

PATELS AIRTEMP (USA) INC
FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANTS' AUDIT REPORT
FOR PERIOD ENDED JANUARY TO NOVEMBER 30, 2023.



PATELS AIRTEMP (USA) INC.

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountant's Audit report-----	1-2
Comparative Financial Statements	
Balance Sheets-----	3
Statement of Income-----	4
Statement of Retained Earnings-----	5
Statement of Cash Flow-----	6
Notes to Financial Statements-----	7-8.





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INDEPENDENT ACCOUNTANTS' AUDIT REPORT

TO
THE BOARD OF DIRECTORS
PATELS AIRTEMP (USA) INC.
2140 S DUPONT HWY
CAMDEN, DE 19934

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Patels Airtemp (USA) Inc. (A Delaware Corporation) which comprises the balance sheet as of November 30, 2023 and the related statements of income, statement of retained earnings and cash flows for the period then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Patels Airtemp (USA) Inc as of November 30, 2023, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Patels Airtemp (USA) Inc and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Patels Airtemp (USA) Inc ability to continue as a going concern for one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable).

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

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. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Patels Airtemp (USA) Inc internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Patels Airtemp (USA) Inc ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ashwin Pandya
Ashwin Pandya, CPA

Metuchen, NJ

December 13, 2023



PATELS AIRTEMP (USA) INC
BALANCE SHEET AS OF NOVEMBER 30, 2023

		11/30/2023
Assets		
Current assets		
Cash In Bank		9,086
Total Current Assets	\$	9,086
Fixed Assets		
Total Fixed Assets	\$	-
Other Assets		
Total Other Assets	\$	-
Total Assets	\$	9,086
Liabilities and Stockholders' Equity		
Current Liabilities		
Loan From Parent Company		15,000
Other Loan Payable		550
Total Current Liabilities	\$	15,550
Long Term Liabilities		
Total Long Term Liabilities	\$	-
Stockholders' Equity		
Common Stock		10,000
Retained Earnings		(16,464)
Total Stockholders' Equity	\$	-6,464
Total Liabilities and Stockholders' Equity	\$	9,086

(Handwritten signature)

See Accompanying Notes and Independent Audit Report



PATELS AIRTEMP (USA) INC
INCOME STATEMENT FOR THE PERIOD ENDED JANUARY TO NOVEMBER 30, 2023

	\$
	01/01/23- 11/30/2023
Revenue	
Sales	-
Less: Cost of Goods Sold	-
GROSS PROFIT	\$ -
LESS OPERATING EXPENSES:	
Accounting & Professional Fees	5,880
Dissolution Fees	1,434
License & Fees	450
Office Expense	176
Total Operating Expenses	7,940
Net Operating Income	(7,940)
Net Income	(7,940)

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See Accompanying Notes and Independent Audit Report



PATELS AIRTEMP (USA) INC
STATEMENT OF RETAINED EARNINGS FOR THE PERIOD ENDED NOVEMBER 30, 2023

	\$
	<u>01/01/23-</u> <u>11/30/23</u>
Retained Earnings - Beginning of the Year	(8,524)
Current Period Net Income/(Loss)	(7,940)
Retained Earnings - For the Period Ended November 2023	\$ <u><u>(16,464)</u></u>

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See Accompanying Notes and Independent Audit Report



PATELS AIRTEMP (USA) INC
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED NOVEMBER 30, 2023

	\$
	01/01/23-
	11/30/23
CASH FLOW FROM OPERATING ACTIVITIES	
Net Income	(7,940)
Adjustment to reconcile Net Income to net cash provided by Operating Activities	
Depreciation	-
Changes in Assets & Liabilities :	
(Increase) / Decrease in assets	
Accounts Receivable	-
Inventories	-
Prepaid Expenses & Advances	-
Increase(Decrease) in Liabilities	
Accounts Payable	-
Due From Affiliates	-
Accrued Expenses & Other Current Liab	(2,250)
Net Cash provided by Operating Activities	(10,190)
CASH FLOW FROM INVESTING ACTIVITIES	
Furniture & Fixtures	-
Net Cash used by Investing Activities	-
CASH FLOW FROM FINANCING ACTIVITIES	
Net cash provided by Financing Activities	-
Net Cash and cash Equivalent for the Period	(10,190)
Cash and Equivalent at the beginning of the Period	19,276
Cash and Equivalents at the end of the Period	9,086

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See Accompanying Notes and Independent Audit Report



PATELS AIRTEMP (USA) INC

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Significant accounting policies:

Business Description:

Patels Airtemp (USA) Inc (the Company) was incorporated under Delaware Business Corporation Act on February 11, 2019, in the state of Delaware. The company is a wholly owned subsidiary of an Indian company named Patels Airtemp (India) Ltd. The parent 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 equipment's 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. Patels Airtemp (USA) Inc, wholly owned subsidiary, is primarily engaged in the marketing and distribution of Patels Airtemp products in the USA.

Basis of preparation of financial statements:

The accompanying financial statements are prepared in accordance with generally accepted accounting principles in United States (US GAAP) under the historical cost convention on an accrual basis. The company adopts the mercantile system of accounting except in cases of significant uncertainties. All amounts are stated in U.S Dollars.

Use of estimates:

The preparation of financial statements in conformity with GAAP requires management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of the contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Examples of such estimates include provisions for doubtful debts, income taxes, useful lives of the fixed assets, etc. The actual results could be different from these estimates.

Revenue Recognition:

The Company derives revenue from contracts with customers and is recognized when there is enough evidence of an arrangement, delivery has occurred, the price is fixed, and determinable and collectively is reasonably assured on relative fair values. Revenue from sale of goods is recognized when goods are shipped, and title passed to the customer, number of Sales is stated at net of returns. Import of goods is recognized as purchase when goods are shipped from the port upon getting endorsement on Bill of Lading to the company.

Cash & cash equivalents:

The company considers all highly liquid investments with a remaining maturity at the date of purchase/investment of 3 months or less to be cash equivalents. Cash and Cash equivalents consist of cash, cash on deposit with banks, and deposits with corporations.



PATELS AIRTEMP (USA) INC

NOTES TO THE FINANCIAL STATEMENTS

Income taxes:

Patels Airtemp (USA) Inc (the company) provides for income taxes based on pre-tax earnings reported financial statements. Income taxes are computed using the tax accounting method, where taxes are accrued in the same period as the related income and expenses arise. Certain items such as depreciation are recognized for tax purposes in the year other than the years they are reported in the financial statements. Corporate taxes have been provided using current tax rates for federal and state considering taxability of such difference and offsetting prior period excess provision there is no provision for deferred taxes required.

Note 2: Related Party transaction:

The company has transactions with related parties and details of the transactions are as follows:

Sr	Name	Nature of Relation	Transaction type	Amount \$
1	Patels Airtemp (India) Ltd	Holding Company	Loans Payable Other Loan Payable Common Stock	15,000 550 10,000

Note 3: Subsequent Events:

Management has evaluated subsequent events through December 13, 2023, which is the date financial statements were issued and confirm that no events have occurred that would require adjustment or disclosure in the financial statements.

Note 4 - Dissolution of Company

Management has decided to dissolve the company in the USA as per period ending November 30, 2023, and remaining equity which will be the value of the share in USA will be transferred back to the Holding company in India.

