets 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 Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These Consolidated Ind AS Financial Statements have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the respective companies.

Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

1. The Consolidated Financial Statements includes unaudited financial statements and other unaudited financial information in respect of a subsidiary, whose financial statement reflect total assets of Rs. Nil as at March 31,2024, total revenues of Rs. Nil and net cash out flow of Rs. Nil lakhs for the year then ended. These unaudited financial statements and other unaudited financial information have been furnished to us as certified by the management. Our Opinion, in so far as it relates to amounts and disclosures included in respect of a subsidiary, is based solely on the unaudited financial statements and other unaudited financial information given to us by the management.

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act as amended, in our Opinion and to the best our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with schedule V of the Act.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the management certified separate financial statements of its subsidiary, referred in the "Other Matters" paragraph above we report, to the extent applicable.

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements,

b. In our opinion, proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act.

e. On the basis of written representations, received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding company, none of the directors are disqualified as on March 31, 2024 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 with reference to Consolidated Financial Statements of the group and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to Consolidated Financial Statements.

g. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

h. 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, as amended, in our opinion and to the best of our information and according to the explanations given to us

i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated Ind AS financial position of the Group (Refer Note No 32 to the Consolidated Ind AS Financial Statements.)

ii The Group did not have any material foreseeable losses on long term Contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

iv. (a) The respective management of the Holding company and its subsidiary (incorporated outside India) whose financial statements have been unaudited, have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective management of the Holding company and its subsidiary (incorporated outside India) whose financial statements have been unaudited, have represented, that, to the best

of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company and its subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the company and its subsidiary (incorporated outside India) whose financial statements have been unaudited, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The final dividend proposed in the previous year, declared and paid by the Holding company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Holding company have proposed final dividend for the year which is subject to the approval of the members at the ensuing annual general meeting. The amount of dividend proposed is in accordance with section 123 of the act, as applicable.

vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from April 1, 2023.

Based on our examination, which included test checks, the Holding Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same operated throughout the year for all relevant transaction recorded in the software except for the instances mentioned below:

1. In respect of Rakanpur plant & Bombay office Location, the feature of edit log was not enabled for period 1st April, 2023 to 14th April, 2023 and 1st April, 2023 to 23rd April, 2023 respectively and security feature was not enabled throughout the year.
2. In respect of Kalpana office at Ahmedabad Location, the books of account do not have feature of recording audit trail (edit log) facility.

   Further, during the course of our audit, we did not come across any instances of audit trail feature being tampered with from the date of its maintenance.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024 for the Holding Company & reporting under this clause is not applicable for subsidiary incorporated outside India.

3. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of the Section 143(11) of the Act , to be included in the Auditor's report , according to the information and explanation given to us , and based on the CARO reports issued by us, we report that there are no qualifications or adverse remarks in CARO reports of the Holding company included in the Consolidated Financial Statement and that CARO 2020 is not applicable to a subsidiary incorporated outside India.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W

[CA Satwik A. Durkal]
PARTNER
Membership No. 107628
UDIN: 24107628BJZWRP6770

Place: Ahmedabad
Date: 24th May, 2024

"Annexure A" to the Independent Auditors' Report of even date on the Consolidated Financial Statements of PATELS AIRTEMP (INDIA) LIMITED

Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Consolidated Ind AS Financial Statements of the Company for the year ended March 31, 2024.

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 with reference to Consolidated Financial Statements of **PATELS AIRTEMP (INDIA) LIMITED**, ("the Holding Company") as of March 31, 2024 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on that date. The Holding Company did not have any subsidiary which is incorporated in India.

Management's Responsibility for Internal Financial Control with reference to Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to Consolidated Financial Statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit or internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to Consolidated Financial Statements.

Meaning of Internal Financial Control with reference to Consolidated Ind AS Financial Statements

A Holding Company's internal financial control with reference to Consolidated Financial Statements 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 Holding Company's internal financial control with reference to Consolidated Financial Statements 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 Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally-accepted accounting principles, and that receipts and expenditure of the Holding Company are being made only in accordance with authorizations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Consolidated Financial Statements issued by the ICAI. The Holding Company did not have any subsidiary which is incorporated in India.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W

[CA Satwik A. Durkal]
PARTNER
Membership No. 107628
UDIN: 24107628BJZWRP6770

Place: Ahmedabad
Date: 24th May, 2024

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2024

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
	ASSETS			
1	**Non-Current Assets**			
a)	Property, Plant and Equipment	3(A)	4,476.87	4,619.24
b)	Capital Work-In-Progress	3(B)	-	-
c)	Intangible Assets	3(C)	47.44	80.77
d)	Financial Assets			
	Investments	4	-	-
	Trade Receivables	4a	143.78	47.78
	Loans	5	-	-
	Other Financial Assets	6	1,666.80	1,322.96
e)	Deffered Tax Assets (Net)	19	51.96	-
f)	Other Non-Current Assets	7	63.22	61.72
	TOTAL NON-CURRENT ASSETS		**6,450.06**	**6,132.47**
2)	**Current Assets**			
a)	Inventories	8	16,955.86	14,957.64
b)	Financial Assets			
(i)	Trade Receivables	9	10,639.19	11,067.25
(ii)	Cash and Cash Equivalents	10	454.84	1,143.18
(iii)	Bank balances other than (ii) above	11	-	-
(iv)	Other Financial Assets	12	12.51	15.75
c)	Current Tax Assets (Net)	13	-	-
d)	Other Current Assets	14	2,606.34	2,724.89
	TOTAL CURRENT ASSETS		**30,668.75**	**29,908.71**
	TOTAL ASSETS		**37,118.81**	**36,041.17**
	EQUITY & LIABILITIES :			
	EQUITY:			
a)	Equity Share Capital	15	547.02	547.02
b)	Other Equity	16	13,725.45	12,409.12
	TOTAL EQUITY		**14,272.47**	**12,956.15**
	LIABILITIES :			
1)	**Non-Current Liabilities**			
a)	Financial Liabilities			
	Borrowings	17	1,529.67	1,968.15
b)	Provisions	18	37.46	36.09
c)	Deferred Tax Liabilities (Net)	19	-	178.90
d)	Other Financial Liabilities	19a	5.00	5.00
	TOTAL NON-CURRENT LIABILITIES		**1,572.13**	**2,188.14**
2)	**Current Liabilities**			
a)	Financial Liabilities			
(i)	Borrowings	20	7,735.30	7,556.02
(ii)	Trade Payables			
	Total outstanding dues of micro enterprises and small enterprises	21	1,854.14	975.26
	Total outstanding dues of creditors other than micro enterprises and small enterprises	21	5,524.03	6,634.08
(iii)	Other Financial Liabilities	21a	157.60	151.48
b)	Other Current Liabilities	22	5,691.35	5,529.06
c)	Provisions	23	26.09	48.01
d)	Current Tax Liabilities (Net)	23a	285.69	2.98
	TOTAL CURRENT LIABILITIES		**21,274.20**	**20,896.88**
	TOTAL LIABILITIES		**22,846.33**	**23,085.02**
	TOTAL EQUITY AND LIABILITIES		**37,118.81**	**36,041.17**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For, **PARIKH & MAJMUDAR**
Chartered Accountants
Firm's Registration No. 107525W
UDIN: 24107628BJZWRP6770

CA Satwik A. Durkal
Partner
Membership No.107628
PLACE: AHMEDABAD
DATE: 24th May, 2024

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

Sanjivkumar N. Patel
Chairman & Managing Director
DIN : 02794095

Shivang P. Patel
Whole Time Director
DIN : 08136652

Kamlesh R. Shah
Chief Financial Officer
PLACE: AHMEDABAD
DATE: 24th May, 2024

Nikhil M. Patel
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED ON 31ST MARCH, 2024

(₹ in Lakhs except EPS)

Particulars		Note No.	For the Year ended on 31st March, 2024	For the Year ended on 31st March, 2023
I.	Revenue from Operations	24	37,076.17	28,147.85
II.	Other Income	25	212.12	132.56
III.	**Total Income (I+II)**		**37,288.29**	**28,280.41**
IV.	**EXPENSES:**			
	Cost of materials consumed	26	25,849.97	22,697.39
	Purchases of Stock-in-Trade	27	264.46	167.60
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	(1,674.20)	(5,480.69)
	Employee benefits expense	29	1,467.41	1,347.24
	Finance costs	30	1,286.29	1,204.84
	Depreciation and amortization expense	3(a)&(c)	406.39	410.83
	Other expenses	31	7,667.22	6,399.36
	Total Expenses		**35,267.55**	**26,746.57**
V.	**Profit Before Tax (III-IV)**		**2,020.75**	**1,533.84**
	Tax Expense:			
	Current tax		773.00	397.00
	Deferred tax		(232.52)	(1.73)
	(Excess)/Short Provision of Earlier Years		4.18	21.72
	Net Tax Expenses		**544.66**	**416.99**
VI.	**Net Profit for the year**		**1,476.08**	**1,116.85**
VII.	**Other Comprehensive Income**			
	a) Items that will not be reclassified to profit or loss			
	i) Remeasurement of defined benefit Plan		6.59	(8.43)
	ii) Income tax relating to above item		(1.66)	2.12
	b) Items that will be reclassified to Profit and Loss		-	-
	Other Comprehensive Income/(Loss) For the Year		**4.93**	**(6.31)**
VIII.	**Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income /(Loss) for the year) (VII+VIII)**		**1,481.02**	**1,110.54**
	Profit for the year attributable to			
	Owners of the Company		**1,476.08**	**1,116.85**
	Non Controlling Interest		**-**	**-**
	Other Comprehensive income attributable to			
	Owners of the Company		**4.93**	**(6.31)**
	Non Controlling Interest			
	Total Comprehensive Income for the year (VII+VIII)			
	Owners of the Company		**1,481.02**	**1,110.54**
	Non Controlling Interest		**-**	**-**
IX.	**Earnings per equity share (Face value of ₹10/- each)**			
	Basic & Diluted	35	26.98	21.40

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

For, **PARIKH & MAJMUDAR**
Chartered Accountants
Firm's Registration No. 107525W
UDIN: 24107628BJZWRP6770

CA Satwik A. Durkal
Partner
Membership No.107628
PLACE: AHMEDABAD
DATE: 24th May, 2024

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

Sanjivkumar N. Patel
Chairman & Managing Director
DIN : 02794095

Shivang P. Patel
Whole Time Director
DIN : 08136652

Kamlesh R. Shah
Chief Financial Officer
PLACE: AHMEDABAD
DATE: 24th May, 2024

Nikhil M. Patel
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2024

(₹ in Lakhs)

Particulars		For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
A.	**Cash flow from Operating Activities**		
	Profit before extraordinary items and tax	**2,020.75**	**1,533.84**
	Adjustments for:		
	Depreciation and amortisation expense	406.39	410.83
	(Profit) / loss on assets sold and discarded	2.64	(2.97)
	Interest Paid	1,286.29	1,204.84
	Interest income	(142.62)	(66.06)
	Effect of Foreign Exchange Rate difference	(0.58)	0.16
	Remeasurement of Defined Benefit Plan	6.59	(8.43)
	Operating profit / (loss) before working capital changes	**3,579.47**	**3,072.20**
	Net Changes in:		
	Inventories	(1,998.23)	(5,188.83)
	Trade receivables	332.06	(1,780.26)
	Loans and advances	3.24	4.70
	Other financial assets	(343.84)	(62.35)
	Other current assets	118.56	(116.33)
	Trade payables	(225.04)	3,567.72
	Other current liabilities	444.99	1,375.57
	Short-term provisions	(21.92)	27.61
	Long-term provisions	1.38	0.92
	Cash generated from Operations	**1,890.66**	**900.95**
	Income tax paid (Net of refunds)	(777.18)	(418.72)
	Net cash flow from Operating Activities (A)	**1,113.47**	**482.22**
B.	**Cash flow from Investing Activities**		
	Purchase of Property, Plant and Equipment	(244.37)	(387.67)
	Sale of Property, Plant and Equipment	11.03	3.25
	Interest Received	142.62	66.06
	Net cash flow used in Investing Activities (B)	**(90.72)**	**(318.36)**
C.	**Cash flow from Financing Activities**		
	Repayment of Long Term borrowings	(438.48)	(938.64)
	Net increase/(Decrease) in working capital borrowings	179.28	1,684.21
	Long term loans and advances	(1.49)	15.18
	Interest Paid	(1,286.29)	(1,204.84)
	Issue of Equity Share capital	-	40.00
	Securities Premium Account	-	888.00
	Dividend Paid	(164.11)	(141.97)
	Net cash flow used in Financing Activities (C)	**(1,711.10)**	**341.95**
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)		**(688.34)**	**505.81**
Cash and cash equivalents at the beginning of the year		**1,143.18**	**637.36**
Cash and cash equivalents at the end of the year		**454.84**	**1,143.18**

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2024

Components of Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Balances with banks		
(i) In current accounts	52.71	967.50
(ii) Debit Balance in Over Draft Account	336.25	155.26
(iii) Other Earmarked accounts		
- In dividend accounts	14.26	14.47
(iv) In EEFC Account	44.10	-
Cash on hand	7.52	5.95
TOTAL	**454.84**	**1,143.18**

Disclosure of Cash and Non-Cash Changes in Liabilities from Financing Activities

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Borrowings (Current & Non-Current)		
Opening Balance	**9,524.17**	**8,778.60**
Changes from Cash flows	(259.20)	745.58
Effect of changes in Foreign Exchange rates	-	-
Changes in fair value	-	-
Closing Balance	**9,264.97**	**9,524.17**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For, **PARIKH & MAJMUDAR**
Chartered Accountants
Firm's Registration No. 107525W
UDIN: 24107628BJZWRP6770

CA Satwik A. Durkal
Partner
Membership No.107628
PLACE: AHMEDABAD
DATE: 24th May, 2024

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

Sanjivkumar N. Patel
Chairman & Managing Director
DIN : 02794095

Shivang P. Patel
Whole Time Director
DIN : 08136652

Kamlesh R. Shah
Chief Financial Officer
PLACE: AHMEDABAD
DATE: 24th May, 2024

Nikhil M. Patel
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED ON 31ST MARCH, 2024

A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the reporting year	547.02	507.02
Changes in Equity Share capital during the year	-	40.00
Balance at the end of the reporting year	**547.02**	**547.02**

B) OTHER EQUITY

(₹ in Lakhs)

Particulars	RESERVES & SURPLUS					Equity Instrument through OCI	Total
	Capital Investment Subsidy	General Reserve	Securities Premium	Fopreign Currency Translation Reserve	Retained Earnings		
Balance as of April 1, 2022	**15.00**	**815.00**	**-**	**0.42**	**9,754.39**	**(32.42)**	**10,552.39**
Net Profit for the year	-	-	-		1,116.85	-	1,116.85
Adjustments For the Year			888.00	0.16			888.16
Remeasurement benefit of defined benefit plans (Net of Tax)	-	-	-		-	(6.31)	(6.31)
Dividend	-	-	-		(141.97)	-	(141.97)
Balance as of March 31, 2023	**15.00**	**815.00**	**888.00**	**0.58**	**10,729.27**	**(38.73)**	**12,409.12**
Balance as of April 1, 2023	**15.00**	**815.00**	**888.00**	**0.58**	**10,729.27**	**(38.73)**	**12,409.12**
Net Profit for the year	-	-			1,476.08	-	1,476.08
Adjustments For the Year	-	-	-	(0.58)	-	-	(0.58)
Remeasurement benefit of defined benefit plans (Net of Tax)	-	-			-	4.93	4.93
Dividend	-	-	-		(164.11)	-	(164.11)
Balance as of March 31, 2024	**15.00**	**815.00**	**888.00**	**-**	**12,041.25**	**(33.79)**	**13,725.45**

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached.

For, **PARIKH & MAJMUDAR**
Chartered Accountants
Firm's Registration No. 107525W
UDIN: 24107628BJZWRP6770

CA Satwik A. Durkal
Partner
Membership No.107628
PLACE: AHMEDABAD
DATE: 24th May, 2024

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

Sanjivkumar N. Patel
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DIN : 08136652

Kamlesh R. Shah
Chief Financial Officer
PLACE: AHMEDABAD
DATE: 24th May, 2024

Nikhil M. Patel
Company Secretary

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Holding Company is a Public Company domiciled in India and incorporated on 10.06.1992. The Holding Company is engaged in the manufacturing and selling 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 equipment's and Turnkey HVAC Projects in India & marketing of equipment's in and outside India. The Holding Company's equity shares are listed on Bombay Stock Exchange (BSE).

The Consolidated Financial Statements comprises financial statements of Patels Airtemp (India) Limited ("the company") and its subsidiary (collectively "the Group"). The functional and presentation currency of the Group is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Group operates.

RECENT ACCOUNTING PRONOUNCEMENT:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards There are no such notification which have been applicable from April 1, 2024.

2. MATERIAL ACCOUNTING POLICIES:

(a) STATEMENT OF COMPLIANCE WITH INDIAN ACCOUNTING STANDARDS (IND AS):

The Consolidated financial statements have been prepared in accordance with section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India from time to time and other relevant provisions of the Act.

(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The Financial Statements have been prepared on the historical cost convention on the accrual basis except for certain assets and liabilities that are required to be carried at fair values by Ind AS. In accordance with the notification issued by Ministry of Corporate Affairs, Group is required to prepare its Standalone Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

(c) BASIS OF CONSOLIDATION:

The Consolidated Financial Statements comprises financial statements of Patels Airtemp (India) Limited ("the company") and its subsidiary (collectively "the Group"). Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, Liabilities, Income and Expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31st March. When the end of the

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Company to enable the Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation Procedure

- On Consolidation, items of Assets, Liabilities, Income and Expenses are combined on line by line basis after eliminating the Intra Group Transactions and eliminating profit / (Loss) arising out on Intra Group Transactions
- On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees (INR) at the exchange rate prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of transactions. The exchange differences arising on translation for consolidation are recognised in Profit and Loss (P&L).
- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
- When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies

Following Subsidiaries are consolidated in Consolidated Financial Statements:

Name of the Subsidiary	Country of Incorporation	% of Ownership Interest	
		As at 31st March, 2024	As at 31st March, 2023
Patels Airtemp (USA) Inc.	United States of America (USA)	-	100.00

Note: During the Financial Year 2023-2024, M/s. Patels Airtemp (USA) Inc., a Wholly Owned Subsidiary (WOS/Foreign Entity) of the Company, stands dissolved w.e.f. 11th December, 2023 as per Certificate of Dissolution issued by State of Delaware (USA). Consequent upon the said dissolution, Patels Airtemp (USA) Inc., ceased to be a Subsidiary of the Company.

Use of Estimates:

In the preparation of financial statements, the Group makes judgements in the application of accounting policies; and estimates and assumptions which affects carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are:

- Useful lives of Property, Plant and Equipment

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- Valuation of financial instruments
- Provisions and Contingencies
- Income tax and Deferred tax
- Measurement of defined employee benefit obligations
- Valuation of Work-in-Progress in Inventories
- Provision for Loss Allowance using Expected Credit Loss Model in respect of Trade Receivables
- Offsetting of Financial Instruments

(d) FOREIGN CURRENCY TRANSACTIONS:

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

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

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

(e) PROPERTY, PLANT AND EQUIPMENT:

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

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

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

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

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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Asset		Useful Life
Buildings	-	3 to 60 years
Plant and Equipments	-	15 to 25 years
Furniture and Fixtures	-	10 years
Vehicles	-	8 to 10 years
Office Equipments	-	5 to 10 years
Electrial Installations	-	10 years
Computers	-	3 years
Roads	-	10 years

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

(f) INTANGIBLE ASSETS:

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

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

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

Asset		Useful Life
Computer Software	-	3 Years
Technical Know-how	-	3 Years
Goodwill	-	3 Years

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

(g) REVENUE RECOGNITION:

i) The Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided.

The Group recognizes revenue generally at a point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer.

In revenue arrangements with multiple performance obligations, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their stand-alone selling prices. Revenue from sale of by products are included in revenue.

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

iii) All other incomes are recognised and accounted for on accrual basis.

(h) EMPLOYEE BENEFITS:

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

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

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

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

(i) VALUATION OF INVENTORIES:

i) All Inventories are measured at Lower of Cost or Net Realizable Value.

ii) The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

iii) Cost of Purchase is Purchase Price, Import Duties and other non recoverable taxes, transport and other handling cost directly attributable to the acquisition of inventory.

iv) Cost of Conversion includes costs directly related to the units of production, systematic allocation of fixed and variable production overheads that are related to conversion of materials to the finished goods.

(j) CASH FLOW STATEMENT:

i) Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Group is segregated.

ii) Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments with an original maturity of three months or less.

(k) FINANCIAL ASSETS:

i) The Group classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortized cost.

ii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Group uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.

iii) A financial asset is derecognized only when the Group has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

(l) FINANCIAL LIABILITIES:

i) Borrowings are initially recognized and subsequently measured at amortized cost, net of transaction costs incurred. The transaction costs is amortized over the period of borrowings using the effective interest method and subsequently under finance costs in profit and loss account.

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

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

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

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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(m) FAIR VALUE MEASUREMENT:

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

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

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

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

(n) BORROWING COSTS:

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

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

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

(o) ACCOUNTING FOR TAXES ON INCOME:

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

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

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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

iv) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Un recognized deferred tax asset are reassessed at each reporting date and are recognized to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

v) Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income. As such, deferred tax is also recognised in other comprehensive income.

vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

(p) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

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

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

iv) Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

(q) CURRENT AND NON-CURRENT CLASSIFICATION:

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

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

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

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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(r) EARNING PER SHARE:

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

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

(s) SEGMENT REPORTING:

An operating segment is component of the Group that engages in the business activity from which the Group earns revenues and incurs expenses, for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker, in deciding about resources to be allocated to the segment and assess its performance. The Group's chief operating decision maker is the Managing Director of the Company.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(t) EXPENSES FOR CORPORATE SOCIAL RESPONSIBILITY:

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

3 (A) PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Electrical Installations	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Road	Total
Gross Carrying Value										
As at 31st March 2022	**842.50**	**2,047.68**	**3,757.65**	**272.92**	**173.05**	**560.74**	**137.02**	**80.00**	**107.30**	**7,978.85**
Addition	152.72	32.22	86.16	17.03	14.79	6.54	18.84	4.94	31.01	364.24
Disposal / Adjustments	-	-	-	-	-	10.52	-	-	-	10.52
As at 31st March 2023	**995.22**	**2,079.90**	**3,843.80**	**289.95**	**187.84**	**556.76**	**155.86**	**84.95**	**138.30**	**8,332.58**
Addition	-	5.50	77.87	1.82	33.77	48.51	16.16	1.62	46.43	231.70
Disposal / Adjustments	-	-	-	-	-	69.47	-	-	-	69.47
As at 31st March 2024	**995.22**	**2,085.40**	**3,921.68**	**291.77**	**221.61**	**535.81**	**172.01**	**86.57**	**184.74**	**8,494.82**
Accumulated Depreciation										
As at 31st March 2022	**-**	**407.24**	**2,071.50**	**154.85**	**106.78**	**379.25**	**80.89**	**73.71**	**83.63**	**3,357.84**
Charge for the year	-	68.99	189.46	29.26	10.74	40.63	15.06	2.60	9.00	365.75
Disposal / Adjustments	-	-	-	-	-	10.24	-	-		10.24
As at 31st March 2023	**-**	**476.24**	**2,260.96**	**184.11**	**117.52**	**409.63**	**95.95**	**76.30**	**92.63**	**3,713.34**
Charge for the year	-	70.36	189.26	28.69	12.14	33.84	16.53	2.25	13.82	366.88
Disposal / Adjustments	-	-	-	-	-	62.28	-	-	-	62.28
As at 31st March 2024	**-**	**546.60**	**2,450.22**	**212.80**	**129.66**	**381.19**	**112.48**	**78.55**	**106.45**	**4,017.95**
Net Carrying Value										
As at 31st March 2023	**995.22**	**1,603.66**	**1,582.84**	**105.84**	**70.32**	**147.13**	**59.91**	**8.64**	**45.68**	**4,619.24**
As At 31st March 2024	**995.22**	**1,538.81**	**1,471.46**	**78.97**	**91.95**	**154.62**	**59.54**	**8.02**	**78.29**	**4,476.87**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3(B) CAPITAL WORK IN PROGRESS

The Capital work in progress represent Capital Inventory and direct/ incidental expenses incurred during construction period in connection with proposed project which will be capitalised on commencement of commercial production, consequently expenses disclosed under the respective note are net of such amount .The details of the same is as under:

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Opening Balance(a)	-	7.76
Additions(b)	-	28.60
Less : Amount Capitalised/ Deduction during the year (c)	-	36.36
Closing Balance (a+b-c)	**-**	**-**

(i) CWIP Ageing Schedule:

As at 31st March, 2024 (₹ in Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

As at 31st March, 2023 (₹ in Lakhs)

Capital Work In Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3 (C) INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Goodwill	Technical Knowhow	Computer Software	Total
Gross Carrying Value				
As at 31st March 2022	**0.37**	**43.65**	**179.95**	**223.96**
Addition	-	-	31.18	31.18
Disposal / Adjustments	-	-	-	-
As at 31st March 2023	**0.37**	**43.65**	**211.13**	**255.14**
Addition	-	-	12.66	12.66
Disposal / Adjustments	-	-	-	-
As at 31st March 2024	**0.37**	**43.65**	**223.79**	**267.81**
Accumulated Amortization				
As at 31st March 2022	**-**	**43.65**	**85.65**	**129.30**
Charge for the year	-	-	45.08	45.08
Disposal / Adjustments	-	-	-	-
As at 31st March 2023	**-**	**43.65**	**130.73**	**174.37**
Addition	-	-	45.99	45.99
Disposal / Adjustments	-	-	-	-
As at 31st March 2024	**-**	**43.65**	**176.72**	**220.37**
Net Carrying Value				
As at 31st March 2023	**0.37**	**-**	**80.40**	**80.77**
As at 31st March 2024	**0.37**	**-**	**47.07**	**47.44**

Note:

1) Refer to Note No. 17 & 20 for information on Property, Plant & Equipment given as a security by the Holding company.

4 NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Investment in Equity instruments-quoted (Measured at FVTPL):		
14,000 Shares of M/s. Gujarat State Financial Corporation of ₹10/- each	2.80	2.80
Less: Provision for diminution in the value of Investments	2.80	2.80
Total	**-**	**-**
Aggregate amount of unquoted investments		

4a TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
(Unsecured, Considered good)	143.78	47.78
(Refer to Note No. 4a.1)		
Total	**143.78**	**47.78**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4a.1 AGEING OF TRADE RECEIVABLES (LONG-TERM)

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months – 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31st March, 2024							
i) Undisputed - considered good	-	-	-	-	-	143.78	**143.78**
ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
iii) Undisputed - credit impaired	-	-	-	-	-	-	**-**
iv) Disputed - considered good	-	-	-	-	-	-	**-**
v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
vi) Disputed - credit impaired	-	-	-	-	-	-	**-**
Total	**-**	**-**	**-**	**-**	**-**	**143.78**	**143.78**
As at 31st March 2023							
i) Undisputed - considered good	-	-	-	-	-	47.78	**47.78**
ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
iii) Undisputed - credit impaired	-	-	-	-	-	-	**-**
iv) Disputed - considered good	-	-	-	-	-	-	**-**
v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
vi) Disputed - credit impaired	-	-	-	-	-	-	**-**
Total	**-**	**-**	**-**	**-**	**-**	**47.78**	**47.78**

5 LOANS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
	-	-
Total	**-**	**-**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

6 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Security Deposits	7.96	7.00
Bank deposits More then 12 Months (Including Interest)	1,658.84	1,315.96
Total	**1,666.80**	**1,322.96**

7 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
(Unsecured, Considered good)		
Capital Advances	1.46	0.04
Loans and Advances	10.94	10.94
Balance With Govt Authorities (Income Tax refund)	50.81	50.74
Total	**63.22**	**61.72**

8 INVENTORIES

(As taken valued and Certified by Management) (₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Raw Materials	2,996.32	2,658.85
Work In Progress	13,923.03	12,248.86
Tools and Spares	13.60	27.05
Traded goods	22.91	22.88
Total	**16,955.86**	**14,957.64**

Note: Inventories are valued at lower of Cost or Net Realisable Value.

9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
(Unsecured, considered good)	10,639.19	11,067.25
(Refer to Note No. 9.1)		-
Total	**10,639.19**	**11,067.25**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

9.1 AGEING OF TRADE RECEIVABLES (SHORT-TERM)

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months – 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31st March, 2024							
i) Undisputed - considered good	4,614.01	4,251.99	1,460.72	290.03	22.44	-	**10,639.19**
ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
iii) Undisputed - credit impaired	-	-	-	-	-	-	**-**
iv) Disputed - considered good	-	-	-	-	-	-	**-**
v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
vi) Disputed - credit impaired	-	-	-	-	-	-	**-**
Total	**4,614.01**	**4,251.99**	**1,460.72**	**290.03**	**22.44**	**-**	**10,639.19**
As at 31st March, 2023							
i) Undisputed - considered good	8,217.87	1,350.07	587.03	842.62	69.65	-	**11,067.25**
ii) Undisputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
iii) Undisputed - credit impaired	-	-	-	-	-	-	**-**
iv) Disputed - considered good	-	-	-	-	-	-	**-**
v) Disputed - which have significant increase in credit risk	-	-	-	-	-	-	**-**
vi) Disputed - credit impaired	-	-	-	-	-	-	**-**
Total	**8,217.87**	**1,350.07**	**587.03**	**842.62**	**69.65**	**-**	**11,067.25**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

10 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Balances with banks		
(i) In current accounts	52.71	967.50
(ii) Debit Balance in Over Draft Account	336.25	155.26
(iii) Other Earmarked accounts		
- Unpaid dividend accounts	14.26	14.47
(iv) In EEFC Account	44.10	-
Cash on hand	7.52	5.95
Total	**454.84**	**1,143.18**

11 BANK BALANCE (OTHER THAN CASH AND CASH EQUIVALENTS)

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
	-	-
Total	**-**	**-**

12 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
(Unsecured, considered good)		
Export Incentives Receivable	12.51	15.75
Total	**12.51**	**15.75**

13 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Advance Income Tax & TDS (Net of provision for taxation)	-	-
Total	**-**	**-**

14 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
(Unsecured, considered good)		
Balance with government authorities	1,503.76	2,168.49
Advances for goods and services	1,019.59	440.15
Prepaid expenses	82.99	111.32
Other Receivable	-	4.92
Total	**2,606.34**	**2,724.89**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

15 EQUITY SHARE CAPITAL

(₹ in Lakhs except no of shares)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorized Share Capital	70,00,000	700.00	70,00,000	700.00
Issued, Subscribed & Paid up share capital	54,70,240	547.02	54,70,240	547.02
Total	**54,70,240**	**547.02**	**54,70,240**	**547.02**

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

(₹ in Lakhs except no of shares)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Balance at the beginning of the reporting year	54,70,240	547.02	50,70,240	507.02
Issued during the period *	-	-	4,00,000	40.00
Changes in Share capital due to prior period errors	-	-	-	-
Balance at the end of the reporting year	**54,70,240**	**547.02**	**54,70,240**	**547.02**

* Issued & allotted on preferential basis to promoters & promoters group.

b. Terms/rights attached to equity shares

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

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

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

Name of Shareholder/Company	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares held	% of Total Shares	No. of Shares held	% of Total Shares
Names of person holding more than 5% shares				
Therm Flow Engineers Private Limited	13,62,512	24.91	13,62,512	24.91
Rashmika Narendra Patel*	-	-	3,07,326	5.62
Devidas Chelaram Narumalani	2,90,145	5.30	2,90,145	5.30

** Share holding is less than 5% i.e. 3.10% in FY 2023-24.*

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

d. Shares held by the Promoters:

Name of Promoters	As at 31st March, 2024		As at 31st March, 2023		% Change during the year
	No. of Shares held	%	No. of Shares held	%	
Narayanbhai Gangaram Patel ^	2,27,776	4.16	2,27,776	4.16	-
Sanjiv Narayanbhai Patel	1,83,500	3.35	1,83,500	3.35	-
Shivang Prakashchandra Patel	82,400	1.51	82,400	1.51	-
Devidas Chelaram Narumalani	2,90,145	5.30	2,90,145	5.30	-

^ *The 2,27,776 Equity Shares (4.16%) held in the name of Mr. Narayanbhai G. Patel, who was Promoter of the Company, are subject to transmission due to sad demise of Mr. Narayanbhai G. Patel, who passed away on 3rd October, 2023.*

16 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
General Reserves		
Balance as per last balance sheet	815.00	815.00
Capital Subsidy		
Balance as per last balance sheet	15.00	15.00
Securities premium		
Opening Balance	888.00	-
Additions during the year	-	888.00
Deduction during the year	-	-
Balance as at balance sheet date	**888.00**	**888.00**
Foreign Currency Translation Reserve:		
Balance as per last balance sheet	0.58	0.42
Add: Exchange Rate Difference on translation of Foreign Subsidiary		0.16
Less : reversaL of FCTR due to ceasation of Subsidiary	0.58	-
Balance as at balance sheet date	**-**	**0.58**
Retained earnings:		
Balance as per last balance sheet	10,730.33	9,755.45
Net Profit for the year	**1,476.08**	**1,116.85**
Appropriations:		
Dividend	(164.11)	(141.97)
Balance as at balance sheet date	**12,042.31**	**10,730.33**
Other Comprehensive Income/(Expenses)		
Balance as per last balance sheet	(39.79)	(33.48)
Additions during the year	4.93	(6.31)
Deduction during the year		
Balance as at balance sheet date	**(34.86)**	**(39.79)**
Total	**13,725.45**	**12,409.12**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Nature and purpose of reserves:

General Reserve: Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit and loss to the General reserves. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

Capital Subsidy: represents investment linked capital subsidy received from the State Government

Retained Earnings: This represents the accumulated profits earned by the group till date.

Security Premium : Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

17 BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Secured:		
Rupee Term Loans from Banks:		
From Banks (refer note (a) & (b) below)	826.60	1,307.95
Unsecured:		
Loans from related parties:		
From Directors	141.08	131.18
From Relatives of Directors	562.00	529.03
Total	**1,529.67**	**1,968.15**

Notes:

(a) Rupee term loan of ₹ 325 lakhs (Previous Year ₹ Nil) from Axis Bank Limited is secured by way of Hypothecation charge (2nd charge) on primary securities available for existing facilities on second ranking basis. 2nd charge over entire current assets and movable assets of the company, both present and future. The applicable interest rate is 7.75% p.a and repayable in 35 equal monthly principal instalments of ₹ 9.02 lakhs each and last instalment of ₹ 9.05 lakhs after moratorium period of 24 months from the date of first disbursement.

(b) Rupee term loan from Bank of Baroda aggregating to ₹ 1092 lakhs (Previous Year ₹ Nil) is secured by way of Hypothecation charge (2nd charge) with existing credit facilities in terms of cash flows (including repayments). Existing primary/ collateral securities would be extended to cover the ECLGS facility. The applicable interest rate is 7.50% p.a. and would be repaid in 36 equal monthly instalments of ₹ 30.33 lakhs after moratorium period of 24 months from the date of first disbursement.

(c) Above term loans from Axis Bank Limited & Bank of Baroda are further secured by way of equitable mortgage of revised resurvey Block No. 727, 728, 729, 730 and 714 (Old Block No. 805, 806, 807, 810 & 811) at Rakanpur, Tal. Kalol, Dist. Gandhinagar and Land & Factory Building situated at new amalgamated Survey No. 100 (Old Survey No. 100, 101, 102, 103 and 105) mouje Dudhai, Tal. Kadi, Dist. Mehsana and is further secured by personal guarantee of (a) Mr. Sanjivkumar N. Patel (b) Mr. Apurva V. Shah and (c) Mr. Shivang P. Patel, directors of the company.

d) All the loans taken by the Holding Company have been utilised for the purpose for which the same was taken. The Holding Company is regular in payment of interest & instalment thereon.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

18 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Provision for Employee Benefits	37.46	36.09
Total	**37.46**	**36.09**

19 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
(a) Deferred Tax Liabilities		
Difference between book and tax block	205.93	209.50
	205.93	**209.50**
(b) Deferred Tax Assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	244.86	15.91
Remeasurement benefit of the defined benefit plans through OCI	13.03	14.69
	257.89	**30.60**
Deferred Tax Liabilities (Net)	**(51.96)**	**178.90**

19a OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Security Deposit	5.00	5.00
Total	**5.00**	**5.00**

20 BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Secured :		
Working capital facilities from Banks (Refer Note below)	7,262.97	7,446.97
Current maturity of Long-Term Debt	472.32	109.05
Total	**7,735.30**	**7,556.02**

Note:

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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

21 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 39)	1,854.14	975.26
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer to Note No. 21.1)	5,524.03	6,634.08
Total	**7,378.17**	**7,609.34**

21.1 AGEING OF TRADE PAYABLES

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31st March, 2024						
MSME	1,714.93	139.21	-	-	-	**1,854.14**
Others	4,465.86	1,055.86	1.60	0.71	-	**5,524.03**
Disputed dues – MSME	-	-	-	-	-	**-**
Disputed dues - Others	-	-	-	-	-	**-**
Total	**6,180.79**	**1,195.07**	**1.60**	**0.71**	**-**	**7,378.17**
As at 31st March, 2023						
MSME	819.20	156.06	-	-	-	**975.26**
Others	5,131.18	1,496.95	5.95	-	-	**6,634.08**
Disputed dues – MSME	-	-	-	-	-	**-**
Disputed dues - Others	-	-	-	-	-	**-**
Total	**5,950.38**	**1,653.01**	**5.95**	**-**	**-**	**7,609.34**

21a OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Salary, Wages and Bonus Payable	141.27	134.09
Creditors for capital expenditure	2.07	2.92
Unclaimed Dividend	14.26	14.47
Total	**157.60**	**151.48**

22 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Advance Received from Customers	5,666.45	5,507.97
Statutory Remittances	24.90	21.01
Other Payables	-	0.08
Total	**5,691.35**	**5,529.06**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

23 PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Provision for Employee Benefits	26.09	48.01
Total	**26.09**	**48.01**

23a CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March,2024	As at 31st March,2023
Provision for Taxation (Net of Advance Tax, TDS and TCS)	285.69	2.98
Total	**285.69**	2.98

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Sale of products		
Domestic	36,072.29	27,113.45
Export	525.32	670.91
	36,597.61	**27,784.36**
Sale of Services	72.01	163.60
Other Operating Revenue (incl.export incentives)	406.55	199.90
Total	**37,076.17**	**28,147.85**

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Reconciliation of revenue from operations with the contracted price:		
Contracted Price	36,679.95	27,785.72
Adjustment :		
- Discounts/ Rate Difference	-	(1.36)
- Sales Returns	(82.34)	
Sales of Products	**36,597.61**	**27,784.36**
Other Operating Revenue (including sales of services)	478.56	363.50
Revenue From Operations	**37,076.17**	**28,147.85**
Revenue Disagreegation by Geography		
India	36,072.29	27,113.45
Outside India		
- Canada	515.86	302.12
- Others	9.46	368.79
Total	**36,597.61**	**27,784.36**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

25 OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest received	142.62	66.06
Foreign Exchange Rate Diffrence (Net)	55.27	60.47
Rent Received	11.30	3.06
Misc. Income	2.94	-
Profit on sale of Property, Plant & Equipement	-	2.97
Total	**212.12**	**132.56**

26 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Stocks of Raw materials at the beginning of the year	2,658.85	2,949.40
Add: Purchases during the year	26,187.44	22,406.85
	28,846.29	**25,356.24**
Less: Stocks of Raw materials at the end of the year	2,996.32	2,658.85
Total	**25,849.97**	**22,697.39**

27 PURCHASE OF STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Purchase of traded goods- Window & Split AC & Accessories	264.46	167.60
Total	**264.46**	**167.60**

28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE & WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Closing Inventories		
Work -in-Progress	13,923.03	12,248.86
Finished Goods	-	-
Stock-in-trade	22.91	22.88
	13,945.94	**12,271.73**
Opening Inventories		
Work -in-Progress	12,248.86	6,772.15
Finished Goods	-	-
Stock-in-trade	22.88	18.89
	12,271.73	**6,791.04**
Total	**(1,674.20)**	**(5,480.69)**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

29 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Salaries, wages and allowances	1,265.75	1,198.41
Contributions to Provident Fund and other Funds	120.14	99.20
Staff welfare expenses	81.52	49.62
Total	**1,467.41**	**1,347.24**

30 FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Interest Expense	888.62	834.68
Other borrowing costs	355.97	366.63
Interest on Income Tax	41.70	3.53
Total	**1,286.29**	**1,204.84**

31 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Rates and taxes	8.54	4.95
Insurance	22.26	19.26
Power and Fuel	175.43	200.75
Consumption of Stores , Spares & Tools	1,026.23	781.32
Consumption of Packing Materials	68.34	60.06
Labour Charges	3,149.46	2,541.20
Testing & Inspection charges	428.44	332.45
Repairs to Buildings	67.23	36.06
Repairs to Machinery	178.36	197.19
Repairs to Others	49.92	57.46
Printing and stationery	62.35	61.62
Communication Expenses	35.64	36.46
Travelling and conveyance	221.55	207.04
Legal and professional fees	261.23	345.39
Payments to auditors*	4.38	4.38
Freight and forwarding Charges	700.31	525.43
Commission expenses	55.03	48.88
Business Promotion Expenses	14.44	34.17
Expenditure incurred towards Corporate Social Responsibilty (Refer Note No. 38)	32.00	31.05
Foreign Exchange Rate Diffrence (Net)	-	-
Late Delivery Charges /Liquidated damages	700.88	339.11
Bad debts written off	25.84	170.34
Loss on sale of Property, Plant & Equipment (Net)	2.64	-
Dissolution Expenses	1.19	-
General Charges	375.55	364.80
Total	**7,667.22**	**6,399.36**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

* Particulars of Auditor's Remuneration	Year ended 31st March, 2024	Year ended 31st March, 2023
Statutory audit fees (including Tax Audit)	3.00	3.00
Certification fees & Other Services	1.38	1.38
Reimbersement of Expenses	-	-
Total	**4.38**	**4.38**

32. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS NOT PROVIDED FOR:

A) Contingent Liabilities

(₹ in Lakhs)

Particulars		As at 31st March,2024	As at 31st March,2023
a)	**Claims against Company not acknowledged as Debt :**		
	i) Disputed Income Tax demand, and	6.48	6.48
	ii) Disputed Tax Demand under Central Sales Tax/ Goods & Service Tax.	-	4.38
b)	**Guarantees excluding financial guarantees :**		
	• Outstanding Bank Guarantees	12,307.40	10,458.28
	• Outstanding Foreign Bank Guarantees	US$ 16,37,888.30	US$ 15,50,439.90
	• Outstanding Inland/Foreign LC	US$ 30,110.00	US$ 2,12,813.50

B) Capital Commitments

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

Note:

a) It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings as it determinable only on receipt of judgments/decisions pending with various forums/authorities.

b) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

33. RELATED PARTY INFORMATION

a) List of Related Parties:

Enterprise over which Key Management Personnel exercise significant influence	Therm Flow Engineers Private Limited Shiv Fintrade LLP
Key Managerial Personnel (KMP)	Narayanbhai G. Patel (Upto 03/10/2023) (Chairman & Whole Time Director upto 03/10/2023) Sanjivkumar N. Patel (Chairman & Managing Director) (Chairman w.e.f. 09/11/2023) Apurva V. Shah (Whole Time Director) Shivang P. Patel (Whole Time Director) Kamlesh R. Shah (Chief Financial Officer) Nikhil M. Patel (Company Secretary) Hareshkumar I. Shah (Independent Director) Vinaben B. Patel (Independent Director) Rajendrakumar C. Patel (Independent Director) Himanshu N. Rawal (Independent Director) (upto 23/09/2023) Naimish B. Patel (Independent Director) (w.e.f 12/08/2023)
Close Member of Key Managerial Personnel (KMP)	Aarti P. Patel Jalpa S. Patel Narayanbhai G. Patel-HUF Prakashbhai N. Patel-HUF Sanjivkumar N. Patel-HUF Vedang S. Patel

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

b) Details of Related Party Transactions for the year ended 31st March, 2024:

Category	Name of the Related Party	Year ended 31st March, 2024 (₹ In Lakhs)	Year ended 31st March, 2023 (₹ In Lakhs)
Managerial Remuneration paid	Narayanbhai G. Patel	20.44	47.12
	Sanjivkumar N. Patel	49.51	47.06
	Shivang P. Patel	52.82	50.95
	Apurva V. Shah	36.08	35.89
Salary paid	Aarti P. Patel	9.28	8.67
	Kamlesh R. Shah	13.90	12.75
	Nikhil M. Patel	14.84	14.06
Sitting Fees (Note-1)	Hareshkumar I. Shah	0.18	0.30
	Vinaben B. Patel	0.14	0.30
	Rajendrakumar C. Patel	0.18	0.30
	Himanshu N. Rawal	0.09	0.26
	Naimish B. Patel	0.09	-

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Category	Name of the Related Party	Year ended 31st March, 2024 (₹ In Lakhs)	Year ended 31st March, 2023 (₹ In Lakhs)
Unsecured Loans Accepted (Note-2)	Narayanbhai G. Patel	17.50	75.00
	Sanjivkumar N. Patel	77.19	48.34
	Shivang P. Patel	32.65	12.00
	Aarti P. Patel	17.65	44.50
	Jalpa S. Patel	10.80	14.90
	Vedang S. Patel	20.95	23.65
	Narayanbhai G. Patel-HUF	-	-
	Sanjivbhai N. Patel- HUF	-	-
	Prakashbhai N. Patel-HUF	-	-
Unsecured Loans Repaid (Note-2)	Narayanbhai G. Patel	83.46	91.01
	Sanjivkumar N. Patel	9.75	3.90
	Shivang P. Patel	24.22	9.45
	Aarti P. Patel	16.40	15.10
	Jalpa S. Patel	-	-
	Vedang S. Patel	-	-
	Narayanbhai G. Patel-HUF	-	-
	Sanjivbhai N. Patel- HUF	0.03	0.51
	Prakashbhai N. Patel-HUF	-	-
Interest on Unsecured Loans	Narayanbhai G. Patel	3.17	25.03
	Sanjivkumar N. Patel	8.96	10.10
	Shivang P. Patel	3.26	5.64
	Aarti P. Patel	11.75	28.09
	Jalpa S. Patel	2.74	12.19
	Vedang S. Patel	27.00	24.69
	Narayanbhai G. Patel-HUF	1.22	1.21
	Sanjivbhai N. Patel- HUF	8.12	15.28
	Prakashbhai N. Patel-HUF	10.24	10.22
Allotment of Shares (including Securities Premium)	Narayanbhai G. Patel	-	257.52
	Sanjivkumar N. Patel	-	103.24
	Shivang P. Patel	-	51.74
	Aarti P. Patel	-	257.52
	Jalpa S. Patel	-	154.74
	Vedang S. Patel	-	-
	Narayanbhai G. Patel-HUF	-	-
	Sanjivbhai N. Patel- HUF	-	103.24
	Prakashbhai N. Patel-HUF	-	-
Gratuity Paid (Note-3)	Sanjivbhai N. Patel	10.00	-
	Shivang P. Patel	5.00	-
	Aarti P. Patel	5.00	-
Rent Income	Therm Flow Engineers Private Limited	0.18	0.18
	Shiv Fintrade LLP	0.18	0.18
Unsecured Loans Given	Patels Airtemp (USA) Inc.	-	-
Unsecured Loans written off (Note-4)	Patels Airtemp (USA) Inc.	5.33	-
Investment	Patels Airtemp (USA) Inc.	-	-
Investment written off (Note -5)	Patels Airtemp (USA) Inc.	7.18	-

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note:

1. Mr. Himanshu N. Rawal (DIN: 06631728) ceased to be a Director, being Independent Director of the Company w.e.f 23rd September, 2023 upon completion of his 2nd term as Independent Director.

   Mr. Naimish B. Patel (DIN : 02813295) has been appointed as an Independent Director of the Company (Non-Executive & Independent), for a first term of five years from 12th August, 2023 upto 11th August, 2028.
2. Unsecured Loans accepted from Narayanbhai G. Patel is upto his date of death i.e. 03rd October, 2023. Further, Unsecured Loans accepted from Mr. Sanjivkumar N. Patel includes ₹ 25.29 Lakhs, Mr. Shivang P. Patel includes ₹ 12.65 Lakhs, Mrs. Aarti P. Patel includes ₹ 12.65 Lakhs transferred from Mr. Narayanbhai G. Patel, as his legal heirs.
3. Gratuity of Late Shri Narayanbhai G. Patel, Chairman & Whole-time Director of the Company expired on 03rd October, 2023, transferred to Mr. Sanjivkumar N. Patel, Mrs. Aartiben P. Patel and Mr. Shivang P. Patel as legal heirs.
4. Unsecured Loan given by the Company to Patels Airtemp (USA) Inc., Wholly-owned Subsidiary has been written off due to dissolution of the said Wholly-owned Subsidiary w.e.f. 11th December, 2023.
5. Investment made by the Holding Company in Patels Airtemp (USA) Inc., Wholly-owned Subsidiary has been written off upon dissolution of the said Wholly-owned Subsidiary w.e.f. 11th December, 2023.
6. The remuneration to directors and other members of key management personal during the year are in the nature of short-term benefits.

c) Closing Balances of Related Party Transactions for the year ended 31st March, 2024:

Category	Name of the Related Party	Year ended 31st March, 2024 (₹ in Lakhs)	Year ended 31st March, 2023 (₹ in Lakhs)
Unsecured Loans (Note-1)	Narayanbhai G. Patel	-	65.97
	Sanjivkumar N. Patel	115.19	47.75
	Shivang P. Patel	25.89	17.46
	Aarti P. Patel	101.23	99.98
	Jalpa S. Patel	30.33	19.53
	Vedang S. Patel	252.97	232.02
	Narayanbhai G. Patel-HUF	11.02	11.02
	Sanjivbhai N. Patel- HUF	73.60	73.63
	Prakashbhai N. Patel-HUF	92.85	92.85
Unsecured Loans Given	Patels Airtemp (USA) Inc.	-	12.70
Investment	Patels Airtemp (USA) Inc.	-	7.18

Note:

1. Upon death of Mr. Narayanbhai G. Patel as on 03rd October, 2023, his closing balance of unsecured loan amounting to ₹ 50.59 Lakhs has been transferred to legal heirs Mr. Sanjivkumar N. Patel ₹ 25.29 Lakhs, Mr. Shivang P. Patel ₹ 12.65 Lakhs, Mrs. Aarti P. Patel ₹ 12.65 Lakhs.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

34. SEGMENT INFORMATION

Primary Segment – Business Segment

The Group's operation predominantly comprise of only one segment. In view of the same, separate segmental information is not required to be disclosed as per the requirement of Indian Accounting Standard 108 Operating Segment.

Secondary Segment – Geographical Segment

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

Sales within India include sales to customers located within India. Sales outside India include sales to customers located outside India.

Information pertaining to Secondary Segment

Gross revenue from operations as per Geographical Locations (₹ in Lakhs)

Particulars	Year ended on 31st March, 2024	Year ended on 31st March, 2023
Within India	36,072.29	27,113.45
Outside India		
- Canada	515.86	302.12
- Other	9.46	441.88
Total	**36,597.61**	**27,784.36**

35. EARNING PER SHARE

(₹ in Lakhs)

Particulars	Year ended on 31st March, 2024	Year ended on 31st March, 2023
Net Profit for the year before other Comprehensive Income	1,476.08	1,116.85
Number of Equity Shares:		
Opening Number of Shares	54,70,240	50,70,240
Issued During the year on 16th November 2022 (F.Y 2022-23)	-	4,00,000
Weighted Average Number of Shares	**54,70,240**	**52,19,281**
Basic & Diluted Earnings per Share (Price per share ₹ 10)	26.98	21.40

36. 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.

37. During the year, M/s. Patels Airtemp (USA) Inc., a Wholly Owned Subsidiary (WOS/Foreign Entity) of the Company, stands dissolved w.e.f. 11th December, 2023 as per Certificate of Dissolution issued by State of Delaware (USA). Consequent, upon the said dissolution, Patels Airtemp (USA) Inc., ceased to be a Subsidiary of the Company, and the Consolidated Financial Statements, include the Financials up to date of Dissolution.

37A. The balance confirmation from the suppliers and customers have been called for, but the same are awaited till date of audit. Thus, the balances or receivables and trade payables have been taken as per the books of accounts submitted by the Holding company and are subject to Confirmation from respective parties.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

38. CORPORATE SOCIAL RESPONSIBILITY

(₹ in Lakhs)

	Particulars	Year ended on 31st March, 2024	Year ended on 31st March, 2023
(1)	Amount required to be spent by the company	32.00	31.01
(2)	Amount of expenditure incurred on:		
(i)	Construction/acquisition of any asset	--	--
(ii)	On purposes other than (i) above	32.00	31.05
(3)	Shortfall at the end of the year	--	--
(4)	Previous year shortfall	--	--
(5)	Reason for shortfall	N.A.	N.A.
(6)	Nature of CSR activities	Education & Health*	
(7)	Details of related party transactions in relation to CSR expenditures	--	--

** a. Educational, Social Development/ Services and employment enhancing vocational skills and especially among children and women.*

b. Medical treatment & rehabilitation, eradicating hunger poverty and malnutrition, promoting rural development and preventive healthcare, setting up day care centers and promoting livelihood enhancement projects.

39. OUTSTANDING DUES OF MICRO & SMALL ENTERPRISES

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

(₹ in Lakhs)

Particulars	2023-24	2022-23
The Principal Amount	1,854.14	975.26
Interest Paid under MSMED Act, 2006	--	--
Interest due (Other than 23.3 (b))	--	--
Interest accrued and unpaid	--	--
Interest due and payable till actual payment	--	--

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

40. EMPLOYEE BENEFIT OBLIGATION

As per Indian Accounting Standard (Ind AS) 19 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan:

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

(₹ in Lakhs)

Particulars	2023-24	2022-23
Employer's Contribution to Provident Fund	77.04	76.29

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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

iv) Following are the risks associated with the plan:

Interest rate risk:

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

Salary Risk:

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

Investment Risk:

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

Asset Liability Matching Risk:

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

Mortality risk:

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

Concentration Risk:

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

v) Changes in the Present Value of Projected Benefit Obligation: (₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Opening defined benefit obligation	**253.97**	**226.05**
Current Service Cost	17.73	17.88
Past Sevice Cost	--	--
Interest Cost	19.02	16.52
Actuarial losses/(gains) due to change in Financial Assumptions	5.27	(3.25)
Actuarial losses/(gains) due to experience	(13.58)	9.44
Actuarial losses/(gains) due to demographic assumptions	0.00	0.00
Losses (gains) on curtailments	--	--
Liabilities extinguished on settlements	--	--
Benefits Paid Directly by Employer	--	--
Benefits paid from the Fund	(19.04)	(12.66)
Closing defined benefit obligation	**263.37**	**253.97**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Opening fair value of plan assets	**214.04**	**213.27**
Interest Income	16.03	15.59
Return on plan assets excluding Interest Income	(1.71)	(2.25)
Assets distributed on settlements	--	--
Contributions by employer	36.93	0.09
Benefits paid	(19.04)	(12.66)
Closing balance of fair value of plan assets	**246.25**	**214.04**

vii) Amount Recognized in Balance Sheet: (₹ in Lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
Present value of Defined Benefit Obligation at the end of the year	(39.93)	(253.97)
Fair value of Plan Assets at the end of the year	246.25	214.04
Funded Status Surplus/(Deficit)	(17.12)	(39.93)
Net (Liability)/Assets recognized in the Balance sheet	**(17.12)**	**(39.93)**

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

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Current Service Cost	17.72	17.88
Net Interest Cost	2.99	0.93
Past Service Cost	--	--
Expected Contribution by the Employees	--	--
(Gains)/Losses on curtailments and settlements	--	--
Expenses Recognized in Statement of Profit & Loss	**20.71**	**18.81**

ix) Expenses Recognized in the Other Comprehensive Income (OCI): (₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Actuarial (Gains)/Losses on Obligations for the period	(8.31)	6.18
Return on Plan Assets, excluding interest income	1.72	2.25
Net Expenses for the period Recognized in OCI	**(6.59)**	**8.43**

x) Sensitivity Analysis of Defined Benefit Obligation: (₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Projected Benefit Obligation on Current Assumptions	263.38	253.97
Delta Effect of +1% Change in Rate of Discounting	(17.79)	(16.47)
Delta Effect of -1% Change in Rate of Discounting	20.89	19.36
Delta Effect of +1% Change in Rate of Salary Increase	19.27	17.87
Delta Effect of -1% Change in Rate of Salary Increase	(16.72)	(15.49)
Delta Effect of +1% Change in Rate of Employee Turnover	0.77	1.04
Delta Effect of -1% Change in Rate of Employee Turnover	(0.94)	(1.24)

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Sensitivities have been calculated to show the movement in Defined Benefit Obligation in isolation and assuming there are no other changes in market conditions at the accounting date. In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

xi) Actuarial Assumptions:

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Expected Return on Plan Assets	7.21 %	7.49 %
Rate of Discounting	7.21 %	7.49 %
Rate of Salary Increase	7.00 %	7.00 %
Rate of Employee Turnover	2.00 %	2.00 %
Mortality Rate During Employment	Indian Assured Lives Mortality (2012 -14) (Urban)	Indian Assured Lives Mortality (2012 -14) (Urban)
Mortality Rate After Employment	N.A.	N.A.

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

41. APPROVAL OF FINANCIAL STATEMENT

The financial statements were approved for issue by the board of directors on 24th May, 2024.

42. UNDISCLOSED TRANSACTIONS

As stated & confirmed by the Board of Directors, The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

43. BENAMI TRANSACTIONS

As stated & confirmed by the Board of Directors, The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

44. LOAN OR INVESTMENT TO ULTIMATE BENEFICIARIES

As stated & confirmed by the Board of Directors, the Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

45. LOAN OR INVESTMENT FROM ULTIMATE BENEFICIARIES

As stated & confirmed by the Board of Directors, the Group has not received any funds from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

46. As stated & confirmed by the Board of Directors, the Group has not been sanctioned any term loan during the year ended on 31st March 2024.

47. As stated & confirmed by the board of Directors, the Group has not revalued its Property, Plant and Equipment and intangible assets during the year under review.

48. WILLFUL DEFAULTER

As stated & confirmed by the Board of Directors, the Group has not been decelerated willful defaulter by the bank during the year under review.

49. TRANSACTIONS WITH STRUCK OFF COMPANIES

As stated & confirmed by the Board of Directors, the Group has not under taken any transactions nor has outstanding balance with the company Struck Off either under section 248 of the Act or under Section 560 of The Companies Act, 1956.

50. CRYPTO CURRENCY

As stated & confirmed by the Board of Directors, the Group has not traded or invested in Crypto Currency or Virtual Currency.

51. COMPLIANCE WITH APPROVED SCHEMES OF ARRANGEMENT

The Group has not applied for any scheme of Arrangements under sections 230 to 237 of The Companies Act, 2013.

52. The Group has assessed internal and external information upto the date of approval of the audited financial statements while reviewing the recoverability of assets, adequacy of financial resources, performance of contractual obligations, ability to service the debt and liabilities etc. Based on such assessment, the Group expects to fully recover the carrying amounts of the assets and comfortably discharge its debts and obligations. Hence, the management does not envisage any material impact on the audited financial statements of the company for the year ended on 31st March 2024.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

53. BORROWING SECURED AGAINST CURRENT ASSETS

As stated & confirmed by the board of directors of the Holding Company, below is the discrepancy in respect of Stock and Book Debt Statement filed by the Holding company with bank:

(₹ in Lakhs)

For the Quarter	Name of the Bank	Nature of the Current Assets-Inventory	Amount as per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Nature of discrepancy
June 2023	Bank of Baroda and Axis Bank Limited	Work in Progress	12,093.43	11,893.08	200.35	The holding company at the time of submitting the work in progress stock to the bank, the holding company had taken the project completion stage which was on the provisional basis and at the time of finalization of quarterly results the project completion stage was taken on actual basis.
June 2023	Bank of Baroda and Axis Bank Limited	Tools	24.17	NIL	24.17	The holding company is not required to submit the stock of tools to the bank. Hence, there is a difference.
September 2023	Bank of Baroda and Axis Bank Limited	Work in Progress	13,254.29	13,044.16	210.13	The holding company at the time of submitting the work in progress stock to the bank, the holding company had taken the project completion stage which was on the provisional basis and at the time of finalization of quarterly results the project completion stage was taken on actual basis.
September 2023	Bank of Baroda and Axis Bank Limited	Tools	24.12	NIL	24.12	The holding company is not required to submit the stock of tools to the bank. Hence, there is a difference.
December 2023	Bank of Baroda and Axis Bank Limited	Work in Progress	13,787.83	13,687.73	100.10	The holding company at the time of submitting the work in progress stock to the bank the holding company had taken the project completion stage which was on the provisional basis and at the time of finalization of quarterly results the project completion stage was taken on actual basis.
December 2023	Bank of Baroda and Axis Bank Limited	Tools	20.75	NIL	20.75	The holding company is not required to submit the stock of tools to the bank. Hence, there is a difference.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Quarter	Name of the Bank	Nature of the Current Assets-Inventory	Amount as per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Nature of discrepancy
March 2024	Bank of Baroda and Axis Bank Limited	Raw Material	2,996.32	2,960.89	35.43	At the time of final submission of stock of raw material to the bank, a few invoices from the suppliers were pending. The same were received and posted in the books of accounts at the time of finalization of books of accounts. Hence, there is a difference.
March 2024	Bank of Baroda and Axis Bank Limited	Work in Progress	13,923.03	13,640.60	282.43	The holding company at the time of submitting the work in progress stock to the bank, the holding company had taken the project completion stage which was on the provisional basis and at the time of finalization of quarterly results the project completion stage was taken on actual basis.
March 2024	Bank of Baroda and Axis Bank Limited	Tools	13.60	NIL	13.60	The holding company is not required to submit the stock of tools to the bank. Hence, there is a difference.

53A. EVENT OCCURING AFTER THE BALANCE SHEET DATE

On 24th May, 2024, the Board of Directors recommended a final dividend of ₹ 3.00/- per equity share to be paid to the shareholders for the financial year 2023-24, which is subject to approved by the shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 164.11 lakhs.

53B. SATISFACTION OF CHARGE

As informed by the Management there are no charges which are yet to be registered or yet to be satisfied with Registrar of Companies beyond statutory period. However, while carrying out search on MCA portal, following charges are yet to be satisfied beyond the statutory period, details of which are as under:

(₹ in Lakhs)

Sr. No.	SRN	Charge ID	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount	Address
1	C40649634	10543789	Bank of Baroda	17-01-15	-	-	600.00	Navrangpura Branch, Navrangpura, Ahmedabad, Gujarat, India,380014

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Sr. No.	SRN	Charge ID	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount	Address
2	C30180350	10526540	Bank of Baroda	29-09-14	-	-	70.00	Navrangpura Branch, Nr. Income Tax Underbridge, Navjeevan Post Office Ahmedabad, Gujarat, India, 380009
3	B44437044	10367325	Bank of Baroda	18-07-12	-	-	850.00	Navrangpura Branch, Nr. Income Tax Underbridge, Navjeevan Post Office Ahmedabad, Gujarat, India, 380009
4	Y10193061	90103369	Bank of Baroda	08-12-04	-	-	170.00	Corporate Banking Branch, Ahmedabad, Gujarat, India.

54. STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST

As at 31st March, 2024

(₹ in Lakhs)

Name of the Entity	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Other Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Profit and Loss	Amount
Parent Company								
Patels Airtemp (India) Ltd.	100.00	14,272.47	99.55	1,469.45	100.00	4.93	100.00	1,474.39
Foreign Subsidiary (Wholly Owned Subsidiary)								
Patels Airtemp (USA) Inc.	-	-	0.45	6.63	-	-	-	6.63
Non Controlling Interest	-	-	-	-	-	-	-	-
Total	**100.00**	**14,272.47**	**100.00**	**1,476.08**	**100.00**	**4.93**	**100.00**	**1,481.02**
Less : Adjustment arising out of consolidation		-		-		-		-
Consolidated Net Assets / Profit after Tax		**14,272.47**		**1,476.08**		**4.93**		**1,481.02**

Note : Above figures are after eliminating intra-group transactions and intra-group balances as at 31st March, 2024.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31st March, 2023

(₹ in Lakhs)

Name of the Entity	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Other Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Profit and Loss	Amount
Parent Company								
Patels Airtemp (India) Ltd.	100.04	12,962.20	100.18	1,118.81	100.00	(6.31)	100.00	1,112.50
Foreign Subsidiary (Wholly Owned Subsidiary)								
Patels Airtemp (USA) Inc.	0.04	(6.05)	(0.18)	(1.96)	-	-	-	(1.96)
Non Controlling Interest	-	-	-	-	-	-	-	-
Total	**100.00**	**12,956.15**	**100.00**	**1,116.85**	**100.00**	**(6.31)**	**100.00**	**1,110.54**
Less : Adjustment arising out of consolidation	-	-	-	-	-	-	-	-
Consolidated Net Assets / Profit after Tax	**-**	**12,956.14**	**-**	**1,116.85**	**-**	**(6.31)**	**-**	**1,110.54**

Note : Above figures are after eliminating intra-group transactions and intra-group balances as at 31st March, 2023.

55. INCOME TAXES

a. Income taxes recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax		
In respect of the current year	773.00	397.00
(Excess)/Short provision for tax of earlier years	4.18	21.72
	777.18	**418.72**
Deferred Tax (Credit) /Charged	(232.52)	(1.73)
Total income tax expense recognised in respect of continuing operations	**544.66**	**416.99**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

b. Tax Reconciliation

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit before taxes	**2,020.75**	**1,533.84**
Enacted tax rate in India*	25.168%	25.168%
Expected income tax (benefit)/expense at statutory tax rate	508.58	386.04
Effect of:		
Diffrence in Depreciation for the year as per books and as per Income tax	11.16	(12.99)
Timing diffrence of amounts deductible on actual payment (Net)	(53.12)	(121.57)
Tax effect on non -deductible expenses	73.85	143.79
Others	-	-
Adjustments for current tax of prior years	4.18	21.72
Income taxes recognised in the Statement of Profit and Loss	**544.66**	**416.99**

c. Income Tax Recognised in Other Comprehensive Income:

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(1.66)	2.12
Total income tax asset/(liability) recognised in other comprehensive income	**(1.66)**	**2.12**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	(1.66)	2.12
Income Tax Asset/(Liability) recognised in other comprehensive income	**(1.66)**	**2.12**

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation and amortisation	(3.57)	4.02
Disallowances of employee benefits u/s. 43B of the Income Tax	(228.95)	(5.75)
Reduction of liability on account of changes in effective tax rate (Refer Note No. 38)	-	-
Total Deferred Tax Charge/(Benefit) for the year	(232.52)	(1.73)

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

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

e. Components of Deferred Tax Assets & Liabilities

(₹ in Lakhs)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
(a)	**Deferred Tax Liabilities**		
	Difference between book and tax depreciation	205.93	209.50
		205.93	**209.50**
(b)	**Deferred Tax Assets**		
	Disallowances of employee benefits u/s. 43B of the Income Tax	244.86	15.91
	Remeasurement benefit of the defined benefit plans through OCI	13.03	14.69
		257.89	**30.60**
Deferred Tax Liabilities (Net)		**(51.96)**	**178.90**

55A. CAPITAL MANAGEMENT

The Holding Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Holding Company.

The Holding Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings.

The Holding Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Holding Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances.

The table below summarises the capital, net debt and net debt to equity ratio of the Holding Company.

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Equity Share Capital	547.02	547.02
Other Equity		
Total Equity	**547.02**	**547.02**
Interest-bearing loans and borrowings	9,264.97	9,524.17
Less: Cash and Cash Equivalent	454.84	1,129.27
Less: Other Bank Balances	1,658.84	1,315.96
Net Debt	**7,151.28**	**7,078.94**
Gearing Ratio	**13.07**	**12.94**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

55B. FINANCIAL INSTRUMENTS DISCLOSURE

(i) Categories of Financial Instruments (₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	10,782.97	11,115.03
(ii) Cash and Cash Eqivalents (Incl bank deposits)	2,113.68	2,445.23
(iii) Loans	-	12.70
(iv) Investments	-	7.18
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	9,264.97	9,524.17
(ii) Trade Payables	7,378.17	7,609.34
(iii) Other Financial Liabilities	157.60	151.48

(ii) Fair Value Measurement

This note provides information about how the Group determines fair values of various financial assets.

Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required).

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(iii) Financial Risk Management Objectives

While ensuring liquidity is sufficient to meet Group's operational requirements, the Group's financial management committee also monitors and manages key financial risks relating to the operations of the Group by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk of uncertainity arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk.

i. Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Interest risk arises to the Group mainly from borrowings with variable rates. The Group measures risk through sensitivity analysis. The banks are now finance at variable rate only, which is the inherent business risk.

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's exposure to interest rate risk is as follows :

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Liability		
Term Loans	1,298.92	1,417.00
Working Capital Loan - from Banks (Including Interest Accrued thereon)	7,262.97	7,446.97
TOTAL	**8,561.89**	**8,863.97**

(₹ in Lakhs)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Impact on Profit and Loss after Tax		
Interest Rate increase by 0.50 basis point	32.04	33.17
Interest Rate decrease by 0.50 basis point	(32.04)	(33.17)

ii. Liquidity Risk

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

The following are the contractual maturities of financial liabilities, based on contractual cash flows:

(₹ in Lakhs)

Particulars	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
As at 31st March, 2024				
Borrowings				
Trade Payables	7,375.86	2.31	-	7,378.17
Other Financial Liabilities	157.60	-	-	157.60
Total	**7,533.46**	**2.31**	**-**	**7,535.77**
As at 31st March, 2023				
Borrowings	-	-	-	-
Trade Payables	7,603.38	5.96	-	7,609.34
Other Financial Liabilities	151.48	-	-	151.48
Total	**7,754.86**	**5.96**	**-**	**7,760.82**

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

iii. Credit Risk

The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

(₹ in Lakhs)

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March, 2024				
(i) Trade and Other Receivables	10,329.72	352.51	143.78	10,826.01
(ii) Cash and Cash Eqivalents (incl bank deposits)	2,113.68	-	-	2,113.68
(iii) Loans	-	-		-
(iv) Investements	-	-	-	-
Total	**12,443.40**	**352.51**	**143.78**	**12,939.69**
As at 31st March, 2023				
(i) Trade and Other Receivables	10,154.98	912.27	47.78	11,115.03
(ii) Cash and Cash Eqivalents (incl bank deposits)	2,445.23	-	-	2,445.23
(iii) Loans	12.70	-		12.70
(iv) Investements	7.18	-	-	7.18
Total	**12,620.09**	**912.27**	**47.78**	**13,580.14**

56. IND AS 115 DISCLOSURE

The Group has recognised the following amounts relating to revenue in the statement of profit or loss:

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Revenue from contracts with customers	36,597.61	27,784.36
Total Revenue	**36,597.61**	**27,784.36**

Revenue is recognized upon transfer of control of products to customers.

a. Disaggregation of revenue from contract with customers

Revenue from sale of products represents revenue generated from external customers which is attributable to the Group's country of domicile i.e. India and external customers outside India as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Revenue from India	36,072.29	27,113.45
Revenue from Outside India	525.32	670.91

NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

b. Information about major customers

Following are the customer representing more than 10% of the total revenue of the Company

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Revenue from such customers		
Customer attributing highest revenue	9,298.56	5,645.19
Customer attributing second highest revenue	6,659.65	4,809.23
Customer attributing third highest revenue	5,901.87	3,292.47
Customer attributing fourth highest revenue	3,643.47	2,069.68

c. Contract Assets and Liabilities

The Group has recognised the following revenue-related contract assets and liabilities :

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contract Assets	10,782.97	11,115.03
Total Contract Assets	10,782.97	11,115.03
Contract Liabilities	5,666.45	5,507.97
Total Contract Liabilities	5,666.45	5,507.97

d. Performance obligations

The performance obligation is satisfied upon delivery of the finished goods and payment is generally due within 1 to 3 months from delivery. The performance obligation to deliver the finished goods is started after receiving of sales order. The customer can pay the transaction price upon delivery of the finished goods within the credit period, as mentioned in the contract with respective customer.

As per our report of even date attached.

For, **PARIKH & MAJMUDAR**
Chartered Accountants
Firm's Registration No. 107525W
UDIN: 24107628BJZWRP6770

CA Satwik A. Durkal
Partner
Membership No.107628
PLACE: AHMEDABAD
DATE: 24th May, 2024

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

Sanjivkumar N. Patel
Chairman & Managing Director
DIN : 02794095

Shivang P. Patel
Whole Time Director
DIN : 08136652

Kamlesh R. Shah
Chief Financial Officer
PLACE: AHMEDABAD
DATE: 24th May, 2024

Nikhil M. Patel
Company Secretary

PATELS AIRTEMP (INDIA) LIMITED
CIN: L29190GJ1992PLC017801
Factory (Work): Plot No. 805, 806, 807, 810, Rakanpur – 382722,
Via: Sola-Bhadaj Village, Ta; Kalol, Dist: Gandhinagar, Gujarat, India
Ph. No.: +91-2764286634/35, Fax No. : +91-2764286301
Email : share@patelsairtemp.com, Website: www.patelairtemp.com

E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

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

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow Shareholders to contribute towards a greener environment. This is a golden opportunity for every Shareholder of Patels Airtemp (India) Limited to contribute to the cause of Green Initiative.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below toreceive communication from the Company in electronic mode.

Please note that as a Member of the Company, you will be entitled to receive all such communication in physical form, upon request.

Best Regards,

Nikhil M. Patel
Company Secretary

Folio No. / DP ID and Client ID : _____

Name of the 1st Registered Holder : _____

Name of Joint Holder[s] : _____

Registered Address : _____

_____

E-mail ID (to be registered) : _____

I / We Shareholder(s) of Patels Airtemp (India) Limited agree to receive communication from the Company in electronic mode. Please register my/our above e-mail ID in your records for sending communication in electronic form.

Date :

Signature :

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

NECS MANDATE FORM

Please Fill Up This Form And Arrange To Send It To :

The following address if shares are held in Physical Form OR to your DP if shares are held in Demat Form

To,
M/S. Bigshare Services Pvt. Ltd.
Unit: **Patels Airtemp (India) Limited**
A-802, Samudra Complex, off. C. G. Road
Navrangpura, Near Girish Cold Drinks,
Ahmedabad – 380009

Dear Sir,

Sub: Payment of Dividend through NECS

I/we hereby give my/our mandate to credit my/our Dividend on the shares held by me/us under the Folio mentioned directly to my/our Bank Account through the Electronic Clearing System (ECS)/ to prepare my/our dividend warrant with details of my/our Bank Account No. and Name of the Bank & Branch.

The Details of the Bank Account are given below.

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

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

RAKANPUR UNIT

(Corporate Office & Manufacturing Unit)

DUDHAI UNIT

PAT
SERVING THE INDUSTRY SINCE -1973

If undelivered, Please return to :

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