

Enriching Environment

29TH
ANNUAL REPORT
2010-2011

ENVAIR ELECTRODYNE LIMITED

DIRECTORS

Shripad Mirashi	Chairman & Managing Director
Satishchandra Soman	Director
Dr. Avinash Kulkarni	Director
Deepanjali Mirashi	Director
Jagmohan Kaul	Director
Meena Joglekar	Director & Company Secretary

AUDITORS

M/s. P. G. Bhagwat
Chartered Accountants
Suit no. 101-102, 'Orchard'
Dr. Pai Marg, Baner
Pune : 411 045

BANKERS

Bank of India, Pimpri, Pune 411 018.
IDBI Bank, Nigdi, Pune 411 044.

REGISTERED OFFICE & WORKS

117, 'S' Block,
MIDC Bhosari,
Pune 411 026.
Phone : 27120121/30688117/18
Fax : 27120316/30688130
Email : envairelectro@vsnl.net; envair2@dataone.in
Website : www.envairelectrodyne.com

ENVAIR ELECTRODYNE LIMITED

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of Envair Electrodyne Limited, will be held on Saturday, 24th September, 2011 at 10.30 a.m. at Envair Electrodyne Ltd., 117 'S' Block, MIDC, Bhosari, Pune 411 026

ORDINARY BUSINESS :

ITEM NO.1.

To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date, Auditors' Report and Report of Directors thereon.

ITEM NO. 2

To declare Dividend.

ITEM NO. 3

To appoint Auditors of the Company and fix their remuneration.

ITEM NO.4

To appoint Director in place of Ms Deepanjali Mirashi, who retires by rotation and being eligible offers herself for reappointment.

SPECIAL BUSINESS :

ITEM NO.5.

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

"RESOLVED THAT Dr P.S.Karmarkar, who was co-opted as an Additional Director by the Board of Directors of the company with effect from 30th April, 2011 and who holds office of Director up to the date of this Annual General Meeting pursuant to Article 160 of the Articles of Association of the company read with Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as Director on the Board of the company.

NOTES :

A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE SAID MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.

1. Documents relating to any of the items mentioned in the notice are open for inspection at the Registered office of the Company on any working day during business hours.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the meeting.
3. The Register of Members and share transfer books of the Company will remain closed from 14th to 24th September, 2011 (both days inclusive).
4. Members are requested to immediately notify the Company/ Registrar & Transfer Agent, Universal Capital Securities Pvt.Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093, of any change in their address and Members whose Shares are held in Demat Form are requested to notify the Depository participant of any change in their address.
5. Members are requested to bring their attendance slip & copy of the Annual Report at the Meeting.

By order of the Board of Directors
For **ENVAIR ELECTRODYNE LIMITED**

Place : Pune

Date : 25th June, 2011

MEENA JOGLEKAR
DIRECTOR & COMPANY SECRETARY

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT 1956.

ITEM NO.1:

Pursuant to Article 116 of the Articles of Association of the Company, the Board of Directors co-opted Dr P.S.Karmarkar as an Additional Director of the Company w.e.f. 30th April, 2011.

He is a qualified surgeon. He has passed his MBBS & MS Degrees from B.J.Medical College, Pune. His other qualifications are:

DNB - Passed from National Board, Delhi

FAIS - From Association of Surgeons, India

FICA - From International College of Surgeons

He is the Chairman & Director of Shaswat Hospital, Pune, Medical Superintendent & surgeon in Sanjeevan Hospital, Pune, and Panel consultant in the following hospitals in Pune.

Deenanath Mangeshkar Hospital, Joshi Hospital, Ratna Memorial Hospital, Sanjeevan Hospital, Jehangir Hospital, Poona Hospital

Being an Additional Director he holds Office upto the date of this Annual General Meeting. As required by Section 257 of the Companies Act, 1956, the Company has received a Notice alongwith Deposit from a Member proposing the Candidature of Dr P.S.Karmarkar, to the Office of Director of the Company

DIRECTORS' REPORT.

Your Directors present the Company's Annual Report and Accounts for the year ended on 31.3.2011:

FINANCIAL RESULTS :	Current Year Rupees	Previous year Rupees
Sales & Other Income	6,18,20,625	6,89,17,768
Profit/(Loss) after depreciation but before Income Tax and Appropriations.	61,76,774	65,19,472
Amount available for appropriation	61,76,774	65,19,472
Less: Appropriations :	-	-
1. Provision for taxation	24,51,874	28,36,618
2. Proposed Dividend	21,28,000	15,20,000
3. Provision for tax on proposed Dividend	3,61,760	2,58,248
Balance transferred to Balance Sheet	<u>12,35,140</u>	<u>19,04,606</u>

DIVIDEND :

Your Directors have recommended a dividend on the equity share capital @ 7% (Re.0.70 per equity share).

MANAGEMENT DISCUSSION AND ANALYSIS:

COMPANY PERFORMANCE

Workstations sale registered more than 40% increase in sale compared to previous year. Clean Air sale had a negligible growth.

Order booking in the 4th quarter in the last year registered an impressive rise. An export order of Rs.290 lacs for manufacture of Packaged Heat Exchangers boosted orders in hand. This would ensure growth in sales & profits for the current year.

Company continued to get repeat business due to customer satisfaction. New regions will be added to increase sales in various market segments.

DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Company has followed the applicable accounting standards along with proper explanation relating to material departures in the preparation of annual accounts.

The Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

Annual Accounts of the Company have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

Your Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and in the Listing Agreement with the Stock Exchanges. Necessary measures were taken during the year under Report to implement the Code of Corporate Governance. A Report on the Corporate Governance along with the Certificate of Compliance from the Auditors forms part of this Report.

EXPORTS:

During the year the Company has exported Rs. 8,28,040/- worth of Electrostatic Hydraulic Oil Cleaner, HV Power Pack, Filter Paper set to UAE, Sri Lanka & Bangladesh.

DEPOSITS:

No deposit remained unclaimed after maturity, as on 31st March, 2011.

ENVIRONMENT, SAFETY AND ENERGY CONSERVATION:

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo are given in the Annexure 'A' to this Report.

PARTICULARS OF EMPLOYEES :

There is no employee whose remuneration falls within the ambit of section 217 (2-A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS :

Resignation of Director :

Mr Jagmohan Kaul, Director resigned from the Board with effect from 22nd December, 2010.

The company wishes to place on record its sincere appreciation for the valuable guidance given by him during his tenure as a Director.

Appointment of Additional Director :

Dr P.S.Karmarkar has been appointed as an Additional Director, with effect from 30th April, 2011.

The above Director will hold office until the ensuing Annual General Meeting of the Company. He is eligible for re-appointment.

The brief resume and other details related to Dr Karmarkar, Director, are furnished alongwith the Explanatory Statement to the Notice convening the ensuing Annual General Meeting.

AUDITORS :

Auditors of the Company M/s P. G. Bhagwat, Chartered Accountants, Pune, will retire in the ensuing Annual General Meeting. They are eligible for re-appointment.

ACKNOWLEDGEMENT :

Your Directors thank the Bank of India and Industrial Development Bank of India, for their co-operation. Your Directors also thank the employees, suppliers & shareholders for their continuous co-operation and support.

For and on behalf of the Board of Directors,

Place : Pune
Date : 25.06.2011

SHRIPAD MIRASHI
CHAIRMAN &
MANAGING DIRECTOR

ENVAIR ELECTRODYNE LIMITED

ANNEXURE 'A' TO THE DIRECTORS REPORT

(Additional information given in terms of Notification 1029 of 31.12.1988 issued by the Department of Company Affairs)

DISCLOSURES

A) CONSERVATION OF ENERGY:

ENERGY CONSERVATION MEASURES TAKEN:

Overall electrical energy cost increased. However, per Kg electrical cost reduced by 25% due to increased tonnage & due to better management.

Particulars	2010-11	2009-10
Per Kg Unit consumption - Nos	2.57	3.46
Per Kg electricity charges Rs.	16.33	22.00
Per unit electricity charge Rs.	6.35	6.29

B) RESEARCH AND DEVELOPMENT:

1) AREAS IN WHICH R & D IS CARRIED OUT BY THE COMPANY:

New compact & more effective welding fume (ESP type) extractors were developed. Consoles for remote operations were developed. ESP, centrifuge and fabric based integrated systems for oil cleaning were developed.

2) BENEFITS DERIVED AS A RESULT OF R & D

We expect new business opportunities

3) FUTURE PLANS:

Company desires to develop some systems for Clean rooms .

4) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Company sold developed products to top class customers. Better designs have reduced product support costs.

On behalf of the Board of Directors



SHRIPAD MIRASHI
CHAIRMAN & MANAGING DIRECTOR

Place : Pune

Date : 25.06.2011

ANNEXURE TO DIRECTORS REPORT

REPORT ON CORPORATE GOVERNANCE :

1. Company's Philosophy:

The Company's philosophy of Corporate Governance aims at establishing & practicing a system of good Corporate Governance which will assist the management in managing the Company's business in an efficient and transparent manner, towards fulfilling the corporate objectives and to meet the obligations & interest of the Shareholders.

2. Board of Directors:

a) Composition of the Board :

The composition of Board of Directors during the period under review and their attendance at the Board meetings and number of other directorships and Committee Memberships held by them are given below:

b) No. of Board Meetings:

During the period under review, i.e. 1st April, 2010 to 31st March, 2011, 5 Board Meetings were held. The meetings were held on:

1) 27.04.2010, 2) 31.05.2010, 3) 30.07.2010, 4) 22.10.2010, 5) 28.01.2011

c) Directors Attendance Record & Directorship held :

The information on composition of the Board as on 31st March, 2011, category of Directors, attendance at Board Meetings held during the year and at the last Annual General Meeting, directorships in other public Companies and Committees of other public Companies of which the Director is a Member/ Chairman is as under.

Sr. No.	Name of Director	Category of Directorship	Financial year 01.04.10 to 31.03.11 attendance at		No. of Directorships in other Pub Companies	Committee positions held in other Companies
			Board Meetings	Last AGM		
1.	Mr Shripad Mirashi	Chairman ED @	5	Yes	-	-
2.	Ms Meena Joglekar	ED	5	Yes	-	-
3.	Mr Satishchandra Soman	I & NED	4	Yes	-	-
4.	Dr Avinash Kulkarni	I & NED	4	Yes	1	-
5	Mr Jag Mohan Kaul *	I & NED	1	Yes	1	-
6.	Ms Deepajali Mirashi	ED @	5	Yes	-	-

For part of the year.

Abbreviations:

- a) **ED** - Executive Director, **I**-Independent, **NED** - Non-Executive Director
b) **@** - deemed as Promoters within the meaning of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997.

c) Information supplied to the Board :

Review of Annual Operating Plans of Business, Capital budgets, Updates Quarterly Results of the Company & its operating divisions.

Minutes of Meetings of Audit Committee & other Committees.

Materially important show cause, demand, prosecution & Penalty Notice

Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

Any material relevant default in financial obligations to & by the Company or substantial non payment for goods sold by the Company.

Any issue which involves possible public or product liability claims of substantial nature.

Details of any Joint Venture or Collaboration Agreement

Transactions that involve substantial payment towards goodwill, brand equity or intellectual rights.

Significant labour problems & their proposed solutions.

Significant development in human resources & industrial relation fronts

Sale of material nature of investments, subsidiaries, assets which is not in the normal course of business.

Quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement and

Non Compliance of any regulatory, statutory provision or listing requirements as well as Shareholders service such as non payment of dividend and delay in share transfer.

ENVAIR ELECTRODYNE LIMITED

3. Audit Committee:

A) Composition:

The composition or name and Chairman of Audit Committee and their attendance at its meetings during the period under review was as given below:

During the period under review, the Audit Committee Meetings were held on 27.04.2010, 26.07.2010, 22.10.2010, 28.01.2011

Name of Director	No. Of Meetings Attended
Mr Satishchandra Soman Chairman (Non-Executive)	4
Mr Shripad Mirashi Executive Director	4
Ms Meena Joglekar Executive Director	4
Dr Avinash Kulkarni Non-Executive Director	4
Mr Jag Mohan Kaul Non-Executive Director	1
Ms Deepanjali Mirashi Executive Director	4
Mr Santosh Maral Div. Manager - Accounts	2

The Audit Committee meetings are attended by the Executive Directors, Non-Executive Directors and the Div. Manager (Accounts) Ms Meena Joglekar, Director & Company Secretary acts as the Secretary of the Committee.

b) Terms of Reference:

The terms of reference of the Audit Committee include the matters specified under Clause 49 of the Listing Agreement entered into with the Stock Exchanges as well as those in Section 292A of the Companies Act, 1956 and inter-alia includes the following:

- 1) Oversee the Company's financial reporting process and disclosures of financial information to ensure that the financial statement is sufficient and credible.
- 2) Recommending to the Board the appointment, re- appointment and , if required the replacement or removal of the statutory auditor and the fixation of audit fees.
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- 4) Review Internal Audit function as regards its adequacy, scope, frequency and review of the reports etc.
- 5) Discussions with Internal Auditors any significant findings and follow up thereon.
- 6) Reviewing the Annual Financial Statements before submission to the Board with particular reference to :-
 - a) Matter required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Clause 2AA of Section 217 of the Companies Act, 1956.
 - b) Changes if any in accounting policies & practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by Management.
 - d) Significant adjustments arising out of audit findings
 - e) Compliance with listing & other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions
 - g) Qualification in draft audit report
- 7) Review Auditors Report, Internal Controls and recommendations relating thereto
- 8) Reviewing with the Management the Quarterly Financial Statements before submission to the Board for approval
- 9) Reviewing with the Management performance of statutory & internal auditors, adequacy of internal audit systems.
- 10) Reviewing the findings of any internal investigations by the Internal Auditors in to matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature & reporting the matter to the Board
- 11) Discussions with Statutory Auditors before the audit commences about nature & scope of audit as well as post audit discussion to ascertain any area of concern.
- 12) To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non payment of declared dividends) and Creditors
- 13) To review the functions of the Whistle Blower Mechanism in case the same exists.
- 14) To mandatorily review the following information
 - a. Management discussions & analysis of financial condition & results of operations
 - b. Statement of significant related party transactions submitted by the Management
 - c. Management letters/ Letters of internal control, weaknesses issued by the statutory Auditors
 - D. Internal audit reports relating to internal control weaknesses and
 - e. The appointment, removal in terms of remuneration of the Chief Internal Auditors shall be subject to review by the Audit Committee
- 15) Carrying out any other functions as is mentioned in the terms of reference of Audit Committee as amended from time to time by the Listing Agreement & Companies Act, 1956.

4. Remuneration Committee:

The Company has not set up a Remuneration Committee. The Board of Directors decides the Remuneration of the Executive Directors in accordance with the provisions of the Companies Act, 1956, subject to the approval of the Shareholders.

The Board also decides the commission payable to the Executive Directors on determination of the profits for the financial year, within the ceiling prescribed under section 198 & 309 of the Companies Act, 1956.

The Remuneration for the Non-Executive Directors is decided by the Board of Directors based on their attendance & contribution at the meetings.

Details of remuneration paid to the directors during the period under review are given below: (Rs.in lacs)

Name	Salary Rs.	Perks Rs.	Allowances Rs.	Commission Rs.	Sitting Fees Rs.	Total Rs.
Mr Shripad Mirashi Chairman & Managing Director	8.04	1.59	3.60	-	-	13.23
Ms Deepanjali Mirashi Wholetime Director	3.47	0.75	2.01	-	-	6.18
Ms Meena Joglekar Wholetime Director	2.48	0.74	1.43	-	-	4.47
Other Directors	-	-	-	-	0.26	0.26

NOTES:

1. Salary means Basic Salary only.
2. Perquisites include, Reimbursement of Medical Expenses, Contribution to Provident Fund, Perquisites value as per Income Tax Rules for Furniture at Residence & provision of Car.

5. Shareholders/ Investors Grievances Committee:

The Company has constituted a Board Committee to look into the redressing of shareholders and investors grievances. The Committee has been designated as Investors Grievance Committee.

The composition of the Committee during the period under review was as Follows:

Dr. Avinash Kulkarni (Chairman & Non-Executive Director)

Mr. Shripad Mirashi (Executive Director)

Ms Meena Joglekar (Executive Director)

Ms Meena Joglekar, Director & Company Secretary who is also a member of the Institute of Company Secretaries of India is the Compliance Officer. The Compliance Officer can be contacted at:

Envair Electrodyne Ltd.

117 `S'Block, MIDC

Bhosari

Pune 411 026

Tel: 020 30688117/8, 27120121

Fax: 020 30688130

Email: envairelectro@vsnl.net, contact@envairelectrodyne.com

Email for Redressal of Investors Grievance: envairgrievance@yahoo.co.in

The total number of complaints/queries received & replied to the satisfaction of the Shareholders during the year ended 31st March, 2011 were 13 and there were no complaints outstanding as on 31st March, 2011.

The Company had no Share Transfer requests pending as on 31st March, 2011.

6. General Body Meetings:

The details about the last 3 Annual General Meetings are given below:

AGM	YEAR	VENUE	DATE	TIME
26	2007-08*	Registered Office	05.09.08	11.30 a.m.
27	2008-09	-"	02.09.09	10.30 a.m.
28	2009-10	-"	13.08.10	10.30 a.m.

Special Resolutions -

- * Two Special Resolutions passed
- Alteration of Memorandum of Association Clause V
- Alteration of Articles of Association Article 4

The above Resolutions were not required to be put through postal ballot.

ENVAIR ELECTRODYNE LIMITED

7. Disclosures:

During the last three years there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to capital markets.

9. Means of Communications:

1. The Quarterly/ Half Yearly Results are published in widely circulating national & local dailies such as Free Press Journal (in English) & Navshakti (in Marathi) on 1.8.2010, 24.10.2010, 29.1.2011 & 2.5.2011 as per the Listing requirements.
2. Management discussions and Analysis Report forms part of this Annual Report.

9. General Shareholders Information

Annual General Meeting :

Date and Time : 24th September, 2011 at 10.30 a.m.

Venue : Regd. Office of the Company
117 'S' Block, MIDC, Bhosari, Pune 411 026

Financial Calendar: Financial year 1st Apr' 10 to 31st March'11

During the year the results were announced as under:

Quarter	Date
First Quarter	30.07. 2010
Second Quarter	21.10.2010
Third Quarter	28.01.2011
Fourth Quarter	30.04.2011

Record Date : 14th September to 24th September, 2011

Listing on Stock : The Company's Shares are listed on:

Exchanges : The Stock Exchange, Mumbai

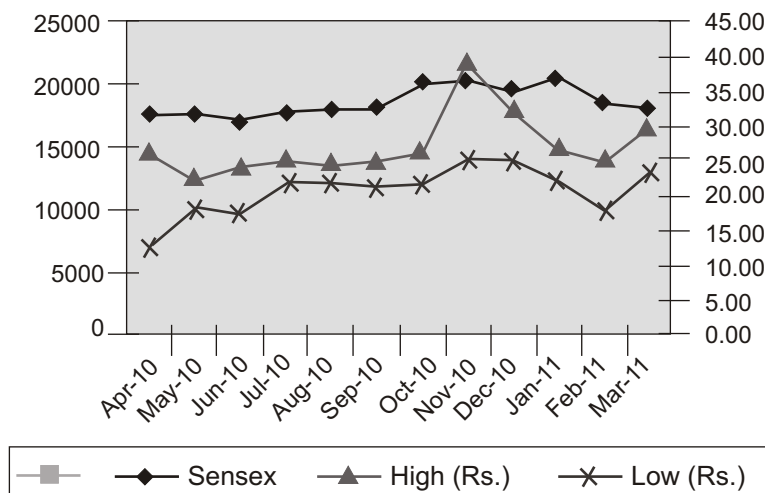
Security Code : 17389

10. Market Price Data:

Monthly high/low during the period 1.4.2010 to 31.3.2011 on the BSE.

MONTH	THE STOCK EXCHANGE, MUMBAI	
	High (Rs.)	Low (Rs.)
April, 2010	26.09	12.93
May, 2010	22.30	18.10
June, 2010	24.25	17.15
July, 2010	24.90	22.00
August, 2010	24.50	21.60
September, 2010	24.85	21.20
October, 2010	26.20	21.70
November, 2010	38.90	25.00
December, 2010	32.25	25.00
January, 2011	26.85	21.90
February, 2011	24.95	18.20
March, 2011	29.80	23.10

Performance of the Company's scrip on the BSE as compared to the BSE Sensex



11. Distribution Schedule (as on 31st March, 2011)

Range of Shares	Number of Holders	% of Total Holders	No. of Shares held	% of Share-holding	Total Face Value (Rs.)	% to total Face Value	
From	To						
Upto	500	4868	93.742	601429	19.784	6014290	19.784%
501	1000	169	3.254	141149	4.643	1411490	4.643%
1001	2000	63	1.213	92232	3.034	922320	3.034%
2001	3000	29	0.558	71704	2.359	717040	2.359%
3001	4000	20	0.385	71984	2.368	719840	2.368%
4001	5000	10	0.193	46404	1.526	464040	1.526%
5001	10000	22	0.424	163637	5.383	1636370	5.383%
10001	& above	12	0.231	1851461	60.903	18514610	60.903%
TOTAL		5193	100	3040000	100.000	3040000	100.000

Physical mode 418461 Electronic mode 2621539

Shareholding Pattern (as on 31st March, 2011)

Category	No. of Shares	%
Individuals	12,57,450	41.37%
Promoters	16,73,800	55.06 %
Domestic Companies	60,297	1.98 %
NRI	34,267	1.13 %
Clearing Members	14,086	0.46 %
Financial Institutions	0	0.00%
Nationalised & other Banks	0	0.00%
Other Category	100	0.00%
TOTAL	3040000	100.00%

12. A) Share Transfer System

The Company's Shares are traded on the Stock Exchange in Demat as well as Non-Demat mode.

The Company does not have an In house Share Transfer facility. For Non-Demat Shares, the work relating to Share transfers has been delegated to Company's Registrars & Share Transfer Agents, Universal Capital Securities Pvt. Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (E), Mumbai 400 093.

For Demat Shares, the Company is registered with both the depositories namely, NSDL & CDSL.

B) Dematerialisation of Shares

As on 31st March, 2011, 86.23% of the total Equity capital of the Company, was held in dematerialized form.

13. Details of Plant Location:

Plant Address:
117, 'S' Block, MIDC
Bhosari, Pune 411 026

14. Address for Correspondence:

Envair Electrodyne Ltd.
117 'S' Block, MIDC
Bhosari
Pune 411 026

Declaration under Clause 49 1 (D) (II) by the Managing Director of Affirmation by the Board of Directors & senior Management of compliance with the Code of Conduct.

The Shareholders,

I, Shripad R. Mirashi, Chairman & Managing Director of the Company, do hereby declare that the all the Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management of Envair Electrodyne Ltd made effective from 1st April, 2005.

SHRIPAD MIRASHI
CHAIRMAN & MANAGING DIRECTOR

Place : Pune
Date : 25.06.2011

ENVAIR ELECTRODYNE LIMITED

CERTIFICATE

To,
The Board of Directors
Envair Electrodyne Ltd.
Bhosari
PUNE 411 026

We hereby certify the following as per Clause V of Clause 49 relating to Corporate Governance.

1. We have reviewed the Financial Statements and Cash flow Statement for the year and that to the best of our knowledge & belief
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b) These statements together present a true & fair view of the Companies affairs and are in compliance with existing accounting standards, applicable laws & regulations.
2. We accept responsibility for establishing & maintaining internal controls and that have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
3. We have indicated to the Auditors and the Audit Committee
 - a) Significant changes in internal control during the year
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements
 - c) Instances of significant fraud of which they have become aware, and the involvement therein, if any, of the Management or an employee having the significant role in the Company's internal control system.

For **ENVAIR ELECTRODYNE LTD.**

SHRIPAD MIRASHI
CHAIRMAN & MANAGING DIRECTOR

For **ENVAIR ELECTRODYNE LTD.**

MS. DEEPANJALI MIRASHI
DIRECTOR - OPERATIONS

REPORT OF THE AUDITORS ON CORPORATE GOVERNANCE TO THE MEMBERS

**TO THE MEMBERS OF
ENVAIR ELECTRODYNE LIMITED**

We have examined the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India for the financial year ended on March 31, 2011.

The objective of our examination is to give our opinion on whether the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for examination and the information and explanations given to us by the Company.

On the basis of the records maintained by the "Shareholder/ Investors Grievance Committee" of the Company, we state that there were no investor grievances pending against the Company for a period exceeding one month.

Based on such examination, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the Listing Agreement of Stock Exchanges of India.

We further state that such compliance is neither an assurance as to the future viability of the Company nor to the efficiency with which the management has conducted the affairs of the Company.

**For M/s P. G. BHAGWAT
CHARTERED ACCOUNTANTS**

S. S. ATHAVALE
PARTNER
Membership No.83374

Place : Pune
Date : 25.06.2011

ENVAIR ELECTRODYNE LIMITED

AUDITOR'S REPORT

To,
The Members of,
ENVAIR ELECTRODYNE LIMITED,
PUNE.

1. We have audited the attached balance sheet of **Envair Electrodyne Limited**, as at 31st March 2011, and also the profit and loss account 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 the auditing standards generally accepted in India. Those Standards require that we plan and 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 and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, (as amended by Companies (Auditor's Report) (Amendment) Order, 2004) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) 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;
 - (ii) 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 those books ;
 - (iii) The balance sheet and profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account ;
 - (iv) *Subject to clause (vi)(a) below*, in our opinion, the balance sheet and profit and loss account and the cash flow statement dealt with by this

Report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- (v) On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) (a) *Technical knowhow, which is an intangible asset, has been included in fixed assets and depreciated @ 4.75% on SLM basis. This is contrary to the requirements of AS-26, according to which the intangible assets need to be amortized in not more than 10 years, unless the 10 year life presumption is appropriately refuted with reasons. The balance exceeding ten years is Rs.4,58,859/-.*
- (b) *Adequate provision for non recoverability has not been made for debtors and other receivable amounts remaining unrecovered and unconfirmed for long period of time. Although the management has not ascertained this amount, the same may extend to Rs.61.56 lakhs.*

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2011;
- (b) in the case of the profit and loss account, of the **PROFIT** for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For M/S P.G.Bhagwat, (FRN : 101118W)
Chartered Accountants,

(S.S.Athavale)

Partner

Membership No. 83374

Pune: -25th June, 2011

Annexure Referred to in paragraph 3 of our report of even date

- 1a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1b. All the assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- 1c. During the year, the company has disposed off an asset, but which has not affected the going concern assumption.
- 2a. The inventory has been physically verified during the year by the management, which, is in our opinion, at reasonable intervals.
- 2b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2c. On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- 3a. The company has not granted any loans to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 3b. The company has not taken any loans from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, except unsecured loans from the following:

NAME	OPENING BALANCE AS ON 01.04.10	RECEIVED DURING THE YEAR 2010 - 11	PAID DURING THE YEAR 2010 - 11	CLOSING BALANCE AS ON 31.03.11	RATE OF INTEREST
SHRIPAD MIRASHI	17,50,000	3,00,000	20,50,000	Nil	12.50%
DEEPANJALI MIRASHI	15,00,000	Nil	6,00,000	9,00,000	12.50%
ELVIN FURNITURE PVT.LTD.	1,30,00,000	Nil	30,00,000	1,00,00,000	12.50%

- 3c. The rate of interest and other terms and conditions of loans taken by the company, are prima facie not prejudicial to the interest of the company.
- 3d. The payment of the principal amount and interest are also regular.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- 5a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- 5b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under, with regard to the deposits accepted from the public. As informed to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. The company does not have an internal audit system.
8. As informed to us, the Central Government has not prescribed to the company, the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956
- 9a. According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, custom duty, excised-duty, cess, service tax and other statutory dues applicable to it.
According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty, cess and service tax, or other statutory dues were outstanding, as at the balance sheet date for a period of more than six months from the date they became payable, except *Share Application Money Rs. 30,955/- (required to be deposited with the investor education protection fund)*.
- 9b. According to the records of the company, there are no dues of sale tax, income-tax, customs duty/wealth-tax, excise duty/cess and service tax which have not been deposited on account of any dispute.
10. At the end of the financial year the company's accumulated losses do not exceed 50% of its net worth. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit funds are not applicable to the company.
14. The company is not dealing or trading in shares, securities, debentures and other investments.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has not raised term loan.
17. The funds raised on short-term basis have not been used for long term investment.
18. The company has not made any preferential allotment of shares during the year.
19. No money has been raised by debenture issues during the year
20. No money has been raised by public issues during the year.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For M/S P.G.Bhagwat, (FRN : 101118W)
Chartered Accountants,

(S.S.Athavale)
Partner
Membership No. 83374

Pune: 25th June, 2011

ENVAIR ELECTRODYNE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2011.

	Schedule Ref.	Rupees	As At 31.03.2011 Rupees	As At 31.03.2010 Rupees
I] SOURCES OF FUNDS:				
1 Shareholders Fund :				
a. Share Capital	1		30,400,000	30,400,000
b. Reserve & Surplus	2		43,193,458	44,814,856
2 Deferred Tax Balance				
Dererred Tax Liability		4,203,869		2,503,049
Less: Deferred Tax Asset		<u>1,180,377</u>		<u>1,581,431</u>
			3,023,492	921,618
3 Loan Funds :				
a. Secured Loans	3		-	7,388,353
b. Unsecured Loans	4		10,900,000	16,250,000
TOTAL			<u>87,516,950</u>	<u>99,774,827</u>
II] APPLICATION OF FUNDS :				
1 Fixed Assets :				
a. Gross Block	5	113,762,957		111,697,571
b. Less : Depreciation		<u>63,779,971</u>		<u>66,968,484</u>
c. Net Block		49,982,986		44,729,087
d. Capital Work-in-progress and advances		<u>691,488</u>		<u>691,488</u>
			50,674,474	45,420,575
2 Investments				
	6		1	1
3 Current Assets, Loans and advances :				
a. Inventories	7	6,790,349		5,931,452
b. Sundry Debtors		21,115,459		20,763,420
c. Cash & Bank Balance		5,182,386		3,786,138
e. Loans & Advances		<u>11,125,382</u>		<u>28,456,256</u>
		44,213,576		58,937,266
Less : Current Liabilities and Provisions :				
a. Liabilities	8	16,248,816		15,760,619
b. Provisions		<u>5,205,688</u>		<u>4,140,939</u>
		21,454,504		19,901,558
Net Current Asset			22,759,072	39,035,708
5 Debit balance in				
Profit & Loss A/c. (Net)			14,083,403	15,318,543
TOTAL			<u>87,516,950</u>	<u>99,774,827</u>
Earning per share			1.23	1.21
Notes forming part of the Accounts	12			

As per our report of even date attached

For and on behalf of Board of Directors

For M/s. P. G. Bhagwat
Chartered Accountants

Shripad R Mirashi
Chairman & Managing Director

Meena S.Joglekar
Director and Company Secretary

Sanjay S. Athavale
Partner
M.NO. 83374

Satishchandra Soman
Director

Deepanjali S. Mirashi
Executive Director

Pune : 25th June, 2011

Pune : 25th June, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011.

	Schedule Ref	Rupees	Current-Year Rupees	Previous-Year Rupees
INCOME:				
Sales (Less Returns) (Refer note no.14(I))	Gross	59,865,617		50,210,553
Less : Foreign Exchange Fluctuation		24,998		1,029
Less : Excise Duty		<u>4,565,733</u>		<u>3,636,447</u>
			55,274,886	46,573,077
Income From Service Rendered			1,907,679	1,860,041
Other Income (Refer note no. 13)			4,638,060	20,484,650
TOTAL INCOME			61,820,625	68,917,768
Increase / (Decrease) in Stocks	9		(815,765)	(184,290)
TOTAL			61,004,860	68,733,478
LESS : EXPENDITURE				
Cost of Material Consumed (Refer note no.14(II))		32,799,470		27,608,987
Payments to and Provision for Employees	10	8,578,108		8,130,039
Manufacturing, Office and Administration Expenses.	11	17,617,433		15,725,582
Depreciation (Gross)	4,260,169			3,760,278
Less : Recoupe From Revaluation Reserve	<u>1,085,130</u>			<u>1,190,411</u>
Prior Period Items		3,175,039 67,155		2,569,867 146,811
TOTAL EXPENDITURE			62,237,205	54,181,286
Profit Before Tax & Extraordinary Items			(1,232,345)	14,552,192
Add : Difference in earlier year's Depreciation due to Change in method (Note no 4 Sch.12) (Extra ordinary Item)			7,409,119	
Less : Difference in earlier year's Depreciation due to Change in method (Note no 4 Sch.12) (Extra ordinary Item)			-	8,032,720
Profit Before Tax			6,176,774	6,519,472
Tax Expenses :				
Current Tax (Including Wealth Tax Rs.15,000/-)		350,000		1,915,000
Deferred Tax		<u>2,101,874</u>		<u>921,618</u>
			2,451,874	2,836,618
Profit After Tax			3,724,900	3,682,854
Proposed Dividend			2,128,000	1,520,000
Tax on Distributed Profits			361,760	258,248
Balance			1,235,140	1,904,606
Brought Forward Debit Balance in Profit & Loss Account			(15,318,543)	(17,223,149)
BALANCE CARRIED TO BALANCE SHEET			(14,083,403)	(15,318,543)

As per our report of even date attached

For and on behalf of Board of Directors

For M/s. P. G. Bhagwat
Chartered Accountants

Shripad R Mirashi
Chairman & Managing Director

Meena S.Joglekar
Director and Company Secretary

Sanjay S. Athavale
Partner
M.NO. 83374

Satishchandra Soman
Director

Deepanjali S. Mirashi
Executive Director

Pune : 25th June, 2011

Pune : 25th June, 2011

ENVAIR ELECTRODYNE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

Rupees	As at 31.03.11 Rupees	As at 31.03.10 Rupees
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED:		
5,500,000 (5,500,000) Equity shares of Rs.10/- Each.	55,000,000	55,000,000
	55,000,000	55,000,000
ISSUED, SUBSCRIBED AND CALLED UP & PAID UP :		
3,040,000 (3,040,000) Equity Shares of Rs. 10/- Each.	30,400,000	30,400,000
TOTAL	30,400,000	30,400,000

Notes : Includes 1,560,000 Equity Shares which were allotted during previous years as fully paid up Bonus Shares by capitalisation of General Reserve.

SCHEDULE 2 : RESERVE AND SURPLUS

I) CAPITAL RESERVE : As per Last Balance Sheet	<u>3,013,000</u>	3,013,000
	3,013,000	
II) REVALUATION RESERVE	28,635,013	30,256,411
III) SECURITIES PREMIUM ACCOUNT As per Last Balance Sheet	11,545,445	11,545,445
TOTAL	43,193,458	44,814,856

SCHEDULE 3 : SECURED LOANS

I) Term Loans : Interest accrued and due on above Secured by mortgage of Land & Building of our Property at 117 'S' Block, Bhosari	-	7,388,353
TOTAL	-	7,388,353

SCHEDULE 4 : UNSECURED LOANS

I) Deposit from Directors	900,000	3,250,000
II) Term Loan	10,000,000	13,000,000
TOTAL	10,900,000	16,250,000

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 5 : FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block					
	Cost As At 01.04.2010	Additions	Deductions	As At 31.03.2011	As At 01.04.2010	For the Year	On Revalu- ation	Recoup	Adjustment	As At 31.03.2011	As At 31.03.2010	
Leasehold Land	23,938,747	-	582,374	23,356,373	1,531,291	16,395	299,151	39,563	-	1,807,274	21,549,099	22,407,456
Buildings	23,276,961	-	-	23,276,961	13,335,722	393,438	785,979	-	2,183,979	12,331,160	10,945,801	9,941,239
Plant & Machinery	45,445,036	1,824,663	-	47,269,699	37,632,632	1,631,136	-	-	4,075,607	35,188,161	12,081,538	7,812,404
Office Equipments	6,107,869	271,855	-	6,379,724	5,291,105	276,506	-	-	181,167	5,386,444	993,280	816,764
Furniture & Fixture	5,145,453	551,242	-	5,696,695	4,681,887	178,893	-	-	286,800	4,573,980	1,122,715	463,566
Vehicle	3,111,826	-	-	3,111,826	2,030,536	238,589	-	-	681,566	1,587,559	1,524,267	1,081,290
Technical Knowhow	4,671,679	-	-	4,671,679	2,465,311	440,082	-	-	-	2,905,393	1,766,286	2,206,368
	111,697,571	2,647,760	582,374	113,762,957	66,968,484	3,175,039	1,085,130	39,563	7,409,119	63,779,971	49,982,986	44,729,087
Capital work-in-progress and advances											691,488	691,488
	111,697,571	2,647,760	582,374	113,762,957	66,968,484	3,175,039	1,085,130	39,563	7,409,119	63,779,971	50,674,474	45,420,575
Previous Year	119,045,530	518,872	7,866,831	111,697,571	55,678,705	2,569,867	1,190,411	503,219	8,032,720	66,968,484	45,420,575	64,058,313

ENVAIR ELECTRODYNE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2011

	Rupees	As at 31.03.11 Rupees	As at 31.03.10 Rupees
SCHEDULE 6 : INVESTMENTS (UNQUOTED)			
a) Non-Trade- (at estimated realisable value)			
8000 (8000) Equity Shares of Rs.10/- each fully paid in Kirloskar Ghatage Patil Auto Ltd.		1	1
TOTAL		<u>1</u>	<u>1</u>
SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES			
I) INVENTORIES :			
(As certified by the Managing Director)			
a. Material	5,143,684		3,469,022
b. Work In Process (Refer note no. B5b)	<u>1,646,665</u>		<u>2,462,430</u>
		6,790,349	5,931,452
II) SUNDRY DEBTORS (Unsecured) :			
a. Debts outstanding for a period exceeding six months			
Considered good	3,547,833		4,706,755
Considered doubtful	<u>-</u>		<u>91,206</u>
	3,547,833		4,797,961
b. Other debts			
Considered good	17,567,626		16,056,665
Considered doubtful	<u>-</u>		<u>401,391</u>
	17,567,626		16,458,056
Less : Provision for Doubtful Debts	<u>-</u>		<u>492,597</u>
		21,115,459	20,763,420
III) CASH & BANK BALANCE :			
a. Cash on hand	4,326		37,728
b. Bank Balance with scheduled Banks			
In Current Accounts	3,431,340		2,699,513
in Deposit Accounts	<u>1,746,720</u>		<u>1,048,897</u>
		5,182,386	3,786,138
IV) LOANS AND ADVANCES :			
(Unsecured, considered good unless otherwise stated)			
a. Loan to Manjiri Investments	-		414,274
(Considered doubtful)			
Less : Provision For Doubtful Loans	<u>-</u>		<u>414,274</u>
b. Advance recoverable in cash or kind or forvalue to be received (Considered Good)	5,127,985		23,437,457
Considered doubtful	<u>-</u>		<u>452,935</u>
			23,890,392
Less : Provision For Doubtful Loans	<u>-</u>		<u>452,935</u>
	5,127,985		23,437,457
c. Deposit & Others	1,482,718		1,579,644
d. Balance with Customes & Excise authorities	463,501		532,701
e. Advance Tax paid (Net)	<u>4,051,178</u>		<u>2,906,454</u>
		11,125,382	28,456,256
TOTAL		<u>44,213,576</u>	<u>58,937,266</u>

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	Rupees	As at 31.03.11 Rupees	As at 31.03.10 Rupees
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS :			
I) CURRENT LIABILITIES :			
a. Sundry Creditors	11,375,264		10,848,797
b. Advance against orders	831,072		215,080
c. Share application money refundable	30,955		30,955
d. Other Liabilities	<u>4,011,525</u>		<u>4,665,787</u>
		16,248,816	15,760,619
II) PROVISIONS :			
a. Gratuity	1,711,361		1,454,089
b. Leave Encashment	1,004,567		908,602
c. Proposed Dividend	2,128,000		1,520,000
d. Tax on Distributed Profits	<u>361,760</u>		<u>258,248</u>
		5,205,688	4,140,939
TOTAL		<u>21,454,504</u>	<u>19,901,558</u>

SCHEDULE 9 : INCREASE / (DECREASE) IN STOCKS

Stocks at Close :			
Work in Process	1,646,665		2,462,430
Finished Goods	<u>-</u>		<u>-</u>
		1,646,665	2,462,430
Stocks at Opening :			
Work in Process	2,462,430		2,646,720
Finished Goods	<u>-</u>		<u>-</u>
		2,462,430	2,646,720
TOTAL		<u>(815,765)</u>	<u>(184,290)</u>

SCHEDULE 10 : PAYMENTS TO AND PROVISION FOR EMPLOYEES

Salaries, Wages and Bonus	7,280,845	6,906,650
Workmen and Staff Welfare Expenses	302,411	206,892
Contribution to Provident & Other Funds	<u>994,852</u>	<u>1,016,497</u>
TOTAL	<u>8,578,108</u>	<u>8,130,039</u>

ENVAIR ELECTRODYNE LIMITED

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

Rupees	As at 31.03.11 Rupees	As at 31.03.10 Rupees
SCHEDULE 11 : MANUFACTURING, OFFICE AND ADMINISTRATION EXPENSES		
Power and Fuel	1,587,949	1,510,581
Repairs to : Building	206,438	41,194
Machinery	529,452	136,499
Others	309,527	263,198
Rates & Taxes	413,016	413,016
Insurance	85,544	86,519
Travelling & Conveyance	1,572,804	1,627,435
Office Maintenance	69,815	27,446
Postage, Telex, Telephone	422,636	445,106
Printing & Stationery	280,326	286,372
Directors Remuneration	2,410,861	2,390,057
Directors Sitting Fees	27,500	31,000
Auditors Remuneration		
a. Audit Fees	40,000	40,000
b. Tax Audit Fees	10,000	10,000
c. Other Services	25,000	28,508
d. Reimbursement of out of pocket expenses	2,230	6,353
Commission & Discount	979,559	1,307,824
Product Advertisement	152,500	119,698
Selling & Distribution Expenses	631,611	55,789
Provision for doubtful debts & Advances	-	457,286
Bad Debts Written off	4,799,031	2,406,727
Bank Charges	148,048	150,645
Miscellaneous Expenses	1,430,386	963,017
Interest : a. Fixed Loans	1,440,924	2,858,179
b. Others	42,276	63,133
(Int on fixed loans Includes interest paid to Directors Rs 1,16,883/- Previous Year Rs.2,33,646/-)		
TOTAL	<u>17,617,433</u>	<u>15,725,582</u>

SCHEDULE 12 : NOTES FORMING PART OF THE ACCOUNTS.

A. Previous Year's figures have been regrouped wherever necessary to make them comparable with those of the Current Year.

B. ACCOUNTING POLICIES

1) SYSTEM OF ACCOUNTING :

The Company maintains its books of account on accrual basis.

2) METHOD OF ACCOUNTING :

a) For sales and services -

The sale of goods is recognised on despatch to customers, sales exclude amounts recovered towards excise duty and sales tax.

b) Export sales are accounted for in accordance with Accounting standard

11. Exchange gain or loss on realisation of foreign exchange is included in exchange fluctuation account.

3) FOREIGN EXCHANGE TRANSACTIONS :

Transactions in foreign currencies during the year are converted at the rates prevailing on the transaction date. All current assets and current liabilities in foreign currency are revalued at the exchange rate prevailing as at the Balance Sheet date. All exchange differences arising from conversion are included in Profit & Loss Account.

4) FIXED ASSETS :

a. Tangible Assets :

Fixed Assets are capitalised at cost of acquisition or at manufacturing cost in case of company manufactured assets. The revalued portion of the revalued assets has been added to the gross block of the respective assets. Depreciation is charged on Straight Line Method on all assets in accordance with the rates given in Schedule XIV of the Companies Act 1956. Depreciation on revalued portion of the assets has been charged on straight line method over the remaining life of the assets & adjusted against the revaluation reserves.

Till the year ended 31st March, 2010, the Company had been accounting for depreciation on the Written Down Value Method. Commencing from the current year, the Company has revised its accounting policy of providing for depreciation from Written Down value method to Straight Line method. Accordingly in compliance with Accounting Standard (AS6) on "Depreciation Accounting", the depreciation has been recalculated with retrospective effect from the date of the asset coming into use.

The above change in Accounting Policy has resulted in a credit to Profit & Loss Account of Rs.74,09,119/- on account of the adjustment of depreciation relating to previous years and a higher charge of depreciation for the current year amounting to Rs.8,04,300/-. Consequently, the profit before tax and profit after tax for the current year are higher by Rs.66,04,817/- and Rs.66,04,817/- respectively.

Further, the net Fixed assets and the Reserves as on 31st March, 2011 are higher by Rs.66,04,817/- and Rs.66,04,817/- respectively.

b. Intangible Assets :

Intangible Assets acquired prior to 2000 are being depreciated at 4.75% (SLM) per year. Intangible assets acquired thereafter are amortised in 7 equal annual installments.

5) CURRENT ASSETS :

a. Balances of Sundry Debtors, Loans, Advances & Deposits given or taken & sundry creditors are subject to confirmations. Effect of any variation will be accounted in the year of such variation.

b. INVENTORY :

Inventories are valued at lower of the cost or estimated net realisable value after providing for cost of obsolescence. Cost of Raw Materials is arrived at on first in first out method to comply with the provisions of AS2 Work in process and finished goods include cost of materials, direct labour and overheads.

SCHEDULE 12 : NOTES FORMING PART OF ACCOUNTS (Contd.)

6) INVESTMENTS :

Investments are stated at cost of acquisition or net realisable value whichever is lower.

7) RESEARCH AND DEVELOPMENT :

Revenue expenditure on Research and Development is charged as an expense against the profits for the year in which it is incurred and Capital Expenditure is grouped with Fixed Assets under appropriate heads and depreciation is provided as per rates applicable.

8) EMPLOYEE RETIREMENT BENEFITS :

Retirement benefits to employees comprise of payments of Gratuity, Provident funds under the approved schemes of the Company, and also provision for Leave encashment. The Company has not made any contribution to the Gratuity Fund during the year. Although the company has provided for gratuity liability on the basis of actuary valuation obtained from Actuary.

9) IMPAIRMENT OF ASSET :

Asset forming part of any cash generating units are tested for impairment when an indication exists that such assets may be impaired and impairment loss is recognised in profit & loss when recoverable amount of such asset is less than its carrying value.

SCHEDULE 12 : NOTES FORMING PART OF ACCOUNTS

	Current Year	Previous Year
C) OTHER NOTES		
1. Estimated amount of contracts remaining to be executed on Capital Account, not provided for :	1,550,000	-
2. a. Contingent Liabilities not provided for	-	-
b. Claims against the Company not acknowledged as debts :	-	-
3. Amount repayable within one year included in : Unsecured Loans	-	-
4. In spite of our direct enquiry, till the date we have not received any written representation from any SME regarding their liability under the SME Act.		
5. Exchange fluctuation recognised in Profit & loss account is Rs.24,998/- Debit. (Rs.1,029)		
6. We have decree in our favour from Court of Hon'ble Civil Judge Senior Divn, Pune court regarding recovery of our dues from Vishwa Electronics (India) Ltd. Regular followup is been kept by the Company on recovery process. In the near future the management has reason to believe that the company will recover at least Rs.17 Lacs from this party.		
7. The company has provided Rs.NIL (Rs.4,92,597) towards doubtful debts. Company has initiated legal cases against defaulting Customers to the tune of 16.06 lacs. The Management is of the opinion that in the balance cases of long outstanding customers, the company is taking stringent measures to collect the balance outstanding & is hopeful to collect the outstanding.		
8. The Company is operating in a single segment of " Industrial Machinery".		
9. During the year 2005-06, by engaging the services of a professional valuer, the Company has revalued its Leasehold Land by Rs.3,11,41,015/- & Building by Rs.1,14,97,389/- & correspondingly credited the same amount to a separate Revaluation Reserve Account. The depreciation on this revalued portion, has been charged up to the Balance Sheet date by debit to Revaluation Reserve Account. During the year the revaluation reserve related to the land sold during the year has been adjusted against the revalued portion of the land sold.		
10. Deffered Tax liability (On account of depreciation)	Rs. 42,03,869/-	Rs.25,03,049/-
Deffered Tax Assets (On account of 43B of the Income Tax Act)	Rs. 11,80,377/-	Rs. 15,81,431/-

ENVAIR ELECTRODYNE LIMITED

SCHEDULE 12 : NOTES FORMING PART OF ACCOUNTS (Contd.)

11 The disclosures required by Accounting Standard 26 " Intangible Assets" are as follows :

Intangible Assets	Current Year			Previous Year		
	Technical Know How	Design & Drawings	Total	Technical Know How	Design & Drawings	Total
Gross Carrying Amount	2,383,679	2,288,000	4,671,679	2,383,679	2,288,000	4,671,679
Additions during the year	-	-	-	-	-	-
Amortisation up to the start of the year	1,811,596	653,715	2,465,311	1,698,371	326,857	2,025,228
Amortisation during the year	113,224	326,858	440,082	113,225	326,858	440,083
Cummulative Amortisation upto the end of the year	1,924,820	980,573	2,905,393	1,811,596	653,715	2,465,311
Net Block	458,859	1,307,427	1,766,286	572,083	1,634,285	2,206,368
Useful Life	21 Years	7 Years		21 Years	7 Years	
Amortisation Method	SLM	SLM		SLM	SLM	

12 The Company has been advised that the computation of net profits for the purpose of Director's remuneration under section 349 of the companies Act, 1956, need not be enumerated since no commission has been paid to the Directors. Fixed monthly remuneration has been paid to the Director as per Schedule XIII to the Companies Act, 1956.

Directors' Remuneration:	Current Year			Previous Year		
	Managing Director Rs.	Whole Time Director Rs.	Whole time Director & Company Secretary Rs.	Managing Director Rs.	Whole Director Rs.	Whole time Director & Company Secretary Rs.
I. Managing Director						
a. Salary	804,000	347,855	248,400	804,000	344,419	240,000
b. House Rent Allowance	264,000	173,927	72,000	264,000	172,210	72,000
c. Company's contribution to:						
Provident Fund	106,014	45,868	32,754	106,030	44,792	32,262
Transport Allowance	-	-	20,400	-	-	18,000
e. Perquisites	14,659	-	18,000	17,740	-	18,000
f. Special Allowance	-	-	29,808	-	-	28,800
h. L T A	96,000	28,988	21,600	96,000	28,702	19,200
i. Medical Reimbursement	36,000	28,988	21,600	36,000	28,702	19,200
TOTAL	1,320,673	625,626	464,562	1,323,770	618,825	447,462
II. Other Directors						
a. Sitting Fees	27,500	-	-	31,000	-	-
TOTAL	27,500	-	-	31,000	-	-

13. Details of other income:

1. Interest Received (Tax deducted Rs.NIL (Rs.NIL)	198,318	123,149
2. Profit on Sale of Assets .	1,657,587	18,379,116
3. Excess Provision Written Back	1,030,786	
4. Sundry Balances Written Back	197,539	608,347
5. Commission & Discount Received	70,579	-
6. Rent Received	6,500	4,500
7. Scrap Sale	116,680	24,110
9. Other Miscellaneous Income	265	51,940
10. Provision for Doubtful debts no longer Required	1,359,806	1,293,488
TOTAL	4,638,060	20,484,650

14. Information required by paragraph 3 and 4 of Part II of Schedule VI to the Companies Act, 1956.

I. Sales:	Qty(Nos)	Rupees	Qty(Nos)	Rupees
1. Clean Air Equipment	383	16,525,825	317	18,632,557
2. Spare Parts & trading items		8,636,736		2,093,493
3. Oil Purifiers	19	1,373,702	26	2,885,889
4. Workstations	1960	28,763,621	614	22,962,167
5. Silent Canopies		-		-
6. Exchange fluctuation		(24,998)		(1,029)
TOTAL :		55,274,886		46,573,077

SCHEDULE 12 : NOTES FORMING PART OF ACCOUNTS (Contd.)

	Current Year		Previous Period	
	Qty(Nos/Kgs)	Rupees	Qty(Nos/Kgs)	Rupees
II. Material Consumed :				
1. Aluminium Profile & Components	17,112	2,729,966	12,780	1,826,956
2. MS/CRCA Sheets	85,873	4,577,349	73,061	2,647,286
3. SS Sheets	3,540	444,424	11,490	1,968,321
4. Wooden Material	3,078	12,538,414	2,517	8,535,353
5. Other Raw Material		12,509,317		12,631,071
TOTAL		32,799,470		27,608,987

	*Installed Capacity	Production	Installed Capacity	Production
	III. Production during the year			
1. Oil Purifiers	100	19	100	26
2. Clean Air Equipment	2,000	383	2,000	317
3. Other fabrication	500		500	
4. Workstations	20,000	1960	20,000	614

*Note Most of the Plant & Machinery being common for different products manufactured by the Company, installed capacity is dependant on Product Mix, which in turn is decided by the demand for various products from time to time and also on availing of sub-contracting facilities, it is not feasible for the Company to indicate the exact Installed Capacity. The Company has, however, indicated the installed capacity on the basis of year's product-mix as certified by Managing Director and accepted by the Auditors as correct, being the technical matter.

	Current Year	Previous Year
IV. CIF value of Imports :		
a. Materials		-
b. Capital Goods	1,001,369	-
V. Expenditure in foreign currencies :	-	
Subscription		-
Materials		-
Travelling	190,104	-
VI. Export of goods on FOB basis.	828,040	81,372

ENVAIR ELECTRODYNE LIMITED

SCHEDULE 12 : NOTES FORMING PART OF ACCOUNTS (Contd.)

15A Name of the related party and nature of relationship where control exists :

1. Companies controlled by Envair Electrodyne Ltd.	Nil
2. Subsidiary Company	Nil
3. Associate Companies	Nil
4. Joint Venture Companies	Nil
5. Companies controlled by Key Management Personnel	Elvin Furniture Pvt. Ltd.
6. Key Management Personnel & their relatives	

Key Management Personnel		Relatives
Name	Designation	
Shripad R. Mirashi	Chairman & Managing Director	Manjiri S. Mirashi, Geetanjali S. Mirashi, Deepanjali S. Mirashi
Deepanjali S. Mirashi	Executive Director	Shripad R. Mirashi, Manjiri S. Mirashi, Geetanjali S. Mirashi.
Meena Joglekar	Director & Company Secretary	Surendra V. Joglekar, Amol S. Joglekar, Suchitra S. Joglekar

B) Related party transactions:

Rupees in Lacs

Nature of Transaction	Companies Controlled by EEL	Associate Companies	Joint Venture Companies	Key Management Personnel	Relatives of Management Personnel
Sale of goods	Nil (Nil)	-	-	-	-
Purchase of goods	Nil (Nil)	-	-	-	-
Professional Services availed	Nil (Nil)	-	-	-	-
Interest on Term Loans	12.67(16.25)	-	-	-	-
Interest received	Nil (Nil)	-	-	-	-
Dividend received	Nil (Nil)	-	-	-	-
Credit balances written back	Nil (Nil)	-	-	-	-
Fixed Deposit received	Nil (Nil)	-	-	-	-
Loans & advances given	Nil (Nil)	-	-	-	-
Investment made	Nil (Nil)	-	-	-	-
Guarantees given	Nil (Nil)	-	-	-	-
Rent	Nil (Nil)	-	-	-	-
Purchase of Technical know How	Nil (Nil)	-	-	-	-
Salary to Relatives of Key Management Personnel				6.26(6.19)	-
Remuneration to Key Management Personnel	-	-	-	24.11 (23.90)	-
Deposits From Director	Nil (Nil)	-	-	3.00 (15.00)	-
Interest on deposit from Director	Nil (Nil)	-	-	1.17 (2.34)	-
Outstanding as on 31st March 10					
Receivables	Nil (Nil)	-	-	-	-
Payables	1.38 (4.94)	-	-	-	-
Loans & advances	100 (130)	-	-	-	-
Investments	Nil (Nil)	-	-	-	-
Guarantees	Nil (Nil)	-	-	-	-
Deposits	Nil (Nil)	-	-	9.00 (32.50)	-

Notes :

1 Details of remuneration to Directors are disclosed in Note. C-* of Schedule 12.

C) Earning per Share

The following table sets forth the computation of basic Earning per Share :

a) Profit (loss) after Tax for the year	Rs.	3,724,900
b) Average number of equity shares		3,040,000
c) Nominal Value of Shares	Rs.	10/-
d) Earning per Share	Rs.	1.23

16. Disclosure pursuant to Accounting Standard -15 (Revised) - " Employee Benefits"

- a. The Company, has adopted Accounting Standard 15 (Revised) "Employee Benefits" issued by the Institute of Chartered Accountants of India. The total liability as on Balance Sheet date is Rs. 17,11,361/- (Rs. 14,54,585/-), in respect of **Gratuity**.
- b. Defined Contribution Plans : Amount of Rs. 3,00,974/- (Rs. 3,49,640/-) is recognised as expenses and included in Schedule No.10 " Employee Cost".
- C. (i) Actuarial Assumptions as at 31st March 2011.

	Current year	Previous year
Discount Rate Prev.	8.00%	7.75%
Rate of Return on Plan Assets Prev.	8.00%	8.00%
Salary Escalation Prev.	5.00%	5.00%
Attretion Rate Previous Year	2.00%	2.00%
Discount Rate Current	8.00%	8.00%
Rate of Return on Plan Assets Current	8.00%	8.00%
Salary Escalation Current	5.00%	5.00%
Attretion Rate Current Year	2.00%	2.00%

- (ii) Table Showing Changes in Benefit Obligation

Liability at the beginning of the year	1,874,532	1,589,439
Interest Cost	165,024	132,036
Current Service Cost	188,268	153,905
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Settlement	-	-
Liability Transfer in	-	-
Liability Transfer out	-	-
Benefit Paid	-	(79,309)
Acturial (gain) / loss on obligations	(81,258)	78,461
Liability at the end of the year	2,146,566	1,874,532

- (iii) Table of Fair Value of Plan Assets :

Fair Value of Plan Assets at the beginning of the year	1,742,664	1,611,181
Expected Return on Plan Assets	165,666	141,405
Contribution	328,166	196,030
Transfer from other company	-	-
Transfer to other company	-	-
Benefits paid	-	(79,309)
Acturial (gain) / loss on on Plan Assets	(150,904)	(126,643)
Fair Value of Plan Assets at the end of the year	2,085,592	1,742,664

- (iv) Recognition of Transitional Liability

Transition Liability at start	-	-
Transition Liability Recognised during the Year	-	-
Transition Liability at end	-	-

- (v) Actual Return on Plan Assets

Expected Return on Plan Assets	165,666	141,405
Acturial gain / (loss) on Plan Asset	(150,904)	(126,643)
Actual Return on Plan Asset	14,762	14,762

ENVAIR ELECTRODYNE LIMITED

(vi) Amount Recognised in the Balance Sheet

Liability at the end of the year	2,085,592	1,742,664
Fair Value of Plan Assets at the end of the year	2,146,566	1,874,532
Difference	(60,974)	(131,868)
Unrecognised Past Service Cost	-	-
Unrecognised Transition Liability	-	-
Amount Recognised in the Balance Sheet	(60,974)	(131,868)

(vii) Expenses Recognised in the Income Statement

Current Service Cost	188,268	153,905
Interest Cost	165,024	132,036
Expected Return on Plan Assets	(165,666)	(141,405)
Past Service Cost (Non Vested Benefit) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Recognition of Transition Liability	-	-
Actuarial (Gain) or Loss	(69,646)	205,104
Expenses Recognised in P & L	(257,272)	349,640

(viii) Balance Sheet Reconciliation

Opening Net Liability	131,868	(21,742)
Expenses as above	257,272	349,640
Transfer from other company	-	-
Transfer to other company	-	-
Employers Contribution	(328,166)	(196,030)
Amount Recognised in Balance Sheet	60,974	131,868

(ix) Category of Assets

Government of India Assets	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
State Govt.	-	-
Property	-	-
Other	2,085,592	1,742,664
Insurer Managed Funds	-	-
Total	2,085,592	1,742,664

(x) Experience Adjustment

On Plan Liability (gain) / Loss	(81,258)	112,350
On Plan Asset (Loss) / Gain	(150,904)	(126,643)

(i) **Leave encashment** liability being "Other Long Term Liability" the detailed disclosure is not required except that liability calculated on actuary basis as on 31.03.2011 is Rs. 8,80,093/- (Rs. 7,87,782/-) The same has not been funded.

Short Term Leave encashment liability of Rs. 1,24,474/- (Rs. 1,20,820/-) is accounted on accrued basis .

(ii) General descriptions of Significant Defined plans:

The Company operates gratuity plan wherein every employee is entitled to the benefit as per Payment of Gratuity Act, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

As per our report of even date attached

For and on behalf of Board of Directors

For M/s. P. G. Bhagwat
Chartered Accountants

Shripad R Mirashi
Chairman & Managing Director

Meena S. Joglekar
Director and Company Secretary

Sanjay S. Athavale
Partner
M.NO. 83374

Satishchandra Soman
Director

Deepanjali S. Mirashi
Executive Director

Pune : 25th June, 2011

Pune : 25th June, 2011

Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract & Company's General Business Profile:

I. REGISTRATION DETAILS :	
Registration No.	23810
State Code	11
Balance Sheet Date	31.03.2011
II CAPITAL RAISED DURING THE YEAR	(Amount in Rs. thousands)
(Excluding call money received during the year on shares already issued in earlier years.)	
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
III POSITION OF MOBILISATION & DEPLOYMENT OF FUND	(Amount in Rs. thousands)
Total Liabilities	108,971
Total Assets	108,971
Source of Funds	
Paid up Capital	30,400
Reserve & Surplus	43,193
Deferred Tax Balance	3,023
Secured Loans	-
Unsecured Loans	10,900
Application of Funds	
Net Fixed Assets	50,674
Investments	0
Net Current Assets	22,759
Misc. Expenditure	-
Accumulated Lossess	14,083
IV PERFORMANCE OF COMPANY	
Turnover	61,821
Total Expenditure	61,421
Profit/(Loss) Before Tax	6,177
Profit/(Loss) After Tax	3,725
Earning per Share (Rs)	1.23
Dividend Rate	7%
V Generic Names of Three Products/ Services of Company (As per Monetary Items)	
i. Item Code (ITC Code)	850300001
Product Description	Diesel Generating Sets
ii. Item Code (ITC Code)	84211909
Product Description	Clean Air Equipment
iii. Item Code (ITC Code)	94033009
Product Description	Workstations

As per our report of even date attached

For and on behalf of Board of Directors

For M/s. P. G. Bhagwat
Chartered Accountants

Shripad R Mirashi
Chairman & Managing Director

Meena S.Joglekar
Director and Company Secretary

Sanjay S. Athavale
Partner
M.NO. 83374

Satishchandra Soman
Director

Deepanjali S. Mirashi
Executive Director

Pune : 25th June, 2011

Pune : 25th June, 2011

ENVAIR ELECTRODYNE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.11

	Rs. Current Year 1.4.2010 31.3.2011	Rs. Previous Year 01.04.2009 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax & extra-ordinary Items	6,176,774	6,519,472
Adustment For		
Depreciation	3,175,039	2,569,867
Depreciation of earlier years	(7,409,119)	8,032,720
Interest paid	1,483,200	2,921,312
Interest received	(1,98,318)	(123,149)
Profit / Loss on sale of asset	(1,657,587)	(18,379,116)
Bad debts written off	4,799,031	2,406,727
Provision for doubtful debts	-	457,286
Excess provision Written back	(1,228,325)	(608,347)
Excess provision Written back	(1,359,806)	(1,293,488)
Operating Profit Before Working Capital Changes	3,780,889	2,503,284
Adustment For		
Inventories	(858,897)	(874,125)
Trade & Other Receivables	(2,316,156)	5,010,260
Loans & Advances	17,299,434	(60,564)
Trade & Other Payables	2,106,586	(1,895,631)
Cash generated from Operations	20,011,856	4,683,224
Taxes paid during the year	(1,494,724)	(84,956)
Net Cash Flow from Operating Activities	18,517,132	4,598,268
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Additions to Fixed Assets	(2,997,760)	(518,872)
Sales proceeds on sale of assets	1,664,131	-
Net Cash Flow from Investing Activities	(1,333,629)	(518,872)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Long Term Borrowings (Net)	(10,388,353)	(1,064,169)
Proceeds from Short Term Borrowings (Net)	(2,350,000)	1,500,000
Interest Paid	(1,520,029)	(2,907,178)
Dividend Paid	(1,520,000)	-
Dividend Tax Paid	(258,248)	-
Interest Received	249,375	179,385
Net Cash used in Financing Activities	(15,787,255)	(2,291,962)
Net Increase / (Decrease) in Cash & Cash Equivalents	1,396,248	1,787,434
Cash & Cash Equivalents at the beginning of the year	3,786,138	1,998,704
Cash & Cash Equivalents at the end of the year	5,182,386	3,786,138

As per our report of even date attached

For and on behalf of Board of Directors

For M/s. P. G. Bhagwat
Chartered Accountants

Shripad R Mirashi
Chairman & Managing Director

Meena S.Joglekar
Director and Company Secretary

Sanjay S. Athavale
Partner
M.NO. 83374

Satishchandra Soman
Director

Deepanjali S. Mirashi
Executive Director

Pune : 25th June, 2011

Pune : 25th June, 2011

Dear Shareholder,

Sub : Green Initiatives Registration of Email address

This is to inform you that as a part of “Green Initiatives in the Corporate Governance”, the Ministry of Corporate Affairs (MCA) vide its Circular No. 17/2011 and 18/2011 dated 21.4.2011 and 29.4.2011 respectively, has permitted the companies to serve the documents viz. Annual Reports, Notices of General Meetings/ Postal Ballet, other documents etc. to the Members through electronic mode.

In order to support this “Green Initiative”, we are pleased to serve you the above referred documents and also any other documents as specified by MCA from time to time, through electronic mode. This will also ensure prompt receipt of communication and avoid loss in postal transit.

We therefore request you to register your Email address and / or changes therein from time to time with the Company's Registrar & Share Transfer Agent (R & T Agent) at khade@unisec.in, in case you are holding shares in physical mode by filling up the form appearing on reverse of this communication and with your Depository Participant (DP), in case you are holding shares in dematerialized mode.

In case you require physical copies of Annual Reports and other documents, you may send an email at envairelectro@vsnl.net or write to the Company's R & T Agent viz. Universal Capital Securities Pvt.Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093, by quoting the name of first/ sole shareholder, Folio no. / DP ID and Client ID. The above documents will be sent to you free of cost.

We request your whole-hearted support to this “Green Initiative” by opting electronic mode of communication for its successful implementation.

Thanking you and assuring you of our best attention at all times.

Yours faithfully,

For ENVAIR ELECTRODYNE LTD.

MEENA JOGLEKAR
DIRECTOR & COMPANY SECRETARY

Place : Pune

Date : 10th August, 2011

ENVAIR ELECTRODYNE LIMITED

REGISTRATION OF EMAIL ADDRESS FORM

(In terms of Circular No. 17/2011 and 18/2011 dated 21.4.2011 and 29.4.2011, respectively issued by Ministry of Corporate Affairs)

(For shares in physical mode)

Universal Capital Securities Pvt.Ltd.
(Unit : Envair Electrodyne Ltd.)
21, Shakil Niwas
Mahakali Caves Road
Andheri (East)
MUMBAI 400 093

I/ we, shareholder (s) of Envair Electrodyne Ltd. hereby accord my/ our approval to receive documents viz. Annual Reports, Notices of General Meetings/ Postal Ballet, and such other documents that Ministry of Corporate Affairs may allow, to be sent in electronic mode.

I/ we request you to note my/ our latest Email address as mentioned below. If there is any change in Email address, I / we will promptly communicate the same to you. I/ we attach the self attested copy of PAN card/ Passport towards identification proof for the purpose of verification.

Folio No.	
Name of first/ sole shareholder	
Name of joint shareholder (s) if any	
Registered Address	
E-mail address (to be Registered)	

Place :

Date : _____

(Signature of shareholder)

Note : This form is available on company's website www.envairelectrodyne.com

..... TEAR HERE

(For Shares in dematerialized mode)

You are requested to register your Email address and/ or changes therein from time to time with your Depository Participant.

ENVAIR ELECTRODYNE LIMITED
Registered Office : 117, 'S' Block, MIDC, Bhosari, Pune 411 026.

ATTENDANCE SLIP

Annual general Meeting on 24th September, 2011 at 10.30 a.m.

Ledger Folio No.....

Full Name of the Shareholder :
.....
(in block letters)

I certify that I am a member/proxy for the member of the Company.
I hereby record my presence at the Annual General Meeting of the Company held at the Regd. Office of the Company on Saturday 24th September, 2011 at 10.30 a.m.

Shareholder's/Proxy's
Signature

Proxy's full name

Note : Please fill in this Attendance Slip and hand it over at the entrance of the Hall

.....CUT HERE AND BRING THIS ATTENDANCE SLIP AT THE MEETING.....

ENVAIR ELECTRODYNE LIMITED
Registered Office : 117, 'S' Block, MIDC, Bhosari, Pune 411 026.

PROXY FORM

I/We.....
ofbeing a member/members of
Envair Electrodyne Limited, Pune 411 026 hereby appoint.....
of
or failing him/her

..... of
as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf at the Annual General Meeting of the Company, to be held on Saturday 24th September, 2011 at 10.30 a.m. and at any adjournment there of.

In witness whereof, I/We have set my/our hand/hands/this---- day of----- 2011



(Signature of the Member across the stamp)

Note : The Proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the meeting.

BOOK POST



Enriching Environment

If undelivered please return to :

ENVAIR ELECTRODYNE LIMITED

Regd. Office : 117, 'S' Block, MIDC Bhosari, Pune 411 026 (INDIA)