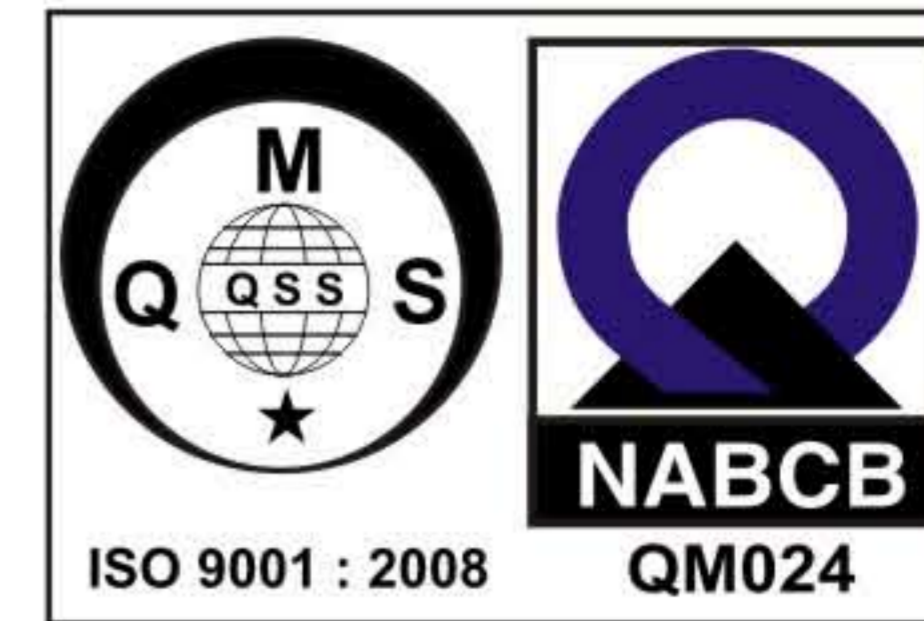


18th Annual Report 2009-2010

ASME "U"
NATIONAL BOARD "NB" / "R"
STAMP AUTHORIZATION



ISO 9001 : 2008 COMPANY
MEMBER OF
HTRI-USA
(Heat Transfer Research, INC.)



MFG. BY : PATELS AIRTEMP (INDIA) LTD.,
AHMEDABAD
ITEM NAME : SULPHUR CONDENSER
(SHELL & TUBE HEAT EXCHANGER)
EMPTY WEIGHT : 55,000 KGS APPROX.
EPMC CONTRACTOR : TOYO ENGINEERING INDIA LTD.
LSTK CONTRACTOR : KAZSTROY SERVICE
INFRASTRUCTURE INDIA PVT. LTD.
OWNER : HPCL - MITTAL ENGERY LIMITED
PROJECT : GURU GOBIND SINGH REFINERY
- BATHINDA
PMC : ENGINEERS INDIA LIMITED

**SULPHUR CONDENSER
(SHELL & TUBE HEAT EXCHANGER)**



PATELS AIRTEMP (INDIA) LIMITED



PATELS AIRTEMP (INDIA) LIMITED

**PATELS AIRTEMP (INDIA) LIMITED
EIGHTEENTH ANNUAL REPORT 2009-2010**

BOARD OF DIRECTORS : Shri Narayanbhai G. Patel : Chairman & Managing Director
Shri Devidas C. Narumalani : Whole Time Director
Shri Narendra G. Patel : Whole Time Director
Shri Prakash N. Patel : Whole Time Director
Shri Sanjivkumar N. Patel : Whole Time Director
Shri Hareshkumar I. Shah : Director
Shri Natwarlal J. Patel : Director
Shri Naimeshbhai B. Patel : Director
Shri Girishbhai N. Desai : Director
Shri Vinodkumar C. Desai : Director

STATUTORY AUDITORS : Parikh & Majmudar
Chartered Accountants,
Ahmedabad.

BANKERS : Bank of Baroda
Navrangpura Branch
Ahmedabad.

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

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

WORKS : Plot - 805, 806, 807, 810
Rakanpur, Tal.: Kalol,
Dist.: Gandhinagar (Gujarat)

REGISTRARS & SHARE TRANSFER AGENTS M/s. Bigshare Service Pvt. Ltd.
E-2, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (E), Mumbai-400 072
Tel. : (022) 28470652
Fax : (022) 28475207



PATELS AIRTEMP (INDIA) LIMITED

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of **PATELS AIRTEMP (INDIA) LIMITED** will be held on Saturday the 28th August, 2010 at 10.00 a.m. at the Registered Office of the Company at 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad - 380 009 to transact the following businesses :

ORDINARY BUSINESS

1. To Approve and adopt the Audited Balance Sheet as on 31st March, 2010 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend @ Rs.2/- per Equity Shares.
3. To appoint a director in place of Shri Narendrabhai G. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri Devidas C. Narumalani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Shri Prakashbhai N. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
6. To re-appoint M/s Parikh & Majumdar having Registration No.107525W as Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if, thought fit, to pass with or without modifications, the following resolution :
As an Ordinary Resolution:
"RESOLVED THAT Shri Vinodkumar Desai be and is hereby appointed as a Director of the company pursuant to section 257(1) of the Companies Act, 1956, subject to retirement of directors by rotation".
8. To consider and if, thought fit, to pass with or without modifications, the following resolution :
As an Ordinary Resolution:
"RESOLVED THAT Shri Naimishbhai Patel be and is hereby appointed as a Director of the company pursuant to section 257(1) of the Companies Act, 1956, subject to retirement of directors by rotation".
9. To consider and if, thought fit, to pass with or without modifications, the following resolution :
As an Ordinary Resolution:
"RESOLVED THAT Shri Girishbhai Desai be and is hereby appointed as a Director of the company pursuant to section 257(1) of the Companies Act, 1956, subject to retirement of directors by rotation".
10. To consider and if, thought fit, to pass with or without modifications, the following resolution :
As an Ordinary Resolution:
"RESOLVED THAT Shri Sanjivkumar N. Patel be and is hereby appointed as a Director of the company pursuant to section 257(1) of the Companies Act, 1956, subject to retirement of directors by rotation".
11. To consider and if, thought fit, to pass with or without modifications, the following resolutions :
As an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, 314, and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended

(including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval Central Government, the consent of the members in General Meeting be and is hereby accorded to the appointment of Shri Sanjivkumar N. Patel as Whole Time Director of the Company for a period of five years from 01.10.2009 to 30.09.2014 at such other terms and conditions including remuneration as set out in the explanatory statement."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter or vary or modify the terms and conditions of the said appointment including remuneration subject to approval of the members at General Meeting, so long as it does not exceed the limits specified in under part-II of Schedule XIII of the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Shri Sanjivkumar N. Patel and also to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri Sanjivkumar N. Patel as Whole Time Director of the company, the remuneration payable to him shall be in accordance with the limits prescribed under Schedule-XIII of the Companies Act, 1956 and which may be considered as minimum remuneration.

"RESOLVED FURTHER THAT Shri Narayanbhai G. Patel, Managing Director of the Company be and is hereby authorized to file the necessary forms in this regard with the Registrar of Companies, Gujarat, and to do all the acts, things, deed which may be necessary in this regard."

"FURTHER RESOLVED THAT the Board of directors be and are hereby authorized to take all such steps as may be necessary, desirable or expedient to give effect to this resolution."

12. To consider and if, thought fit, to pass with or without modifications, the following resolutions

As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 269, 198, 309,310,311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule-XIII to the said Act, Consent of the Company be and is hereby accorded to the re-appointment of Shri Prakashbhai N. Patel as the Whole-time director of the Company for the period of three years with effect from 2nd June, 2010.

"RESOLVED FURTHER THAT the Board of Directors of Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter or vary the terms and conditions of the said appointment including remuneration as may be agreed to between the Board and Shri Prakashbhai N. Patel, provided however that the remuneration payable to Shri Prakashbhai N Patel, shall not exceed the maximum limits as specified in Schedule XIII to the Companies Act,1956.

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri Prakashbhai N. Patel as Whole Time Director of the company, the remuneration payable to him shall be in accordance with the limits prescribed under Schedule-XIII of the Companies Act, 1956 and which may be considered as minimum remuneration.

"RESOLVED FURTHER THAT Shri Narayanbhai G. Patel, Managing Director the Company be and are hereby authorized to file the necessary forms in this regard with the Registrar of Companies, Gujarat, and to do all the acts, things, deed which may be necessary in this regard."

"FURTHER RESOLVED THAT the Board of directors be and are hereby authorized to take all such steps as may be necessary, desirable or expedient to give effect to this resolution."



13. To consider and if, thought fit, to pass with or without modifications, the following resolution.

As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 269, 198, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule-XIII to the said Act, Consent of the Company be and is hereby accorded to the re-appointment of Shri Narendrabhai G. Patel as the Whole-time director of the Company for the period of three years with effect from 2nd August, 2010.

"RESOLVED FURTHER THAT the Board of Directors of Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter or vary the terms and conditions of the said appointment including remuneration as may be agreed to between the Board and Shri Narendrabhai G. Patel, provided however that the remuneration payable to Shri Narendrabhai G. Patel, shall not exceed the maximum limits as specified in Schedule XIII to the Companies Act, 1956.

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri Narendrabhai G. Patel as Whole Time Director of the company, the remuneration payable to him shall be in accordance with the limits prescribed under Schedule-XIII of the Companies Act, 1956 and which may be considered as minimum remuneration.

"RESOLVED FURTHER THAT Shri Narayanbhai G. Patel, Managing Director the Company be and are hereby authorized to file the necessary forms in this regard with the Registrar of Companies, Gujarat, and to do all the acts, things, deed which may be necessary in this regard."

"FURTHER RESOLVED THAT the Board of directors be and are hereby authorized to take all such steps as may be necessary, desirable or expedient to give effect to this resolution."

14. To consider and if, thought fit, to pass with or without modifications, the following resolution.

As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 269, 198, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule-XIII to the said Act, Consent of the Company be and is hereby accorded to the increase in remuneration from Rs.1,25,000/- p.m. to Rs.1,80,000 p.m. of Shri Narayanabhai G. Patel, Managing Director of the Company with effect from 01/04/2010 up to the remaining period of his office and other perquisites and such other terms and conditions as set out in the explanatory statement annexed, a copy whereof is placed before this meeting and for purpose of identification, initialed by the Chairman.

"RESOLVED FURTHER THAT the Board of Directors of Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter or vary the terms and conditions of the said appointment including remuneration as may be agreed to between the Board and Shri Narayanabhai G. Patel provided however that the remuneration payable to Shri Narayanabhai G. Patel shall not exceed the maximum limits as specified in Schedule XIII to the Companies Act, 1956.

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri Narayanabhai G. Patel as Whole Time Director of the company, the remuneration payable to him shall be in accordance with the limits prescribed under Schedule-XIII of the Companies Act, 1956 and which may be considered as minimum remuneration.

"RESOLVED FURTHER THAT Shri Narayanbhai G. Patel, Managing Director the Company be and are hereby authorized to file the necessary forms in this regard with the Registrar of Companies, Gujarat, and to do all the acts, things, deed which may be necessary in this regard."

"FURTHER RESOLVED THAT the Board of directors be and are hereby authorized to take all such steps as may be necessary, desirable or expedient to give effect to this resolution."

15. To consider and if, thought fit, to pass with or without modifications, the following resolution.

As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 269, 198, 309,310,311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule-XIII to the said Act, Consent of the Company be and is hereby accorded to the increase in remuneration from Rs.1,25,000/- p.m. to Rs.1,80,000 p.m. of Shri Devidas C. Narumalani with effect from 01/04/2010 up to the remaining period of his office and other perquisites and such other terms and conditions as set out in the explanatory statement annexed, a copy whereof is placed before this meeting and for purpose of identification, initialed by the Chairman.

"RESOLVED FURTHER THAT the Board of Directors of Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter or vary the terms and conditions of the said appointment including remuneration as may be agreed to between the Board and Shri Devidas C. Narumalani provided however that the remuneration payable to Shri Devidas C. Narumalani shall not exceed the maximum limits as specified in Schedule XIII to the Companies Act, 1956.

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri Devidas C. Narumalani as Whole Time Director of the company, the remuneration payable to him shall be in accordance with the limits prescribed under Schedule-XIII of the Companies Act, 1956 and which may be considered as minimum remuneration.

"RESOLVED FURTHER THAT Shri Narayanbhai G. Patel, Managing Director the Company be and are hereby authorized to file the necessary forms in this regard with the Registrar of Companies, Gujarat, and to do all the acts, things, deed which may be necessary in this regard."

"FURTHER RESOLVED THAT the Board of directors be and are hereby authorized to take all such steps as may be necessary, desirable or expedient to give effect to this resolution."

16. To consider and if, thought fit, to pass with or without modifications, the following resolution.

As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 269, 198, 309,310,311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule-XIII to the said Act and in partial modification of the resolution passed by the board of directors of the Company at their meeting held on 30th September, 2009, the remuneration of Shri Sanjivkumar N. Patel be and is hereby increased from Rs.1,25,000/- p.m. to Rs.1,80,000/- p.m. w.e.f. 01.04.2010 up to the remaining period of his office subject to approval of his appointment by the Central Government and other perquisites and such terms and conditions as set out in the explanatory statement hereto annexed, a copy whereof is placed before this meeting and for purpose of identification, initialed by the Chairman.

"RESOLVED FURTHER THAT the Board of Directors of Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter or vary the terms and conditions of the said appointment including remuneration as may be agreed to between the Board and Shri Sanjivkumar N. Patel provided however that the remuneration payable to Shri Sanjivkumar N. Patel shall not exceed the maximum limits as specified in Schedule XIII to the Companies Act, 1956.

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri Sanjivkumar N. Patel as Whole Time Director of the company, the remuneration payable to him shall be in accordance with the limits prescribed under Schedule-XIII of the Companies Act, 1956 and which may be considered as minimum remuneration.

"RESOLVED FURTHER THAT Shri Narayanbhai G. Patel, Managing Director the Company be and are hereby authorized to file the necessary forms in this regard with the Registrar of Companies, Gujarat, and to do all the acts, things, deed which may be necessary in this regard."



PATELS AIRTEMP (INDIA) LIMITED

"FURTHER RESOLVED THAT the Board of directors be and are hereby authorized to take all such steps as may be necessary, desirable or expedient to give effect to this resolution."

17. To consider and if, thought fit, to pass with or without modifications, the following resolution.

As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 269, 198, 309,310,311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule-XIII to the said Act, Consent of the Company be and is hereby accorded to the increase in remuneration from Rs.1,25,000/- p.m. to Rs.1,80,000 p.m. of Shri Prakashbhai N. Patel with effect from 01/04/2010 up to the remaining period of his office and other perquisites and such other terms and conditions as set out in the explanatory statement annexed, a copy whereof is placed before this meeting and for purpose of identification, initialed by the Chairman.

"RESOLVED FURTHER THAT the Board of Directors of Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter or vary the terms and conditions of the said appointment including remuneration as may be agreed to between the Board and Shri Prakashbhai N. Patel provided however that the remuneration payable to Shri Prakashbhai N. Patel shall not exceed the maximum limits as specified in Schedule XIII to the Companies Act,1956.

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri Prakashbhai N. Patel as Whole Time Director of the company, the remuneration payable to him shall be in accordance with the limits prescribed under Schedule-XIII of the Companies Act, 1956 and which may be considered as minimum remuneration.

"RESOLVED FURTHER THAT Shri Narayanbhai G. Patel, Managing Director the Company be and are hereby authorized to file the necessary forms in this regard with the Registrar of Companies, Gujarat, and to do all the acts, things, deed which may be necessary in this regard."

"FURTHER RESOLVED THAT the Board of directors be and are hereby authorized to take all such steps as may be necessary, desirable or expedient to give effect to this resolution."

18. To consider and if, thought fit, to pass with or without modifications, the following resolution.

As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 269, 198, 309,310,311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule-XIII to the said Act, Consent of the Company be and is hereby accorded to the increase in remuneration from Rs.1,25,000/- p.m. to Rs.1,80,000 p.m. of Shri Narendrabhai G. Patel with effect from 01/04/2010 up to the remaining period of his office and other perquisites and such other terms and conditions as set out in the explanatory statement annexed, a copy whereof is placed before this meeting and for purpose of identification, initialed by the Chairman.

"RESOLVED FURTHER THAT the Board of Directors of Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter or vary the terms and conditions of the said appointment including remuneration as may be agreed to between the Board and Shri Narendrabhai G. Patel provided however that the remuneration payable to Shri Narendrabhai G. Patel shall not exceed the maximum limits as specified in Schedule XIII to the Companies Act,1956.

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri Narendrabhai G. Patel as Whole Time Director of the company, the remuneration payable to him shall be in accordance with the limits prescribed under Schedule-XIII of the Companies Act, 1956 and which may be considered as minimum remuneration.



"RESOLVED FURTHER THAT Shri Narayanbhai G. Patel, Managing Director the Company be and are hereby authorized to file the necessary forms in this regard with the Registrar of Companies, Gujarat, and to do all the acts, things, deed which may be necessary in this regard."

"FURTHER RESOLVED THAT the Board of directors be and are hereby authorized to take all such steps as may be necessary, desirable or expedient to give effect to this resolution."

For PATELS AIRTEMP (INDIA) LTD.

Place : Rakanpur
Date : 22nd May, 2010

NARAYANBHAI G. PATEL
Chairman & Managing Director

NOTES :-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENTS APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business item set out in the notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 23rd August, 2010 to 28th August, 2010 (Both days inclusive).
4. Members are requested to :
 - (i) Notify promptly the change in their registered address, if any, to the Registrar and Share Transfer Agent M/S. Bigshare Services Pvt. Ltd. quoting folio numbers, if the shares are held in physical form and to their Depository Participants, if the shares are held in demat form.
 - (ii) Bring their copies of the Annual Reports and the attendance slips duly filled in with them for attending the meeting. Demat holders are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
 - (iii) Approach the Registrar & Share Transfer Agent for consolidation of folios, if physical shareholdings are under multiple folios.
 - (iv) Address their questions/queries in writing to the Company, desirous of obtaining any information concerning the accounts and operation of the company, so as to reach at least seven days before the date of the meeting.
5. Those shareholders who have not encased the dividend warrants for the financial year 2006-07, Final Dividend for the year 2007-08, and dividend for the financial year 2008-09 are advised to submit their claim to the Registrar / Company immediately quoting their folio numbers. The Unpaid / Unclaimed Dividend for the year 2006-07, 2007-08 & 2008-09 will become due for transfer to Investor Education & Protection Fund Account in October / November, 2014, October/ November, 2015 & October/November, 2016. Once the unclaimed dividend is transferred to the fund, no claim shall lie against the fund or the Company in respect of the individual amounts which were unclaimed or unpaid.
6. All documents referred to in the accompanying notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Sunday between 11.00 a.m. to 4.00 p.m. up to the date of Annual General Meeting.



7. The Company's Shares have been activated for dematerialization both with National Securities Depository Ltd. and Central Depository Services (India) Ltd. Those shareholders who wish to hold shares in electronic form may approach their Depository Participants. The existing ISIN No. of the Equity Shares of the company is INE082C01024.
8. Company has appointed M/S. Bigshare Services Pvt. Ltd., Regd. Office: E-2 Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai-400 072. Tel: 022-28470652 Fax No: 022-28475207.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. : 7 Ordinary Resolution:

The Board of directors of the Company at their meeting held on 30th October, 2009 appointed Shri Vinodkumar Desai as additional director of the Company for whose appointment notice has been received from a member of the Company under Section 257 to appoint him as regular director. So the proposed appointment is for your consideration and approval.

None of the directors of the Company except Shri Vinodkumar Desai are interested in the proposed resolution.

Item No. : 8 Ordinary Resolution:

The Board of directors of the Company at their meeting held on 30th October, 2009 appointed Shri Naimishbhai Patel as additional director of the Company for whose appointment notice has been received from a member of the Company under Section 257 to appoint him as regular director. So the proposed appointment is for your consideration and approval.

None of the directors of the Company except Shri Naimishbhai Patel are interested in the proposed resolution.

Item No. : 9 Ordinary Resolution :

The Board of directors of the Company at their meeting held on 30th October, 2009 appointed Shri Girishbhai Desai as additional director of the Company for whose appointment notice has been received from a member of the Company under Section 257 to appoint him as regular director. So the proposed appointment is for your consideration and approval.

None of the directors of the Company except Shri Girishbhai Desai are interested in the proposed resolution.

Item No. : 10 Ordinary Resolution :

The Board of directors of the Company at their meeting held on 30th October, 2009 appointed Shri Sanjivkumar N. Patel as additional director of the Company for whose appointment notice has been received from a member of the Company under Section 257 to appoint him as regular director. So the proposed appointment is for your consideration and approval.

None of the directors of the Company except Shri Sanjivkumar N. Patel are interested in the proposed resolution.

Item No. :11 Ordinary Resolution :

The Board of directors of the Company at their meeting held on 30th October, 2009 had appointed Shri Sanjivkumar N. Patel, the Whole-time director of the Company for a period of five years w.e.f. 01.10.2009 to 30.09.2014. However according to Schedule-XIII and other applicable provisions of the Companies act, 1956 such approval is subject to approval of the members of the Company and is subject to approval of Central Government. For which application is already made to the Central Government and decision of Central Government is still pending.

Your directors therefore, recommend the resolution for approval of the members.

None of the Directors except Shri Sanjivkumar Patel himself may be considered as interested in the passing of this resolution.

Item No.: 12 Ordinary Resolution :

The Board of directors of the Company at their meeting held on 22nd May, 2010 re-appointed Shri Prakashbhai N. Patel as the Whole-time director of the Company for 3 years commencing w.e.f. 2nd June, 2010. However according to Shedule-XIII and other applicable provisions of the Companies' Act, 1956 the said re-appointment required to be confirmed by the members of the Company by way of ordinary resolution.:

Your directors therefore, recommend the resolution for approval of the members.

None of the Directors except Shri Prakashbhai N. Patel himself may be considered as interested in the passing of this resolution.

Item No.: 13 Ordinary Resolution :

The Board of directors of the Company at their meeting held on 22nd May, 2010 re-appointed Shri Narendrabhai G. Patel as the Whole-time director of the Company for 3 years commencing w.e.f. 2nd June, 2010. However according to Shedule-XIII and other applicable provisions of the Companies' Act, 1956 the said re-appointment required to be confirmed by the members of the Company by way of ordinary resolution:

Your directors therefore, recommend the resolution for approval of the members.

None of the Directors except Shri Narendrabhai G. Patel himself may be considered as interested in the passing of this resolution.

Item No.: 14 Ordinary Resolution :

The Board of Directors of the Company at their meeting held on 22nd May, 2010 had decided to increase the remuneration of Shri Narayanabhai G. Patel from Rs.1,25,000/- p.m. to Rs.1,80,000/- p.m. w.e.f. 01/04/2010 up to the remaining term of his office and on such other terms and conditions as follows:

A. REMUNRATION

- (1) Salary: Rs.1, 80,000/- per month w.e.f. 01/04/2010 up to the remaining period of his office including Dearness and other allowances.
- (2) Perquisites: Perquisites are allowed 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 XIII to the Companies Act,1956.
 - (i) Housing - Rent free furnished residential accommodation or House Rent Allowance as may be decided by the Board or Committee.
 - (ii) Reimbursement of expenses on gas, electricity, water and furnishings.
 - (iii) Reimbursement of medical expenses incurred for self and members of his family as per the rules of the company.
 - (iv) Leave travel concession for self and members if his family as per rules of the company.
 - (v) Fees of clubs subject to maximum of two clubs.
 - (vi) Personal Accident Insurance premium as per the rules of the Company.
 - (vii) 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.
 - (viii) Company's contribution to Provident Fund, Superannuation fund or annuity fund, gratuity and encashment of leave, as per the rules of Company.



PATELS AIRTEMP (INDIA) LIMITED

- (ix) Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
- B. The Board shall have the authority to alter or vary the terms of re-appointment and remuneration including perquisites and benefits payable to the aforesaid Managerial Personal within the overall limits under Section 198, 309 and Schedule XIII of the Companies Act, 1956.
- C. In the absence or inadequacy of profits in any financial year, the salary mentioned in paragraph (A) & perquisite (B) above shall be minimum remuneration payable to the appointee subject to the provisions of Part-II, Section -II of Schedule-XIII of the Companies Act, 1956.
- D. The appointee shall not so long as function as such, become interested or otherwise connected directly or through his wife and / or minor children in any selling agency of the Company without the prior approval of the Central Government.
- E. The appointee shall subject to supervision, direction and control of the Board of Directors of the Company be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him.
- F. The appointment may be terminated by either party giving to the other party three months remuneration in lieu thereof.

As per the provisions of Sections 198, 269, 309, 310 read with Schedule-XIII, Part-III and all other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company by Ordinary Resolution is necessary for appointment of Whole Time Director of the Company on remuneration.

Your directors therefore, recommend the resolution for approval of the members.

The above may be treated as an abstract as required under Section 302 of the Companies Act, 1956.

Resolutions of the Board Meeting and Remuneration Committee Meeting stating the terms and conditions of appointment and remuneration of the above appointee shall be available for inspection at the Registered Office of the Company on all working days except Sunday between 11.00 a.m. to 3.00 p.m. up to the date of the meeting.

None of the Directors except Shri Narayanabhai G. Patel himself may be considered as interested in the passing of this resolution.

Item No.: 15 Ordinary Resolution :

The Board of Directors of the Company at their meeting held on 22nd May, 2010 had decided to increase the remuneration of Shri Devidas C. Narumalani from Rs.1,25,000/- p.m. to Rs.1,80,000/- p.m. w.e.f. 01/04/2010 up to the remaining term of his office and on such other terms and conditions as follows:

A. REMUNERATION

- (1) Salary: Rs.1, 80,000/- per month w.e.f. 01/04/2010 up to the remaining period of his office including Dearness and other allowances.
- (2) Perquisites: Perquisites are allowed 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 XIII to the Companies Act, 1956.
- (i) Housing - Rent free furnished residential accommodation or House Rent Allowance as may be decided by the Board or Committee.
- (ii) Reimbursement of expenses on gas, electricity, water and furnishings.
- (iii) Reimbursement of medical expenses incurred for self and members of his family as per the rules of the company.



- (iv) Leave travel concession for self and members if his family as per rules of the company.
 - (v) Fees of clubs subject to maximum of two clubs.
 - (vi) Personal Accident Insurance premium as per the rules of the Company.
 - (vii) 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.
 - (viii) Company's contribution to Provident Fund, Superannuation fund or annuity fund, gratuity and encashment of leave, as per the rules of Company.
 - (ix) Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
- B. The Board shall have the authority to alter or vary the terms of re-appointment and remuneration including perquisites and benefits payable to the aforesaid Managerial Personal within the overall limits under Section 198, 309 and Schedule XIII of the Companies Act, 1956.
- C. In the absence or inadequacy of profits in any financial year, the salary mentioned in paragraph (A) & perquisite (B) above shall be minimum remuneration payable to the appointee subject to the provisions of Part-II, Section -II of Schedule-XIII of the Companies Act, 1956.
- D. The appointee shall not so long as function as such, become interested or otherwise connected directly or through his wife and / or minor children in any selling agency of the Company without the prior approval of the Central Government.
- E. The appointee shall subject to supervision, direction and control of the Board of Directors of the Company be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him.
- F. The appointment may be terminated by either party giving to the other party three months remuneration in lieu thereof .

As per the provisions of Sections 198, 269, 309, 310 read with Schedule-XIII, Part-III and all other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company by Ordinary Resolution is necessary for appointment of Whole Time Director of the Company on remuneration.

Your directors therefore, recommend the resolution for approval of the members.

The above may be treated as an abstract as required under Section 302 of the Companies Act, 1956.

Resolutions of the Board Meeting and Remuneration Committee Meeting stating the terms and conditions of appointment and remuneration of the above appointee shall be available for inspection at the Registered Office of the Company on all working days except Sunday between 11.00 a.m. to 3.00 p.m. up to the date of the meeting.

None of the Directors except Shri Devidas C. Narumalani himself may be considered as interested in the passing of this resolution.

Item No.: 16 Ordinary Resolution:

The Board of directors of the Company at their meeting held on 22nd May, 2010 had decided to increase the remuneration of Shri Sanjivkumar N. Patel, the Whole-time director of the Company w.e.f. 01/04/2010 to the remaining term of his office and other terms and conditions are as follows. However his appointment is subject to approval of Central Government, for which application is already made to the Central Government and is still pending.

A. REMUNERATION :

- (1) Salary: Rs.1, 80,000/- per month including Dearness and other allowances.



PATELS AIRTEMP (INDIA) LIMITED

- (2) Perquisites: Perquisites are allowed 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 XIII to the Companies Act, 1956.
- (i) Housing - Rent free furnished residential accommodation or House Rent Allowance as may be decided by the Board or Committee.
 - (ii) Reimbursement of expenses on gas, electricity, water and furnishings.
 - (iii) Reimbursement of medical expenses incurred for self and members of his family as per the rules of the company.
 - (iv) Leave travel concession for self and members if his family as per rules of the company.
 - (v) Fees of clubs subject to maximum of two clubs.
 - (vi) Personal Accident Insurance premium as per the rules of the Company.
 - (vii) 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.
 - (viii) Company's contribution to Provident Fund, Superannuation fund or annuity fund, gratuity and encashment of leave, as per the rules of Company.
 - (ix) Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
- B. The Board shall have the authority to alter or vary the terms of re-appointment and remuneration including perquisites and benefits payable to the aforesaid Managerial Personal within the overall limits under Section 198, 309 and Schedule XIII of the Companies Act, 1956.
- C. In the absence or inadequacy of profits in any financial year, the salary mentioned in paragraph (A) & perquisite (B) above shall be minimum remuneration payable to the appointee subject to the provisions of Part-II, Section -II of Schedule-XIII of the Companies Act, 1956.
- D. The appointee shall not so long as function as such, become interested or otherwise connected directly or through his wife and / or minor children in any selling agency of the Company without the prior approval of the Central Government.
- E. The appointee shall subject to supervision, direction and control of the Board of Directors of the Company be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him.
- F. The appointment may be terminated by either party giving to the other party three months remuneration in lieu thereof.

As per the provisions of Sections 198, 269, 309, 310 read with Schedule-XIII, Part-III and all other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company by Ordinary Resolution is necessary for appointment of Whole Time Director of the Company on remuneration.

Your directors therefore, recommend the resolution for approval of the members.

The above may be treated as an abstract as required under Section 302 of the Companies Act, 1956.

Resolutions of the Board Meeting and Remuneration Committee Meeting stating the terms and conditions of appointment and remuneration of the above appointee shall be available for inspection at the Registered Office of the Company on all working days except Sunday between 11.00 a.m. to 3.00 p.m. up to the date of the meeting.

None of the Directors except Shri Sanjivkumar N. Patel himself may be considered as interested in the passing of this resolution.

Item No.: 17 Ordinary Resolution :

The Board of Directors of the Company at their meeting held on 22nd May, 2010 had decided to increase the remuneration of Shri Prakashbhai N. Patel from Rs.1, 25,000/- p.m. to Rs.1,80,000/- p.m. w.e.f. 01/04/2010 up to unexpired period of his old office and for a period starting from his re-appointment up to the remaining term of his office and on such other terms and conditions as follows:

A. REMUNERATION :

- (1) Salary: Rs.1, 80,000/- per month w.e.f. 01/04/2010 up to unexpired period of his old office and for a period starting from his re-appointment including Dearness and other Allowances.
 - (2) Perquisites : Perquisites are allowed 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-XIII to the Companies Act, 1956.
 - (i) Housing - Rent free furnished residential accommodation or House Rent Allowance as may be decided by the Board or Committee.
 - (ii) Reimbursement of expenses on gas, electricity, water and furnishings.
 - (iii) Reimbursement of medical expenses incurred for self and members of his family as per the rules of the company.
 - (iv) Leave travel concession for self and members if his family as per rules of the company.
 - (v) Fees of clubs subject to maximum of two clubs.
 - (vi) Personal Accident Insurance premium as per the rules of the Company.
 - (vii) 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.
 - (viii) Company's contribution to Provident Fund, Superannuation fund or annuity fund, gratuity and encashment of leave, as per the rules of Company.
 - (ix) Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
- B. The Board shall have the authority to alter or vary the terms of re-appointment and remuneration including perquisites and benefits payable to the aforesaid Managerial Personal within the overall limits under Section 198, 309 and Schedule XIII of the Companies Act, 1956.
- C. In the absence or inadequacy of profits in any financial year, the salary mentioned in paragraph (A) & perquisite (B) above shall be minimum remuneration payable to the appointee subject to the provisions of Part-II, Section -II of Schedule-XIII of the Companies Act, 1956.
- D. The appointee shall not so long as function as such, become interested or otherwise connected directly or through his wife and / or minor children in any selling agency of the Company without the prior approval of the Central Government.
- E. The appointee shall subject to supervision, direction and control of the Board of Directors of the Company be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him.
- F. The appointment may be terminated by either party giving to the other party three months remuneration in lieu thereof .

As per the provisions of Sections 198, 269, 309, 310 read with Schedule-XIII, Part-III and all other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company by Ordinary Resolution is necessary for appointment of Whole Time Director of the Company on remuneration.

Your directors therefore, recommend the resolution for approval of the members.



The above may be treated as an abstract as required under Section 302 of the Companies Act, 1956.

Resolutions of the Board Meeting and Remuneration Committee Meeting stating the terms and conditions of appointment and remuneration of the above appointee shall be available for inspection at the Registered Office of the Company on all working days except Sunday between 11.00 a.m. to 3.00 p.m. up to the date of the meeting.

None of the Directors except Shri Prakashbhai N. Patel himself may be considered as Interested in the passing of this resolution.

Item No.: 18 Ordinary Resolution:

The Board of Directors of the Company at their meeting held on 22nd May, 2010 had decided to increase the remuneration of Shri Narendrabhai G. Patel from Rs.1, 25,000/- p.m. to Rs.1, 80,000/- p.m. w.e.f. 01/04/2010 up to unexpired period of his old office and for a period starting from his re-appointment up to the remaining term of his office and on such other terms and conditions as follows:

A. REMUNERATION:

- (1) Salary: Rs.1, 80,000/- per month w.e.f. 01/04/2010 up to unexpired period of his old office and for a period starting from his re-appointment including Dearness and other allowances.
 - (2) Perquisites : Perquisites are allowed 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-XIII to the Companies Act, 1956.
 - (i) Housing - Rent free furnished residential accommodation or House Rent Allowance as may be decided by the Board or Committee.
 - (ii) Reimbursement of expenses on gas, electricity, water and furnishings.
 - (iii) Reimbursement of medical expenses incurred for self and members of his family as per the rules of the company.
 - (iv) Leave travel concession for self and members if his family as per rules of the company.
 - (v) Fees of clubs subject to maximum of two clubs.
 - (vi) Personal Accident Insurance premium as per the rules of the Company.
 - (vii) 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.
 - (viii) Company's contribution to Provident Fund, Superannuation fund or annuity fund, gratuity and encashment of leave, as per the rules of Company.
 - (ix) Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
- B. The Board shall have the authority to alter or vary the terms of re-appointment and remuneration including perquisites and benefits payable to the aforesaid Managerial Personal within the overall limits under Section 198, 309 and Schedule XIII of the Companies Act, 1956.
- C. In the absence or inadequacy of profits in any financial year, the salary mentioned in paragraph (A) & perquisite (B) above shall be minimum remuneration payable to the appointee subject to the provisions of Part-II, Section -II of Schedule-XIII of the Companies Act, 1956.
- D. The appointee shall not so long as function as such, become interested or otherwise connected directly or through his wife and / or minor children in any selling agency of the Company without the prior approval of the Central Government.



- E. The appointee shall subject to supervision, direction and control of the Board of Directors of the Company be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him.
- F. The appointment may be terminated by either party giving to the other party three months remuneration in lieu thereof.

As per the provisions of Sections 198, 269, 309, 310 read with Schedule-XIII, Part-III and all other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company by Ordinary Resolution is necessary for appointment of Whole Time Director of the Company on remuneration.

Your directors therefore, recommend the resolution for approval of the members.

The above may be treated as an abstract as required under Section 302 of the Companies Act, 1956.

Resolutions of the Board Meeting and Remuneration Committee Meeting stating the terms and conditions of appointment and remuneration of the above appointee shall be available for inspection at the Registered Office of the Company on all working days except Sunday between 11.00 a.m. to 3.00 p.m. up to the date of the meeting.

None of the Directors except Shri Narendrabhai G. Patel himself may be considered as Interested in the passing of this resolution.

For PATELS AIRTEMP (INDIA) LTD.

Place : Rakanpur
Date : 22nd May, 2010

NARAYANBHAI G. PATEL
Chairman & Managing Director

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting

(Pursuant to Clause 49 VII A of the Listing Agreement)

Name of Director	Date of Birth	Date of Appointment	Experience in specific functional areas	Qualifications	Directorship held in other Public Limited Companies	Member / Chairman of Committees in other Public Limited Companies
Shri Devidas C. Narumalani	01.06.1949	10.06.1992	Engineering Industry	B.TECH(IIT-Bombay)	Nil	Nil
Shri Narendrabhai G. Patel	13.02.1958	21.06.1994	Engineering Industry	B.E.(Mechanical), DBM	Nil	Nil
Shri Prakashbhai N. Patel	23.07.1966	27.05.2004	Engineering Industry	B.E.(Mechanical)	Nil	Nil
Shri Sanjivkumar N.Patel	11/09/1972	01.10.2009	Engineering Industry	B.E.(Chemical) (MBA-USA)	Nil	Nil
Shri Girishbhai N. Desai	15.01.1948	30.10.2009	Engineering Industry	B.E.(Mechanical)	Nil	Nil
Shri Vinodbhai C. Desai	16.02.1959	30.10.2009	Engineering Industry	B.E.(Production)	Nil	Nil
Shri Naimishbhai B. Patel	22.02.1957	30.10.2009	Engineering Industry	B.E.(Mechanical)	Nil	Nil



PATELS AIRTEMP (INDIA) LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Eighteenth Annual Report together with Audited Statement of Accounts of the Company for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

(Rupees in Lacs)

Particulars	2009-10	2008-09
Sales and Other Income (Including Excise Duties)	7760.41	7429.09
Profit before Interest and Finance Charges	1548.10	1272.81
Depreciation and Taxes & prior period Adjustment		
Less : Interest & Finance Charges	134.06	108.86
Depreciation	87.77	66.18
Profit before Taxation	1326.27	1097.77
Provision for Taxation - Current	415.20	373.00
- Fringe Benefit Tax	0.00	3.80
- Deferred	34.66	(0.11)
- Wealth Tax	0.35	0.17
- Short/ (Excess) Provision of FBT of earlier year w/o	0.00	(0.42)
- Short/(Excess) Provision earlier Year w/o	7.59	4.96
Profit after Tax	868.47	716.37
Less Prior Period Adjustment	0.56	1.88
	867.91	714.49
Balance brought forward from previous year	1554.94	1022.22
Less Corporate Dividend Tax	17.23	15.51
Less Interim Dividend	-	-
Less:Proposed Dividend	101.41	91.26
Less Transfer to General Reserve	90.00	75.00
Surplus carried forward to Balance Sheet	2214.21	1554.94
Earning Per Share	17.12	14.09

DIVIDEND

Your Directors has recommended dividend @ Rs.2/- per Equity Share for the financial year 2009-10 subject to approval by the members in the General Meeting. The Corporate Dividend Tax works out to be Rs. 17.23 Lacs.

PERFORMANCE

Your company continued to post good performance during the year. Profit Before Tax is Rs.1326.27 lacs against Rs. 1097.77 lacs during the previous year. Net sales of the Company are Rs. 7223.20 lacs against Rs. 6844.65 Lacs of the previous year.

Your company has earned Net Profit of the Company is Rs. 867.91 lacs against Rs. 714.49 lacs during the previous year showing an increase of about 21%. Thus there is remarkable growth in the top line as well as bottom line of the Company for the year under review.

FUTURE PROSPECTS

As you aware that the Company is in engineering industry and is engaged in manufacturing/fabricating tailor made machines and therefore, the order book position of such type of company can play pivotal

role in the growth of the Company. Your directors are pleased to state that continuing the past trend; the Company is having confirmed orders of about Rs.58 Crores on hand as on 22nd May,2010. Thus, inspite of the general slow down, your directors are confident of repeating similar growth inline with the past trend for fiscal year 2010-11. However, your directors are cautious and making untiring efforts so as not to compromise on growth, quality, and profitability of the Company.

As per the present policy of the Government of India, there is a thrust on development of various infrastructure sectors and accordingly Government is continuously spending and developing refineries, fertilizer projects, thermal power plant and nuclear power plant. There is wide scope for the Company to supply the Capital goods equipments to the Companies under this segment. Thus the Company can supply equipments like Shell & Tube heat Exchangers, Pressure Vessels & Columns, Air Cooled Heat Exchangers and Air Conditioning and Refrigeration equipments to this segment. Thus your directors are quite bullish on repeating similar performance in future.

DEPOSITS

The Company has not invited / accepted any deposits from the public under the provisions of Section 58A of the Companies Act, 1956 and rules made there under.

DIRECTORS

Shri Narendrabhai G.Patel, Shri Devidas C. Narumalani and Shri Prakashbhai N. Patel, who retire by rotation and being eligible, offer themselves for the re-appointment.

Shri Narimishbhai Patel, Shri Vinodkumar Desai, and Shri Girishbhai Desai have been appointed as Additional Director of the Company with effect from 30th October, 2009. Their appointment as Director is proposed in ensuing Annual General Meeting.

The Board of Director has in their meeting held on 22nd May, 2010 approved the re-appointment of Shri Prakashbhai N.Patel and Shri Narendrabhai Patel for further period of 3 years subject to approval of ensuing Annual General Meeting.

CORPORATE GOVERNANCE

The report on Corporate Governance as per Clause 49 of the Listing Agreement is annexed herewith.

LISTING OF SECURITIES

Your Company's equity shares are listed on Bombay Stock Exchange Ltd. The Company has paid Annual Listing fees for the year 2010-11 to the Bombay Stock Exchange Ltd.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in preparation of the annual accounts, all the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss account of the Company for the year under review ;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities ;



PATELS AIRTEMP (INDIA) LIMITED

- (iv) that the Directors have prepared the Annual Accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

AUDITORS

M/S. Parikh & Majmudar having Registration Number 107525W, Chartered Accountants, Ahmedabad, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter to the effect that their appointment would be within the prescribed limits under Section 224(1-B) of the companies Act, 1956. The said auditors will be re-appointed as auditors of the Company at the ensuing Annual General Meeting. The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

Your Directors request you to appoint Auditors for the current year as set out in the accompanying notice of the Annual General Meeting.

PERSONNEL

There is no employee drawing remuneration for which information is required to be submitted under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, hence not given.

CONSERVATION OF ENERGY

The main source of energy is power. However, power is not a major input in the manufacturing process and therefore, no substantial conservation of energy is possible. Again the Company is not required to give the particulars in the prescribed Form A under Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

The particulars as required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to Research & Development and Technology Absorption are given in Annexure to this report.

FOREIGN EXCHANGE EARNINGS & OUTGO

The information on foreign exchange earning and outgo during the year is furnished in the Notes to the Accounts.

APPRECIATION

Your Directors wish to place on record their deep appreciation of the continued support and guidance provided by the Central and State Governments and all Regulatory bodies.

Your Directors also take opportunity to thank the esteemed shareholders, customers, business associates, Financial Institutions and Commercial Banks for the faith reposed by them in your Company and its management.

Your Directors place on record their deep appreciation of the dedication and commitment of your Company's employees at all levels and look forward to their support in the future as well.

For and on behalf of the Board of Directors,

Place : Rakanpur
Date : 22nd May, 2010

NARAYANBHAI G. PATEL
Chairman & Managing Director



ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of Particulars with respect to Technology Absorption and Research & Development as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Form – B

Technology Absorption

(1) Research & Development (R & D)

The Company has established a well equipped R & D laboratory and quality control laboratory with the number of sophisticated instruments for testing and analysis related to the product being manufactured. To upgrade the technology and technical qualifications, your Company has renewed ASME 'U' Stamp authorization and obtained 'R' Stamp of National Board of USA for improving the system and quality. Your Company has certified for ISO 9001-2008. Various technical soft wares like PVElite, Auto Desk Inventor, Microprotol etc were updated for design & development of various products.

(2) Technology Absorption, Adaptation & Innovation

The company has invested about Rs.600 Lacs for Plant & Machineries to upgrade HI-tech equipments. The Company has also renewed HTRI & EHT Membership for latest technology in Heat Transfer from U.S.A. For Air cooled Heat Exchangers, another finning machine is being added for fast delivery period. Inhouse, systems and operations are being innovated for better quality and to perform up to customers' requirement.

For and on behalf of the Board of Directors,

Place : Rakanpur
Date : 22nd May, 2010

NARAYANBHAI G. PATEL
Chairman & Managing Director



**CORPORATE GOVERNANCE REPORT
(Pursuant to Clause 49 of the Listing Agreement)**

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company's philosophy on Corporate Governance envisages attainment of higher levels of transparency, accountability and equity in all faces of its operations and in all its interactions with its stakeholders, including shareholders, employees, customers, suppliers, government, lenders and the community at large. It aims to increase and sustain corporate value through growth and innovation.

The Company's core value includes business ethics, Customer focus, professional pride, mutual respect, speed and innovation, excellence in manufacturing and total quantity. The Company believes that its operations and actions must serve the underlying goal of enhancing the interests of its stakeholders over a sustained period of time.

2. BOARD OF DIRECTORS

The names and category of Directors on the Board as on 31st March, 2010 and as on the date of this report, the number of Directorship and Committee Membership held by them in other Public Companies, their attendance at the Board Meetings held during the financial year 2009-10 and also at the last AGM held is given below :

II. BOARD OF DIRECTORS:

The Board of Directors of the Company is having optimum combination of Executive and Non-Executive Directors as per Clause 49 of the listing agreement. The Board comprise of 10 Directors, out of which five Directors are Promoter-Executive Directors and five directors were non-executive directors All Non - Executive Directors are Independent directors. The Independent Directors take active part at the Board and Committee meetings, which adds value in the decision making process. Half of the Board comprise of non-executive directors. As on 31st March 2010 the details of composition of Board, category of directors as well as their Directorship/membership in other companies/committees are given below:

Sr. No.	Name and Designation of Director	Category	Number of other Directorship and Committee member / Chairmanship*		
			Other Directorships	Committee membership	Committee Chairman Ship
1.	Shri Narayanbhai G. Patel MD	Promoter & Executive	NIL	NIL	NIL
2.	Shri Devidas C. Narumalani, Whole Time Director	Promoter & Executive	NIL	NIL	NIL
3.	Shri Narendrabhai G. Patel, Whole Time Director	Promoter & Executive	NIL	NIL	NIL
4.	Shri Prakashbhai N. Patel, Whole Time Director	Promoter & Executive	NIL	NIL	NIL
5.	Shri Sanjivkumar N Patel, Whole Time Director	Promoter & Executive	NIL	NIL	NIL
6.	Shri Hareshkumar I. Shah Director	Independent Non-Executive	NIL	NIL	NIL
7.	Shri Natvarlal J. Patel Director	Independent Non-Executive	NIL	NIL	NIL



8.	Shri Naimishbhai B. Patel Director	Independent Non-Executive	NIL	NIL	NIL
9.	Shri Girishbhai N. Desai Director	Independent Non-Executive	NIL	NIL	NIL
10.	Shri Vinodkumar C. Desai Director	Independent Non-Executive	NIL	NIL	NIL

During the financial year 2009-10, 6 Board Meetings were held Viz. on 28th April, 2009, 19th June, 2009, 29th July, 2009, 30th September, 2009, 30th October, 2009, 31st January, 2010.

As required by Clause 49 VI A of the Listing Agreement, the particulars of Directors seeking re-appointment are given in the accompanied notice portion.

3. AUDIT COMMITTEE

The audit committee was reconstituted which comprises three independent Non - executive Directors viz. Shri Natwarlal J. Patel (Chairman), Shri H.I. Shah, Shri Girishbhai Desai and one Executive Director Shri Narayanbhai G. Patel as members. The terms of reference of Audit Committee are to cover the matters specified under Clause 49 of the Listing Agreement and in Section 292A of the Companies Act, 1956 and the functions of the Committee that inter alia include the overview of the Company's financial reporting processes, review of the 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 cover.

4. REMUNERATION COMMITTEE

The Board of the Company has reconstituted Remuneration Committee as per Clause 49 of the Listing Agreement which comprises of three independent and non - executive Directors Viz.; Shri Natwarlal J. Patel is the Chairman of the Committee, Shri H.I. Shah and Shri Narayanbhai .G Patel are members of the Committee. The Remuneration Committee has been constituted to recommend / review the remuneration package of the Managing and Whole Time Directors based on performance and detailed criteria and also empowered to decide on Employees' Stock Option Scheme. No sitting fees, remuneration or stock options has been offered to the Non- executive Directors.

DETAILS OF REMUNERATION PAID TO MANAGING DIRECTORS / WHOLE TIME DIRECTORS DURING THE FINANCIAL YEAR 2009-10 IS GIVEN BELOW:

(Amount in Rupees)

NAME OF DIRECTOR	REMUNERATION	SITTING FEES	TOTAL
Shri Narayanbhai G. Patel	16,80,000/-	NIL	16,80,000/-
Shri D.C. Narumalani	16,80,000/-	NIL	16,80,000/-
Shri Narendra G. Patel	16,80,000/-	NIL	16,80,000/-
Shri Prakash N. Patel	16,80,000/-	NIL	16,80,000/-
Shri Sanjivkumar N. Patel	8,40,000/-	NIL	8,40,000/-

5. INVESTORS' GRIEVANCE COMMITTEE

In compliance with the Corporate Governance Code, the Company has reconstituted the Investors' Grievance Committee by constituting the Share Transfer Committee as the "Share Transfer - cum - Investors' Grievance Committee. The scope of the committee was extended to include overview of all matters connected with Investors Grievance and redressal mechanism of members such as, dematerialization, transfer / transmission of shares, non- receipt of Annual Report / dividends etc.



PATELS AIRTEMP (INDIA) LIMITED

beside the function of the share transfer approval etc. The minutes of the Committee Meetings were placed at the Board Meetings from time to time. The Committee oversees the performance of M/S. Pinnacle Shares Registry Pvt. Ltd. (Now Bigshares Services Pvt.Ltd w.e.f, 6th April 2010), the Registrar and Share Transfer Agent of the Company and recommends measure to improve the level of investor related services. Though the powers to approve share transfer / transmission have been delegated to the Registrar and Share Transfer Agent and also to Shri Narayanbhai G. Patel, Chairman & Managing Director of the Company for quick action.

The Committee comprises of three independent Directors; Shri Natwarlal J. Patel (Chairman), H.I.Shah and Chairman & Managing Director Shri Narayanbhai G. Patel, as members. Ms. Jahanvi Trivedi acts as compliance Officer for the Committee. The Committee meets now at every month to approve transfer and also to consider shareholders complaints.

During the year no complaints were received from the shareholder directly. All the complaints have generally been solved to the satisfaction of complainants and no complaints are outstanding as on date of this report.

All valid transfer received during the financial year 2009-10 have been acted upon by the Company and there is no pending share transfers.

6. GENERAL BODY MEETINGS

Date, time and venue where Annual General Meetings / Extra Ordinary General Meetings were held in last three years.

Financial Year Passed	Date and Time	Venue	Special Resolution
2006-07 15 th AGM	28 th September, 2007 at 10.00 A.M.	5 th Floor, Kalpana Complex, Nr. Memnagar, Fire Station, Navrangpura, Ahmedabad-380 009.	No
2007-08 16 th AGM	27 th September, 2008 at 10.00 A.M.	5 th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	Yes
2008-09 19 th AGM	19 th September, 2009 at 10.00 A.M.	5 th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009.	No

No Extra Ordinary General was held during the financial year 2009-10

7. DISCLOSURES

- There are no material transactions with its promoters, directors or the management, their subsidiaries or relatives, except as given in Notes on Accounts, which may have potential, conflict with the interest of the Company at large.
- No penalties have been imposed on the Company by the Stock Exchange/s or SEBI or any statutory authority, on the matter related to capital market during the last three years.

8. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results were taken on record by the Board of



Directors and submitted to the Stock Exchanges in terms of the requirements of Clause 41 of the Listing Agreement. These were published in the newspaper as per the prescribed guidelines. The results are not displayed on website and are not sent individually to the shareholders. The Management Discussion & Analysis Report forms a part of this Annual Report.

9. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting:

Date : Saturday, 28th August, 2010

Time : 10.00 a. m.

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

b) Financial Calendar : The Company follows April - March as its financial year. The results for every quarter beginning from April is declared in the month following the quarter, however, the result for the fourth quarter are clubbed with the declaration of audited accounts within three months of the year, whenever possible.

c) Book Closure Date(s) : Monday the 23rd August, 2010 to Saturday, the 28th August, 2010 (both days inclusive).

d) Listing on Stock Exchange : The equity shares of the company is listed on the Bombay Stock Exchange Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The Company has paid the listing fees for the year 2010-11 to the Bombay Stock Exchange Ltd., Mumbai.

e) Stock Code / Name : BSE 517417 Script Name: PATEL AIRTEM

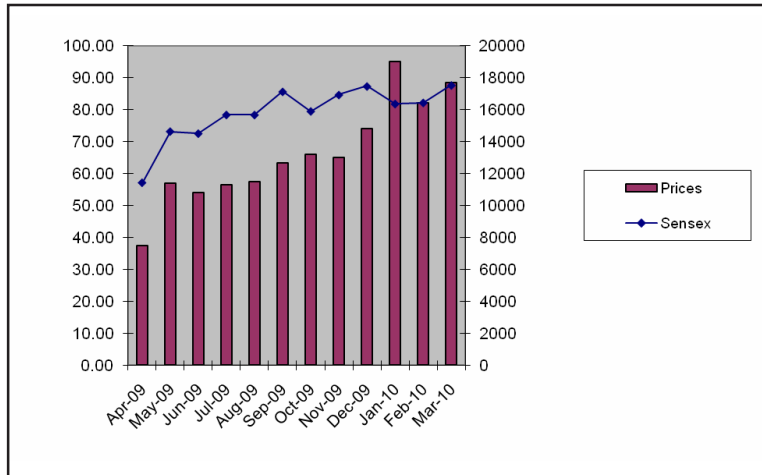
ISIN No. : The ISIN No. of the company is INE082C01024.

f) Stock Market Price / Data : The details of monthly high / low price of the Company's Shares Traded on the Mumbai Stock Exchange during the financial year 2009-10 is furnished below:

Month	High Price (Rupees)	Low Price (Rupees)
April 2009	43.10	29.25
May 2009	62.50	33.55
June 2009	63.80	51.70
July 2009	56.60	46.00
August 2009	59.00	48.15
September 2009	66.45	53.90
October 2009	69.90	57.00
November 2009	75.90	57.30
December, 2009	80.25	63.15
January, 2010	132.00	74.20
February, 2010	104.70	76.00
March, 2010	94.90	80.00



COMPARISON WITH SENSEX



- g) Registrar & Share Transfer Agents :** In terms of SEBI Circulars dated 27.12.2002 & dated 12.02.2003 on appointment of common agency for share registry works, the Company has changed its Registrar & Share Transfer Agent, for both physical and demat segment of equity shares of the company with effect from 6th April, 2010, which provides all shareholders related services:

Contact Details:

Bigshare Services India Limited
 E-2/3, Ansa Industrial Estate,
 Sakivihar Road, Saki Naka,
 Andheri (E), Mumbai-400 072
 Tel: 022-28470652 Fax No: 022-2875207
 Email: ipo@bigshareonline.com
 Website: www.bigshareonline.com

- h) Share Transfer System :** The transfer of shares in physical form is processed and completed by M/S. Pinnacle Shares Registry Pvt. Ltd. Within a period of 30 days from the date of receipt thereof. In case of shares in electronic form, the transfer are processed by NSDL/CDSL through the respective Depository Participants. Demat requests are normally confirmed within an average period of 25 days from the date of receipt.

- i) (a) Distribution of Shareholding as on 31st March, 2010:**

Nos. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 500	7979	89.89	1005938	19.84
501 to 1000	472	5.32	34754	7.79
1001 to 2000	206	2.32	320574	6.32
2001 to 3000	62	0.70	156557	3.09
3001 to 4000	59	0.66	213502	4.21
4001 to 5000	25	0.28	1194415	2.36
5001 to 10000	34	0.38	243622	4.80
10001 and Above	40	0.45	2615878	51.59
Grand Total	8877	100.00	5070240	100.00



(b) Category of Equity Shareholders as on 31st March, 2010

Sr. No.	Category	No. of Shares	% to Share Capital
A.	PROMOTERS SHAREHOLDING		
	Promoters, Promotes Group, Directors & their Relatives	1887621	37.23
B.	PUBLIC SHAREHOLDING		
2.	Mutual Funds / UTI	0	00.00
3.	Banks/Financial Institutions	0	00.00
4.	Foreign Institutional Investors	19730	00.38
6.	Bodies Corporate	490688	09.69
7.	NRIs	75005	01.48
10.	Clearing Members	41256	00.81
11.	Indian Public	2555940	50.41
	Total	5070240	100

- i) **Dematerialisation 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 certificates. About 96.26% of the total equity capital of the Company is held in demat form as on 31st March, 2010.
- j) **Plant Location(s)** : The Company's plant is located at:
805,806,807,810 Rakanpur,
Tal: kalol Dist: Ghandinagar
Gujarat, India
Ph. No.: 02764-286634-35, 286480-81, Fax: 02764-286301
- k) **Address for Correspondence** : For both physical & Electronic form:
Bigshare Services India Limited
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai-400 072
Tel: 022-28470652 Fax No: 022-2875207
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
- l) For any assistance regarding dematerialization of shares, share transfers, transactions, change of address, non-receipt of dividend or any other query, relating to shares:
Patels Airtemp (India) Ltd.
Regd. Office: 5th Floor, Kalpana Complex,
Nr. Memnagar Fire Station, Navrangpura,
Ahmedabad - 380 009.
Ph. No. : (079) 27913694/5/6, Fax No. (079) 27913693
- m) As required by Clause 49 of the Listing Agreement with the stock exchange the Auditors' Certificate on Corporate Governance is given as Annexure to this report.



PATELS AIRTEMP (INDIA) LIMITED

Corporate Governance Compliance Certificate

To
The Members
Patels Airtemp (India) Limited

In accordance with Clause 49 of the Listing Agreement entered into by Patels Airtemp (I) Limited with the Bombay Stock Exchange Limited, Mumbai, We have examined all relevant records of the Company relating to its compliance of condition of Corporate Governance as stipulated in clause 49 for the financial year ended 31.03.2010.

It is the responsibility of the Company to prepare and maintain the relevant necessary records under the SEBI Guidelines, Listing agreement and other applicable laws. Our responsibility to carry out an examination on the basis of our professional judgment so as to award a responsible assurance of the correctness and completeness of the records for the purpose of this certificate.

We have obtained all the information and explanation which to the best of our knowledge and belief where necessary for the purpose of the certificates and have been provided with such records, documents, certificates etc. as had been required by us.

The company is yet to lay down a Risk Management Policy and Procedures thereof and therefore we are unable comment on the same.

We certify that from the records produced and explanation given to us by the company for the purposes of this certificate and to the best of our information the company has generally complied with the mandatory requirements of the said clause 49 of the Listing Agreement except stated as above.

FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 22nd May, 2010

Hiten M. Parikh
Partner
M. No. 40230
FRM No. : 107525W

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY STRUCTURE AND DEVELOPMENT**

The Company is engaged in the manufacture and sale of extensive range of Heat Exchangers such as Shell & Tube type; finned tube type and Air cooled Heat Exchangers, Pressure Vessels, Air-conditioning and Refrigeration equipments and Turnkey HVAC Projects in India & marketing of equipments even outside India. The Company has technical collaboration with M/S. TEK FINS Inc. USA for design and manufacture of Air cooled Heat Exchangers. All these products are supplied to leading Industrial Sections like Power Projects, Refineries, Fertilizers, Cements, Petrochemicals, Pharmaceuticals, Textile and Chemical Industries.

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

PRODUCT - WISE PERFORMANCE

The Company is operating in one segment i.e. engineering fabrication having different products, such as Heat Exchangers, Air Cooled Heat Exchangers, Pressure Vessels, Air-conditioning & Refrigeration Equipments, Turnkey HVAC projects and other Misc. products, the turnover of which are given in Notes on Accounts portion of the Annual Report. Your company has decided to stick to high value added engineering products. These products are regularly procured by the Industrial Process Plants / Units. These products has ASME 'U' Stamp authorization, it is expected to improve profitability of the company in the future. For updating Heat Transfer Technology, Company has become member of HTRI (Heat Transfer Research, Inc, U.S.A.).

FUTURE OUTLOOK

For each industry confirmed orders are significant for determining the growth rate of the Company and for Directors are pleased to inform that the company has about 58 crores of orders are on hand as on 22nd May, 2010. Your directors are confident of achieving 20% increase in the turnover of the company in the financial year 2010-11 as compared to financial year under review. Your company has achieved satisfactory performance during the year under the review and the financial results reflect the same.

The Board of Directors of the company firmly believes that now the Government is spending on Refineries, Fertilizer projects, and Thermal Power plants; there is immense scope for your Company to supply capital goods equipments like Shell & Tube Heat Exchangers, Pressure Vessels & Columns, Air Cooled Heat Exchangers and Air conditioning & Refrigeration equipments. In past, your company had successfully executed several orders of Nuclear Power Corporation of India and now the Nuclear deal is completed by the Central Government of India, there is immense scope in up coming many Nuclear Power Plants in our country and in turn your scope of getting good orders from Nuclear Power Corporations are sizeable.

OPPORTUNITIES

Export in the developed countries like USA & Europe is to be developed and it is expected to provide large impetus to engineering exports to these countries after obtaining the ASME 'U' 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

The industry is facing stiff competition from big players who are producing on large scale production and have the advantage of economize 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.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE AND ITS REVIEW

Your company could achieve better results due to improvement in the economic scenario and overall growth of the industries due to good rain and all round growth of other sectors.

Your company is conscious that order booking is significant for determining the growth rate of the company. Your Directors are pleased to note that the company has about Rs. 58.00 crores of order on hand to be executed. Your Directors are confident of achieving 20% increase in the turnover of the company in the financial year 2009-10 as compared to financial year under review. Your company has achieved better performance during the year under review and the financial results reflect the same.

QUALITY CONTROL

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

INTERNAL CONTROL SYSTEM

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

INDUSTRIAL RELATION & HUMAN RESOURCES

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

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

The Company's relations with the employees at all levels are very cordial and peaceful. The company has about 200 employees working with them as on 31st March, 2010 on permanent as well as contractual basis.

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.

**AUDITORS' REPORT**

To
The Members
M/s PATELS AIRTEMP (INDIA) LIMITED
AHMEDABAD

- 1) We have audited the attached Balance Sheet of **M/s PATELS AIRTEMP (INDIA) LIMITED** as at 31st March 2010 and also the Profit and Loss A/c and the Cash-flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts & disclosures in the financial statements. An audit also includes assessing the accounting principles used & significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the companies (Auditor's Report) order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the companies Act 1956, we annex here to a statement on the matters specified in paragraphs 4 &5 of the said order to the extent applicable.
- 4) Further to our comments in the Annexure referred to in paragraph-3 above, we report as under: -
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of the books.
 - (c) The Balance Sheet and the Profit and Loss Account & Cash flow statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account & Cash Flow Statement comply with Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
 - (e) On the basis of the written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors of the company are disqualified as on March, 31 2010 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India. :-
 - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010 and
 - ii) In the case of the profit and loss account, of the profit of the company for the year ended on that date and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS**

**PLACE : AHMEDABAD
DATE : 22/05/2010**

**(HITEN PARIKH)
PARTNER
M. No. : 40230
FRN No. 107525W**



Referred to in Paragraph 3 of our report of even date

- i) a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- b) As explained to us, a major portion of the fixed assets has been physically verified by the management during the year in accordance with a phased programme of verification adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the company & nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
- c) As explained to us, the company had not made any disposal of fixed assets during the year under review.
- ii) a) As explained to us, inventories were physically verified by the management at reasonable intervals during the year.
- b) In our opinion & according to the information & explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable & adequate in relation to the size of the company & nature of its business.
- c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the Physical stocks and the book records were not material.
- iii) In respect of loans secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (a) According to the information and explanation given to us, the company has not granted any loan, secured or unsecured, to any company or firm or other party covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) The company has taken Unsecured Loan from one party covered under register maintained u/s 301 of the Companies Act, 1956 during the year. [closing balance Rs. 234.00 lacs] [Maximum balance during the year Rs. 234.00 lacs]
 - (c) In our opinion and according to the information and explanation given to us, the rate of interest & other terms and conditions of the unsecured loan taken by the company from the parties covered under the register maintained under section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the company.
 - (d) The Loan taken by the Company is repayable on demand and therefore the question of any over due amount does not arise.
- iv) In our opinion & according to the information & explanations given to us, there is adequate internal control system commensurate with the size of the company & nature of its business for the purchase of inventory, fixed assets & also for the sales of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in Internal control system.
- v) In our opinion & according to the informations & explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered in the register required to be maintain u/s 301 of the Companies Act, 1956.
- vi) The Company has not accepted any deposit from the public during the year.
- vii) The Company has appointed a firm of Chartered Accountants for Internal Audit. In our opinion, the internal audit is commensurate with its size & nature of its business.
- viii) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.



- ix) a) According to the records of the company, undisputed statutory dues including provident fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess & Other Statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information & explanation given to us, no un-disputed amounts were outstanding as at 31st March 2010 for a period of more than six months from the date of becoming payable.
- b) On the basis of records produced before us for our verification and according to the information and explanations given to us, the details of disputed Income Tax dues aggregating to Rs 36.62 lacs that have not been deposited as on 31st March, 2010 on account of matters pending before appropriate authorities, the details of which are as under.

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Department	Income Tax	3662035/- -	F. Y. 2006-07	Assistant Commissioner of Income Tax, Mehshana Circle, Mehshana

- x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xi) According to information & explanations given to us, the company has not defaulted in repayment of dues to Banks.
- xii) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debenture and other securities.
- xiii) According to the information & explanations given to us, the company is not a chit fund or a nidhi/ mutual benefit fund/society.
- xiv) According to the information & explanations given to us, the company is not dealing or trading in shares, securities, debentures & other investments.
- xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) According to the Information & explanations given to us the company has not obtained and /or applied any term loans during the year.
- xvii) On the basis of information and explanations given to us and on the basis of over all examination of the Balance Sheet and the Cash flow Statement of the Company, we report that no funds raised on short term basis have been used during the year for long term investments.
- xviii) The Company has not made any Preferential allotment of shares during the year under review.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issue during the year.
- xxi) According to the information & explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS**

**HITEN PARIKH
PARTNER
M. No. : 40230
FRN No. 107525W**

**PLACE: - AHMEDABAD
DATE: - 22/05/2010**



PATELS AIRTEMP (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	SCH.	As at 31.03.2010 (Rupees)	As at 31.03.2010 (Rupees)	As at 31.03.2009 (Rupees)	As at 31.03.2009 (Rupees)
(A) SOURCES OF FUNDS					
1. Shareholder's Funds					
a) Share Capital	1	50,702,400		50,702,400	
b) Reserves and Surplus	2	250,420,813	301,123,213	175,493,816	226,196,216
2. Loan Funds					
a) Secured Loans	3	81,349,137		52,716,503	
b) Unsecured Loans	4	23,400,000	104,749,137	12,781,069	65,497,572
3. Deferred Tax Liability (Refer note 5 of Sch 20)			17,998,910		14,532,912
CAPITAL EMPLOYED			423,871,260		306,226,700
(B) APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	5	208,443,680		148,784,920	
b) Less : Depreciation		73,385,323		64,608,677	
c) Net Block		135,058,357		84,176,243	
d) Capital Work in Progress		10,010,600	145,068,957	1,329,734	85,505,977
2. Investments					
3. Current Assets, Loans & Advances	6		280,000		280,000
a) Inventories	7	50,172,627		53,006,939	
b) Sundry Debtors	8	273,702,102		191,204,383	
c) Cash & Bank Balances	9	37,839,567		55,683,641	
d) Other Current Assets	10	2,926,518		1,007,546	
e) Loans & Advances	11	21,718,340		25,590,933	
		386,359,154		326,493,442	
Less: Current Liabilities & Provisions					
a) Current Liabilities		93,054,146		90,446,537	
b) Provisions		14,782,705		15,606,183	
		107,836,851		106,052,720	
Net Current Assets			278,522,303		220,440,722
EMPLOYMENT OF CAPITAL			423,871,260		306,226,700

Notes forming part of Accounts : 20
As per our report of even date attached

FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

FOR PATELS AIRTEMP (INDIA) LTD.
NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR

HITEN M. PARIKH
PARTNER
M.No. : 40230
FRNNO : 107525W

JAHANVI M. TRIVEDI
COMPANY SECRETARY

NARENDRABHAI G. PATEL
DIRECTOR

DATE : 22/05/2010
PLACE : AHMEDABAD

DATE : 22/05/2010
PLACE : RAKANPUR

18TH ANNUAL REPORT 2009-2010



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

	SCH.	Year ended 31-03-2010 (Rupees)	Year ended 31-03-2009 (Rupees)
1. INCOME			
a) Gross Income from Operations	13	770,922,858	737,374,199
Less : Excise Duty		51,971,680	57,084,803
Net Sales		718,951,178	680,289,396
b) Increase/(Decrease) in stock	14	566,896	(2,514,592)
c) Other Income	15	5,117,873	5,535,282
TOTAL :-		724,635,947	683,310,086
2. EXPENDITURE			
a) Materials consumed	16	392,028,113	390,890,703
b) Manufacturing Expenses	17	129,564,286	117,688,312
c) Selling and Administration Expenses	18	33,029,291	31,511,379
d) Interest & Financial charges	19	13,406,234	10,886,249
e) Loss on sale of Fixed Assets		0	196,465
f) Director's Remuneration		7,560,000	6,720,000
g) Amount Written Off		7,643,987	9,022,236
TOTAL :-		583,231,911	566,915,344
3. Net Profit Before Depreciation & Taxation		141,404,036	116,394,742
4. Depreciation		8,776,645	6,618,206
5. Profit Before Taxation		132,627,391	109,776,536
6. Provision for Taxation - Current tax		41,520,000	37,300,001
- Fringe Benefit Tax		0	380,000
- Deferred Tax		3,465,998	(10,768)
- Wealth Tax		35,200	17,000
Short //(Excess) Provision of earlier year W/O		759,143	495,551
Short //(Excess) Provision of FBT of earlier year W/O		0	(41,940)
7. Profit After Tax		86,847,049	71,636,692
8. Less :Prior period Adjustments (net) (Refer note no. 17 of Sch. 20.)		56,198	187,547
9. Profit for the year		86,790,851	71,449,145
10. Balance brought forward from Previous Year		155,493,817	102,222,141
		242,284,668	173,671,286
11. Less : Appropriations			
Corporate Dividend Tax		1,723,375	1,551,037
Proposed Dividend		10,140,480	9,126,432
Transfer to General Reserve		9,000,000	7,500,000
Balance Carried to Balance Sheet		221,420,813	155,493,817
Basic and Diluted EPS (Price Per Share Rs 10)		17.12	14.09

FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

HITEN M. PARIKH
PARTNER
M.No. : 40230
FRNNO : 107525W

DATE : 22/05/2010
PLACE : AHMEDABAD

JAHANVI M. TRIVEDI
COMPANY SECRETARY

FOR PATELS AIRTEMP (INDIA) LTD.
NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR

NARENDRABHAI G. PATEL
DIRECTOR

DATE : 22/05/2010
PLACE : RAKANPUR



PATELS AIRTEMP (INDIA) LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-3-2010 (Rupees)	As at 31-3-2009 (Rupees)
SCHEDULE - 1 : SHARE CAPITAL		
Authorised Capital:		
70,00,000 (P. Y. 70,00,000) Equity Shares of Rs. 10/- each	70,000,000	70,000,000
Issued, Subscribed & Paid Up		
50,70,240 (P. Y. 50,70,240) Equity Shares of Rs. 10/- each fully paid up	50,702,400	50,702,400
TOTAL :-	50,702,400	50,702,400
NOTE : Paid-Up Capital includes 113709 (P.Y.11,3709) Equity shares of Rs. 10/- each fully paid-up issued for consideration other than cash upon scheme of amalgamation to the shareholders of erstwhile companies M/s. Patels Airtemp Pvt. Ltd. and M/s. Gujarat Patcon Pvt. Ltd.		
SCHEDULE - 2 : RESERVE & SURPLUS		
General Reserve		
Opening Balance	18,500,000	11000000
Add : Transfer from Profit & Loss Account	9,000,000	7,500,000
	27,500,000	18,500,000
Surplus in Profit and Loss A/c	221,420,813	155,493,816
Capital Investment Subsidy	1,500,000	1,500,000
TOTAL :-	250,420,813	175,493,816
SCHEDULE - 3 : SECURED LOANS		
I) From Financial Institutions/Banks		
a) Working capital facilities from Bank of Baroda (BOB)	80,499,664	51,393,479
II) From Others	849,473	1,323,024
Vehicles acquired under hire purchase scheme are secured against vehicles purchased under the agreement [Refer Note No.7 of schedule 20]		
TOTAL :-	81,349,137	52,716,503
SCHEDULE - 4 : UNSECURED LOANS		
Inter Corporate Deposits	23,400,000	12,781,069
[Includes dues to Company in which directors of the Company are Interested]		
TOTAL :-	23,400,000	12,781,069

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	Op. Bal. as at 01-04-2009 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Total as on 31-03-2010 (Rs.)	Balance as at 01-04-2009 (Rs.)	For the Year (Rs.)	Deductions during the year (Rs.)	Total as on 31-03-2010 (Rs.)	As on 31-03-2010 (Rs.)	As on 31-03-2009 (Rs.)
Goodwill	37,040	-	-	37,040	-	-	-	-	37,040	37,040
Land	2,642,034	-	-	2,642,034	-	-	-	-	2,642,034	2,642,034
Buildings	33,788,047	5,838,123	-	39,626,170	12,636,904	1,159,978	-	13,796,881	25,829,289	21,151,143
Plant & Machinery	88,896,616	48,439,952	-	137,336,568	41,510,203	5,664,996	-	47,175,199	90,161,369	47,386,413
Electrical Installation	4,401,694	457,922	-	4,859,616	2,330,934	225,307	-	2,556,241	2,303,375	2,070,760
Furniture, Fixtures & Office Equip.	11,445,988	1,178,789	-	12,624,777	6,257,772	713,276	-	6,971,049	5,653,728	5,188,215
Vehicles	7,573,501	2,186,458	-	9,759,959	1,872,864	770,631	-	2,643,495	7,116,464	5,700,637
Software	-	1,557,516	-	1,557,516	-	242,458	-	242,458	1,315,058	-
TOTAL :-	148,784,920	59,658,760	-	208,443,680	64,608,677	8,776,645	-	73,385,323	135,058,357	84,176,243
P.Y	140,473,892	9,827,992	1,516,961	148,784,923	59,007,970	6,618,206	1,017,496	64,608,680	84,176,243	81,465,922



PATELS AIRTEMP (INDIA) LIMITED

	As at 31-3-2010 (Rupees)	As at 31-3-2009 (Rupees)	
SCHEDULE :- 6 INVESTMENTS (AT COST)			
	Face Value (Rupees)	As at 31-03-2010 (Rupees)	As at 31-03-2009
QUOTED			
(I) 14,000 Equity Shares of M/s. Gujarat State Financial Corporation of Rs.10/- each (Market Value-Not Available, P.Y Not Available)	140,000	280,000	280,000
TOTAL :-	140,000	280,000	280,000

NOTE :-

Since Quoted Investments are considered as long term investments, any diminution in value of any share is considered to be of a temporary nature & is therefore not provided for.

SCHEDULE - 7 : INVENTORIES

(As taken, valued and certified by a Director)

a) Raw materials [Including Goods In Transit of Rs. 678890/- (P. Y. Rs. 3852772/-)]	31,655,323	35,056,531
b) Work in progress	18,369,940	17,805,796
c) Finished Goods	147,364	144,612
TOTAL :-	50,172,627	53,006,939

SCHEDULE - 8 : SUNDRY DEBTORS

(Unsecured, Considered goods)

Debts due for a period exceeding Six months	68,431,987	31,416,462
Other Debts	205,270,115	159,787,921
TOTAL :-	273,702,102	191,204,383

SCHEDULE - 9 : CASH AND BANK BALANCES

a) Cash on hand	486,448	462,816
b) Balance with Scheduled Banks		
- In Current Account	20,426,889	38,140,226
- In Margin Money Account	16,056,700	16,581,610
- In Dividend Account	869,530	498,989
TOTAL :-	37,839,567	55,683,641

SCHEDULE - 10 : OTHER CURRENT ASSETS

(Unsecured, Considered goods)

Interest Receivable	2,926,518	1,007,546
TOTAL :-	2,926,518	1,007,546



	As at 31-3-2010 (Rupees)	As at 31-3-2009 (Rupees)
SCHEDULE - 11 : LOANS & ADVANCES		
(Unsecured, Considered goods)		
Advances recoverable in cash or in kind or for value to be received	10,901,714	10,704,616
Deposits	3,128,309	1,948,255
Advance for Capital Exp.	3,593,600	8,059,484
Advances to suppliers	4,094,717	4,868,578
Fringe Benefit Tax (Net of Advance Tax Paid)	0	10,000
TOTAL :-	21,718,340	25,590,933
SCHEDULE - 12 : CURRENT LIABILITIES & PROVISIONS		
I) Current liabilities		
Creditors for Goods		
a) Micro, Small & Medium Enterprise (Refer Note no 16 of Sch. 20)	10,964,385	-
'b) Others	31,478,447	52,444,975
Creditors for expenses		
a) Micro, Small & Medium Enterprise	1,588,344	-
b) Others	13,838,239	14,653,162
Creditors for Others		
– Creditors for capital expenditure	247,176	227,577
– Statutory Liabilities	5,898,884	2,661,409
– Advances from customers	26,977,645	18,768,929
– Share Application Money (Refundable)	38,500	38,500
– Unclaimed Dividend (*)	869,530	498,989
(*) (There is no amount required to be transferred to Investor Education & Protection Fund)		
Sub-Total (I)	93,054,146	90,446,537
II) PROVISIONS		
For Taxation (Net of Advance Tax Paid & TDS)	1,923,611	4,911,714
For Proposed Dividend	10,140,480	9,126,432
For Corporate Dividend Tax	1,723,375	1,551,037
For Leave Encashment	960,039	-
For Wealth Tax	35,200	17,000
Sub-Total (II)	14,782,705	15,606,183
TOTAL (I+II)	107,836,851	106,052,720



PATELS AIRTEMP (INDIA) LIMITED

	YEAR ENDED 31-3-2010 (RUPEES)	YEAR ENDED 31-3-2009 (RUPEES)
SCHEDULE - 13 : GROSS INCOME FROM OPERATIONS		
SALES		
- Domestic	702,884,018	574,729,128
- Export	38,724,793	137,109,713
Sub Total (a)	741,608,811	711,838,841
PROCESSING CHARGES		
- Domestic	16371136	9394471
- Export	122165	6219865
[TDS Rs.624498/-, (P.Y.Rs 88642/-)]		
Sub Total (b)	16,493,301	15,614,336
TRANSPORTATION CHARGES		
- Domestic	12820746	7853501
- Export	0	2067521
Sub Total (b)	12,820,746	9,921,022
TOTAL : (a+b)	770,922,858	737,374,199
SCHEDULE - 14 : INCREASE / (DECREASE) IN STOCK		
Closing Stock		
- Finished Goods	147,364	144,612
- Work - in - Progress	18,369,940	17,805,796
Sub - Total (i)	18,517,304	17,950,408
Opening Stock		
- Finished Goods	144,612	244,183
- Work - in - Progress	17,805,796	20,220,817
Sub - Total (ii)	17,950,408	20,465,000
TOTAL (i - ii) :-	566,896	(2,514,592)
SCHEDULE - 15 : OTHER INCOME		
- Interest		
On Fixed Deposit with Banks	1,368,243	1,253,978
[TDS Rs 106653 /- (P.Y. Rs 165541/-)]		
from other	57,011	105,509
[TDS Rs 12919 /- (P.Y. Rs 73072/-)]		
- Misc. Receipts	3692619	4,175,795
TOTAL :-	5,117,873	5,535,282



	YEAR ENDED 31-3-2010 (RUPEES)	YEAR ENDED 31-3-2009 (RUPEES)
SCHEDULE - 16 : MATERIALS CONSUMED		
Opening Stock	35,056,531	39,246,449
Add : Purchases [Including Trading Purchase]	388,626,905	386,700,785
	423,683,436	425,947,234
Less : Closing Stock	31,655,323	35,056,531
[Note: Closing Stock [Including Goods In Transit of Rs. 678890/- (P. Y. 3852772/-)]		
Total	392,028,113	390,890,703
SCHEDULE - 17 : MANUFACTURING EXPENSES		
Stores & Tools Consumed		
Opening Stock	-	-
Add : Purchases	28,443,616	24,682,062
	28,443,616	24,682,062
Less : Closing Stock	-	-
Sub - Total (a)	28,443,616	24,682,062
Employee's Emoluments		
Salaries, Wages & Bonus	23,253,437	18,154,095
Contribution to P.F., Gratuity & Other Funds	1,865,087	1,691,158
Welfare Expenses	1,595,817	1,296,069
Sub - Total (b)	26,714,341	21,141,322
Repairs & Maintenance		
To Plant & Machinery	4,369,534	4,136,896
To Building [including office building]	1,192,599	562,338
To Others	2,337,832	1,579,841
Sub - Total (c)	7,899,965	6,279,075
Other Manufacturing Expenses		
Power & Fuel	6,804,982	4,591,339
Provision of Excise duty on closing stock of Finished Goods	2,752	(19,765)
Freight & Handling Charges	7,433,220	6,733,333
Packing Material Consumed	2,187,600	2,053,247
Labour Charges	42,132,860	43,424,661
Factory Expenses	7,944,950	8,803,038
Sub - Total (d)	66,506,364	65,585,853
TOTAL (a+b+c+d)	129,564,286	117,688,312



PATELS AIRTEMP (INDIA) LIMITED

	YEAR ENDED 31-3-2010 (RUPEES)	YEAR ENDED 31-3-2009 (RUPEES)
SCHEDULE - 18 : SELLING AND ADMINISTRATION EXPENSES		
Rent, Rates & Taxes	1,234,806	1,089,937
Printing & Stationery Exp.	1,685,975	1,551,914
Postage Exp.	844,690	732,877
Insurance Exp.	114,047	103,079
Telephone Exp.	1,064,969	890,040
Auditor's Remuneration	66,180	55,150
Sitting Fees	10,000	13,000
Travelling, Conveyance & Vehicle Exp.	5,357,965	4,621,973
Legal & Professional Charges	3,337,181	4,097,780
Advertisement & Publicity Exps.	1,590,772	914,524
Sales Commission	508,450	-
Selling & Distribution Exps.	12,391,655	12,151,971
General Expenses	4,743,081	5,277,934
Sales Tax	79,520	11,200
TOTAL :-	33,029,291	31,511,379
SCHEDULE - 19 : INTEREST & FINANCIAL EXPENSES		
Interest on Working Capital	2,907,884	1,253,131
Interest to Others	1,635,510	923,136
Foreign Exchange Fluctuation Loss (Net)	3,588,330	1,737,757
Other Finance Charges	5,274,510	6,972,225
TOTAL :-	13,406,234	10,886,249

SCHEDULE : 20**1. SIGNIFICANT ACCOUNTING POLICIES****i) METHOD OF ACCOUNTING**

The financial statements are prepared under the historical cost convention in accordance with generally accepted Accounting Principles in India & the Provisions of the Companies Act, 1956 and the applicable accounting standards notified under the Companies Accounting Standards Rule, 2006.

ii) RECOGNITION OF INCOME & EXPENDITURE

Revenues/Incomes and costs / expenditures are generally accounted on accrual, as they are earned or incurred. Sales are inclusive of excise duty but exclusive of Sales Tax / VAT collected.

iii) EXCISE DUTY

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

iv) FIXED ASSETS

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

v) INVESTMENTS

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

vi) VALUATION OF INVENTORIES

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

vii) METHOD OF DEPRECIATION

- (a) Depreciation on fixed assets (other than land where no depreciation is provided) has been provided on straight line method in accordance with the provisions of section 205(2)(b) of the Companies Act, 1956, at the rates specified in Schedule XIV to the Companies Act, 1956.
- (b) Depreciation in respect of fixed assets put to use during the year is charged on pro-rata basis with reference to the installation of the assets.
- (c) No depreciation has been provided on the assets where the accumulated depreciation has exceeded 95% of its cost.
- (d) No depreciation has been provided in respect of Capital Work In Progress.
- (e) No depreciation has been provided on self generated intangible assets.
- (f) Intangible assets acquired during the year are written off over a period of five year.

viii) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the year are recognized as income or expenses in the Profit & Loss Account.



Cash and bank balances, receivables and liabilities (monetary items) in foreign currencies as at the year end are translated at closing-date rates, and unrealized translation differences are included in the Profit & Loss Account.

ix) IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An Impairment loss is charged to the profit and loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

x) TAXATION

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

xi) RETIREMENT BENEFITS

a) Short Term

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

b) Long Term

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

c) Defined Contribution Plans

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

d) Defined Benefit Plans

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

e) Leave Encashment

During the year the company has started making provision for Leave Encashment on the basis of unavailed leave by the employees.

xii) CONTINGENT LIABILITES/ CONTINGENT ASSETS

- a) Contingent liabilities are disclosed by way of note in the Balance Sheet.
- b) Contingent Assets are neither recognized nor disclosed in the Financial Statements.

ix) PROPOSED DIVIDEND & CORPORATE DIVIDEND TAX

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

2) Contingent Liabilities not provided for:

Estimated amount of Contracts remaining to be executed on Capital Account (net of advances) & not provided for Rs. 898400/- (P. Y. NIL)..

(Rs in lacs)

	As at 31/03/2010	As at 31/03/2009
Outstanding Bank Guarantees	1081.07	780.96
Out standing Foreign Letter of Credit (73865 US \$)	NIL	37.41
Outstanding Income Tax Demand for F. Y. 2006-07	36.62	NIL

3. RELATED PARTY INFORMATION

The company has transactions with following related parties

- a) **Associates** Thermflow Engineers Pvt. Ltd.
- b) **Key Management Personal**
 - 1. Narayanbhai G.Patel
 - 2. Narendrabhai G. Patel
 - 3. D.C.Narumalani
 - 4. Prakashbhai N. Patel
 - 5. Sanjivkumar N. Patel

Name of Party	Nature of relationship	Nature of Transaction	Transactions during the year (in Rs.)	Balance at the end of the year
Narayanbhai G.Patel	Chairman & M.D	Remuneration & Contribution to funds	1759146 (1680000)	Nil
Narendrabhai G. Patel	Director	— do —	1685321 (1680000)	Nil
D.C.Narumalani	Director	— do —	1688460 (1680000)	Nil
Prakashbhai N.Patel	Director	— do —	1680000 (1680000)	Nil
Sanjivkumar N. Patel	Director	— do —	840000 (NIL)	Nil
Thermflow Engineers Pvt. Ltd.	Associate Concern	Interest Accrued but not paid	1425901 (879917)	
		Loan taken	11300000 (7000000)	23400000 (12781069)
		Loan Repaid	NIL (3000000)	

4. As per the informations given by the management the Company has only one reportable business segment. And hence segment wise information is not given.



PATELS AIRTEMP (INDIA) LIMITED

5. DEFERRED TAX

The break up of net deferred tax liability as at 31st March, 2010 is as under:

	31-03-10 (Amt. In Rs.)	31-03-09 (Amt. In Rs.)
Deferred Tax Assets		
- 43B Disallowance	586251	63528
Sub Total (A) :-	586351	63528
Deferred Tax Liabilities		
- Depreciation difference	18585261	14596440
Sub Total (B) :-	18585261	14596440
Net Deferred Tax Assets /(Liabilities) TOTAL (A-B)	(17998910)	(14532912)

6. EARNING PER SHARE

	31-03-2010	31-03-2009
- Net Profit for the year	86790851	71449145
- Number of Equity Shares	5070240	5070240
Basic & Diluted Earning per Share (Price per share Rs. 10)	17.12	14.09

7. SECURED LOANS

Working Capital from BOB

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

8. 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.
9. Balances of Sundry debtors, Creditors and loans and advances are subject to confirmation from respective parties.
10. *Inventories of finished goods costing around Rs. 1.47 Lacs (P.Y Rs 1.45 lacs) are non-moving in nature. However, the management is of the view that they are in good condition and are realizable in ordinary course of business and therefore, no provision is considered necessary in respect of the said non-moving inventories.*
11. *The recoveries in respect of certain receivables have become sticky/disputed. However, the company has taken appropriate steps including initiation of legal proceedings wherever required for the purpose of recovery of such sticky book debts. Since the company is fairly confident of successfully recovering majority of the said sticky debts, the company has not considered it necessary for making any provision for doubtful debts. The recoveries of certain sticky / disputed receivables have become suspectable and in opinion of the management they become doubtful. The management is of the opinion that it is in the interest of the company to write off the same and also the company has taken appropriate steps including initiation of legal proceedings where ever required.*

12. MANAGERIAL REMUNERATION

	Year 2009-10 (Rs.)	Year 2008-09 (Rs.)
a) Salaries	67,50,000	60,00,000
b) Contribution to Gratuity & other funds	8,10,000	7,20,000
c) Perquisites	92,927	—
TOTAL :-	76,52,927	67,20,000

13. EMPLOYEE BENEFIT OBLIGATION

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

Defined Contribution Plan :

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

(Rs.)

	2009-10	2008-09
Employer's Contribution to Provident Fund	1418403	1187381

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

14. AUDITOR'S REMUNERATION

	Year 2009-10 (Rs.)	Year 2008-09 (Rs.)
a) Audit Fees	55680	44650
b) Tax Audit Fees	10500	10500

15. PRIOR PERIOD ADJUSTMENTS

Particulars	As At 31/03/2010 Rupees	As At 31/03/2009 Rupees
Net Operating Expenses/(Income)	56198	187547

16. Micro, Small & Medium Enterprise

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

Particulars	2009-10	2008-09(*)
The Principal Amount and Interest Due	12552729	—
Interest Paid under MSMED Act, 2006	NIL	—
Interest due (Other than 23.3 (b))	NIL	—
Interest accrued and unpaid	NIL	—
Interest due and payable till actual payment	NIL	—

(*) (During the previous year the Company has not received information from the suppliers regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006. Hence, disclosure



PATELS AIRTEMP (INDIA) LIMITED

in previous year, if any, relating to amount unpaid as at the balance sheet date together with interest paid or payable as per the requirement under the said Act have not been made.)

17. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3 AND 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

(A) Capacities and Production

CAPACITIES Class of Goods	Licensed capacity (in MTS)	Installed capacity (in MTS)
Components Condensers, Heat Exchangers, Air cooled Heat Exchanger, Finned Tube/Fine Tube Bundle/elements, Pressure Vessels, Steam Heaters	N.A.	As informed by the Management, the items manufactured are the tailor made and are different in each case and hence, installed capacity is not ascertainable.

SCHEDULE : 20 - NOTES FORMING PART OF ACCOUNTS

PRODUCTION TURNOVER AND STOCKS

	OPENING STOCK		PRODUCTION		TURNOVER		CLOSING STOCK	
	QTY Nos./ Sets	Value With E.D. (Rs.)	QTY Nos./sets	QTY Nos./sets	Value (Rs.)	QTY Nos./ Sets	Value With E.D. (Rs.)	
Industrial Fan & Accessories	2 Nos (2) Nos	3788 (4005)	7 Nos. (5) Nos	7 Nos. (5) Nos	246982 (457205)	2 Nos. (2) Nos	3861 (3788)	
Heat Exchanger & Accessories	(-)	(-)	537 Nos. 17 Set (913 No.) (6 Sets)	537 Nos. 17 Set (913 No.) (6 Sets)	283083630 (310475438)	-	-	
Steam Coil/ Heaters	-	-	52 Nos. (62 Nos)	52 Nos. (62 Nos)	52059499 (52293178)	-	-	
Air Conditioning & Refrigeration	19 Nos. (31) Nos	60317 (155075)	154 Nos. 9 Set (147 Nos.) (17 Sets)	154 Nos. 9 Set (159 Nos.) (17 Sets)	30774868 (25970185)	19 Nos. (19 Nos.)	61463 (60317)	
Other plants Equipment's & Accessories	-	-	-	-	3480792 (*) (7932102) (*)	-	-	
Compressor & Extra Accessories ontrols	1 Nos. (1) Nos	8074 (8534)	-	-	-	1 Nos. (1 Nos.)	8227 (8074)	
Window & Split A/c.	18 Nos. (18) Nos	72433 (76569)	-	301 Nos. (447 Nos*)	6838499 (10927526)	18 Nos. (18 Nos.)	73813 (72433)	
Pressure Vessels	-	-	240 Nos. (180 Nos.) (1 Set)	240 Nos. (180 Nos.) (1 Set)	153012571 (155342214)	-	-	
Humidification Ventilation & Air-cooling plant Equipment	-	-	-	-	18921667* (34365823*)	-	-	
Air Cooled Heat Exchanger	-	-	25 Nos. 52 Set (16 Nos.) (45 Set)	25 Nos. 52 Set (16 Nos.) (45 Set)	127739870 (41136689)	-	-	
Finished/Tube / Fine T Bundle/ Elements	-	-	11742 Nos (4755 Nos.)	11742 Nos. (4755Nos.)	13478753 (12332876)	-	-	
Surface Condenser	-	-	(2 Nos)	(2 Nos)	(3520800)	-	-	
Total :-		<u>144612</u>			<u>689637131</u>		<u>147364</u>	
P.Y. :-		<u>(244183)</u>			<u>(654754037)</u>		<u>(144612)</u>	

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- Note :**
- 1) * Quantity is Not Ascertainable.
 - 2) *Include trading sale of 301 Nos. [P.Y. 447 Nos.]
 - 3) Turnover does not includes processing charges and transportation charges received.

CONSUMPTION OF RAW MATERIAL [including trading goods]

Class of Materials	Unit	Year 2009-10		Year 2008-09	
		QTY	Value [Rs.]	QTY	Value [Rs.]
I Iron & Steel	Kg.	3243359	163914020	Kg. 2439910	161729812
ii. Non Ferrous [Copper & All Tubes]	Nos.	7331	46866020	Nos. 14318	57448641
iii. Non Ferrous Sheet/Plates [Copper & Alu. Tubes.]	Kg.	61753	28249543	Kg. 74120	31607797
iv. Electric Motors & Compressors	Kg.	232006	41255888	Kg. 142683	34657697
v. Pipes/Tubes	Nos.	149	2637272	Nos. 97	1765519
vi. Others (components)	Mtrs.	539021	78595363	Mtrs. 445282	89374873
vii. C.I. Castings			60625334	-	36183480
viii. Air Washer Equipments	Kg.	2280	141777	Kg. 310	68959
			16405865		35040239
			438691082		447877016
Less : Cenvat & VAT Tax set off			46662969		56986313
Total :-			392028113		390890703
P.Y.			390890703		338255303

(B) Value of imported and indigenous raw-materials, stores and spare parts consumed and percentage thereof

	Year ended 31-03-2010		Year ended 31-03-2009	
	Value (Rs.)	%	Value (Rs.)	%
i) Raw material				
- Imported	36029811	9.55	27505475	7.67
- Indigenous	341173943	90.45	331079059	92.33
Total :-	377203754	100	358584534	100
PREVIOUS YEAR :	(358584534)	(100)	(291017738)	(100)
ii) Stores & Spares				
- Imported	1777377	6.25	0	0
- Indigenous	26666239	93.75	24682062	100
Total :	28443616	100	24682062	100
PREVIOUS YEAR :	(24682062)	(100)	(17622461)	(100)

(C) DETAILS OF TRADING GOODS PURCHASED

PARTICULARS	31.03.2010		31.03.2009	
	Value (Rs.)	%	Value (Rs.)	%
Trading Goods				
- Imported	NIL	NIL	NIL	NIL
- Indigenous	14824358	100.00	32306169	100.00
TOTAL:	14824358	100.00	32306169	100.00



PATELS AIRTEMP (INDIA) LIMITED

	Year ended 31.03.2010 (Rupees)	Year ended 31.03.2009 (Rupees)
E) C.I.F. value of Imports		
i) Capital Goods	15157197	NIL
ii) Raw Materials	36029811	27505475
iii) Consumable Tools	1777377	NIL
F) Expenditure in foreign currency		
i) Subscription and Registration Fees	1386974	929216
ii) Repairs to Plant & M/c.	1352953	268932
iii) Foreign Travelling Expenditure	637305	NIL
G) Earning in foreign Exchange (FOB Value of Exports)	38724793	137109713
H) Amount remitted during the year in foreign currency in respect of Dividend.	Nil	Nil

18. Previous year's figures have been re-grouped/rearranged wherever necessary so as to confirm to current year's grouping.

19. Information required in terms of part IV of schedule VI to the companies Act, 1956 is attached.

As per our report attached to the Balance Sheet

-: Signatories to Schedules - 1 to 20 :-

PLACE :- AHMEDABAD
DATE :- 22/05/2010

FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

HITEN M. PARIKH
PARTNER
M. No. : 40230
FRN No. : 107525W

PLACE :- RAKANPUR
DATE :- 22/05/2010

FOR PATELS AIRTEMP(INDIA) LIMITED

NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR

NARENDRABHAI G. PATEL
DIRECTOR

JAHANVI M. TRIVEDI
COMPANY SECRETARY



Information referred to in note - 18 of Schedule 21 to the Notes on Accounts for the year ended on 31st March, 2009

PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 (AS AMENDED)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details:

Registration No. State Code
 Balance Sheet Date
 Date Month Year

II Capital Raised During the year(Amount in Rs. Thousands)

Public Issue Right Issue
 Bonus Issue Private Placement

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets
 Sources of Funds
 Paid-up Capital Reserve & Surplus
 Secured Loans Unsecured Loan
 Deferred Tax Liability
 Application of Funds
 Fixed Assets Investments
 Net Current Assets Misc. Expenditure
 Accumulated Losses

IV Performance of Company (Amount in Rs. Thousands)

Turnover Total Expenditure
 + - Profit/Loss Before Tax + - Profit/Loss After Tax
 Earning per Share in Rs. Dividend @ %

V Generic Names of Three Principal Products/Services of Company (As per Monetary Terms) Monetary terms)

Product Description	Item Code No. (ITC Code)
Shell and Tube Heat Exchangers	<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="0"/>
Pressure Vessels	<input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="0"/>
Air Conditioners & Refrigeration Equipments	<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/>

For PATELS AIRTEMP (INDIA) LIMITED

NARAYANBHAI G. PATEL : Chairman & M. D.
NARENDRABHAI G. PATEL : Whole Time Director
JAHANVI M. TRIVEDI : Company Secretary

Place : Rakanpur
 Date : 22.05.2010



PATELS AIRTEMP (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	2009-2010		2008-2009	
	RUPEES	RUPEES	RUPEES	RUPEES
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extra Ordinary Items		132,627,391		109,776,536
Adjustments for:				
Depreciation	8,776,645		6,618,206	
Interest expenses	4,543,394		2,176,267	
Interest Income	(1,425,254)		(1,359,487)	
		11,894,785		7,434,986
OPERATING PROFIT BEFORE WORKING				
CAPITAL CHANGES		144,522,176		117,211,522
Adjustment for:				
Trade and other receivables	(80,544,098)		(35,735,459)	
Inventories	2,834,312		6,704,510	
Trade Payable	824,092		1,795,257	
		(76,885,694)		(27,235,692)
CASH GENERATED FROM OPERATIONS		67,636,482		89,975,830
Direct Taxes paid /Payable	(42,314,343)		(38,150,612)	
		(42,314,343)		(38,150,612)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		25,322,139		51,825,218
Extraordinary items:				
Prior period adjustments	(56,198)	(56,198)	(187,547)	(187,547)
NET CASH FROM OPERATING ACTIVITIES		25,265,941		51,637,671
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets (Net of Modvat benefit)	(68,339,626)		-11,157,726	
Sale of Fixed Asset	0		499,465	
Interest Received	1,425,254		1,359,487	
		(66,914,372)		(9,298,774)
NET CASH USED IN INVESTING ACTIVITIES		(66,914,372)		(9,298,774)



C CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds/(Repayment) from secured Borrowings	0	0
Proceeds/(Repayment) from Unsecured Borrowings	10,618,931	4,680,527
Proceeds from Bank borrowings for Working Capital Facilities	29,106,185	4,734,581
Deferred payment credits against vehicles (Net of repayment)	(473,551)	(593,034)
Corporate Dividend Paid	(11,863,855)	(10,677,469)
Interest Paid	(4,543,394)	(2,176,267)
	<u>22,844,316</u>	<u>(4,031,662)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>22,844,316</u>	<u>(4,031,662)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH AND CASH EQUIVELANTS AS AT THE BEGINING OF THE YEAR	<u>(18,804,115)</u>	<u>38,307,235</u>
CASH AND CASH EQUIVELANTS AS AT THE CLOSING OF THE YEAR	55,683,641	17,376,407
	37,839,567	55,683,641

FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

HITEN M. PARIKH
PARTNER
M.No. : 40230
FRN No. : 107525W

DATE : 22/05/2010
PLACE : AHMEDABAD

JAHANVI M. TRIVEDI
COMPANY SECRETARY

FOR PATELS AIRTEMP (INDIA) LTD.
NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR

NARENDRABHAI G. PATEL
DIRECTOR

DATE : 22/05/2010
PLACE : RAKANPUR



PATELS AIRTEMP (INDIA) LIMITED

Regd. Office : 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station,
Navrangpura, Ahmedabad – 380 009.

Client ID : _____ LF.No. : _____
DP ID : _____ Nos. of Shares held : _____

ATTENDANCE SLIP

I hereby record my presence at the Eighteenth Annual General Meeting of the Company held at the Regd. Office : 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad - 380 009 at 10.00 a.m. on Saturday the 28th August, 2010.

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

- NOTES: 1. You are requested to sign and hand over this attendance slip at the entrance.
2. If you intend to appoint a proxy to attend the meeting instead of yourself the proxy form must be deposited at the Registered Office of the Company at 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad - 380 009 not less than 48 hours before the time fixed for holding the meeting.

PATELS AIRTEMP (INDIA) LIMITED

Regd. Office : 5th Floor, Kalpana Complex, Nr. Memnagar Fire Station,
Navrangpura, Ahmedabad – 380 009.

Client ID : _____ LF.No. : _____
DP ID : _____ Nos. of Shares held : _____

PROXY FORM

I/We _____ of _____
in the district of _____ being a member/members of the above
named Company hereby appoint _____
of _____ in the district of _____
or failing him / her _____ of _____
in the district of _____ as my / our Proxy to attend and
vote for me / us and on my / our behalf at the Eighteenth Annual General Meeting of the Company to be
held on Saturday the 28th August, 2010 at 10.00 a.m. at the Registered Office of the Company and at any
adjournment thereof.

Signed this _____ day of _____ 2010

Signature _____

Affix Revenue Stamp of 1/- Re.

NOTES:

1. The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting.

BOOK-POST
(Printed Matter)

To,

If undelivered please return to :



PATELS AIRTEMP (INDIA) LIMITED

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