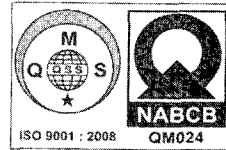


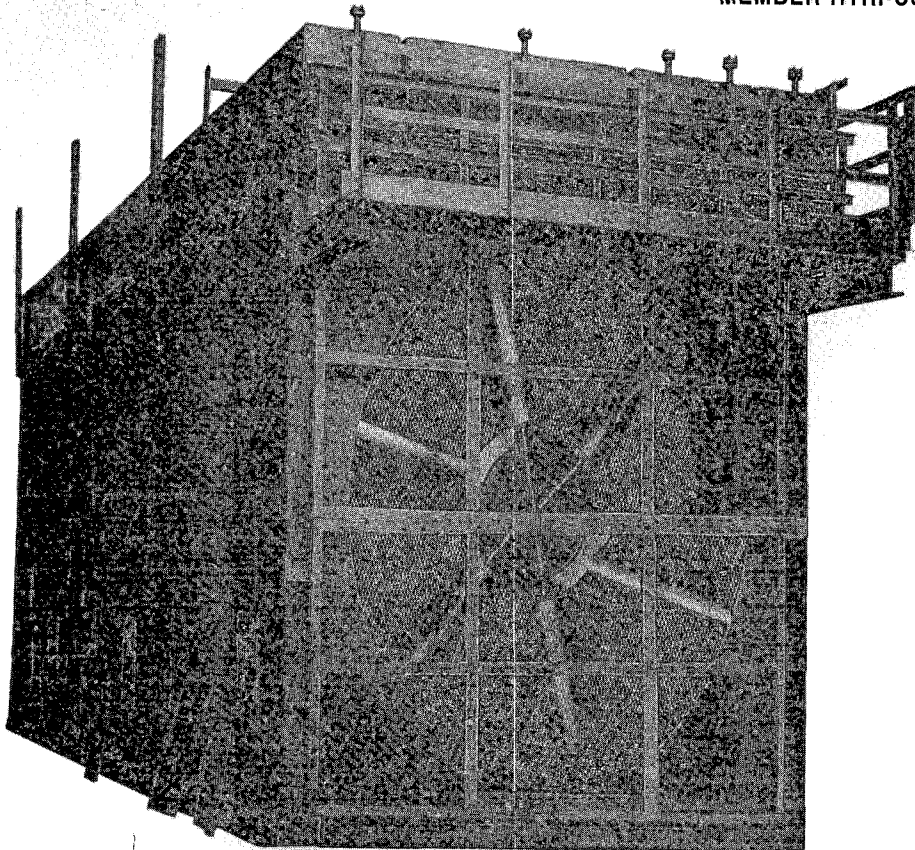
17th Annual Report

2008-2009

"U" / "NB" / "R"
STAMP AUTHORIZATION



MEMBER-HTRI-USA



AIR COOLED HEAT EXCHANGERS



FOR PATELS AIRTEMP (INDIA) LTD.

Patel
DIRECTORS

PATELS AIRTEMP (INDIA) LIMITED



**PATELS AIRTEMP (INDIA) LIMITED
SEVENTEENTH ANNUAL REPORT 2008-2009**

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 Umakant G. Majmudar : Director
Shri Natwarlal J. Patel : Director
Shri Rajendra Kumar Wadher : Director
Shri Hareshkumar I. Shah : 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 302, 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. Pinnacle Shares Registry Pvt. Limited
Regd. Office : Nr. Asoka Mills,
Naroda Road, Ahmedabad - 380 025
Tele. No. (079) 22204226/22200582-22200338,
Fax No. (91) (079) 22202963



NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of **PATELS AIRTEMP (INDIA) LIMITED** will be held on Saturday the 19th September, 2009 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 business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2009 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare the Dividend on Equity Shares .
3. To appoint a director in place of Shri Narayanbhai G. Patel, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a director in place of Shri Umakantbhai G. Majmudar, who retires by rotation and being eligible offers himself for reappointment.
5. To re-appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if, thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT subject to an approval of members pursuant to the provisions of Section 198,269,309,310 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) the consent of the Company be and is hereby accorded to the re-appointment of Shri Devidas C. Narumalani, as a Whole Time Director of the Company for a period of three years with effect from 14th July, 2009 on payment of salary of Rs.125000/- p.m. and other perquisites and such other terms and conditions including remuneration as set out in the explanatory statement hereto annexed, a copy whereof submitted to this meeting duly initialed by the Chairman for the purpose of identification.”

“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 the terms and conditions of the said re-appointment including remuneration without the matter being referred to the Company in General Meeting, so long as, it does not exceed the limits specified 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 Devidas C. Narumalani 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.”

By Order of the Board

Place : Rakanpur
Date : 19th June, 2009

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 7th September, 2009 to Saturday, the 19th September, 2009 (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. Pinnacle Share Registry 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 encashed the dividend warrants for the financial year 2006-07, Interim & Final Dividend for the year 2007-08 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 will become due for transfer to Investor Education & Protection Fund Account in October / November, 2014 & October/November, 2015. 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. Pinnacle Shares Registry Pvt. Ltd., Regd. Office : Nr. Ashoka Mills, Naroda Road, Ahmedabad – 380025 Tele. No. (079) 22204226/22200582/22200338, Fax No. (079) 22202963, E-mail Address : investor.service@psrpl.com.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**Item No. : 6 Ordinary Resolution :**

Shareholders may recall that in the 14th Annual General Meeting of the Company held on 23rd September, 2006 where Shri Devidas C. Narumalani, has been re-appointed as a Whole Time Director for a period of three years from 14th July, 2006. The present term of office of Shri Devidas C. Narumalani expires on 13th July, 2009.

Shri Devidas C. Narumalani, aged 60 years having Bachelor Degree in Technology, Mumbai and Diploma in Business Management. He has been associated with the group for last 17 years and is a Director of the Company since inception and was appointed as a Whole Time Director of the Company from 14.07.1993. He looks after overall marketing of the products of the Company as well as day to day administration of the Mumbai branch.

Considering the vast experience, the Board of Directors at their meeting held on 19th June, 2009 re-appointed as a Whole Time Director of the Company for a period of three years from 14.7.2009 on remuneration of Rs. 1,25,000/- p.m.. On the remuneration as determined and approved by the Remuneration Committee of the Board of Directors and the Board recommended the remuneration as given below:

- (1) PERIOD : From 14.07.2009 to 13.07.2012.
- (2) REMUNERATION :
 - (A) Salary : Rs. 1,25,000/- per month including Dearness and other allowances.
 - (B) 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 of 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.
- (3) 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.
- (4) 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 Section 198 of the Companies Act, 1956.

- (5) 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.
- (6) 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.
- (7) The appointment may be terminated by either party giving to the other party three months remuneration in lieu thereof.

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

As per the provisions of Sections 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company by Ordinary Resolution is necessary for holding office of Whole Time Director of the Company on remuneration.

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.

For PATELS AIRTEMP (INDIA) LTD.

NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR

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

Date : 19th June, 2009.

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 Narayanbhai G. Patel	21-04-1940	10-06-1992	Businessman	B.E.(MECH.) M.E.(AIR&REF.)	Nil	Nil
Shri Umakant G.Majmudar	08-07-1933	30-03-2003	Banking, Finance, Accounts & Mgt.	B.A.(Hons.) CAIIB	Nil	Nil

**DIRECTORS' REPORT****Dear Members,**

Your Directors are pleased to present the Seventeenth Annual Report together with Audited Statement of Accounts of the Company for the financial year ended 31st March, 2009.

FINANCIAL RESULTS

Particulars	2008-09	2007-08
Sales and Other Income (Including Excise Duties)	7429.09	6188.47
Profit before Interest and Finance Charges	1272.81	960.12
Depreciation and Taxes & prior period Adjustment		
Less : Interest & Finance Charges	108.86	127.30
Depreciation	66.18	62.55
Profit before Taxation	1097.77	770.27
Provision for Taxation - Current	373.00	240.00
- Fringe Benefit Tax	3.80	3.90
- Deferred	(0.11)	0.95
- Wealth Tax	0.17	0.07
- Short/ (Excess) Provision of FBT of earlier year w/o.	(0.42)	2.95
- Short/(Excess) Provision earlier year W/O	4.96	-
Profit after Tax	716.37	522.40
Less Prior Period Adjustment	1.88	0.94
	714.49	521.46
Balance brought forward from previous year	1022.22	644.74
Less Corporate Dividend Tax	15.51	12.93
Less Interim Dividend	-	25.35
Less:Proposed Dividend	91.26	50.70
Less Transfer to General Reserve	71.45	55.00
Surplus carried forward to Balance Sheet	1558.49	1022.22
Earning Per Share	14.09	10.28

PERFORMANCE & DIVIDEND

In spite of having global meltdown and general recessionary trend and our Country is not an exception to the same; your company has continued to post good performance for the year under review. The company has earned gross revenue of Rs.74.29 crores which is about 20% higher as compared to the previous fiscal year. Again, export is the main driver of the higher revenue and thus your company has achieved export turnover of Rs.14.58 crores for the current fiscal year as against Rs.1.29 crores for the corresponding previous year showing 10.30 times increase in the export revenue.

Your company has earned net profit of Rs.7.15 crores for the year under review as compared to Rs.5.22 crores for the earlier previous year showing an increase of about 37%. Thus, there is remarkable growth in the top line as well as bottom line of the company for the year under review.

In view of the better performance and considering the tradition of the company, your directors have recommended dividend at the rate of 18% for the fiscal year 2008-09, which works out to Rs. 91.26 lacs.

FUTURE PROSPECTS

As you are 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 a 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.47 crores on hand as of June,2009. Thus, inspite of the general slow down and global recessionary trend, your directors are confident of repeating similar growth in line with the past trend for the fiscal year 2009-10. 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 a 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. More so, with the conclusion of recent nuclear deal, there is a wide scope for the companies like your company for supplying capital goods to this companies considering the past experience and successful execution of the orders of the nuclear power plant in the past. 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 Narayanbhai G. Patel and Shri Umakantbhai G. Majmudar, retire by rotation and being eligible offer themselves for the reappointment. Your Directors recommend re-appointment of Shri Devidas C. Narumalani as a Whole Time Director of the Company for three years effective from 14th July, 2009 on the terms & conditions as mentioned in Notice of the forthcoming Annual General Meeting.

The particulars of the directors retiring by rotation are given in the notice / explanatory statement portion of the accompanying notice.

CORPORATE GOVERNANCE

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

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 alongwith proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 ;

(iv) that the Directors have prepared the Annual Accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

AUDITORS

M/S. Parikh & Majmudar, 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 : 19th June, 2009

**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 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 softwares 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 & Machinery 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. In-house systems and operations are being innovated for better quality and to perform upto customers requirement.

For and on behalf of the Board of Directors,

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Place : Rakanpur
Date : 19th June, 2009

NARAYANBHAI G. PATEL
Chairman & Managing Director

FOREIGN EXCHANGE EARNINGS & OUTGO

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

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Your Directors wish to place on record their deep appreciation of the continued support and guidance provided by the Central and State Government and 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,

NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR

Place : Rakanpur
Date : 19th June, 2009



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 is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. The Company in pursuance of Code of Corporate Governance strongly believes that it must organize its affairs to the optimum satisfaction of its members and also ensure that the interest of lenders, suppliers, customers, and employees are well taken care of. Our governance practices are a product of self-desire, reflecting the culture of the trusteeship that is deeply ingrained in our value system and reflected in our strategic thought process.

The Company in pursuance of Code of Corporate Governance, strongly believe that it must organize its affairs to the utmost satisfaction of all the concerned. The Company believes that the governance norms originating in the stock market institutions as an integral part of its Corporate Governance Philosophy should be respected both in letter and spirit. The Company endeavor to ensure transparency, control and accountability, in all areas of its operations.

2. BOARD OF DIRECTORS

The names and category of Directors on the Board as on 31st March 2009 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 2008:09 and also at the last AGM held is given below :

Name of the Directors	Attendance Particulars		Nos. of Directorship and Committee Membership / Chairmanship held in other Public Companies
	Board Meeting	Last Annual General Meeting	
Promoter Executive Directors			
1. Shri Narayanbhai G. Patel MD	5	Present	-
2. Shri Devidas C. Narumalani #	5	Absent	-
Executive Directors			
3. Shri Narendra G. Patel #	5	Present	-
4. Shri Prakash N. Patel #	5	Present	-
Non Executive Directors			
5. Shri Natwarlal J. Patel	5	Absent	-
6. Shri Umakant G. Majmundar	5	Present	-
7. Shri H.I. Shah	5	Absent	-
8. Shri Rajendra Kumar Wadher	5	Present	-

MD – Managing Director # WTD – Whole Time Director

During the financial year 2008:09, five Board Meetings were held viz. on 30th April, 2008; 14th June, 2008, 31st July, 2008, 25th October, 2008; and 30th January, 2009.

As required by Clause 49 of the Listing Agreement, the particulars of Directors seeking re-appointment are given in the accompanied notice portion and Chairman and Umakant G. Majmundar and H.I. Shah acts as compliance officer for the Committee. It is the duty of every member to approve transfer and also to consider applications.

3. AUDIT COMMITTEE

The audit committee was constituted on 30th March, 2003 which comprises three independent Non – executive Directors viz. Shri Umakant G. Majmundar (Chairman), Shri Natwarlal J. Patel, Shree H.I.Shah 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 constituted Remuneration Committee as per Clause 49 of the Listing Agreement on 30th March, 2003 which comprises of three independent and non – executive Directors Viz. ; Shri Umakant G. Majmundar, as the Chairman of the Committee, Shri Natwarlal J. Patel and Shri H.I.Shah and one executive Director Shri Narayanbhai .G Patel as a member 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 2008-09 IS GIVEN BELOW :

(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/-

5. INVESTORS' GRIEVANCE COMMITTEE

In compliance with the Corporate Governance Code, the Company has constituted the Investors' Grievance Committee on 30th Mach, 2003 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. 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., 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), Shri Umakant G. Majmundar and Chairman & Managing Director Shri Narayanbhai G. Patel, as members. Mr. K. R. Shah 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 two 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 2008-09 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
2005-06 14 th AGM	23 rd September, 2006 at 10.00 A.M.	805-806, Rakanpur-382 721, Via.: Sola – Bhadaj Village, Tal.: Kalol, Dist. Gandhinagar, Gujarat.	Yes
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

No Extra Ordinary General Meeting was held during last three years. The Company has passed through Postal Ballot Ordinary Resolution under Section 293(1)(a) authorizing the Board to sale, lease or create such mortgage and/or charge up to Rs.50/- Crores and passed Special Resolution under Section 146(2) of the Companies Act, 1956 for shifting Registered Office of the Company from Rakanpur to Ahmedabad. Mr. Ashish C. Doshi, Company Secretary appointed as the scrutinizer and both the resolutions were passed by 601506 votes in favour and nil votes against the resolutions. The result of the same was announced on 23rd September, 2006 at the 14th Annual General Meeting of the Company.

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, the 19th September, 2009

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 7th September, 2009 to Saturday, the 19th September, 2009 (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 2009-10 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 2008-09 is furnished below :

Month	High Price (Rupees)	Low Price (Rupees)
April 2008	67.50	49.30
May 2008	67.90	56.25
June 2008	67.45	53.90
July 2008	63.55	43.00
August 2008	68.25	56.15
September 2008	62.55	41.75
October 2008	50.00	31.00
November 2008	36.15	27.00
December, 2008	31.60	25.20
January, 2009	33.85	26.70
February, 2009	39.50	27.35
March, 2009	33.70	25.00

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 appointed the below mentioned agency as Registrar & Share Transfer Agent, for both physical and demat segment of equity shares of the company with effect from 1st April, 2003, Which provides all shareholders related services : **M/S. Pinnacle Shares Registry Pvt. Ltd.**, Near Ashoka Mills, Naroda Road, Ahmedabad – 380 025, Phone Nos. : (079) 22204226 / 22200582 / 22200591, Fax No. (91) (079) 22202963. E-mail Address : investor.service@psrpl.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, 2009

Nos. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 to 500	4808	87.47	667927	13.47
501 to 1000	314	5.71	262565	5.18
1001 to 2000	158	2.87	246366	4.86
2001 to 3000	56	1.02	147725	2.91
3001 to 4000	41	0.75	151219	2.98
4001 to 5000	25	0.46	119396	2.36
5001 to 10000	42	0.76	312969	6.17
10001 and Above	53	0.96	3162073	62.37
Grand Total	5497	100.00	5070240	100.00

(b) Category of Equity Shareholders as on 31st March, 2009

Particulars	Nos. of Holders	% of Total	Nos. of Shares held	% of Total
Promoters (Directors & Relatives)	20	0.36	1866621	36.81
Bodies Corporates	153	2.78	573154	11.31
FI	1	0.02	59866	1.18
NRI / OCB	51	0.93	41734	0.82
Trust	—	—	—	0.00
Public	5272	95.91	2528855	49.88
Grand Total	5497	100.00	5070240	100.00

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 96.18% of the total equity capital of the Company is held in demat form as on 31st March, 2009.

j) **Plant Location(s) :** The Company's plant is located at :

Plot 805-806,807 & 810 Rakanpur, Tal. : Kalol Dist. Gandhinagar	Project Division 5 th Floor, Kalpana Complex, Nr. Memnagar Fire Station, Navrangpura, Ahmedabad - 380 009.
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k) **Address for Correspondence :** For both physical & Electronic form :

M/S. Pinnacle Shares Registry Pvt. Ltd.
Regd. Office : Near Asoka Mills
Naroda Road, Ahmedabad - 380 025.
Phone Nos. (079) 22204226 / 22200582 / 22200591
Fax No. (079) 22202963, E-mail address : investor.service@psrpl.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.

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 31.03.2009.

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 : 19th June, 2009

Hiten M. Parikh
Partner
M. No. 40230



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.).

EXPORT PERFORMANCE

During the year under review the company has effected exports to the tune of Rs. 1457.97 lacs. The Company is expected to perform better results in the exports in the year 2009-10 compared to the exports achieved during the year 2008-09.

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 Rs.47.00 crores of orders are on hand as on June, 2009. Even though in the time of slowdown and global recession, 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 satisfactory performance during the year under 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, Thermal Power plants and Nuclear Power Plants, there is immense scope for your Company to supply the capital goods equipments like Shell & Tube Heat Exchangers, Pressure Vessels & Columns, Air Cooled Heat Exchangers and Air Conditioning & Refrigeration equipments. In the 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 Authorisation. Your company is preparing itself to meet the increased demand in the years to come through efficient production management system which will enable to minimize the risk of raw materials price fluctuations.

RISK FACTORS

The industry is facing stiff competition from big players who are producing on large scale production and have the advantage of economise 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. 47.00 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, 2009 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 2009 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 **Subject to Note No.1(xi) (e) of schedule 21 regarding non provision of Leave Encashment** 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, 2009 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 2009 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, **subject to Note No.1(xi)(e) of schedule 21 regarding non provision of Leave Encashment as required by AS 15 issued by Institute of Chartered Accountants of India & Consequential effects on the profits of the company and cumulative effects on the liability of the company (amount not quantifiable)** 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, 2009 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.

PLACE : AHMEDABAD
DATE : 19/06/2009

FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS
(HITEN PARIKH)
PARTNER
M. No. : 40230

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) According to the information and explanation given to us, Fixed assets disposed off during the year were not substantial and there fore do not affect the going concern assumption.
- 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. 127.81 lacs] [Maximum balance during the year Rs. 127.81 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 amount (except Sales Tax of Rs. 1.09 lacs) were outstanding as at 31st March 2009 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanation given to us, the Company has no disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.
- 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.

**FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS**

**PLACE: - AHMEDABAD
DATE: - 19/06/2009**

**HITEN PARIKH
PARTNER
M. No. : 40230**

BALANCE SHEET AS AT 31ST MARCH, 2009

	SCH.	As at 31.03.2009 (Rupees)	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)	As at 31.03.2008 (Rupees)
(A) SOURCES OF FUNDS					
1. Shareholder's Funds					
a) Share Capital	1	50,702,400		50,702,400	
b) Reserves and Surplus	2	175,493,816	226,196,216	114,722,141	165,424,541
2. Loan Funds					
a) Secured Loans	3	52,716,503		48,574,956	
b) Unsecured Loans	4	12,781,069	65,497,572	8,100,542	56,675,498
3. Deferred Tax Liability (Refer note 5 of Sch 21)			14,532,912		14,543,680
CAPITAL EMPLOYED			306,226,700		236,643,719
(B) APPLICATION OF FUNDS					
1. Fixed Assets					
a) Gross Block	5	148,784,920		140,473,889*	
b) Less : Depreciation		64,608,677		59,007,967	
c) Net Block		84,176,243		81,465,922	
d) Capital Work in Progress		1,329,734	85,505,977	-	81,465,922
2. Investments					
	6		280,000		280,000
3. Current Assets, Loans & Advances					
a) Other Current Assets	7	1,007,546		613,197	
b) Inventories	8	53,006,939		59,711,449	
c) Sundry Debtors	9	191,204,383		170,241,426	
d) Cash & Bank Balances	10	55,683,641		17,376,407	
e) Loans & Advances	11	25,590,933		11,212,780	
		326,493,442		259,155,259	
Less: Current Liabilities & Provisions					
a) Current Liabilities		90,446,536		94,346,699	
b) Provisions		15,606,183		9,910,763	
		106,052,719		104,257,462	
Net Current Assets			220,440,723		154,897,796
4. a) Miscellaneous Expenditure [to the extent not written off or adjusted]	13		-		-
EMPLOYMENT OF CAPITAL			306,226,700		236,643,719

Notes forming part of Accounts : 21
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

MAHENDRABHAI N. SONI
COMPANY SECRETARY

NARENDRABHAI G. PATEL
DIRECTOR

DATE : 19/06/2009
PLACE : AHMEDABAD

DATE : 19/06/2009
PLACE : RAKANPUR



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

	SCH.	Year ended 31-03-2009 (Rupees)	Year ended 31-03-2008 (Rupees)
INCOME			
Gross Income from Operations	14	737,374,199	615,342,056
Less : Excise Duty		57,084,803	74,104,577
Net Sales		680,289,396	541,237,479
Increase/(Decrease) in stock	15	(2,514,592)	11,522,632
Other Income	16	5,535,282	3,505,264
TOTAL :-		683,310,086	556,265,375
EXPENDITURE			
Materials consumed	17	390,890,703	338,255,303
Manufacturing Expenses	18	117,688,312	86,025,631
Selling and Administration Expenses	19	40,730,080	30,621,938
Interest & Financial charges	20	10,886,249	12,729,654
Director's Remuneration		6,720,000	4,300,800
Key Men Insurance		-	1,050,122
TOTAL :-		566,915,344	472,983,448
Net Profit Before Depreciation & Taxation		116,394,742	83,281,927
Depreciation		6,618,206	6,255,221
Profit Before Taxation		109,776,536	77,026,706
Provision for Taxation - Current tax		37,300,001	24,000,000
- Fringe Benefit Tax		380,000	390,000
- Deferred Tax		(10,768)	94,757
- Wealth Tax		17,000	7,500
Short /(Excess) Provisions of earlier year W/O		495,551	156,655
Short /(Excess) Provisions of FBT of earlier year W/O (W/B)		(41,940)	138,261
Profit After Tax		71,636,692	52,239,533
Less :Prior period Adjustments (net) (Refer note no. 16 of Sch. 21.)		187,547	93,818
Profit for the year		71,449,145	52,145,715
Balance brought forward from Previous Year		102,222,141	64,474,330
		173,671,285	116,620,045
Less : Appropriations			
Corporate Dividend Tax		1,551,037	1,292,544
Interim Dividend		0	2,535,120
Proposed Dividend		9,126,432	5,070,240
Transfer to General Reserve		7,500,000	5,500,000
Balance Carried to Balance Sheet		155,493,816	102,222,141
Basic and Diluted EPS (Price Per Share Rs 10) (Refer Note No 6 of Scheudle 21)		14.09	10.28

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

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FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

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

HITEN M. PARIKH **MAHENDRABHAI N. SONI**
PARTNER COMPANY SECRETARY
M.No. : 40230

NARENDRABHAI G. PATEL
DIRECTOR

DATE : 19/06/2009
PLACE : AHMEDABAD

DATE : 19/06/2009
PLACE : RAKANPUR

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-3-2009 (Rupees)	As at 31-3-2008 (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 company M/s. Patels Airtemp Pvt. Ltd. and M/s. Gujarat Patcon Pvt. Ltd.

SCHEDULE - 2 : RESERVE & SURPLUS

General Reserve		
Opening Balance	11,000,000	5500000
Add: Transfer from Profit & Loss Account	7,500,000	5,500,000
	18,500,000	11,000,000
Profit & Loss Account		
Opening Balance	102,222,141	64474330
Add: Profit for the year	71,449,145	52145717
Less: Appropriation	10,677,469	8,897,904
Less: Transfer to General Reserve	7,500,000	5,500,000
Surplus in Profit and Loss A/c	155,493,816	102,222,141
Capital Investment Subsidy	1,500,000	1,500,000
TOTAL :-	175,493,816	114,722,141

SCHEDULE - 3 : SECURED LOANS

i) From Financial Institutions/Banks		
a) Working capital facilities from Bank of Baroda (BOB)	51,393,479	46,658,898
ii) From Others	1,323,024	1,916,058
Vehicles acquired under hire purchase scheme are secured against vehicles purchased under the agreement [Refer Note No.7 of schedule 21]		
TOTAL :-	52,716,503	48,574,956

SCHEDULE - 4 : UNSECURED LOANS

Inter Corporate Deposits	12,781,069	8,100,542
[Dues to Company in which directors of the Company are Interested]		
TOTAL :-	12,781,069	8,100,542

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	Op. Bal. as at 01-04-2008 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Total as on 31-03-2009 (Rs.)	Balance as at 01-04-2008 (Rs.)	For the Year (Rs.)	Deductions during the year (Rs.)	Total as on 31-03-2009 (Rs.)	As on 31-03-2009 (Rs.)	As on 31-03-2008 (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	-	-	33,788,047	11,566,352	1,070,552	-	12,636,904	21,151,143	22,221,695
Plant & Machinery	82,942,320	5,954,297	-	88,896,617	37,448,892	4,061,311	-	41,510,203	47,386,414	45,493,428
Electrical Installation	4,139,899	261,795	-	4,401,694	2,122,688	208,245	-	2,330,933	2,070,761	2,017,211
Furniture, Fixtures & Office Equip.	9,931,265	1,514,721	-	11,445,986	5,622,942	634,830	-	6,257,772	5,188,214	4,308,323
Vehicles	6,993,283	2,097,179	1,516,961	7,573,501	2,247,092	643,268	1,017,496	1,872,864	5,700,637	4,746,191
TOTAL :-	140,473,889	9,827,992	1,516,961	148,784,920	59,007,967	6,618,206	1,017,496	64,608,677	84,176,243	81,465,922
P.Y	130,610,374	11,148,187	1,284,669	140,473,889	52,765,303	6,255,221	12,557	59,007,967	81,465,922	77,845,071

		As at 31-3-2009 (Rupees)	As at 31-3-2008 (Rupees)
SCHEDULE :- 6 INVESTMENTS (AT COST)			
	Face Value (Rupees)		
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	280,000 280,000
TOTAL :-		<u>140,000</u> <u>280,000</u>	<u>280,000</u> <u>280,000</u>

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 : OTHER CURRENT ASSETS

(Unsecured, Considered goods)

Interest Receivable	1,007,546	613,197
TOTAL :-	<u>1,007,546</u>	<u>613,197</u>

SCHEDULE - 8 : INVENTORIES

(As taken, valued and certified by a Director)

a)	Raw materials [Including Goods In Transit of Rs. 3852772/- (P. Y. Rs. 2263184/-)]	35,056,531	39,246,449
b)	Work in progress	17,805,796	20,220,817
c)	Finished Goods	144,612	244,183
TOTAL :-		<u>53,006,939</u>	<u>59,711,449</u>

SCHEDULE - 9 : SUNDRY DEBTORS

(Unsecured, Considered goods)

Debts due for a period exceeding Six months	31,416,462	15,089,709
Other Debts	159,787,921	155,151,717
TOTAL :-	<u>191,204,383</u>	<u>170,241,426</u>

SCHEDULE - 10 : CASH AND BANK BALANCES

a)	Cash on hand	462,816	514,830
b)	Balance with Scheduled Banks		
	- In Current Account	38,140,226	4,105,793
	- In Margin Money Account	16,581,610	12,412,304
	- In Dividend Account	498,989	343,480
TOTAL :-		<u>55,683,641</u>	<u>17,376,407</u>



	As at 31-3-2009 (Rupees)	As at 31-3-2008 (Rupees)
SCHEDULE - 11 : LOANS & ADVANCES		
(Unsecured, Considered goods)		
Advances recoverable in cash or in kind or for value to be received	10,704,616	7,898,837
Deposits	1,948,255	2,004,168
Advance for Capital Exp.	8,059,484	208,619
Advances to suppliers	4,868,578	1,101,156
Fringe Benefit Tax (Net of Advance Tax Paid)	10,000	0
TOTAL :-	25,590,933	11,212,780

SCHEDULE - 12 : CURRENT LIABILITIES & PROVISIONS**I) Current liabilities**

- Creditor for Goods (Refer note no. 8 of Sch. 21)	52,444,975	36,509,865
- Creditors for expenses	14,653,162	12,543,782
- Creditors for Others	1,152,995	1,152,995
- Creditors for capital expenditure	227,577	76,648
- Statutory Liabilities	2,661,409	5,148,580
- Advances from customers	18,768,929	38,532,848
- Share Application Money (Refundable)	38,500	38,500
- Unclaimed Dividend	498,989	343,480

Sub-Total (I)

90,446,536

94,346,699

II) PROVISIONS

For Taxation (Net of Advance Tax Paid & TDS)	4,911,714	3,851,323
For Proposed Dividend	9,126,432	5,070,240
For Proposed Corporate Dividend Tax	1,551,037	861,700
For Wealth Tax	17,000	7,500
For Fringe Benefit Tax (Net of Advance Tax Paid)	0	120,000

Sub-Total (II)

15,606,183

9,910,763

TOTAL (I+II)**106,052,719****104,257,462****SCHEDULE - 13 : MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

NPV of Interest Differential

- Opening Balances	0	633,335
Less : Written off during the year	0	633,335

TOTAL :-

-

0

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	YEAR ENDED On 31-3-2009 (RUPEES)	YEAR ENDED On 31-3-2008 (RUPEES)
SCHEDULE - 14 : GROSS INCOME FROM OPERATIONS		
SALES		
- Domestic	574,729,128	594,767,406
- Export	137,109,713	12,877,523
Sub Total (a)	711,838,841	607,644,929
PROCESSING CHARGES		
- Domestic	9394471	5513336
[TDS Rs. 88642/-, (P.Y.Rs 89222/-)]		
- Export	6219865	-
Sub Total (b)	15,614,336	5,513,336
TRANSPORT CHARGES RECEIVED		
- Domestic	7853501	2183791
- Export	2067521	-
Sub Total (b)	9,921,022	2,183,791
TOTAL : (a+b)	737,374,199	615,342,056
SCHEDULE - 15 : INCREASE / (DECREASE) IN STOCK		
Closing Stock		
- Finished Goods	144,612	244,183
- Work - in - Progress	17,805,796	20,220,817
Sub - Total (i)	17,950,408	20,465,000
Opening Stock		
- Finished Goods	244,183	311,296
- Work - in - Progress	20,220,817	8,631,072
Sub - Total (ii)	20,465,000	8,942,368
TOTAL (i - ii) :-	(2,514,592)	11,522,632
SCHEDULE - 16 : OTHER INCOME		
- Interest		
On Fixed Deposit with Banks	1,253,978	826,047
[TDS Rs 224101/- (P.Y. Rs 165541/-)]		
from other	105,509	322,470
[TDS Rs.8620/- (P.Y. Rs-73072/-)]		
- Profit on Sale of Fixed Asset (Net)	-	106,092
- Misc. Receipts	4175795	2,250,655
TOTAL :-	5,535,282	3,505,264



	YEAR ENDED On 31-3-2009 (RUPEES)	YEAR ENDED On 31-3-2008 (RUPEES)
SCHEDULE - 17 : MATERIALS CONSUMED		
Opening Stock	39,246,449	31,058,333
Add : Purchases [Including Trading Purchase]	386,700,785	346,443,419
	<u>425,947,234</u>	<u>377,501,752</u>
Less : Closing Stock	35,056,531	39,246,449
[Note: Closing Stock [Include Goods In Transit of Rs. 3852772/- (P. Y. 2263184)]		
TOTAL :-	<u><u>390,890,703</u></u>	<u><u>338,255,303</u></u>
SCHEDULE - 18 : MANUFACTURING EXPENSES		
Stores & Tools Consumed		
Opening Stock	-	-
Add : Purchases	24,682,062	17,622,461
	<u>24,682,062</u>	<u>17,622,461</u>
Less : Closing Stock	-	-
Sub - Total (a)	<u>24,682,062</u>	<u>17,622,461</u>
Employee's Emoluments		
Salaries, Wages & Bonus	18,154,095	12,518,461
Contribution to P.F., Gratuity & Other Funds	1,691,158	1,242,978
Welfare Expenses	1,296,069	875,888
Sub - Total (b)	<u>21,141,322</u>	<u>14,637,327</u>
Repairs & Maintenance		
To Plant & Machinery	4,136,896	2,503,277
To Building [including office building]	562,338	371,386
To Others	1,579,841	611,248
Sub - Total (c)	<u>6,279,075</u>	<u>3,485,911</u>
Other Manufacturing Expenses		
Power & Fuel	4,891,788	3,621,415
Provision of Excise duty on closing stock of Finished Goods	(19,765)	(13,269)
Freight & Handling Charges	6,432,884	5,301,382
Packing Material Consumed	2,053,247	898,911
Labour Charges	43,424,661	36,927,102
Factory Expenses	8,803,038	3,544,391
Sub - Total (d)	<u>65,585,853</u>	<u>50,279,932</u>
TOTAL (a+b+c+d)	<u><u>117,688,312</u></u>	<u><u>86,025,631</u></u>

	YEAR ENDED On 31-3-2009 (RUPEES)	YEAR ENDED On 31-3-2008 (RUPEES)
SCHEDULE - 19 : SELLING AND ADMINISTRATION EXPENSES		
Rent, Rates & Taxes	1,089,937	538,040
Printing & Stationery Exp.	1,551,914	981,537
Postage Exp.	732,877	469,583
Insurance Exp.	103,079	180,721
Telephone Exp.	890,040	1,172,688
Auditor's Remuneration	55,150	56,180
Travelling, Conveyance & Vehicle Exp.	4,621,973	4,248,440
Legal & Professional Charges	4,097,780	3,421,486
Advertisement & Publicity Exps.	914,524	1,439,787
Seating Fees	13,000	13,000
Loss on Sale of Fixed Assets	196,465	-
Selling & Distribution Exps.	12,151,971	4,438,397
General Expenses	5,277,934	1,722,867
Sales Tax Exp.	11,200	1,036,553
Balance Written Off	9,022,236	10,902,659
TOTAL :-	40,730,080	30,621,938

SCHEDULE - 20 : INTEREST & FINANCIAL EXPENSES

Interest on Term Loan	-	2,345,078
Interest on Working Capital	1,253,131	2,305,955
Interest to Others	923,136	177,839
Foreign Exchange Fluctuation Loss (Net)	1,737,757	1,572,784
Premium on Int. reduction written off	-	633,335
Other Finance Charges	6,972,225	5,694,663
TOTAL :-	10,886,249	12,729,654



SCHEDULE : 21

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.

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, fringe benefit tax (FBT) 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.
- Provision for FBT is made on the basis of fringe benefit provided / deemed to have been provided during the year at the rates and values 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

Leave Encashment is accounted for as and when paid and to that extent there is a contravention of Accounting Standard 15, which has become mandatory. However the quantum of leave encashment payable is not worked out and therefore it is not possible to quantify the effect of the same on Profit & Loss Account.

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. 20.94 lacs (P. Y. NIL).

(Rs in lacs)

	As at 31/03/2009	As at 31/03/2008
Outstanding Bank Guarantees	780.96	934.65
Out standing Foreign Letter of Credit (73865 US \$)	37.41	NIL

3. RELATED PARTY INFORMATION

The company has transactions with following related parties

- a) Associates**
 - Themflow Engineers Pvt. Ltd.
 - Sunrise Fintrade Pvt. Ltd.
- b) Key Management Personal**
 - 1. Narayanbhai G. Patel
 - 2. Narendrabhai G. Patel
 - 3. D.C.Narumalani
 - 4. Prakashbhai 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	1680000 (1075200)	Nil
Narendrabhai G. Patel	Director	— do —	1680000 (1075200)	Nil
D.C.Narumalani	Director	— do —	1680000 (1075200)	Nil
Prakashbhai N.Patel	Director	— do —	1680000 (1075200)	Nil
Themflow Engineers Pvt. Ltd.	Associate Concern	Interest Accrued but not paid	879917 (100542)	
		Interest Received	NIL (284430)	
		Loan taken	7000000 (9100542)	12781069 (8100542)
		Loan Repaid	3000000 (1000000)	
		Loan Given Received Back	NIL (9784430)	
		Loan Given	NIL (8784430)	NIL (2788082)

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.

5. DEFERRED TAX

The break up of net deferred tax liability as at 31st March, 2009 is as under:

	31-03-09 (Amt. In Rs.)	31-03-08 (Amt. In Rs.)
Deferred Tax Assets		
- Unabsorbed Capital Loss	NIL	125711
- 43B Disallowance	63528	NIL
Sub Total (A) :-	63528	125711
Deferred Tax Liabilities		
- Depreciation difference	14596440	14669391
Sub Total (B) :-	14596440	14669391
Net Deferred Tax Assets /(Liabilities) TOTAL (A-B)	(14532912)	(14543680)

6. EARNING PER SHARE

	31-03-2009	31-03-2008
- Net Profit for the year	71449143	52145715
- Number of Equity Shares	5070240	5070240
Basic & Diluted Earning per Share (Price per share Rs. 10)	14.09	10.28

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. The Company has not received information from the suppliers regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006. Hence, disclosure, 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.
9. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realised 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.
10. Balances of Sundry debtors, Creditors and loans and advances are subject to confirmation from respective parties.
11. Inventories of finished goods costing around Rs. 1.45 Lacs (P.Y Rs 2.44 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.
12. 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 becomes 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.

13. MANAGERIAL REMUNERATION

	Year 2008-09 (Rs.)	Year 2007-08 (Rs.)
a) Salaries	60,00,000	38,40,000
b) Contribution to Gratuity & other funds	7,20,000	4,60,800
TOTAL :-	67,20,000	43,00,800

14. 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.)	
	2008-09	2007-08
Employer's Contribution to Provident Fund	1187381	766169

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.

15. AUDITOR'S REMUNERATION

	Year 2008-09 (Rs.)	Year 2007-08 (Rs.)
a) Audit Fees	44650	45680
b) Tax Audit Fees	10500	10500

16. PRIOR PERIOD ADJUSTMENTS

Particulars	As At 31/03/2009 Rupees	As At 31/03/2008 Rupees
Net Operating Expenses/(Income)	187547	93818

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 Y. Capacity (in MTS)	Installed capacity (in MTS)
Components Condensers, heat Exchangers, Window/split Acs, Air cooled Heat Exchanger, finned Tube/Fine Tube Bundle/elements.	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.



PRODUCTION TURNOVER AND STOCKS

	OPENING STOCK		PRODUCTION		TURNOVER	CLOSING STOCK	
	QTY	Value	QTY	QTY	Value	QTY	Value
	Nos./	W/out E.D.	Nos./sets	Nos./sets	(Rs.)	Nos./	With E.D.
	Sets	(Rs.)				Sets	(Rs.)
Industrial Fan & Accessories	2 Nos	4005	5 Nos	5 Nos	457205	2 Nos	3788
Heat Exchanger	(2) Nos	(4708)	(91) Nos	(91 Nos)	(1449285)	(2 Nos)	(4005)
	-	-	913 Nos	913 Nos	310475438	-	-
	(8) Nos	(57885)	6 Set	6 Set	(234274808)	-	-
	-	-	(641 No.)	(649 Nos.)	-	-	-
	-	-	(1 Sets)	(1 sets)	-	-	-
Steam Coil/ Heaters	-	-	62 Nos	62 Nos	52293178	-	-
Air Conditioning & Refrigeration	31 Nos	155075	(17 Nos)	(17 Nos)	(8289440)	19 Nos	60317
	(33) Nos	(162698)	147 Nos.	159 Nos.	25970185	(31 Nos.)	(155075)
	-	-	17 Sets	17 Sets	(111012376)	-	-
	-	-	(109 Nos.)	(111 Nos.)	-	-	-
	-	-	(4 Sets)	(4 Sets)	-	-	-
Other plants Equipment's & Accessories	-	-	-	-	7932102(*)	-	-
Compressor & Extra Accessories	1 Nos	8534	-	-	(18026611)(*)	1 Nos	8074
Controls	(1) Nos	(8688)	-	-	-	(1 Nos.)	(8534)
Window & Split A/c.	18 Nos	76569	-	447 Nos*	10927526	18 Nos	72433
Pressure Vessels	(18) Nos	(77947)	-	(480 Nos*)	(7581991)	(18 Nos.)	(76569)
	-	-	180 Nos	180 Nos	155342214	-	-
	-	-	1 Set	1 Set	(42231145)	-	-
	-	-	(59 Nos.)	(59 Nos.)	-	-	-
	-	-	(1 Set)	(1 Set)	-	-	-
Humidification Ventilation & Air-cooling plant Equipment	-	-	-	-	34365823*	-	-
Air Cooled Heat Exchanger	-	-	16 Nos	16 Nos	(57207981*)	-	-
	-	-	45 Set	45 Set	41136689	-	-
	-	-	(60 Nos.)	(60 Nos.)	(38488800)	-	-
Fine/Tube / Fine T Bundle/ Elements	-	-	4755 Nos.	4755 Nos.	12332876	-	-
High efficiency / Axid flow fans	-	-	(6907 Nos.)	(6907 Nos)	(14977915)	-	-
Surface Condenser	-	-	-	-	-	-	-
	-	-	2 Nos	2 Nos.	3520800	-	-
Total :-		244183			654754037		144612
P.Y. :-		(311296)			(533540352)		(244183)

- Note :**
- 1) * Quantity is Not Ascertainable.
 - 2) *Include trading sale of 447 Nos. [P.Y. 480 Nos.]
 - 3) Turnover does not includes processing charges received.

CONSUMPTION OF RAW MATERIAL [including trading goods]

Class of Materials	Unit	Year 2008-09		Year 2007-08		
		QTY	Value [Rs.]	QTY	Value [Rs.]	
I Iron & Steel	Kg.	2439910	161729812	Kg.	1835184	123929926
ii. Non Ferrous	Nos.	14318	57448641	Nos.	3198	59251188
[Copper/Allu./BrassTubes]	Kg.	74120	31607797	Kg.	55666	24411615
iii. Non Ferrous Sheet/Plates	Kg.	142683	34657697	Kg.	85771	22499775
[Copper/Allu./Brass Plates]						
iv. Electric Motors & Compressors	Nos.	97	1765519	Nos.	167	2880270
v. Pipes/Tubes	Mtrs.	445282	89374873	Mtrs.	384992	92099011
vi. Others (components)			36183480			
vii. C.I. Castings	Kg.	310	68959	Kg.	2582	137004
viii. Air Washer Equipments & Other			35040239			64986634
			447877016			390195424
Less : Cenvat & VAT Tax set off			56986313			51940121
Total :-			390890703			338255303
P.Y.			338255303			248768764

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

	Year ended 31-03-2009		Year ended 31-03-2008	
	Value (Rs.)	%	Value (Rs.)	%
i) Raw material				
- Imported	27505475	7.67	18518925	6.36
- Indigenous	331079059	92.33	272498813	93.64
Total :-	358584534	100	291017738	100
PREVIOUS YEAR :	(291017738)	(100)	(248768764)	(100)
ii) Stores & Spares				
- Imported	0	0	0	0
- Indigenous	24682062	100	17622461	100
Total :	24682062	100	17622461	100
PREVIOUS YEAR :	(17622461)	(100)	(13222348)	(100)

[C] DETAILS OF TRADING GOODS PURCHASED

PARTICULARS	31.03.2009		31.03.2008	
	Value (Rs.)	%	Value (Rs.)	%
Trading Goods				
- Imported	Nil	Nil	10812546	22.89
- Indigenous	32306169	100.00	36425019	77.11
TOTAL:	32306169	100.00	47237565	100.00

	Year ended 31.03.2009 (Rupees)	Year ended 31.03.2008 (Rupees)
E) C.I.F. value of Imports		
i) Raw Materials	27505475	18518925
ii) Trading Goods	Nil	10812546
F) Expenditure in foreign currency		
i) Subscription and Registration Fees	929216	566158
ii) Repairs to Plant & M/c.	268932	Nil
iii) Foreign Travelling Expenditure	Nil	82116
G) Earning in foreign Exchange (FOB Value of Exports)	137109713	12877523
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

PLACE :- AHMEDABAD
DATE :- 19/06/2009

FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

HITEN M. PARIKH
PARTNER
M. No.: 40230

PLACE :- RAKANPUR
DATE :- 19/06/2009

FOR PATELS AIRTEMP(INDIA) LIMITED

NARAYANBHAI G. PATEL
CHAIRMAN & MANAGING DIRECTOR

NARENDRABHAI G. PATEL
DIRECTOR

MAHENDRABHAI N. SONI
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)

<u>Product Description</u>	<u>Item Code No. (ITC Code)</u>
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 : Director
MAHENDRABHAI N. SONI : Company Secretary

Place : Rakanpur
 Date : 19.06.2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	2008-2009		2007-2008	
	RUPEES	RUPEES	RUPEES	RUPEES
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extra Ordinary Items		109,776,536		77,026,706
Adjustments for:				
Depreciation	6,618,206		6,149,129	
Interest expenses	2,176,267		4,828,872	
Interest Income	(1,359,487)		(1,148,517)	
		7,434,986		9,829,484
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
		<u>117,211,522</u>		<u>86,856,190</u>
Adjustment for:				
Trade and other receivables	(35,735,459)		(61,929,791)	
Inventories	6,704,510		(19,710,748)	
Trade Payable	1,795,257		23,859,212	
		(27,235,692)		(57,147,992)
Misc Expenses	0		633,335	
CASH GENERATED FROM OPERATIONS		89,975,830		29,708,198
Direct Taxes paid	(38,150,612)		(24,692,416)	
		<u>(38,150,612)</u>		<u>(24,692,416)</u>
CASH FLOW BEFORE EXTRAORDINARY ITEMS		<u>51,825,218</u>		<u>5,015,782</u>
Extraordinary items:				
Prior period adjustments	(187,547)	(187,547)	(93,818)	(93,818)
NET CASH FROM OPERATING ACTIVITIES		<u>51,637,671</u>		<u>4,921,964</u>
B CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (Net of Modvat benefit)	(11,157,726)		(9,843,911)	
Sale of Fixed Asset	499,465		1,378,204	
Interest Received	1,359,487		1,148,517	
		(9,298,774)		(7,317,190)
NET CASH USED IN INVESTING ACTIVITIES		<u>(9,298,774)</u>		<u>(7,317,190)</u>



	2008-2009		2007-2008	
	RUPEES	RUPEES	RUPEES	RUPEES
C CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds/(Repayment) from secured Borrowings	0		(23,203,000)	
Proceeds/(Repayment) from Unsecured Borrowings	4,680,527		8,100,542	
Proceeds from Bank borrowings for Working Capital Facilities	4,734,581		29,520,950	
Deferred payment credits against vehicles (Net of repayment)	(593,034)		(649,013)	
Corporate Dividend Paid	(10,677,469)		(8,897,904)	
Interest Paid	(2,176,267)		(4,828,872)	
		(4,031,662)		42,703
NET CASH USED IN FINANCING ACTIVITIES		(4,031,662)		42,703
NET INCREASE/(DECREASE) IN CASH AND CASH AND CASH EQUIVELANTS AS AT THE BEGINING OF THE YEAR		38,307,235		(2,352,523)
CASH AND CASH EQUIVELANTS AS AT THE CLOSING OF THE YEAR		17,376,407		19,728,926
		55,683,641		17,376,407

FOR PARIKH & MAJMUDAR
CHARTERED ACCOUNTANTS

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

HITEN M. PARIKH
PARTNER
M.No. : 40230

MAHENDRABHAI N. SONI
COMPANY SECRETARY

NARENDRABHAI G. PATEL
DIRECTOR

DATE : 19/06/2009
PLACE : AHMEDABAD

DATE : 19/06/2009
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 Seventeenth 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 19th September, 2009.

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 Seventeenth Annual General Meeting of the Company to
be held on Saturday, the 19th September, 2009 at 10.00 a.m. at the Registered Office of the Company
and at any adjournment thereof.

Signed this _____ day of _____ 2009

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.