

Enriching Environment

36TH
ANNUAL REPORT
2017-2018

ENVAIR ELECTRODYNE LIMITED

DIRECTORS

Mr Anil Nagpal	Managing Director (Appointed w.e.f.7.7.2018)
Mr Harish Agarwal	Non-Exe. Non-Ind. Director (Appointed w.e.f.11.5.2018)
Mr Archit Aggarwal	Non-Exe. Non-Ind. Director(Appointed w.e.f.11.5.2018)
Mr Jayesh Parmar	Independent Director (Appointed w.e.f.7.7.2018)
Dr Avinash Kulkarni	Independent Director
Mr Vikas Khanvelkar	Independent Director
Mr Shripad Mirashi	Managing Director (Resigned)
Ms Meena Joglekar	Company Secretary (Resigned)
Ms Ankita Trivedi	Company Secretary (Appointed w.e.f. 7.7.2018)

AUDITORS

M/s C.V. Chitale & Co.
Chartered Accountants
3, Gurukrupa, 1317, Shukrawar Peth
Off Bajirao Road
PUNE 411 002

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, 30688117/8
Fax : 30688130
Email : contact@envairelectrodyne.com
Website : www.envairelectrodyne.com

ENVAIR ELECTRODYNE LIMITED

NOTICE

Notice is hereby given that the 36th Annual General Meeting of Envair Electrodyne Ltd. will be held on Friday, 10th August 2018 at 10.30 a.m. at Company's Registered office at 117 'S' Block, MIDC, Bhosari, Pune- 411 026 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2018 together with the Board's Report & Auditor's Report thereon.
2. To retire Mr. Shripad Mirashi (DIN 00480854) by rotation.
3. To appoint Auditors of the Company and fix their remuneration.

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

"RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee of the Board, M/s M.L. Bhuwania And Co.LLP, Chartered Accountants (FRN No.101484W/W100197) be and are hereby appointed as the Auditors of the company in place of the present Statutory Auditors M/s C.V. Chitale & Co, Chartered Accountants (FRN No. 126338W), who shall hold office from the conclusion of this 36th Annual General Meeting for a term of consecutive two years till conclusion of 38th Annual General Meeting and that the Board be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of- pocket expenses as may be incurred in connection with the audit of the accounts of the company.

SPECIAL BUSINESS:

4. Appointment of Mr. Harish Agarwal (DIN-02185002) as Non-Executive Director

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 161 and other applicable provisions if any of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Harish Agarwal (DIN- 02185002), who was appointed as an Additional Director by the Board of the Directors of the Company with effect from 11th May, 2018 and who holds office of Director up to the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company."

5. Appointment of Mr. Anil Nagpal (DIN-01302308) as Director:

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 161 and other applicable provisions if any of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anil Nagpal (DIN-01302308), who was appointed as an Additional Director by the Board of the Directors of the Company with effect from 11th May, 2018 and who holds office of Director up to the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company."

6. Appointment of Mr. Anil Nagpal (DIN-01302308) as Managing Director:

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of the Section 2(54), 196, 197 and 203, Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other provisions applicable under Companies Act, 2013 and subject to approval of the members, Mr. Anil Nagpal (DIN-01302308), be and is hereby appointed as the Managing Director of the Company (w.e.f. 7th July, 2018), on such terms and conditions including remuneration as contained in the draft appointment letter placed before the Board and initialed by the Chairman for the purpose of identification."

"RESOLVED FURTHER THAT Mr. Harish Agarwal, Director of the Company be and is hereby authorized to do all such acts, deeds, things etc. as may be required to comply with all formalities etc. as may be required to comply with this regard".

7. Appointment of Mr. Archit Aggarwal (DIN-08127356) as Non-Executive Director

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 161 and other applicable provisions if any of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Archit Aggarwal (DIN-08127356), who was appointed as an Additional Director by the Board of the Directors of the Company with effect from 11th May, 2018 and who holds office of Director up to the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company who shall be liable to retire by rotation.”

8. Appointment of Mr. Jayesh Parmar (DIN- 00802843) as Independent Director

To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 161 and other applicable provisions if any of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Jayesh Parmar (DIN- 00802843) who was appointed as an Additional Director by the Board of the Directors of the Company with effect from 7th July 2018 and who holds office of Director up to the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company who shall be liable to retire by rotation.”

9. Reclassification of Promoters of the Company as Public Shareholders of the Company subsequent to successful Open Offer

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and successful completion of open offer by Harish Agarwal, Anil Nagpal, Gian Aggarwal (“Acquirers”/ “New Promoters”) and alongwith Alliance India as Person Acting in Concert (**“Proposed Promoter & Promoter Group”**) under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subject to necessary approvals from Stock Exchange and other appropriate Regulatory authorities, as may be necessary, the consent of the members of the Company be and is hereby accorded to designate the Acquirers and Person acting in concert to be Promoter and Promoter Group of the Company and re-classify “Existing Promoter and Promoter Group” i.e. Shirpad Mirashi and Deepanjali Mirashi to “Public category”:

Particulars	Existing Promoter & Promoter Group	Proposed Promoter & Promoter Group
Promoter	1. Shirpad Mirashi and 2. Deepanjali Mirashi	1. Harish Agarwal, 2. Anil Nagpal, 3. Gian Aggarwal
Promoter Group	Not Applicable	Alliance India

RESOLVED FURTHER THAT on approval of Stock Exchange and upon application for reclassification of the “Existing Promoter and Promoter Group” as “Public Category”, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and compliance to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, and other applicable provisions.

RESOLVED FURTHER THAT Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“LODR Regulations”] has provided a regulatory mechanism for re-classification of Promoters as Public Shareholders and also when the new promoter replaces the previous promoter subsequent to the Open Offer,

RESOLVED FURTHER THAT the Company was in receipt of requests from “Acquirers and Person Acting in Concert” to classify them as **“Promoter & Promoter Group”** and “Existing Promoters and Promoter Group” of the Company, for reclassification from Promoter category to Public category under Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”).

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Detail of shareholding of the Company is as follows:

Name of the old Promoters	Shareholding (Prior Open Offer)		Shareholding (After Open Offer)	
	No of Equity shares	%	No of Equity shares	%
Shripad Mirashi	18,50,600	60.88%	NIL	NIL
Deepanjali Mirashi	100	Negligible	NIL	NIL

RESOLVED FURTHER THAT that the Promoters seeking re-classification along with their personal promoter group entities and person acting in concert do / will not:

- A. have any special rights through formal or informal agreements
- B. hold more than 10% of the paid-up capital of the Company.

RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary & Compliance Officer or such other person as authorized by the Board, be and is hereby authorized to submit application for reclassification to Stock Exchange(s), wherein the securities of the Company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable to give effect to this resolution.

10. Issuance and Allotment Of 10,00,000 Warrants (“Warrants”) On Preferential Basis to Non-Promoter Group.

To consider and, if thought fit, to pass the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any re-enactment(s) or modification(s), thereof for the time being in force) (the “Act”); and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (“SEBI ICDR Regulations”); the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended (the “Takeover Regulations”); Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended (the “LODR Regulations”); the Foreign Exchange Management Act, 1999 (“FEMA”), as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2000, as amended and in accordance with the Foreign Direct Investment Policy (“FDI Policy”) read with the circulars, rules, regulations, notifications and guidelines issued under FEMA (including any reenactment(s) or modification(s), thereof for the time being in force) and any other Rules/ Regulations/ Guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchange and/or any other statutory /regulatory authority whether in India or abroad, the Listing Agreements entered into by the Company with the Stock Exchange where the securities of the Company are listed and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (herein after referred to as “the Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot 10,00,000 warrants, convertible into equivalent number of equity shares of a face value Rs. 10/- each at the premium Rs.20/- each (“Warrants”) to the Non-Promoters of the Company, as detailed hereunder, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion at the time of issue or allotment, to the investor, detailed hereunder and hereinafter referred as (“Warrant Holder”) by way of preferential allotment on private placement basis:

Sr. No.	Name of the Warrant Investor	PAN	No. of Warrants.	Category
1.	KDA Corporate Advisors LLP	AAPFK5048P	100,000	Non-Promoter
2.	Arati Jayesh Parmar	AFEPS0982E	300,000	Non-Promoter
3.	Rajiv Malik	AEEP0056L	200,000	Non-Promoter
4.	Ashok Gupta	AAOPG9353J	200,000	Non-Promoter
5.	Rakesh Kr Aggarwal	AAJPK4003C	200,000	Non-Promoter

RESOLVED FURTHER THAT in accordance with the provisions of Chapter VII of the ICDR Regulations, the “Relevant Date” for the purpose of determining the minimum issue price for the issue of warrants/equity shares arising on conversion of warrants is Tuesday, July 10, 2018, which is 30 (Thirty) days prior to the date of the shareholders’ meeting to be held on Friday, August 10, 2018.

RESOLVED FURTHER THAT in accordance with the applicable provisions of the ICDR Regulations, the Warrant Holder shall pay an amount equivalent to at least 25% of the price fixed per Warrant on or before the allotment of the Warrants.

RESOLVED FURTHER THAT the said Warrants shall be issued and allotted by the Company within a period of 15 (Fifteen) days from the date of passing of this resolution, provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals.

RESOLVED FURTHER THAT the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue of Warrants including reduction of the size of the issue, as it may deem expedient, in its discretion.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to following terms:

- (i) The Warrants may be exercised by the Warrant Holder at any time before the expiry of 18 (Eighteen) months from the date of allotment of the Warrants (“Tenor”);
- (ii) In the event the Warrant Holder does not exercise the Warrants within 18 (Eighteen) months from the date of allotment of the Warrants, the Warrants shall lapse and the amount paid on such Warrants shall stand forfeited by the Company;
- (iii) The Warrant Holder shall be entitled to exercise the option of exercising any or all of the Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the shareholders of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of Equity Shares to the Warrant holder;
- (iv) The Company shall procure that within 30 (Thirty) days of the issuance and allotment of any Equity Shares to the Warrant Holder upon exercise of Warrants, the listing and trading approvals for such Equity Shares are received from the relevant stock exchange.
- (v) The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company;
- (vi) Upon exercise of the Warrants by the Warrant Holder, the Company shall issue and allot appropriate number of Equity Shares and perform such actions as are required to credit the Equity Shares to the depository account of Warrant Holder and entering the name of Warrant Holder in the records of the Company as the registered owner of such Equity Shares;
- (vii) A warrant subscription price equivalent to 25% of the issue price of the Equity Shares will be payable at the time of subscription to the Warrants, as prescribed by Regulation 77 of the ICDR Regulations. A Warrant exercise price equivalent to the 75% of the issue price of the Equity Shares will be payable by the Warrant Holder at the time of exercising the Warrant;
- (viii) The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof;
- (ix) In the event that the Company completes any form of capital restructuring prior to the conversion of the Warrants, then, the number of Equity Shares that each Warrant converts into and the price payable for such Equity Shares, shall be adjusted accordingly in a manner that, to the extent permitted by applicable laws, Warrant Holder: (a) receives such number of Equity Shares that Warrant holder would have been entitled to receive; and (b) pays such consideration for such Equity Shares to the Company which Warrant Holder would have been required to pay, had the Warrants been exercised immediately prior to the completion of such capital restructuring;
- (x) The Company shall re-compute the price of the Warrants / Equity Shares issued on conversion of Warrants in terms of the provisions of ICDR Regulations, where it is required to do so and the differential price, if any, shall be required to be paid by such Warrant Holder to the Company in accordance with the provisions of ICDR Regulations;

- (xi) The Warrants and the Equity Shares allotted pursuant to exercise of such Warrants shall be subject to a lock-in for such period as specified under Chapter VII of ICDR Regulations relating to preferential issues;
- (xii) The Warrants by itself, until exercise of conversion option and Equity Shares allotted, does not give to the Warrant Holder thereof any rights with respect to that of a shareholder(s) of the Company; and
- (xiii) Until the Warrants are transferred, the Company shall treat Warrant Holder as the absolute owner for all purposes without being affected by any notice to the contrary

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants and all such Equity Shares that are being allotted shall rank pari passu with the then existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT the Equity Shares having face value of Rs. 10 (Rupees Ten) each proposed to be allotted to the Warrant Holders, upon conversion of the Warrants, be listed on the BSE Limited, and that the Board be and is hereby authorised to make the necessary applications and to take all other steps as may be necessary for and in connection with the listing of such Equity Shares proposed to be allotted to the Warrant Holder, upon conversion of the Warrants, and for the admission of the Warrants and Equity Shares with the depositories, viz. NSDL & CDSL, and for the credit of the Warrants and Equity Shares allotted, upon conversion of the Warrants, to the Warrant Holder's dematerialized securities account.

RESOLVED FURTHER THAT the Common Seal of the Company, if required to be affixed on any agreement, undertaking, deed or other document, be affixed in the presence of any two directors of the Company or any one director and secretary or any other person as may be authorised by the Board in accordance with the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required for the Preferential Issue of Warrants and the Equity Shares to be issued upon conversion of the Warrants without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution

RESOLVED FURTHER THAT subject to applicable laws, the Board be and is hereby also authorized to delegate, all or any of the powers herein conferred, to any Director(s) or officer(s) of the company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, Mr. Harish Agarwal and Mr. Anil Nagpal, Directors of the company be and are hereby jointly and severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary and desirable for such purpose, including but not limited to execution of various deeds, documents, writings, agreements, and also to modify, accept and give effect to any modifications therein and the terms and conditions of the issue, as may be required by the statutory, regulatory and other appropriate authorities and to settle all queries or doubts that may arise in the proposed issue, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

11. Issuance and allotment of 600,000 warrants on preferential basis to Promoter/Promoter Group:

To consider and, if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any re-enactment(s) or modification(s), thereof for the time being in force) (the "Act"); and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("SEBI ICDR Regulations"); the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended (the "Takeover Regulations"); Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended (the "LODR Regulations"); the Foreign Exchange Management Act, 1999 ("FEMA"), as amended, including

the Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2000, as amended and in accordance with the Foreign Direct Investment Policy ("FDI Policy") read with the circulars, rules, regulations, notifications and guidelines issued under FEMA (including any reenactment(s) or modification(s), thereof for the time being in force) and any other Rules/ Regulations/ Guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchange and/or any other statutory /regulatory authority whether in India or abroad, the Listing Agreements entered into by the Company with the Stock Exchange where the securities of the Company are listed and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot 600,000 warrants, convertible into equivalent number of equity shares of a face value of Rs. 10/- each at a premium of Rs. 20/- each ("Promoter Warrants") to the promoter /promoter Group of the Company, as detailed hereunder, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion at the time of issue or allotment, detailed hereunder and hereinafter referred as ("Promoter") by way of preferential allotment on private placement basis:

Sr. No.	Name of the Warrant Investor	PAN	No. of Warrants.	Category
1.	Harish Agarwal	AAKPA7008G	2,06,000	Promoter*
2.	Anil Nagpal	AAHPN4284C	2,06,000	Promoter*
3.	Gian Aggarwal	AAHPP2294A	1,88,000	Promoter*

*subsequent to the passing of resolution as covered under item no. 9 of this Notice

RESOLVED FURTHER THAT in accordance with the provisions of Chapter VII of the ICDR Regulations, the "Relevant Date" for the purpose of determining the minimum issue price for the issue of warrants/equity shares arising on conversion of Promoter Warrants is Tuesday, July 10, 2018, which is 30 (Thirty) days prior to the date of the shareholders' meeting to be held on Friday, August 10, 2018.

RESOLVED FURTHER THAT in accordance with the applicable provisions of the ICDR Regulations, the warrant holder shall pay an amount equivalent to at least 25% of the price fixed per Warrant on or before the allotment of the Warrants.

RESOLVED FURTHER THAT the said Promoter Warrants shall be issued and allotted by the Company within a period of 15 (Fifteen) days from the date of passing of this resolution, provided that where the allotment of the said Promoter Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals.

RESOLVED FURTHER THAT the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue of Promoter Warrants including reduction of the size of the issue, as it may deem expedient, in its discretion.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Promoter Warrants shall be subject to following terms:

- (i) The Promoter Warrants may be exercised by the Promoter at any time before the expiry of 18 (Eighteen) months from the date of allotment of the Promoter Warrants ("Tenor");
- (ii) In the event the Promoter does not exercise the Promoter Warrants within 18 (Eighteen) months from the date of allotment of the Promoter Warrants, the Promoter Warrants shall lapse and the amount paid on such Promoter Warrants shall stand forfeited by the Company;
- (iii) The Promoter shall be entitled to exercise the option of exercising any or all of the Promoter Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Promoter Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the shareholders of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of Equity Shares to the Promoter;
- (iv) The Company shall procure that within 30 (Thirty) days of the issuance and allotment of any Equity Shares to the Promoter upon exercise of Promoter Warrants, the listing and trading approvals for such Equity Shares are received from the relevant stock exchange

- (v) The Equity Shares to be so allotted on exercise of the Promoter Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company;
- (vi) Upon exercise of the Promoter Warrants by the Promoter, the Company shall issue and allot appropriate number of Equity Shares and perform such actions as are required to credit the Equity Shares to the depository account of Promoter and entering the name of Promoter in the records of the Company as the registered owner of such Equity Shares; A warrant subscription price equivalent to 25% of the issue price of the Equity Shares will be payable at the time of subscription to the Promoter Warrants, as prescribed by Regulation 77 of the ICDR Regulations. A warrant exercise price equivalent to the 75% of the issue price of the Equity Shares will be payable by the Promoter at the time of exercising the Promoter Warrant.
- (vii) The issue of the Promoter Warrants as well as Equity Shares arising from the exercise of the Promoter Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof;
- (viii) Subject to the provisions of Chapter VII of the ICDR Regulations, the Promoter Warrants and equity shares allotted on exercise of such Promoter Warrants will be transferable within the Promoters and persons forming part of Promoter Group;
- (ix) In the event that the Company completes any form of capital restructuring prior to the conversion of the Promoter Warrants, then, the number of Equity Shares that each Promoter Warrant converts into and the price payable for such Equity Shares, shall be adjusted accordingly in a manner that, to the extent permitted by applicable laws, Promoter: (a) receives such number of Equity Shares that Promoter would have been entitled to receive; and (b) pays such consideration for such Equity Shares to the Company which Promoter would have been required to pay, had the Promoter Warrants been exercised immediately prior to the completion of such capital restructuring;
- (x) The Company shall re-compute the price of the Promoter Warrants / Equity Shares issued on conversion of Promoter Warrants in terms of the provisions of ICDR Regulations, where it is required to do so and the differential price, if any, shall be required to be paid by such Promoter to the Company in accordance with the provisions of ICDR Regulations;
- (xi) The Promoter Warrants and the Equity Shares allotted pursuant to exercise of such Promoter Warrants shall be subject to a lock-in for such period as specified under Chapter VII of ICDR Regulations relating to preferential issues;
- (xii) The Promoter Warrants by itself, until exercise of conversion option and Equity Shares allotted, does not give to the Promoter thereof any rights with respect to that of a shareholder(s) of the Company; and
- (xiii) Until the Promoter Warrants are transferred, the Company shall treat Promoter as the absolute owner for all purposes without being affected by any notice to the contrary

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Promoter Warrants held by the holder(s) of the Promoter Warrants and all such Equity Shares that are being allotted shall rank pari passu with the then existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT the Equity Shares having face value of Rs. 10/- (Rupees Ten) each proposed to be allotted to the Promoter, upon conversion of the Promoter Warrants, be listed on the BSE Limited, and that the Board be and is hereby authorised to make the necessary applications and to take all other steps as may be necessary for and in connection with the listing of such Equity Shares proposed to be allotted to the Promoter, upon conversion of the Promoter Warrants, and for the admission of the Promoter Warrants and Equity Shares with the depositories, viz. NSDL & CDSL, and for the credit of the Promoter Warrants and Equity Shares allotted, upon conversion of the Promoter Warrants, to the Promoter's dematerialized securities account.

RESOLVED FURTHER THAT the Common Seal of the Company, if required to be affixed on any agreement, undertaking, deed or other document, be affixed in the presence of any two directors of the Company or any one director and secretary or any other person as may be authorised by the Board in accordance with the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint

consultants, valuers, legal advisors, advisors and such other agencies as may be required for the Preferential Issue of Equity Shares without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT subject to applicable laws, the Board be and is hereby also authorized to delegate, all or any of the powers herein conferred, to any Director(s) or officer(s) of the company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, Mr. Harish Agarwal and Mr. Anil Nagpal, Directors be and are hereby jointly and severally authorized to do such acts, deeds, matters and things as they may in their absolute discretion deem necessary and desirable for such purpose, including but not limited to execution of various deeds, documents, writings, agreements, and also to modify, accept and give effect to any modifications therein and the terms and conditions of the issue, as may be required by the statutory, regulatory and other appropriate authorities and to settle all queries or doubts that may arise in the proposed issue, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

NOTES:

1. 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.
2. 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.
3. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the meeting.
4. The Register of Members and share transfer books of the Company will remain closed from 4.8.2018 to 10.8.2018 (both days inclusive).
5. E-voting facility to all the Members has been provided through the E-voting platform of CDSL and the company has appointed Mr. I.U.Thakur, Practicing Company Secretary as Scrutinizer for the E-voting process. Instructions & manner of the process have been detailed in the enclosures forwarded to all members. The Scrutinizer will make a report to the Chairman of the Company, of the votes cast in favour & against and the results on the resolutions along with Scrutinizer's report will be available on the Website of the company within two working days of the same being passed.
6. 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.
7. Members whose Shares are held in Demat Form are requested to notify the Depository participant of any change in their address.
8. 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 : 7th July 2018

MEENA JOGLEKAR
COMPANY SECRETARY

EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (the Act) sets out all material facts relating to the business mentioned above of the accompanying notice.

ITEM NO.4 OF THE NOTICE

Pursuant to the provisions of Section 161(1) of the Act read with the Articles of Association of the Company, the Board of Directors of the Company appointed Mr Harish Agarwal as an Additional Director of the Company with effect from 11th May, 2018.

In terms of the provisions of Section 161(1) of the Act, Mr Agarwal would hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr Agarwal for the office of Director of the Company.

Mr Agarwal is a Commerce Graduate & has experience of approx. 30 years in the field of construction, manufacturing & logistics with expertise in financial administration and project management. He is also a Partner in Alliance World India (AWI) group specializing in supply chain and contract manufacturing services across FMCG, Lifestyle, Healthcare and Agri-Business verticals.

The matter regarding appointment of Mr Harish Agarwal, as Additional Director was placed before the Nomination & Remuneration Committee for its recommendation and the same has been recommended by the Nomination & Remuneration Committee.

None of the Directors except Mr Harish Agarwal is interested in the business.

The Board recommends resolution set out in Item no.4 of the notice for approval of members.

ITEM NO. 5 & 6 OF THE NOTICE

Pursuant to the provisions of Section 161(1) of the Act read with the Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Anil Nagpal as an Additional Director of the Company with effect from 11th May, 2018.

In terms of the provisions of Section 161(1) of the Act, Mr. Nagpal would hold office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Nagpal for the office of Director of the company.

He is proposed to be appointed as Managing Director of the Company.

Mr Nagpal is a Commerce Graduate with a Business Management Degree from Punjab University, Chandigarh., He has an experience of more than 30 years in a business of Supply Chain, Logistics & manufacturing of Pharmaceuticals & FMCG goods.

He has implemented green field projects for ICI plc UK, Johnson & Johnson & Unilever. He is also a Partner in Alliance World India (AWG) Group. Passion to venture into new projects to diversify and accept technology as tools of change has taken the group turnover to USD 120 Million.

The matter regarding appointment of Mr. Anil Nagpal, as Additional Director was placed before the Nomination & Remuneration Committee for its recommendation and the same has been recommended by the Nomination & Remuneration Committee.

None of the Directors except Mr. Anil Nagpal is interested in the business.

The Board recommends resolution set out in Item no.6 of the notice for approval of members.

ITEM NO.7 OF THE NOTICE

Pursuant to the provisions of Section 161(1) of the Act read with the Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Archit Aggarwal as an Additional Director of the Company with effect from 11th May, 2018.

In terms of the provisions of Section 161(1) of the Act, Mr. Aggarwal would hold office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Aggarwal for the office of Director of the company.

Mr. Archit Aggarwal a young brain, has most admirably inculcated the expertise from his father. After completing his High School from G.D. Goenka Public School, he is pursuing BBA in IILM, College of Management Studies. His will to learn and succeed led him to gain experience in family business (Innova Captab.Pvt. Ltd., Alliance World India, Viney Gems And Jewellery).

The matter regarding appointment of Mr. Aggarwal, as Additional Director was placed before the Nomination & Remuneration Committee for its recommendation and the same has been recommended by the Nomination & Remuneration Committee.

Mr Gian Aggarwal & Mr Archit Aggarwal being father & son are interested in the appointment. None of the other Directors are interested in the business.

The Board recommends resolution set out in Item no. 6 of the notice for approval of members.

ITEM NO. 8 OF THE NOTICE

Pursuant to the provisions of Section 161(1) of the Act read with the Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Jayesh Parmar as an Additional Director of the Company with effect from 7th July, 2018.

In terms of the provisions of Section 161(1) of the Act, Mr. Jayesh Parmar would hold office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Parmar for the office of Director of the company.

The Company has also received Declaration from Mr Jayesh Parmar that he meets with the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Companies Act, 2013.

Mr Parmar is having a Chartered Accountant's Degree and is one of the founding member of M/s Kanu Doshi Associates, Chartered Accountants, since 1993. He is a member of a Committee set up by the Institute of Chartered Accountants of India on revision of the Accounting Standard and also Life member of Bombay Chartered Accountant's Society.

In the opinion of the Board Mr Parmar meets with the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Companies Act, 2013.

The matter regarding appointment of Mr Parmar, as Additional Director was placed before the Nomination & Remuneration Committee for its recommendation and the same has been recommended by the Nomination & Remuneration Committee

None of the Directors except Mr Jayesh Parmar is interested in the business

The Board recommends resolution set out in Item no.7 of the notice for approval of members.

Item No. 10 & 11 of the Notice:

The Company is engaged in the business of manufacturing of Clean Air Equipments, Workstations & Electrostatic Oil Cleaners. The Company would require capital to increase its manufacturing capability to meet the demand growth. The Company is considering various options to raise capital including by way of issue of equity shares and/or convertible securities. Accordingly, the Board of Directors of the Company passed necessary resolution on July 07, 2018.

The Board of Directors of the Company ("Board") in its meeting held on July 07, 2018 approved issuance of 16,00,000 Warrants having face value of Rs. 10/- (Rupees Ten only) each at premium of Rs.20/- (Rupees Twenty only), by way of private placement and preferential allotment to Promoter & Non-Promoter Group.

As per section 42 and 62 of the Companies Act, 201, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rule, 2014 (collectively, the "CA 2013") and Regulation 72 and other applicable regulations of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"), a listed issuer may make a preferential issue of specified securities, if a special resolution has been passed by its shareholders. Accordingly, the approval of the members of the Company is being sought, by way of a Special Resolution, to offer and issue, fully paid-up equity shares, by way of private placement and preferential allotment to the Investor.

The relevant details / disclosures of the proposed issue are given below:

1. The Warrants shall be issued for consideration payable in cash.
2. 25% of the total amount payable for preferential issue of Warrants shall be received by the Company prior to the allotments.
3. The Warrants shall be exercised within a period of 18 months from the date of their allotment, in one or more tranches.
4. At the time of exercise, the Warrant Holder(s) shall pay the balance 75% of the consideration payable in respect of the Warrants so being exercised.
5. The Warrants issued pursuant to the above mentioned resolution shall be subject to lock-in in accordance with Regulations 78 and 79 of the ICDR Regulations. However, subject to the aforesaid lock-in, the Equity Shares, upon conversion of Warrants, shall be transferable and transmittable in the same manner and to the same extent as permitted under applicable laws, and shall be subject to the same restrictions and limitations as any other equity shares of the Company.

ENVAIR ELECTRODYNE LIMITED

6. The Equity Shares, allotted pursuant to conversion of Warrants, shall rank pari passu inter se and with the then existing equity shares of the Company in all respects, including in relation to right to dividend.
7. The Non Promoter and the Promoter/Promoter Group have not sold any Equity Shares during the six months preceding the Relevant Date. The disclosures prescribed under Regulation 73 of the ICDR Regulations in respect of the Resolution proposed at Item No. 9 & 10 are as follows:

1. The object of the issue through preferential offer:

The proceeds shall be utilized to increase the existing manufacturing capacity and capability, working capital and general corporate purposes. Therefore, the Company has proposed to issue of shares on a preferential basis to selected persons/entities to meets its capital requirements in the due course.

2. The proposal of the promoters, Directors or Key Managerial Personnel's of the Issuer to subscribe to the offer:

The Promoter would subscribe to equity shares and warrants as provided in this notice. Except as provided in the resolutions forming part of this notice, none of the Directors or key managerial personnel are subscribing to the offer.

3. The proposed time within which the preferential issue shall be completed:

As required under the ICDR Regulations, the Company shall complete the allotment of Warrants as aforesaid within a period of 15 days from the date of passing of resolution by the shareholders provided that where the allotment is pending on account of pendency of any approval from any regulatory authority / body, the allotment shall be completed by the Company within a period of 15 days from the date of such approval, as the case may be.

4. Shareholding Pattern before Issue (As on July 06, 2018) and after the issue:

Post Preferential Allotment **	Pre Preferential Allotment *		Post Preferential Allotment **	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
(A) Promoter and Promoter Group				
a. Indian				
(a) Individuals/ Hindu Undivided Family	18,69,490	61.50%	24,69,490	53.22%
(b) Bodies Corporate	-	-	-	-
Sub Total(A)(1)	18,69,490	61.50%	24,69,490	53.22%
b. Foreign				
a. Individuals (Non Residents Individuals/ Foreign Individuals)	-	-	-	-
b. Bodies Corporate	-	-	-	-
Sub Total(A)(2)	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)	18,69,490	61.50%	24,69,490	53.22%
(B) Public Shareholding				
i. Institutions				
(a) Mutual Funds	-	-	-	-
(b) Financial Institutions/Banks	-	-	-	-
(c) Central Government/ State Government(s)	-	-	-	-
(d) Venture Capital Funds	-	-	-	-
(e) Insurance Companies	-	-	-	-
(f) Foreign Institutional Investors	-	-	-	-
(g) Foreign Venture Capital Investors	-	-	-	-
(h) Qualified Foreign Investor	-	-	-	-
(i) Any Other (specify)	-	-	-	-
Sub Total (B)(1)	-	-	-	-

ii. Non Institutions				
(a) Bodies Corporate	43,735	1.44%	1,43,735	3.10%
(b) Individuals				
I. Individual shareholders holding nominal share capital up to Rs 2 lakhs	8,81,282	28.99%	8,81,282	18.99%
II. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	1,59,981	5.26%	10,59,981	22.84%
III NBFCs registered with RBI	1,797	0.06%	1,797	0.04%
(c) Any Other (specify)				
(i) Non Residents Indians (NRI)	30,977	1.02%	30,977	0.67%
(ii) Clearing Members	12,275	0.40%	12,275	0.26%
(iii) LLP	762	0.03%	762	0.02%
(iv) HUF	39,701	1.31%	39,701	0.86%
Sub Total (B)(2)	11,70,510	38.50%	21,70,510	46.78%
(B) Total Public Shareholding	11,70,510	38.50%	21,70,510	46.78%
TOTAL (A)+(B)	30,40,000	100.00	46,40,000	100.00%
(C) Shares held by Custodians and against which Depository Receipts have been issued				
1. Promoter and Promoter Group	-	-	-	-
2. Public	-	-	-	-
Total (C)				
GRAND TOTAL (A)+(B)+(C)	30,40,000	100.00	46,40,000	100.00%

*As on July 06 2018

**The post issue paid-up capital of the Company is subject to alterations on account of (i) conversion of actual number of Warrants into Equity Shares (Resolution no. 10); and (ii) conversion of actual number of Promoter Warrants into Equity Shares (Resolution no. 11). Consequently, the post-issue shareholding percentage mentioned above may stand altered.

5. Total number of Securities to be issued and Basis of Price:

16,00,000 Warrants to be converted into equal number of Equity Shares of Rs. 10/- each.

6. Relevant Date:

The "Relevant Date" as per ICDR Regulations for determination of minimum price is July 10, 2018, being a date, which is 30 (Thirty) days prior to the date of Annual General Meeting.

7. Pricing of Preferential Issue:

The price of Warrants to be issued is fixed at Rs. 30 per Warrants convertible into equal number of equity share of Rs. 10/- each at a premium of Rs. 20/- per share in accordance with the price determined in terms of Regulation 76A of the ICDR Regulations.

8. Basis on which the price has been arrived at:

The equity shares of the Company are listed on BSE Limited. The equity shares of the Company are not frequently traded in accordance with Regulation 71A of the ICDR Regulation. In terms of the ICDR Regulations, the equity shares shall be allotted at a price to be determined by the issuer after taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation.

The price have been determined by applying appropriate weightage to NAV, comparable trading multiples and weekly high and low of the Volume Weighted Average Prices of the equity shares of the Company quoted on the stock exchange during the 2 weeks preceding the Relevant date.

Since, the equity shares of the Company have been listed on the recognized stock exchange for a period of more than 26 weeks prior to the Relevant Date, the Company is not required to re-compute the price per equity share.

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9. Class or classes of persons to whom allotment is proposed to be made:

The allotment is proposed to be made to Promoter & Non-Promoter Group.

10. No. of persons to whom allotment on preferential basis has already been made during the year, in terms of no. of securities as well as price:

During the year no, preferential allotment has been made, except as provided in this resolution.

11. Particulars of proposed allottees and identity of natural person who are the ultimate beneficial owner of Equity Shares proposed to be allotted and/or who ultimately control the proposed allottee, the percentage of the post preferential issue capital that may be held by them and the changes in control, if any, in the issuer consequent to the preferential issue:

Sr. No.	Name, address and PAN of the proposed Allottees*	Natural person who are the Ultimate Beneficial Owner/ who control the Proposed Allottees	Pre Issue % shareholding		Post Issue % shareholding		Change in Control if any, in the Issuer consequent to Preferential Issue
			No. of Shares	%	No. of Shares	%	
1.	Harish Agarwal	Not Applicable	6,16,700	20.29%	8,22,700	17.73%	The allottees forms part of Promoter and Promoter Group
2.	Anil Nagpal	Not Applicable	6,17,000	20.30%	8,23,000	17.74%	
3.	Gian Aggarwal	Not Applicable	6,35,790	20.91%	8,23,790	17.75%	
4.	KDA Corporate Advisors LLP	1. Ankit Jain 47.5% 2. Hippal Dhabi 47.5% 3. Mitesh Gala 5%	Nil	Nil	1,00,000	2.16%	Not Applicable
5.	Arati Jayesh Parmar	Not Applicable	Nil	Nil	3,00,000	6.47%	Not Applicable
6.	Rajiv Malik	Not Applicable	Nil	Nil	2,00,000	4.31%	Not Applicable
7.	Ashok Gupta	Not Applicable	Nil	Nil	2,00,000	4.31%	Not Applicable
8.	Rakesh Kr Aggarwal	Not Applicable	Nil	Nil	2,00,000	4.31%	Not Applicable

*On a fully diluted basis and assuming 100% conversion of warrants

12. Auditor Certificate:

A copy of the certificate from the Statutory Auditors of the Company certifying that the above issue of Warrants is being made in accordance with the SEBI ICDR Regulations shall be placed before the shareholders at the AGM and will also be open for inspection by the members at the Registered Office of the Company between 11:00 a.m. and 4.00 p.m. on all working days, other than Saturday and Sunday, up to the date of the AGM.

13. Lock-in:

- i) The Warrants and the Equity Shares, allotted upon conversion of the Warrants, will be subject to applicable lock-in and transfer restrictions stipulated under Regulations 78 and 79 of the ICDR Regulations.
- ii) The entire pre-preferential shareholding of the above allottee, if any, shall be locked in from the Relevant Date up to the period of 6 months from the date of trading approval as per Regulation 78(6) of the SEBI ICDR Regulations.

14. Terms of Issue of the Equity Shares, if any

The Equity Shares allotted pursuant to conversion of Warrants in terms of this resolutions shall rank pari passu with the then existing equity shares of the Company in all respects.

15. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.

Not Applicable

16. The Board at its meeting held on July 07, 2018 has approved the issue and allotment of Warrants on preferential basis in the manner stated here in above to the Warrant Holders, subject to the approval of members and other approvals, as may be required.

17. Save and except the Preferential Issue as proposed in the resolution as set in the accompanying Notice, the Company has made no other issue or allotment of securities on preferential basis during the year.

The Board of Directors believes that the proposed preferential issue is in the best interest of the Company and its members. Pursuant to the provisions of Section 62 of the Companies Act, 2013 and Regulation 72(1)(a) of SEBI ICDR Regulations, the above preferential issue requires the approval of shareholders by way of Special Resolution. The Board recommends the resolution as set out in the accompanying notice for the approval of members as a Special Resolution.

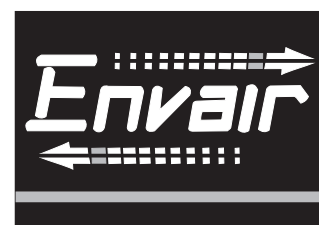
None of the Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, shall be considered to be concerned or interested in the proposed Resolution in Item No. 11, except to the extent of shares held by any of them in the Company. Mr. Harish Agarwal, Director and Mr. Anil Nagpal, Director of the Company, together with their relatives shall be deemed to be concerned or interested in the proposed Resolution in Item No. 11, by reason of their being part of the Promoter and Promoter Group. Apart from the above, no other Directors, Key Managerial Persons (KMPs) of the Company or any relatives of such Director or KMPs, shall be deemed to be concerned or interested in the proposed Resolution in Item No. 11, except to the extent of shares held by any of them in the Company.

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

Place: Pune
Date : 7th July 2018

MEENA JOGLEKAR
COMPANY SECRETARY

ENVAIR ELECTRODYNE LTD.



Enriching Environment

ENVAIR/JM/E-VOTING

Dear Shareholder(s),

DP ID – Client ID/ Folio No.	No. of Shares

Pursuant to the Provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014. The Company is offering E-voting facility to its members in respect of the businesses to be transacted at the 36th Annual General Meeting scheduled to be held on Friday, 10th August, 2018 at 10.30 a.m. For this purpose, the company has signed an Agreement with Central Depository Services (India) Ltd. (CDSL) for facilitating E-voting.

E-voting particulars are set out as below:

EVSN (Electronic voting sequence No.)	User ID

The E-voting facility will be available during the following period.

Commencement of E-voting	End of E-voting
7th August, 2018 at 9 a.m.(IST)	9th August, 2018 at 5 p.m.(IST)

The cutoff date (i.e. Record date) for the purpose of E-voting 3rd August, 2018. The Board of Directors has appointed Mr. I. U. Thakur, a Practicing Company Secretary as a Scrutinizer for the E-voting process. He will within a period not exceeding 3 working days from the conclusion of the E-voting period unblock the votes in the presence of at least two witnesses not in the employment of the company and will make a Scrutinizer's Report of the votes cast in favor or against to the Chairman of the Company. The results on the resolutions shall be declared on or after the AGM of the company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the resolutions. The results declared along with the Scrutinizer's report will be available on the website of the company (www.envairelectrodyne.com) within two days of the passing of the resolutions and communication of the same to the BSE Ltd.

Please read the instructions given overleaf before exercising the vote.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) The voting period begins on 7th August, 2018 at 9.00 A.M. (IST) and ends on 9th August, 2018 at 5.00 P.M. (IST). During this period shareholders of the company holding shares in physical form or in dematerialised form, as on the cut off date (Record date) of <Record date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on shareholders
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

REGD. OFFICE & HEAD OFFICE : 117, 'S' BLOCK, M.I.D.C., BHOSARI PUNE - 411 026 (INDIA)
CIN No. L29307MH1981PLC023810, TEL.: (020) 27120121, 30688117/8, FAX: (020) 30688130,
EMAIL: contact@envairelectrodyne.com, Visit us at : www.envairelectrodyne.com

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits of the Sequence number which is mentioned in address Label affixed on Annual Report, in the PAN Field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend	Enter the Dividend Bank Details or Date of Birth (DD/MM/YYYY format)
Bank Details of Date of Birth (DOB)	As recorded in your Demat Account or in the Company records in order to login <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders & Custodians
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc) & Custodians are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp & sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details the Compliance User should be created using the admin login & password. The Compliance User would be able to link the account (s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com on an approval of the accounts they would be able to cast their votes.
 - A scanned copy of the Board Resolution & Power of Attorney (POA) which they have issued in favour of Custodian, if any should be uploaded in PDF format in the system for the Scrutinizer to verify the same.\
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

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

Place: Pune
Date : 7th July 2018

MEENA JOGLEKAR
COMPANY SECRETARY

ENVAIR ELECTRODYNE LIMITED

BOARD'S REPORT

To,
The Members
Envair Electrodyne Ltd.

Your Directors are pleased to present your Company's 36th Board's Report, together with the Audited Financial Statement for the Financial Year ended on 31st March 2018:

1. FINANCIAL RESULTS

Particulars	Current Year 2017-18	Previous Year 2016-17
Income Earned During the year	8,55,39,403	5,15,91,598
Profit before Taxes & Other adjustments	34669816	(31,18,082)
Add prior period income	-	-
Profit before Taxes	3,46,69,816	(31,18,082)
Less Provisions for Taxes	-	-
Less Current Tax	21,33,798	-
Add/ (Less) Deferred Tax	-	-
Profit for the period	3,25,36,018	(31,18,082)
Profits carried forward from previous year	-	(31,18,082)
Less proposed Dividend	-	-
Less Dividend Distribution Tax	-	-
Profits c/f to Balance Sheet	3,25,36,018	(31,18,082)

2. EXTRACT OF ANNUAL RETURN

The extract of Annual Return as on 31st March 2018, pursuant to the provisions of Section 92 of the Companies Act, 2013 (the Act for brevity) and Rules framed thereunder, in the prescribed Form MGT-9 is annexed to this report as "Annexure 2"

3. NUMBER OF BOARD MEETINGS

The Board of Directors duly met 6 times during the financial year 2017-18. During the year, the meetings of the Board of Directors of the Company were held on 25.5.2017, 29.7.2017, 22.8.2017, 11.10.2017, 11.11.2017 & 29.1.2018, respectively.

4. MANAGEMENT DISCUSSION & ANALYSIS

Sales decreased by 18.82% compared to previous year. Company sold part of Land & Building which was not fully utilized. Other income resulted in profits for the year 2017-18, compared with loss in the previous year. All carry forward loss was wiped out & Net worth of the company increased to Rs.478.16 lacs. This would provide a spring board for future growth of the company.

Prestigious assignments for Technical Furniture were done for Bharat Electronics Ltd. and AGS Transact Technologies Ltd. Air Tunnels were supplied to International Painting system suppliers & International Auto companies.

In the current year (18-19) order booking was increased compared to previous year, by 15%.

In May 2018, the Alliance World India Group from Chandigarh acquired majority Equity Stake of the company from Mr Shripad Mirashi. The multifarious activities of the group will bring a welcome change for the company for growth in Sales & profits. New management has decided to continue present product lines.

Alliance World India is a group of companies specializing in supply chain & contract manufacturing services. The group works across a variety of industries like FMCG, Lifestyle,

Healthcare & Agri-business verticals. They provide a variety of need based services which range from setting up manufacturing plants to organizing strategically planned marketing & sales operations.

With a strong workforce of over 1800 people, 7 manufacturing units, 9 product lines & 10 MNC business partners, Alliance World India have grown to be a bench mark customer centric company & is striving hard for quest for excellence.

5. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Act, the Board hereby submits its Responsibility Statement:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had 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 and 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;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTOR

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Act and Clause 49 of the Listing Agreement so as to qualify themselves to be continued as Independent Directors under the provisions of the Act and the relevant Rules.

7. NOMINATION AND REMUNERATION COMMITTEE

The company has duly established Nomination & Remuneration Committee. The Committee has presented to the Board the policy with respect to remuneration to the Directors, Key Managerial Personnel and other employees

8. DIRECTOR'S APPOINTMENT AND REMUNERATION

Mrs Manjiri Mirashi & Ms Deepanjali Mirashi, Directors resigned with effect from 10th May, 2018.

The Board wishes to place on record their appreciation for the valuable advice rendered by Mrs Manjiri Mirashi and Ms Deepanjali Mirashi during their tenure as Directors.

As per Clause 128 of the Article of Association of the Company, one third strength of the Board is required to retire by rotation at the ensuing Annual General Meeting.

Mr Shripad Mirashi, Director will retire by rotation. Mr. Anil Nagpal has been appointed as Managing Director with effect from 7th July, 2018 subject to approval of shareholder in the Annual General Meeting.

AUDITORS, SECRETARIAL AUDITORS REPORT

a) Statutory Auditors:

It is proposed to appoint M/s M.L. Bhuwania & Co.LLP, Chartered Accountants, Pune bearing (FRN101484W/W100197) as the Statutory Auditors of the Company in place of M/s C.V. Chitale., Chartered Accountants to hold office from conclusion of this Annual General Meeting till the conclusion of 38th Annual General Meeting as per Section 139 of the Companies Act, 2013. The Company has received the necessary eligibility certificate from the auditors and directors recommend the Resolution at Item No.3 of the Notice for the approval of members.

Audit Observations:

Referring to the qualifications by Auditors, the management views are as under:

- i. We are making every effort to recover bad debts which are symbolic of recessionary trend in the manufacturing sector. Every year, we are recovering some of them and making provisions for the debts which could not be recovered.
- ii. The compensation asked by actuary every year is felt as unreasonable. The amount of deviation from our calculation and coming from the Actuaries could be insignificant to affect the profit and loss statement.

b) Secretarial Auditors:

The Secretarial Audit Report for FY 2017-18 is appended as "Annexure 3" and the observations made by the Secretarial Auditors are self-explanatory and do not call for any comments.

9. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

During the Financial Year, your Company has not given any loan, guarantees & investments covered under Section 186 of the Companies Act, 2013.

10. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2017-18 were on an arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee as also the Board for approval.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except remuneration paid to the Executive Director as per the Companies Act, 2013.

The particulars of Transactions with related parties in prescribed form under Section 134 of the Companies Act, 2013 has been mentioned in Note No. 14 of the Annual Report.

11. RESERVES

The company proposes to carry Rs. 28,58,166/- to Reserves after adjusting previous loss of Rs.2,96,77,852/- from Current year profit of Rs.3,25,36,18/-. This makes Equity plus other Equity as Rs.4,78,16,611/-.

12. DIVIDEND

Since there was no operational profit, the Board has not recommended any dividend during the Financial Year 2017-18.

13 MATERIAL CHANGES & COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET & THE DATE OF REPORT

There are no material changes between the date of Balance Sheet & the date of this report that would affect the financial position of the Company.

14 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE & OUTGO

Information required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 is given in "Annexure 1" attached to this Report.

15. RISK MANAGEMENT POLICY

Risk of obsolescence of products, manufacturing equipments & processes are regularly evaluated. Risks due to ageing factor of employees is to be addressed & steps are taken in some areas.

Third party accreditation is becoming mandatory, hence, management will strive to do this at the earliest. This will give more safety & reliability to our customers.

16. CORPORATE SOCIAL RESPONSIBILITY

Since the Company's net worth does not exceed Rs. 500 crores or Company's turnover does not exceed Rs. 1000 crores or the Company's net profit does not exceed Rs. 5 crore for any financial year, the provisions of section 135 of the Companies Act, 2013 are not applicable.

17. FORMAL ANNUAL EVALUATION

The Board has formulated a Board Evaluation Policy for evaluation of Individual Directors as well as the entire Board & Committees of the Board. The Evaluation framework is divided in to parameters based on the various performance criteria to be done annually. The evaluation for the year ended 31st March, 2018 has been completed.

Sr. No.	Particulars	Disclosure
1.	Financial summary/highlights	Already given in Sr.No.1
2.	Change in the nature of business	There is no change in the nature of business.
3.	Details of directors or key managerial personnel who were appointed or have resigned during the year;	<p>Mrs Manjiri Mirashi & Ms Deepanjali Mirashi , resigned as Directors with effect from 10th May, 2018.</p> <p>Mr Harish Agarwal, Mr Anil Naggal & Mr Archit Aggarwal were appointed as Non-Executive Non-Independent Directors with effect from 11th May, 2018.</p> <p>Mr Jayesh Parmar is appointed as Independent Director with effect from 7th July, 2018.</p> <p>Mr Shripad Mirashi resigned as Managing Director with effect from 7th July, 2018.</p> <p>Ms Meena Joglekar resigned as Company Secretary with effect from 7th July, 2018.</p>
	Names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year along with reasons therefore;	The company does not have any subsidiaries.

ENVAIR ELECTRODYNE LIMITED

	<p>Details relating to Deposits covered under Chapter V of the Act:</p> <p>(a) Accepted during the year:</p> <p>(b) remained unpaid or unclaimed as at the end of the year:</p> <p>(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year:</p> <p>OR</p> <p>and if so (default), number of such cases and the total amount involved:</p> <p>i. at the beginning of the year</p> <p>ii. maximum during the year</p> <p>iii. at the end of the year</p> <p>(d) Details of deposits which are not in compliance with the requirements of Chapter V of the Act</p>	NA
6.	<p>Details of significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and company's operations in future.</p>	NIL

19. DISCLOSURES PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER

Sr. No.	Particulars		
(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Name of the Director: Mr. Shripad Mirashi Ms. Deepanjali Mirashi	Ratio: 5.53:1 4.40:1
(ii)	Percentage increase in remuneration of each director and CEO in the financial year	Mr. Shripad Mirashi Ms. Deepanjali Mirashi	0.00% 15.00%
(iii)	Percentage increase in the median remuneration of employees in the financial year		4.02%
(iv)	Number of permanent employees on the rolls of company;		48
(v)	Explanation on the relationship between average increase in remuneration and company performance	Remuneration is revised based on the Company's policy which is based on Annual Operating Plan.	
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Comparison base year is 2016-17. Increase in the remuneration of KMP is 9.57% as compared to decrease of 18.82% in the revenue.	

(vii)	The key parameters for any variable component of remuneration availed by the directors	Key Parameters: There is no variable payment made to the Directors for the year.	
(viii)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Name: Nil	Ratio: Nil
(ix)	Affirmation	The Board affirms that the remuneration is as per the remuneration policy of the company.	

20. VIGIL MECHANISM

As per Provisions of Section 177 (9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors & employees has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.envairelectrodyne.com under Investors/ policy documents/ Vigil Mechanism Policy link.

21. DISCLOSURE ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. There are no complaints received during the year under report.

22. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors,

SHRIPAD MIRASHI
DIRECTOR
DIN : 00480854

DR AVINASH KULKARNI
DIRECTOR
DIN: 00016046

Place: Pune
Date: 7.7.2018

ANNEXURE ' 1 ' TO THE BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**(A) CONSERVATION OF ENERGY:****ENERGY CONSERVATION MEASURES TAKEN:**

No capital investment was done for Energy conservation. The demand side management gave marginal results in Energy conservation inspite of almost same manufacturing tonnage & increased tariff.

S.no.	Particulars	2017-18	2016-17
1	Expenses on power & fuel	Rs. 11,78,541	Rs.17,58,758
2	Manufactured tonnage	65.7	67.5

(B) RESEARCH AND DEVELOPMENT:**1) AREAS IN WHICH R & D IS CARRIED OUT BY THE COMPANY:**

The development work was done for Electrostatic Cleaners, Air Showers, Air Tunnels and Technical Furniture.

2) BENEFITS DERIVED AS A RESULT OF R & D

We expect new business opportunities & better productivity to our customers.

3) FUTURE PLANS

Company desires to develop various machines with smart functions.

4) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

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

(C) FOREIGN EXCHANGE EARNINGS & OUTGO:

Foreign Exchange earned was Rs. 3.71 lacs. There was no Foreign exchange outflow during the current Financial year 2017-18.

For and on behalf of the Board of Directors,

SHRIPAD MIRASHI
DIRECTOR
DIN : 00480854

DR AVINASH KULKARNI
DIRECTOR
DIN: 00016046

Place: Pune

Date: 7.7.2018

ENVAIR ELECTRODYNE LIMITED

ANNEXURE –2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L29307MH1981PLC023810
ii.	Registration Date	4th February, 1981
iii.	Name of the Company	EnvairElectrodyne Ltd.
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	117, 'S' Block, MIDC, Bhosari, Pune 411 026
vi.	Whether listed company	Yes.
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Universal Capital Securities Pvt.Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (E), Mumbai 400 093

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Clean Air Equipments	282	18
2.	Workstations	31009	24
3.	Electrostatic Oil Cleaners	28295	3.40

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	N.A.				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/HUF	1842500	Nil	1842500	60.61	1850700	Nil	1850700	60.88	0.27
b. Central Government(s)	-	-	-	-	-	-	-	-	-
c. State Government (s)	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	-	-	-	-	-	-	-	-	-
e. Banks / Financial Institutes	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	1842500	Nil	1842500	60.61	1850700	Nil	1850700	60.88	0.27
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b. Other – Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks / Financial Institutes	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	1842500	Nil	1842500	60.61	1850700	Nil	1850700	60.88	0.27

B. Public Shareholding									
1. Institutions									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks / Financial Institutes	-	-	-	-	-	-	-	-	-
c. Central Government(s)	-	-	-	-	-	-	-	-	-
d. State Government (s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a. Bodies Corporate:									
i. Indian	25072	2800	27872	0.92	30531	2800	33331	1.10	0.18
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	611751	314501	926252	30.47	564392	310191	874583	28.77	1.70
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	138994	12440	151434	4.98	188659	12440	201099	6.61	1.63
iii. Others (specify)									
a) Clearing Members	10567	0	10567	0.35	6331	0	6331	0.21	0.14
b) NRI/OCB's	35352	0	35352	0.16	30977	0	30977	1.02	0.86
c) HUF	46023	0	46023	1.51	42979	0	42979	1.41	0.10
Sub-total (B)(2):-	867759	329741	1197500	39.39	863869	325431	1189300	39.12	0.27
Total Public Shareholding B)=(B)(1)+ (B)(2)	867759	329741	1197500	39.39	863869	325431	1189300	39.12	1.54
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3710259	329741	3040000	100	2714569	325431	3040000	100	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Shripad Mirashi	1842400	60.61	0.00	1850600	60.88	0.00	0.27
2.	Deepanjali Mirashi	100	0.003	0.00	100	0.003	0.00	0.00
	TOTAL	1842500	60.61	0.00	1850700	60.88	0.00	0.27

(iii) Change in Promoters' Shareholding (please specify, if there is no change) :

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1842500	60.61	1850700	60.88
	Date wise increase/ Decrease in promoters share holding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):				
	At the End of the year	1842500	60.61	1850700	60.88

Note : Since the total number of shares acquired during the year were 8200 Equity Shares, which were only 0.27% of the total Share Capital, the date wise shareholding have not been given.

ENVAIR ELECTRODYNE LIMITED

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1	Mahendra Girdharilal	43489	1.43	48430	1.59
2	Hitesh Ramji Javeri	34591	1.14	34591	1.14
3	Anil Gurmukh Bhagwani	29582	0.97	29582	0.97
4	Kalpana Prakash Pandey	6894	0.23	29138	0.96
5	Urmila Katkam	25880	0.85	25880	0.85
6	Manoj Madhukar Vaidya	21942	0.72	21942	0.72
7	Savita Gulati	11	0.00	14586	0.48
8	Alpana Trading Pvt.Ltd.	14404	0.47	14404	0.47
9	Arpita Roonit Shah	13092	0.43	14092	0.46
10	Surendra B Chandorkar	12440	0.41	12440	0.41
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

Note : Since there was no significant change in the purchase / sale of shares of the above Top 10 Shareholders, The date wise increase/ decrease has not been given.

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Datewise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	At the End of the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1.	Ms Meena Joglekar	100	0.00	100	0.00	No change	100
2.	Dr Avinash Kulkarni	2780	0.09	2780	0.09	No change	2780

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	1142025	-	1,01,00,000	1,12,42,025
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	276745	276745
Total (i+ii+iii)	-	-	10376745	11518770
Change in Indebtedness during the financial year				
• Addition	13520530	-	900000	14420530
• Reduction	7964405	-	9700000	17664405
Net Change				
Indebtedness at the end of the financial year				
i. Principal Amount	6698150	-	1300000	7998150
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	33961	33961
Total (i+ii+iii)	6698150	-	1333961	8032111

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/		Total Amount
		Mr Shripad Mirashi, Managing Director	Ms Deepanjali Mirashi, Executive Director	
1.	Gross salary (Rs.)			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,04,000	3,36,774	11,40,774
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	4,31,262	3,93,343	7,84,192
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil Nil Nil	Nil Nil Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total (A)	12,35,262	7,30,117	19,24,966
	Ceiling as per the Act			84,00,000

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Dr Avinash Kulkarni	Mr Vikas Khanvelkar			
	Independent Directors					
	• Fee for attending board / committee meetings	26000/-	24000/-			50000/-
	• Commission	Nil	Nil			Nil
	• Others, please specify	Nil	Nil			Nil
	Total (1)	26000/-	24000/-			50000/-
	Other Non-Executive Directors			Mrs Manjiri Mirashi		
	• Fee for attending board / committee meetings	Nil	Nil	16000/-	Nil	16000
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others –Conveyance Exp.	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	16000/-	Nil	Nil
	Total (B)=(1+2)	26000/-	24000/-	16000/-	Nil	66000/-

ENVAIR ELECTRODYNE LIMITED

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD :

Sr. No.	Particulars of Remuneration	CEO & Whole Time Director	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,36,774	3,00,600	2,50,664	8,88,038
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3,93,343	3,69,744	2,18,296	9,81,383
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961				
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil
	- as % of profit				
	- others, specify				
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	7,30,117	6,70,344	4,68,960	18,69,421

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors,

SHRIPAD MIRASHI
DIRECTOR

Place: Pune
Date: 7.7.2018

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
ENVAIR ELECTRODYNE LIMITED
Pune

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ENVAIR ELECTRODYNE LIMITED (CIN: L29307MH1981PLC023810) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the ENVAIR ELECTRODYNE LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable to the Company during the Audit Period
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable to the Company during the Audit Period
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable to the Company during the Audit Period
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not applicable to the Company during the Audit Period

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. On the basis of the information provided by the Company, following laws are also complied with:

A) ENVIRONMENTAL LAWS:

1. The Water (Prevention and Control of Pollution) Act, 1974 & The Water (Prevention and Control of Pollution) Rules 1975
2. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

B) LABOUR LAWS:

1. The Factories Act, 1948 and The Maharashtra Factories Rules 1963.
2. The Employees Provident Fund and Miscellaneous Provisions Act, 1956 and the schemes made thereunder.
3. The Payment of Bonus Act, 1965.
4. The Payment of Gratuity Act, 1972.

ENVAIR ELECTRODYNE LIMITED

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period.

The Company has properly constituted "Stakeholders Relationship Committee", as per the provisions u/s 178 of the Act.

The Company had constituted "Nomination and Remuneration Committee", as per the provisions u/s 178 of the Act.

The Company had constituted "Audit Committee" as per the provisions u/s 177 of the Act.

The Company has constituted "Independent Directors Committee Section 149 read with Schedule IV of the Companies Act, 2013".

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through, while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period no event has occurred during the year which has a major bearing on the Company's affairs.

Signature:

Name of Company Secretary in practice:

I. U. Thakur

FCS:2298

C.P. No.: 1402

Place: PUNE

Date: 7.7.2018

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,

The Members

ENVAIR ELECTRODYNE LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 7.7.2018

Place: PUNE

I. U. THAKUR
Practicing Company Secretary
FCS – 2298 C.P No. – 1402

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF ENVAIR ELECTRODYNE LIMITED****Report on the Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying Ind AS financial statements of ENVAIR ELECTRODYNE LIMITED (The Company), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules 2015 under Section 133 of the Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we required to draw attention in auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Basis for Qualified Opinion

4. The provision for gratuity and leave encashment has been made on accrual basis instead of on actuary valuation basis as is required by Ind AS 19 "Employee Benefits", and the required disclosures have also not been made in the Notes to Accounts. The effect of the same has not been ascertained.

Qualified Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph as above, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2018, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

6. Material Uncertainty Related to Going Concern

We draw attention to note 24 in the financial statements explaining the basis of preparation of financial statements on going concern assertions. This report is not qualified in this matter.

7. Revenue recognition on sale of leasehold land and buildings

We draw attention to 25 in the financial statements relating recognition of revenue from sale of leasehold land and buildings, where legal formalities for sale are carried out after the balance sheet date and the requisite permission from Government Authority is awaited. This report is not qualified in this matter.

8. Provision for Current Tax

We draw attention to 26 in the financial statements relating to provision for income tax for the current financial year based in income tax liability estimated by the Company, where the quantum of tax provision could not be verified by us as working of income under the law has not been furnished to us. This report is not qualified in this matter.

Other Matters

9. The Comparative financial information of the Company for the year ended March 31, 2017 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information dated May 25, 2017 expressed an qualified opinion.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

11. As required by the section 143 (3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. in our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. Except for the matters described in the basis for qualified opinion paragraph, in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and amendments thereof;

e. The going concern matter described under the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f. On the basis of written representations received from the Directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.

g. With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

h. The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the basis for Qualified Opinion paragraph above.

i. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations, having impact on its financial position in its Ind AS financial statements except in Notes 25.2 of financial statements.

ii. The Company did not have any long-term contract including derivative contract having any material foreseeable losses for which provision was required to be made under the applicable law or accounting standard.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For C V Chitale & Co
Chartered Accountants
FRN:126338W

CA Aalok Kale
Partner
ICAI M No. 155421

Place: Pune
Date: May 24, 2018.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 10 (Report on Other Legal and Regulatory Requirements) of the Companies' Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2018, we report that:

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset.
 - b) The fixed assets have been physically verified by the management at reasonable intervals with regards to size of the Company and nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) According to records of the Company examined by us, the title deeds of immovable properties are held in the name of Company.
- ii. In respect of its inventories:
 - a) The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - b) According to information and explanation given to us, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size and the nature of its business.
 - c) The Company is maintaining reasonably proper records showing quantitative details of inventory. As informed to us, the discrepancies noticed on verification between physical stock and book records have been properly dealt with accounts.
- iii. As per the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. As informed to us the Company has not entered into any transaction which attracts the provisions of the Section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted deposit from the public hence the directives issued by the Reserve Bank of India and provisions of the sections 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under, are not applicable to it. According to information and explanation given to us, no order has been passed against the Company by Company Law Board or National Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. To the best of our information and as per the explanation given to us, The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. In respect of statutory dues:
 - (a) According to the information & explanation given to us and according to the books & records, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities except in some of the cases, delay in payment has been observed.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, were outstanding, as at March 31, 2018 for a period of more than six months from the date of becoming payable except amount payable with respect to WCT VAT Rs 28,906/-.

- (b) According to the information and explanation given to us, there are no dues of income-tax, wealth-tax, sales tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except the following: -

Nature of the Statute	Nature of Dues	Amount due (In Rs)	Period to which amount relates	Forum at which dispute is pending
Maharashtra Value Added Tax Act 2002 & Central Sales Tax	CST Liability	53,04,454/-	FY 2010-11	Asst. Commissioner of Sales Tax, Pune
Maharashtra Value Added Tax Act 2002	VAT Liability	23,51,802/-	FY 2010-11	Dy. Commissioner of Sales Tax, Pune

ENVAIR ELECTRODYNE LIMITED

Maharashtra Value Added Tax Act 2002 & Central Sales Tax	CST Liability	4,53,820/-	FY 2011-12	Asst. Commissioner of Sales Tax, Pune
Maharashtra Value Added Tax Act 2002 & Central Sales Tax	VAT Liability	25,133/-	FY 2013-14	Asst. Commissioner of Sales Tax, Pune
Maharashtra Value Added Tax Act 2002 & Central Sales Tax	CST Liability	25,64,205/-	FY 2013-14	Asst. Commissioner of Sales Tax, Pune

- viii. In our opinion and according to the information and explanation given to us, the Company has generally not defaulted in repayment of loan or borrowings to banks, financial institutions and Government. The Company has not borrowed any sum through debentures.
- ix. According to the information and explanation given to us, The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by provisions of section 197 read with schedule V to the Act.
- xii. As per the information and explanation given to us, the Company is not a Nidhi company. Accordingly, Clause xii of the Order is not applicable.
- xiii. According to the information and explanations given to us, transactions with related parties are in compliance with provisions of section 177 and 178 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause xiv of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them as per section 192 of Companies Act, 2013. Accordingly, clause (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For C V Chitale & Co
Chartered Accountants
FRN:126338W

CA Aalok Kale
Partner
ICAI M No. 155421

Place: Pune
Date: May 24, 2018.

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS OF ENVAIR ELECTRODYNE LIMITED FOR THE YEAR ENDED ON MARCH 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting with reference to Ind AS financial statements of Envir Electrodyne Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on Internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

Disclaimer of Opinion

Framework for Internal Financial Control over Financial Reporting not established but does not Impact the audit opinion on Financial Statements.

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the Ind AS financial statements of the Company.

For C V Chitale & Co
Chartered Accountants
FRN:126338W

CA Aalok Kale
Partner
ICAI M No. 155421

Place: Pune
Date: May 24, 2018.

ENVAIR ELECTRODYNE LIMITED

Balance Sheet as at 31st March, 2018

(All amounts are in Rupees)

Particulars	Note	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Assets				
I. Non-current assets				
Property, plant and equipment	1	7,910,725	7,683,870	8,203,809
Capital work-in-progress	1	791,488	1,256,488	691,488
Other intangible assets	2	118,301	153,595	188,889
Other financial assets	3	-	1,060,875	2,203,653
Other non-current assets	4	1,292,000	1,292,000	1,186,000
Deferred tax asset		-	-	-
Total non-current assets		10,112,514	11,446,828	12,473,839
II. Current Assets				
Inventories	5	6,584,903	5,720,059	3,902,336
Financial assets:				
a) Trade receivables	6	19,912,231	14,150,405	11,598,837
b) Cash and Cash Equivalents	7	5,830,242	3,052,588	2,807,287
c) Short term loans and advances	8	5,139,939	7,121,418	6,717,490
Other Current Assets	9	27,037,393	1,665,330	1,405,262
Total current assets		64,504,708	31,709,800	26,431,212
Total assets		74,617,222	43,156,628	38,905,051
Equity and Liabilities				
III. Equity				
Equity share capital	10	30,400,000	30,400,000	30,400,000
Other equity	11	17,416,611	(15,119,407)	(12,001,325)
Total equity		47,816,611	15,280,593	18,398,675
IV. Non Current Liabilities				
Provisions	12	3,355,464	3,615,990	3,629,276
Total non current liabilities		3,355,464	3,615,990	3,629,276
V. Current Liabilities				
Financial Liabilities				
a) Borrowings	13	7,998,150	11,242,025	4,144,883
b) Trade payables	14	6,518,314	6,641,005	6,501,967
Other Current Liabilities	15	4,988,548	5,059,974	6,166,174
Provisions	16	3,940,137	1,317,040	64,076
Total current liabilities		23,445,149	24,260,045	16,877,100
Total Equity and Liabilities		74,617,222	43,156,628	38,905,051
Notes forming part of the financial statements.	27			

As per our report of even date attached

For and on behalf of Board of Directors

For M/s C. V. Chitale & Co.
Chartered Accountants

Shripad R. Mirashi
Managing Director

Meena S. Joglekar
Company Secretary

Aalok Kale
Partner
Membership number: 155421

Dr. Avinash Kulkarni
Director

Rajabhau R. Joshi
Chief Financial Officer

Pune: 24 May, 2018

Statement of Profit and Loss for the year ended 31st March, 2018

(All amounts are in Rupees, except per share data)

Particulars	Note	As at 31st March 2018	As at 31st March 2017
Income			
I. Revenue from Operations	17	41,488,111	51,019,516
II. Other Income	18	44,051,292	572,082
III. Total Income (I + II)		85,539,403	51,591,598
IV. Expenses			
a) Cost of materials consumed	19	18,766,299	22,998,245
b) Purchase of stock in trade	20	1,972,867	2,425,465
c) Changes in inventories, work-in-progress and stock-in-trade	21	(400,548)	(1,818,673)
d) Excise duty on sale of goods		788,000	3,359,511
e) Employee benefit expenses	22	14,499,905	13,780,943
f) Finance costs	23	1,220,740	1,142,943
g) Depreciation and Amortisation expenses	24	1,108,642	1,141,467
h) Other expenses	25	13,395,190	12,244,780
i) Expenses Capitalised		(481,508)	(565,000)
Total Expenses (a to i)		50,869,587	54,709,681
V. Profit before exceptional items and tax (III - IV)		34,669,816	(3,118,083)
VI. Exceptional item		-	-
VII. Profit/ (Loss) before tax (V - VI)		34,669,816	(3,118,083)
VIII. Tax expense:			
i) Current Tax	26	2,133,798	-
ii) Deferred Tax		-	-
Total Tax Expense		2,133,798	-
IX. Profit/ (Loss) for the period (VII - VIII)		32,536,018	(3,118,083)
X. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Net other comprehensive income for the year (net of tax)		-	-
XI. Total Comprehensive Income/ (Loss) for the year (IX + X)		32,536,018	(3,118,083)
XII. Earnings per equity share:			
Basic and Diluted		10.70	(1.03)
Nominal value per share Rs. 10 each (previous year Rs. 10 each)			
Notes forming part of the financial statements.	27		

As per our report of even date attached

For M/s C. V. Chitale & Co.
Chartered Accountants

Aalok Kale
Partner
Membership number: 155421
Pune: 24 May, 2018

Shripad R. Mirashi
Managing Director

Dr. Avinash Kulkarni
Director

For and on behalf of Board of Directors

Meena S. Joglekar
Company Secretary

Rajabhau R. Joshi
Chief Financial Officer

ENVAIR ELECTRODYNE LIMITED

Statement of Changes in Equity for the year ended 31st March, 2018

(All amounts are in Rupees, unless stated otherwise)

A. Equity Share Capital

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance at the beginning of the year	30,400,000	30,400,000	30,400,000
Changes in equity share capital during year	-	-	-
Balance at the end of reporting period	30,400,000	30,400,000	30,400,000

B. Other Equity

Particulars	Reserves and Surplus			
	Capital Reserve	Securities premium	Retained earnings	Total other equity
As at April 1, 2016	3,013,000	11,545,445	(26,559,769)	(12,001,324)
Profit/ (Loss) for the year	-	-	(3,118,083)	(3,118,083)
As at 31 March, 2017	3,013,000	11,545,445	(29,677,852)	(15,119,407)
Profit/ (Loss) for the year			32,536,018	32,536,018
As at 31 March, 2018	3,013,000	11,545,445	2,858,166	17,416,611

As per our report of even date attached

For and on behalf of Board of Directors

For **M/s C. V. Chitale & Co.**
Chartered Accountants

Shripad R. Mirashi
Managing Director

Meena S. Joglekar
Company Secretary

Aalok Kale
Partner
Membership number: 155421

Dr. Avinash Kulkarni
Director

Rajabhau R. Joshi
Chief Financial Officer

Pune: 24 May, 2018

Cash flow statement for the year ended 31st March, 2018

(All amounts are in Rupees, unless stated otherwise)

Particulars	As at 31st March 2018	As at 31st March 2017
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	34,669,816	(3,118,083)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation	1,108,642	1,141,467
Interest and finance charges	1,128,740	1,119,943
Irrecoverable balances and sundry balances written off	2,004,246	-
Bad debts written off	-	-
Profit on sale of assets	(42,296,776)	(110,132)
Interest income	(280,983)	(200,240)
Provision no longer required write back	(1,374,145)	(186,710)
Cash from operating activities before working capital changes	<u>(5,040,460)</u>	<u>(1,353,755)</u>
Adjustments for:		
Increase / (Decrease) in Long Term Provisions	(260,526)	(13,286)
Increase / Decrease in Trade Payables	(122,691)	139,038
Increase / Decrease in Other Current Liabilities	(71,426)	(1,106,200)
Increase / Decrease in Short Term Provisions	3,997,242	1,439,674
Increase / Decrease in Other financial assets	1,060,875	1,142,778
Increase / Decrease in Other bank deposits	(3,309,442)	(1,479,778)
Increase / Decrease in Non current Assets	-	(106,000)
Increase / Decrease in Inventories	(864,844)	(1,817,723)
Increase / Decrease in Trade Receivables	(5,761,826)	(2,551,568)
Increase / Decrease in Loans and Advances	1,981,479	(403,928)
Increase / Decrease in Other Current Assets	(27,376,309)	(260,069)
Cash Generated from Operations	<u>(30,727,469)</u>	<u>(5,017,060)</u>
Adjustment for:		
Less :- Taxes Paid	(2,133,798)	
Net Cash Flow from Operating Activities	37,901,728	6,370,815
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(897,238)	(1,151,233)
Proceeds from sale of assets	42,358,811	110,132
Interest income	280,983	200,240
Net Cash Flow From Investing Activities	<u>41,742,556</u>	<u>(840,861)</u>
c) CASH FLOW FROM FINANCING ACTIVITIES:		
Availment/ (repayment) of Short Term Borrowings	(3,243,875)	7,097,142
Interest paid	(1,128,740)	(1,119,943)
Net Cash Flow From Financing Activities	<u>(4,372,615)</u>	<u>5,977,199</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C):	<u>(531,787)</u>	<u>(1,234,477)</u>
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING		
Cash and cash equivalents	1,295,530	2,530,007
AS AT THE ENDING		
Cash and cash equivalents	763,743	1,295,530
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	<u>(531,787)</u>	<u>(1,234,478)</u>

As per our report of even date attached

For and on behalf of Board of Directors

For **M/s C. V. Chitale & Co.**
Chartered Accountants

Shripad R. Mirashi
Managing Director

Meena S. Joglekar
Company Secretary

Aalok Kale
Partner
Membership number: 155421

Dr. Avinash Kulkarni
Director

Rajabhau R. Joshi
Chief Financial Officer

Pune: 24 May, 2018

**Note 1 - Tangible Assets
(All amounts are in Rupees)**

Particulars	Leasehold Land	Buildings	Plant & Machinery	Factory Equip-ment	Furniture & Fixtures	Office Equip-ments	Vehicles	Total	Capital Work-In-Progress
Gross Block									
As at 31st March 2015	377,898	7,293,375	52,131,053	-	5,700,295	4,656,444	2,760,634	72,919,699	691,488
Additions	-	-	74,792	-	421,362	-	-	496,154	-
Inter Transfers	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Gross Block as at 31st March 2016	377,898	7,293,375	52,205,845	-	6,121,657	4,656,444	2,760,634	73,415,853	691,488
Gross Block									
As at 31st March 2016	377,898	7,293,375	52,205,845	-	6,121,657	4,656,444	2,760,634	73,415,853	691,488
Additions	-	-	-	567,734	-	18,500	-	586,234	565,000
Inter Transfers	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	1,635,000	1,635,000	-
Gross Block as at 31st March 2017	377,898	7,293,375	52,205,845	567,734	6,121,657	4,674,944	1,125,634	72,367,087	1,256,488
Gross Block									
As at 31st March 2017	377,898	7,293,375	52,205,845	567,734	6,121,657	4,674,944	1,125,634	72,367,087	1,256,488
Additions	-	333,739	1,015,999	-	-	12,500	-	1,362,238	(465,000)
Inter Transfers	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Gross Block as at 31st March 2018	241,158	4,905,154	53,221,844	567,734	6,121,657	4,687,444	474,175	70,219,166	791,488
Depreciation									
Upto 31st March 2015	195,487	6,323,616	45,250,205	-	5,168,772	4,496,434	2,298,755	63,733,269	-
For the year 15-16	3,657	58,854	893,930	-	134,058	54,598	333,678	1,478,775	-
Inter Transfers	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March 2016	199,144	6,382,470	46,144,135	-	5,302,830	4,551,032	2,632,433	65,212,044	-
Depreciation									
Upto 31st March 2016	199,144	6,382,470	46,144,135	-	5,302,830	4,551,032	2,632,433	65,212,044	-
For the year 16-17	3,657	58,854	799,091	9,462	160,977	43,967	30,164	1,106,173	-
Inter Transfers	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March 2017	202,801	6,441,324	46,943,226	9,462	5,463,807	4,594,999	1,027,597	64,683,217	-
Depreciation									
Upto 31st March 2017	202,801	6,441,324	46,943,226	9,462	5,463,807	4,594,999	1,027,597	64,683,217	-
For the year 17-18	3,657	60,940	763,918	41,290	134,446	38,932	30,165	1,073,348	-
Inter Transfers	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March 2018	131,753	3,780,304	47,707,144	50,752	5,598,253	4,633,931	406,303	62,308,441	-
Net Block									
As at 31st March 2017	175,097	852,051	5,262,619	558,272	657,850	79,945	98,037	7,683,870	1,256,488
As at 31st March 2018	109,405	1,124,850	5,514,700	516,982	523,404	53,513	67,872	7,910,725	791,488

**Note : 2 -Intangible Assets
(All amounts are in Rupees)**

Particulars	Software	Total
Gross Block		
As At 31 March 2015	4,671,679	4,671,679
Additions	200,000	200,000
Deductions		-
As At 31 March 2016	4,871,679	4,871,679
Gross Block		
As At 31 March 2016	4,871,679	4,871,679
Additions	-	-
Deductions		-
As At 31 March 2017	4,871,679	4,871,679
Gross Block		
As At 31 March 2017	4,871,679	4,871,679
Additions	-	-
Inter Transfers	-	-
Recoupment / Adjustment	-	-
Deductions	-	-
As At 31 March 2018	4,871,679	4,871,679
Depreciation		
Upto 31 March 2015	4,671,679	4,671,679
For The Year	11,111	11,111
Deductions		-
As At 31 March 2016	4,682,790	4,682,790
Depreciation		
Upto 31 March 2016	4,682,790	4,682,790
For The Year	35,294	35,294
Deductions		-
As At 31 March 2017	4,718,084	4,718,084
Depreciation		
Upto 31 March 2018	4,718,084	4,718,084
For The Year	35,294	35,294
Deductions		-
As At 31 March 2018	4,753,378	4,753,378
Net Block		
As At 31 March 2017	153,595	153,595
As At 31 March 2018	118,301	118,301

ENVAIR ELECTRODYNE LIMITED

Notes to Balance Sheet as at 31st March, 2018

(All amounts are in Rupees)

Note 3 : Other financial assets

Particulars	31st March 2018	31st March 2017	1st April 2016
Bank deposits with maturity of more than 12 months	-	1,060,875	2,203,653
Total	-	1,060,875	2,203,653

Note 4 : Other non-current assets

Particulars	31st March 2018	31st March 2017	1st April 2016
Balance with Revenue Authority	1,292,000	1,292,000	1,186,000
Total	1,292,000	1,292,000	1,186,000

Note 5 : Inventories

Particulars	31st March 2018	31st March 2017	1st April 2016
As Taken, Valued & Certified by the Management			
Raw Material	2,821,102	2,356,806	2,357,756
Work-in-progress	3,643,044	3,295,825	1,500,311
Stock in Trade	120,757	67,428	44,269
Total	6,584,903	5,720,059	3,902,336

Note 6 : Trade Receivable(Unsecured Consider Good)

Particulars	31st March 2018	31st March 2017	1st April 2016
Outstanding for a period exceeding six months from the date they are due for payment	17,903,046	3,814,708	8,593,398
Other receivables	2,009,185	10,335,696	3,005,439
Total	19,912,231	14,150,405	11,598,837

Note 7 : Cash and Cash Equivalents

Particulars	31st March 2018	31st March 2017	1st April 2016
Cash in hand	21,514	22,632	6,234
Balances with Bank-Current Accounts	742,228	1,272,898	2,523,773
Sub-total: cash and cash equivalents	763,742	1,295,530	2,530,007
Balances with Bank-Deposits	5,066,500	1,757,058	277,280
Total	5,830,242	3,052,588	2,807,287

Note:- Out of the above, deposits amounting to Rs. 25,00,000 has been placed with bank as security against overdraft & loan from NSIC.

Note 8 : Short Term Loans and Advances

Particulars	31st March 2018	31st March 2017	1st April 2016
Tax paid in Advance (net of provision)	3,955,316	3,384,979	3,247,667
Loans & Advances to Employees(Unsecured Consider Good)	69,180	49,041	61,734
Other Loans & Advances (Unsecured Considered Good)	133,012	330,466	254,404
Loan & Advance to Suppliers (Unsecured Considered Good)	982,431	2,964,534	3,132,160
Balance with Collectorate of Central Excise & VAT	-	392,399	21,525
Total	5,139,939	7,121,418	6,717,490

Note 9 : Other current assets

Particulars	31st March 2018	31st March 2017	1st April 2016
Interest Accrued	141,350	190,424	-
Other Receivables (Unsecured Considered Good)	26,577,351	138,047	163,062
Deposits (Unsecured Considered Good)	318,692	1,336,859	1,242,200
Total	27,037,393	1,665,330	1,405,262

Note 10 : Equity Share Capital

Particulars	31st March 2018	31st March 2017	1st April 2016
Equity Share Capital			
Authorised			
55,00,000 (55,00,000) Equity shares of Rs. 10/- each	55,000,000	55,000,000	55,000,000
Issued			
30,40,000 (30,40,000) Equity shares of Rs. 10/- each	30,400,000	30,400,000	30,400,000
Subscribed and Paid Up			
30,40,000 (30,40,000) Equity shares of Rs. 10/- each	30,400,000	30,400,000	30,400,000
Total	30,400,000	30,400,000	30,400,000

10.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the Reporting period

Particulars	31st March,2018		31st March,2017		31st March,2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
At the Beginning of the Period	3,040,000	30,400,000	3,040,000	30,400,000	3,040,000	30,400,000
Issued/Reduction during the year	-	-	-	-	-	-
Outstanding at the end of Period	3,040,000	30,400,000	3,040,000	30,400,000	3,040,000	30,400,000

10.2 Terms/Rights attached to the equity shares

The Company has equity shares having par value of Rs 10/- each. Equity holder is entitled to one vote per share and have a right to receive dividend as recommended by Board of Directors subject to the necessary approval from the shareholders.

The Board of Directors have not recommended any dividend for the year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

10.3 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

NIL

10.4 Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of Shareholder	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MR. SHRIPAD RAJARAM MIRASHI	1,850,600	60.88	1,842,400	60.61	1,808,500	59.49

10.5 Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date: Nil.

Aggregate number of share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil.

ENVAIR ELECTRODYNE LIMITED

Note 11 : Other equity

Particulars	31st March 2018	31st March 2017	1st April 2016
Capital Reserve			
Opening Balance	3,013,000	3,013,000	3,013,000
Net Addition During the year	-	-	-
Written Back During the year	-	-	-
Closing Balance	3,013,000	3,013,000	3,013,000
Securities Premium			
Opening Balance	11,545,445	11,545,445	11,545,445
Add: Set aside this year	-	-	-
Written Back During the year	-	-	-
Closing Balance	11,545,445	11,545,445	11,545,445
Retained earnings			
Opening Profit and Loss Foreign exchange loss(Net)	(29,677,852)	(26,559,769)	(19,185,207)
Profit /(Loss) for the year	32,536,018	(3,118,083)	(6,288,376)
Ind AS transitional adjustments	-	-	(1,086,187)
Provision for Expected Credit Loss (Net of written off and reversal of provision)	-	-	-
Closing Surplus /(Deficit)	2,858,166	(29,677,852)	(26,559,769)
Total	17,416,611	(15,119,407)	(12,001,324)

Note 12 : Long Term Provisions

Particulars	31st March 2018	31st March 2017	1st April 2016
Provision for Employee Benefits			
Gratuity	2,554,506	2,170,092	2,543,089
Leave Encashment	600,958	359,711	-
Provision for Expected Credit Losses	200,000	1,086,187	1,086,187
Total	3,355,464	3,615,990	3,629,276

Note:- Under previous Indian GAAP, the Company has created provision for impairment of receivables only in respect of specific amount for incurred losses. Under IND AS, impairment allowance has been determined on Expected Credit Loss (ECL) model. The total ECL provision amounting to Rs. 1,086,187 considered as on the transition date has been adjusted against the retained earnings.

Note 13 : Current liabilities

Particulars	31st March 2018	31st March 2017	1st April 2016
Financial liabilities: Borrowings			
Secured			
Loan From NSIC	2,427,123	1,142,025	1,311,080
Bank Overdraft	4,271,027	-	-
Unsecured			
Deposits-Deposits from Director	1,300,000	10,100,000	2,583,803
Deposits-Deposits from Company	-	-	250,000
Total	7,998,150	11,242,025	4,144,883

Note:- Loan from NSIC and bank overdraft are secured by bank guarantee and against lien on bank term deposits.

Note 14 : Financial liabilities: Trade payable

Particulars	31st March 2018	31st March 2017	1st April 2016
Trade payables	6,518,314	6,641,005	6,501,967
Total	6,518,314	6,641,005	6,501,967

Note 15 : Other Current Liabilities

Particulars	31st March 2018	31st March 2017	1st April 2016
Advance received from Customers	821,926	201,501	780,227
Statutory dues including Provident Fund and Tax Deducted at Source	1,209,121	768,998	1,051,889
Employee Benefits Payable	1,386,020	1,259,398	1,090,903
Business Deposits	94,935	79,935	79,935
Other Liabilities and Payables	1,476,546	2,750,145	3,227,296
Total	4,988,548	5,059,974	6,230,250

Note 16 : Short Term Provisions

Particulars	31st March 2018	31st March 2017	1st April 2016
Provision For Leave Encashment - Short Term	1,832,450	1,317,040	64,076
Provision For Tax	2,107,687	-	-
Total	3,940,137	1,317,040	64,076

Note 17 : Revenue from Operations

Particulars	Figures for the year ended 31st Mar 2018	Figures for the year ended 31st Mar 2017
Sale of Products:		
Manufacturing	35,507,587	40,918,954
Trading	3,394,949	4,743,719
Excise duty collected from customers	788,000	3,359,511
Sale of service	1,746,047	1,986,442
Scrap Sale	51,528	10,890
Total	41,488,111	51,019,516

Note 18 : Other Income

Particulars	Figures for the year ended 31st Mar 2018	Figures for the year ended 31st Mar 2017
Profit on sale of assets(Net)	42,296,776	110,132
Interest received on bank deposits	280,983	200,240
Excess provision / Unclaimed credit balances written back	1,374,145	186,710
Miscellaneous income	99,388	75,000
Total	44,051,292	572,082

ENVAIR ELECTRODYNE LIMITED

Note 19 : Cost of Materials Consumed

Particulars	Figures for the year ended 31st Mar 2018	Figures for the year ended 31st Mar 2017
Opening stocks	2,356,806	2,357,756
Add: Purchases	19,230,595	22,997,295
Less: Stocks at close	2,821,102	2,356,806
Total	18,766,299	22,998,245

Note 20 : Purchase of Stock in Trade

Particulars	Figures for the year ended 31st Mar 2018	Figures for the year ended 31st Mar 2017
Purchase of Stock in Trade	1,972,867	2,425,465
Total	1,972,867	2,425,465

Note 21 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Figures for the year ended 31st Mar 2018	Figures for the year ended 31st Mar 2017
(Increase)/ Decrease in stocks		
Stocks at close		
Finished goods	2,485,939	2,254,518
Work-in-process	1,157,105	1,041,307
Stock in Trade	120,757	67,428
	<u>3,763,801</u>	<u>3,363,253</u>
Opening stocks		
Finished goods	2,254,518	1,500,311
Work-in-process	1,041,307	-
Stock in Trade	67,428	44,269
	<u>3,363,253</u>	<u>1,544,580</u>
Total	(400,548)	(1,818,673)

Note 22 : Employees Benefit Expenses

Particulars	Figures for the year ended 31st Mar 2018	Figures for the year ended 31st Mar 2017
Salaries, Wages and Bonus	12,804,367	12,362,955
Contribution to PF & other Funds	1,334,529	1,081,007
Workman and Staff Welfare Expenses	361,009	336,981
Total	14,499,905	13,780,943

Note 23 : Finance Cost

Particulars	Figures for the year ended 31st Mar 2018	Figures for the year ended 31st Mar 2017
Interest expense		
On Loans	1,128,740	1,119,943
Other borrowing cost		
Bank charges, commission, etc.	92,000	23,000
Total	1,220,740	1,142,943

Note 24 : Depreciation and amortisation expenses

Particulars	Figures for the year ended 31st Mar 2018	Figures for the year ended 31st Mar 2017
Depreciation/ amortisation		
Tangible assets	1,073,348	1,106,173
Amortisation		
Intangible assets	35,294	35,294
Total	1,108,642	1,141,467

Note 25 : Other Expenses

Particulars	Figures for the year ended 31st Mar 2018	Figures for the year ended 31st Mar 2017
Manufacturing/ Direct Expenses		
Stores, spares and tools consumed	1,896,378	1,789,084
Power and fuel	1,178,541	1,242,649
Repairs to machinery	184,775	351,748
Service charges	351,576	590,446
	<u>3,611,270</u>	<u>3,973,927</u>
Selling Expenses		
Commission and discount	81,551	1,062,477
Selling and distribution	656,089	935,214
Other selling expenses	30,384	21,499
	<u>768,024</u>	<u>2,019,190</u>
Administration Expenses		
Advertisement	43,548	42,636
Rates and taxes	631,904	964,580
Insurance	120,237	111,059
Repairs to building	-	33,400
Other repairs and maintenance	93,100	-
Travelling and conveyance	1,797,274	1,378,804
Postage and telephone	280,333	284,684
Printing and stationery	253,791	226,840
Gardening and cleaning	1,099,804	759,749
Director's sitting fees	66,000	61,000
Security	500,315	481,232
Auditor's remuneration	150,038	108,605
Professional and consultancy	677,801	669,722
Foreign exchange loss(Net)	5,211	1,103
Irrecoverable balances and sundry balances written off	2,004,246	-
Provision for Expected Credit Loss (Net of written off and reversal of provision)	200,000	-
Miscellaneous expenses	1,092,294	1,128,249
	<u>9,015,896</u>	<u>6,251,663</u>
Total	13,395,190	12,244,780

Note 26 : Tax Expense

Particulars	Figures for the year ended 31st Mar 2018	Figures for the year ended 31st Mar 2017
Income Tax Expenses	2,107,687	-
Tax charge/(credit) for earlier year	26,111	-
Deferred Tax Expense / (Income)	-	-
Total Tax Expense	2,133,798	-

Note 27 : Notes to and forming part of the Financial Statements as at and for the year ended 31st March , 2018

1.1 Basis of preparation and transition to Ind AS

1. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015 (as Amended from time to time).

For all the periods up to and including the year ended March 31, 2016, the Company prepared its separate financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP").

These financial statements, being the first set of Ind AS financial statements issued by the Company, are covered by Ind AS 101, 'First Time Adoption of Indian Accounting Standards'. The transition to Ind AS has been carried out from the accounting principles generally accepted in India, which is now referred to /considered as the "Previous GAAP", for purposes of Ind AS 101. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Equity and Statement of profit and loss are provided in note 22 & 23.

The adoption of Ind AS is carried out in accordance with Ind AS 101, with April 1, 2016, being the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS separate financial statements for the year ended March 31, 2018, be applied retrospectively and consistently for all comparative years presented therein. However, in preparing these separate financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained in the note 2.

The preparation of the financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies.

2. The Company has prepared financial statements which comply with Ind AS applicable as at March 31, 2018, together with the comparative period data for the year ended March 31, 2017, as described in note 1 above. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.
3. Ind AS 101 allows first-time adopters certain exemptions/ exceptions from the retrospective application of certain requirements under Ind AS as follows:
 - i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and Capital work-in-progress and intangible assets under development. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets, capital work-in-progress and intangible assets under development at their Previous GAAP carrying value.

1.2 Basis of Measurement

These Financial Statements are prepared on accrual basis and on the historical cost convention.

1.3 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the

date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognized prospectively in future periods.

The estimates as at April 1, 2016 and March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP.

1.4 Significant Accounting Policies

A) Property, Plant, Equipment & Intangible Assets:

- i) Fixed Assets are stated at their original cost of acquisitions including incidental expenses related to acquisition and installation of the concerned assets (including cost of specific borrowings).
- ii) Intangible assets are recorded at the consideration paid for acquisition.
- iii) Depreciation is charged using the straight line method on the basis of useful life of the assets as prescribed under schedule II of the Companies Act, 2013.

S No	Asset Category	Expected Useful life in years
1	Plant and Machinery	15
2	Factory Equipment	15
2	Building	30
2	Electrical fitting	10
3	Furniture & Fixture	10
4	Office Equipment	5
6	Vehicles	8

Software is amortized on Straight Line Method over a period of 6 years.

B) Inventories:

- (i) Stock of raw materials stores and trading goods are valued at the lower of cost (FIFO method) and net realized value. Cost includes direct material cost and appropriate direct overheads.
- (ii) Work in progress is valued at the lower of cost and net realizable value up to the stage of completion. Finished goods are valued at the lower of cost and net realizable value.
- (iii) Cost includes cost of purchase, cost of conversion & cost of bringing down the same to the same location and condition.

C) Employee Benefits:

Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages and short term compensated absence, etc. and the expected cost of bonus, is recognized in the period in which the employee renders the related service.

Post Employment Benefits

Defined Contribution Plans: The provident fund scheme and employee state insurance scheme are defined contribution plans. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plans: The Company has provided gratuity using reasonable estimation on actual basis. The company has not made any contribution to gratuity fund during the year.

Privilege Leave Benefits

The Company has provided leave encashment liability using reasonable estimation on actual basis.

Termination Benefits

Where termination benefits such as compensation under voluntary retirement scheme is payable within a year of the balance sheet date, the actual amount of termination benefits is accounted as expense in year of accrual.

D) Foreign Currency Transactions

a) Initial recognition –

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of transaction.

b) Conversion –

Current Assets and Current Liabilities designated in foreign currencies are revalored at the rate prevailing on the date of Balance Sheet or forward contract rate or other appropriate contracted rate.

c) Exchange Differences: -

Exchange difference arising on the settlement and conversion on foreign currency transactions are recognized as income or as expenses in the year in which they arise.

E) Revenue Recognition:

a) i) Domestic sales are accounted for when dispatched from the point of sale, consequent to property in goods being transferred.

ii) Export sales are accounted on the basis of the dates of Bill of Lading/ Other delivering documents as per terms of contract.

iii) Service income is recognized when services are rendered as per terms of contract.

b) Export Incentive – Export Incentives are accounted for Export of Goods if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

F) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

G) Cash and cash equivalents

Cash comprises of cash in hand and demand deposits with bank. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

H) Borrowing Costs:

Borrowing costs are recognised in the Profit and Loss Account except interest incurred on borrowings, specifically raised for projects, are capitalized to the cost of the qualifying assets until such time that the asset is ready to be put to use for its intended purpose.

I) Taxation:

Current tax is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets on account of brought forward losses and unabsorbed depreciation under tax laws and others are recognized only if there is virtual certainty of its realization supported by convincing evidence. At each balance sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.

J) Earnings per share:-

The basic & diluted earning per share is computed by dividing the net profit or loss attributable to equity shareholder for the period by the weighted average number of equity shares outstanding during the period

K) Impairment of Assets:

The Management assesses for any impairment of assets or cash generating units, if indicators, external or internal, suggest possibilities of reduction in net realisable value of assets or value in use of cash generating units below their carrying costs. Impairments, if any, will be recognised in the Profit and Loss Account.

L) Provisions and Contingent Liability:-

Provisions are recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates. A disclosure of contingent liability is made where there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of the outflow of resources is remote, no provision or disclosure is made.

1.5 Provision for expected credit loss (ECL) under IND AS 109.

Impairment of financial assets: Trade receivables:

In accordance with IND AS 109, the company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets including trade receivables. ECL is the cash shortfall, i.e. difference between contractual cash flows that are due to the Company and all the cash flows that the entity expects to receive. The company applies 'simplified approach' for recognition of impairment allowance on trade receivables. The application of simplified approach does not require the company to track changes in credit risk. Rather it recognises impairment allowance based on lifetime ECL at each reporting date.

Under previous Indian GAAP, the company has created provision for impairment of receivables only in respect of specific amount for incurred losses. Under IND AS, impairment allowance has been determined on Expected Credit Loss (ECL) model. The total ECL provision amounting to Rs. 1,086,187 considered as on the transition date has been adjusted against the retained earnings.

2 Contingent Liability not provided for in respect of:

Sr. No.	Particulars	As of 31 March,2018	As of 31 March,2017
		₹	₹
i.	On account of Sales Tax	10,816,282	8,252,076
ii.	On account of Income Tax	2,639,340	10,738,198
		13,455,622	18,990,274

The Sales Tax Appeal of the Company for the F.Y 2000-01 ,2001-02 , 2002-03 , 2010-11 is pending with Sales Tax Authorities. During the course of appeal the Company had paid deposit of Rs.12,92,000/- under protest. The Management is confident that the appeal will be decided in the Company's favour and the entire amount so deposited will be refunded to the Company. As such the Management does not expect any impact of this pending litigation on its financial position

3 The Company has prepared the annual accounts on a going concern basis looking towards positive aspects and actions taken by the management such as, positive sales forecast and expectation of upcoming orders based on strong customer base and Business development plans, consistent Market share in industry and expected fund infusion for the purpose of running business if required.

4 Estimated amount of contracts remaining to be executed on capital account has not provided: NIL

(Net of Advances)

5 The Company is operating in a single segment of " Industrial Machinery".

6 Deferred Tax:-

Particulars	2017-18	2016-17
	₹	₹
Deferred Tax Liability (On account of Depreciation)	721,757	678,404
Deferred Tax Assets (On account of 43B and Others of the Income Tax Act)	916,063	678,404
Total	-194,306	

ENVAIR ELECTRODYNE LIMITED

7 Payment to Auditors

Sr. No.	Particulars	2017-18 ₹	2016-17 ₹
	Payment to Auditors:		
i.	Statutory Audit	50,000	50,000
ii.	Tax Audit	10,000	10,000
iii.	VAT Audit	-	15,000
iv.	Certification and Other Services	40,000	25,000
v.	Out of Pocket Expenses	8,000	4,731
	Total	108,000	104,731

8 Disclosure pursuant to Accounting Standard (AS-15)- Revised 2005 "Employee Benefits" prescribed by Companies (Accounting Standards) Amendment Rules, 2006

Short Term Employees Benefit Includes:

Particulars	2017-18 ₹	2016-17 ₹
Contribution to Provident Fund	648,742	640,337
Contribution to Employee State Insurance Corporation	296,819	211,568

9 In spite of our direct enquiry ,till the date we have not received any written representation from any MSME regarding their eligibility under the MSMED Act. Accordingly disclosures regarding the same are not made

10 CIF Value of Imports & Expenditure in Foreign Currencies

Sr. No.	Particulars	2017-18 ₹	2016-17 ₹
i.	CIF Value of Imports-		
	a) Goods	-	-
	b) Asset	-	-
ii.	Expenditure in Foreign Currencies- On account of Travelling & Conveyance	-	-
iii.	Other Expenses	-	-
	Total	-	-

11 Prior Period Items (Net)

Particulars	2017-18 ₹	2016-17 ₹
Prior Period Items	-	26,638
Total	-	26,638

12 Earnings in Foreign Currencies

Sr. No.	Particulars	2017-18 ₹	2016-17 ₹
i	FOB Value of Exports	371,261	752,638
	Total	371,261	752,638

13 Details of Related Parties

Key Managerial Personnel	Designation	Relatives
1 Shripad R. Mirashi	Chairman & Managing Director	Manjiri S. Mirashi, Geetanjali S. Mirashi, Deepanjali S. Mirashi
2 Deepanjali S. Mirashi	Executive Director & CEO	Shripad R. Mirashi, Manjiri S. Mirashi, Geetanjali S. Mirashi
3 Meena S. Joglekar	Company Secretary	
4 Rajabhau R. Joshi	Chief Financial Officer	

Enterprises where Key Managerial Personnel are Interested

1 Elvin Furnitures Private Limited

14 Related Party Transactions

Sr. No.	Nature of Relationship	Name of Related Party	2017-18		2016-17	
			Transaction Value	Outstanding Amount	Transaction Value	Outstanding Amount
1	Key Management Personnel:					
		i. S. R. Mirashi				
		a. Salary,Bonus,Incentive	1,235,262	(400,000)	1,282,105	(100,000)
		b. Provident Fund	-	-	-	-
		c. Director Sitting Fees	-	-	-	-
		d. Interest on Deposit	810,582	(33,691)	678,613	-307,495
		e. Acceptance of Deposits	900,000	(1,300,000)	7,850,000	(10,100,000)
		f. Repayment of Deposits	9,700,000	-	-	-
		g. Car Rent	341,000	(341,000)	-	-
		h. Bank Guarantee Commission	62,500	(62,500)	-	-
		Total	13,049,344	(2,137,191)	9,810,718	(10,507,495)
		ii. D. S. Mirashi				
		a. Salary,Bonus,Incentive	689,704	(135,304)	739,200	(61,600)
		b. Provident Fund	40,413	(4,413)	43,200	(3,600)
		c. Director Sitting Fees	-	-	-	-
		d. Interest on Deposit	-	-	24,889	-
		e. Acceptance of Deposits	-	-	-	-
		f. Repayment of Deposits	-	-	300,000	-
		Total	730,117	(139,717)	1,107,289	(65,200)
		iii. Meena S. Joglekar				
		a. Salary,Bonus,Incentive	634,272	(54,356)	613,332	(53,611)
		b. Provident Fund	36,072	(3,006)	36,072	(3,006)
		Total	670,344	(57,362)	649,404	(56,617)
		iv. Rajabhau R. Joshi				
		a. Salary,Bonus,Incentive	438,880	(36,726)	416,350	(37,571)
		b. Provident Fund	30,080	(2,442)	28,493	(2,584)
		Total	468,960	(39,168)	444,843	(40,155)
2	Enterprise in which Key Management Personnel are interested:					
		i. Elvin Furniture Pvt Ltd				
		Acceptance of Deposit	-	-	-	-
		Repayment of Deposit	-	-	250,000	-
		Interest on Deposit	-	-	8,155	-
		Total	-	-	258,155	-

15 Raw Material Consumed

Particulars	2017-18		2016-17	
	Qty (Nos)	₹	Qty (Nos)	₹
II . Raw Material Consumed :				
1. For Clean Air Equipments		4,870,828		7,891,906
2. For Workstations		5,216,206		6,640,522
3. Aluminium Profile & Components	7487	1,972,364	8356	1,883,023
4. MS/CRCA Sheets	49631	2,496,494	48049	2,345,510
5. SS Sheets	8583	1,612,168	11114	1,992,770
6. Other Raw Material		2,598,239		2,244,514
TOTAL		18,766,299		22,998,245

ENVAIR ELECTRODYNE LIMITED

16 Quantitative & Other Details

Particulars	2017-18					2016-17				
	Sales	WIP		Stock		Sales	WIP		Stock	
	₹	Opening	Closing	Opening	Closing	₹	Opening	Closing	Opening	Closing
1. Clean Air Equipment	13,338,148	2,633,361	2,891,795	-	-	19,136,834	451,279	2,633,361	-	-
2. Trading items	3,394,949	-	-	67,428	120,757	4,743,719	-	-	44,269	67,428
3. Oil Purifiers	2,023,753	86,222	231,712	-	-	3,007,011	542,443	86,222	-	-
4. Workstations	20,145,686	576,242	519,537	-	-	18,782,107	506,589	576,242	-	-
TOTAL :	38,902,536	3,295,825	3,643,044	67,428	120,757	45,669,672	1,500,311	3,295,825	44,269	67,428

17 Confirmation of balances has not been obtained from Debtors. Pending Final Reconciliation, the balance in respect of Debtors are as appearing in the books of account of the Company. Adjustments having impact of a revenue nature if any, will be made in the year in which the same are confirmed/reconciled.

18 Movement in Leave Encashment (Long Term & Short Term Compensated Absences)

Year	Opening Balance	Addition / (Deductions)	Closing Balance
	₹	₹	₹
2017-18	548,182	68,918	617,100
2016-17	499,293	48,889	548,182

Movement in Gratuity Provision

Year	Opening Balance	Addition / (Deductions)	Closing Balance
	₹	₹	₹
2017-18	2,170,092	384,414	2,554,506
2016-17	2,107,872	62,220	2,170,092

Movement in Provision for Expected Current Losses

Year	Opening Balance	Addition / (Deductions)	Closing Balance
	₹	₹	₹
2017-18	1,086,157	886,157	200,000
2016-17	1,086,157	-	1,086,157

19 Exchange Difference on account of fluctuation in Foreign Currency Rates

Particulars	2017-18	2016-17
	₹	₹
i Exchange Difference on account of fluctuation in Foreign Currency Rates On settlement/ revalorisation of Current Assets & Current Liabilities	(5,211)	(1,103)

ii Foreign Exchange Derivatives not hedged at close of the year

Exposure not hedged at the close of the year	a.	Receiv-ables	Currency	2017-18	2016-17
			USD	-	-
			Total	-	-
	b.	Payables	USD	-	-
			Total	-	-

20 Imported Material Consumed

Particulars	2017-18 ₹	2016-17 ₹
Consumption of Imported Material	-	-
	-	-

21 Earnings Per Share:

Particulars	2017-18 ₹	2016-17 ₹
Earnings attributable to the equity share holder	32,536,018	(3,118,082)
Total weighted average No. of shares	3,040,000	3,040,000
Earnings Per Share	10.70	(1.03)

22 In notes to accounts for current year:

1. Reconciliation of total equity as at 31 March 2017 and 1st April 2016.

Sr. no.	Particulars	March 31, 2017	April 1, 2016
	Total equity as per previous GAAP	16,366,780	19,484,862
	IND AS adjustments: Increase in equity/ (Decrease in equity)		
	Provision for expected loss under IND AS 109	(1,086,187)	(1,086,187)
	Total equity as per IND AS	15,280,593	18,398,675

Note:-23

2. Reconciliation of total comprehensive income for the year ended 31 March, 2017

Sr. no.	Particulars	March 31, 2017
	Total profit after tax as per previous GAAP	(3,118,083)
	IND AS adjustments: Increase in profit/ (Decrease in profit)	
1.	Provision for expected loss under IND AS 109	-
2.	Impact on deferred tax of above adjustment	-
	Total IND AS adjustments	-
	Total equity as per IND AS	(3,118,083)

24 Going Concern

The Company is incurring losses in business consistently year after year. The turnover of the company has also receded over a period. At the year end, it has sold a part of its undertaking comprising land and building. These instances/events create doubt as regards entity's performance and operation in the foreseeable future.

However, Considering the factors such as quality of products & services delivered by it, infrastructure and resources at disposal, efforts for business prospects being undertaken, change in the management post balance sheet date, strong customer base, etc. the management is of the view that it will be able to perform & operate in the foreseeable future & will be able to meet the liabilities & honor its commitments in regular course of business. In view of this, these accounts are prepared on the assumption that the Company is a going concern.

25 Sale of Asset

At the year end, the Company has sold a part of undertaking comprising of land and building at its Pune factory, Though the agreement for sale has been entered into on 31st March, 2018, the same has been registered with Government Authority after the balance sheet date i.e on 6th April, 2018. The same, The Company has accounted for the transaction as sale and recognised gain on such sale in books while preparing financial statements. Further the requisite permission from the MIDC for the transaction of sale is still pending.

26 Provision For Current Tax

The Company has ascertained Income Tax liability for the year on the assertion that the transaction of sale of undertaking constitutes transfer of capital asset resulting into taxable gain for the year and the assumption that certain amount will be invested in designated scheme of government for claiming tax exemption income tax liability has been worked out after considering the exemption.

27 Previous Year's figures have been regrouped wherever necessary to make them comparable with those of the current year.

As per our attached report of even date.

For **M/s C. V. Chitale & Co.**
Chartered Accountants

Aalok Kale
Partner
Membership number: 155421
Pune: 24 May, 2018

For and on behalf of the Board of Directors.

Shripad R. Mirashi
Managing Director

Dr. Avinash Kulkarni
Director

Meena S. Joglekar
Company Secretary

Rajabhau R. Joshi
Chief Financial Officer

ENVAIR ELECTRODYNE LTD.

CIN : L29307MH1981PLC023810
Registered Office : 117, 'S' Block, MIDC, Bhosari, Pune 411 026,
Ph.No. : 020 30688117/8
Email : envairgrievance@yahoo.co.in
Website : www.envairelectrodyne.com

PROXY FORM

Name of the member (s) :
Registered Address :
Email Id :
Folio No./DPID-Client ID:

I/ We being the member(s) of ----- Shares of the above named company hereby appoint

- Name - _____ Address : _____
Email Id _____ Signature _____ or failing him
- Name - _____ Address : _____
Email Id _____ Signature _____ or failing him

As my / our proxy to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the company to be held on Friday, 10th August, 2018 at 10.30 am at the Registered office of the company, 117 'S' Block, MIDC, Bhosari, Pune 411 026 and at any adjournment thereof in respect of such resolutions as are indicated below :

Item No.	Description of Resolution	Optional *	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2018 together with the Boards' Report & Auditors Report thereon		
2	To retire Mr Shripad Mirashi (DIN 00480854) by rotation		
3	To appoint Auditors of the Company in place of present Statutory Auditors and fix their remuneration		
Special Business			
4	Appointment of Mr. Harish Agarwal (DIN-02185002) as Non-Executive Director		
5	Appointment of Mr. Anil Nagpal (DIN-01302308) as Non-Executive Director		
6	Appointment of Mr .Anil Nagpal (DIN-01302308) as Managing Director		
7	Appointment of Mr. Archit Aggarwal (DIN-08127356) as Non-Executive Director		
8	Appointment of Mr. Jayesh Parmar (DIN- 00802843) as Independent Director		
9	Reclassification of Promoters of the company as Public Shareholders of the company subsequent to successful Open Offer		
10	Issuance and Allotment of 10,00,000 Warrants ("Warrants") On Preferential Basis		
11	Issuance and allotment of 6,00,000 warrants on preferential basis to Promoter/ Promoter Group		

Signed this _____ day of _____ 2018

Signature of Shareholder(s) _____

Signature of Proxy holder(s) _____

Note :

- This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the company, not less than 48 hours before the commencement of the meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
- * It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' Column Blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.
- Please complete all details including details of member(s) in above Box before submission.

ENVAIR ELECTRODYNE LIMITED

CIN : L29307MH1981PLC023810
Registered Office : 117, 'S' Block, MIDC, Bhosari, Pune 411 026,
Ph.No. :020 30688117/8
Email : envairgrievance@yahoo.co.in
Website :www.envairelectrodyne.com

ATTENDANCE SLIP

Annual general Meeting on 10th August, 2018 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 Friday, 10th August, 2018 at 10.30 a.m.

Shareholder's/Proxy's
Signature

Proxy's full name

(in block letters)

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.....

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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 Friday, 10th August, 2018 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 ----- 2018

COURIER



Enriching Environment

If undelivered please return to :

ENVAIR ELECTRODYNE LIMITED

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