

ENVAIR ELECTRODYNE LTD.



Enriching Environment

ENVAIR/BSE/ 07092020

07.09.2020

To,

The Stock Exchange, Mumbai
PhirozeJeejeebhoy Towers,
Floor 25, P. J. Towers
Dalal Street
MUMBAI 400 001

Scrip Code: 500246

Sub : Annual Report for the Financial year 2019-20

Dear sir,

Pursuant to Regulation 30 & 34 (1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, Please find enclosed herewith copy of Annual Report for the F.Y. 2019-20 for 38th Annual General meeting of the Company to be held on 30th September 2020.

This is for your information and records.

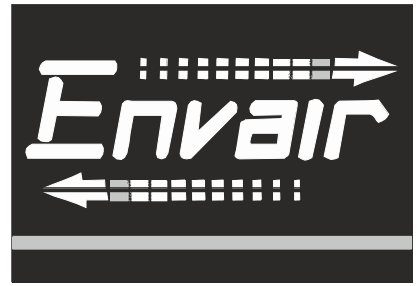
Thanking you,

For ENVAIR ELECTRODYNE LTD.

**ANKITA TRIVEDI
COMPANY SECRETARY &
COMPLIANCE OFFICER**

REGD. OFFICE & HEAD OFFICE : 117, 'S' BLOCK, M.I.D.C., BHOSARI, PUNE - 411 025 (INDIA)
CIN No. L29307MH1981PLC023810, TEL.: (020) 27120121, 30688117/8, FAX: (020) 30688130
EMAIL: info@envair.in, Visit us at : www.envairelectrodyne.com





EnrichingEnvironment

38TH
ANNUALREPORT
2019-2020

ENVAIR ELECTRODYNE LIMITED

INDEX

| SR. NO | PARTICULARS | PAGE NO. |
|--------|--|----------|
| 1 | Corporate Information | 1 |
| 2 | Notice of Annual General Meeting | 2 |
| 3 | Board's Report for the F.Y. 2019-2020 | 11 |
| 4 | Financial Results for the F.Y. 2019-2020 | 25 |

CORPORATE INFORMATION

BOARD OF DIRECTORS

| NAME | DESIGNATION |
|----------------------|--|
| Mr. Anil Nagpal | Managing Director |
| Mr Harish Agarwal | Non-Exe Director |
| Mr. Archit Aggarwal | Non-Exe. Director |
| Mr. Jayesh Parmar | Independent Director (Resigned 31 st July 2020) |
| Dr. Avinash Kulkarni | Independent Director |
| Mr. Sanjiv Narain | Independent Director |
| Mrs. Prachi Narula | Women Independent Director |

OTHER KEY MANAGERIAL PERSONNEL

| NAME | DESIGNATION |
|-------------------|--|
| CS Ankita Trivedi | Company Secretary & Compliance Officer |
| Mr. Prince Vohra | Chief Financial Officer |

| | |
|--|--|
| <p><u>Statutory Auditor:</u></p> <p>M/s C.V. Chitale & Co. Chartered Accountants 3, Gurukrupa, 1317, Shukrawar Peth Off Bajirao Road PUNE 411 002</p> <p><u>Internal Auditor</u></p> <p>Devesh Shah & CO. Mumbai</p> | <p><u>Secretarial Auditor</u></p> <p>Mr. I.U. Thakur Company Secretary in Practice, MSR Capital, Morwadi Pune</p> <p><u>Banker</u></p> <p>Bank of India, Pimpri, Pune 411 018 IDBI Bank, Nigdi, Pune 411 044</p> |
| <p><u>Name of the stock exchange</u></p> <p>BSE Ltd.</p> | <p><u>Registered office & Works</u></p> <p>117, 'S'Block MIDC Bhosari Pune 411026 E-mail id- info@envair.in Website: www.envair.in</p> |

Name of Registrar & Transfer Agent : Universal Capital Securities Pvt. Ltd.

C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083.

NOTICE

Notice is hereby given that the **38th Annual General Meeting** of Envair Electrodyne Ltd. will be held on Wednesday, 30th September 2020 at 11.00 a.m. through video conferencing or other Audio visual means for which purpose the registered office of the Company situated at 117 'S' Block, MIDC, Bhosari, Pune-411026 shall be deemed as the venue for the meeting 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, 2020 together with the Board's Report & Auditor's Report thereon.
2. To appoint a Director in place of Mr. Archit Agarwal (Din: 08127356) who retires by rotation and being eligible, offers himself for reappointment

SPECIAL BUSINESS:

3 TO RE-APPOINT MR. ANIL NAGPAL (DIN- 01302308) AS MANAGING DIRECTOR OF THE COMPANY WITH EFFECT FROM 6TH JULY 2020 :

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

"RESOLVED THAT approval be and is hereby given for re-appointment of Mr. Anil Nagpal as Managing Director for a further period of 2 years subject to Article 131 of Articles of Association of the Company and in accordance with Sections 196,197 & 198 of the Companies Act, 2013, and other provisions, if any, of the Companies Act, 2013 and schedule V of the Act and subject to the approval by an Ordinary Resolution of the shareholders in general meeting and for a Remuneration of Rs.1/- p.a. & re-imbursment of actual expenses incurred.

RESOLVED FURTHER THAT Mr. Harish Agarwal, Director or Mr Archit Aggarwal, Director be and are hereby authorised to sign and file with Registrar of Companies, Pune with prescribed filing fees, the Return in e-Form No. MR-1 for the re-appointment of the Managing Director as per requirement of Sub-section (4) of Section 196 of the Companies Act, 2013 and Part II of Schedule V of the Companies Act, 2013, duly certified by a Secretary in whole time practice that the requirements of schedule V have been complied with and such certificate shall be incorporated in the return, to be filed within 60 days of the passing of the resolution.

FURTHER RESOLVED THAT Ms. Ankita Trivedi, Company Secretary be and is hereby authorized to file the same e-forms with the Registrar of Companies and make the necessary entries in the Statutory Register to that effect.

NOTES:

1. In the view of massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the circular number 14/2020 dated 8th April, 2020, Circular no. 17/2020 dated 13th April 2020 issued by the Ministry of Corporate affairs (MCA) followed by Circular no. 20/2020 dated 5th May 2020, physical attendance of the members to the AGM venue is not required and Annual general meeting (AGM) to be held through VC/OAVM only and no physical Presence at the meeting is required. Hence members can attend and participate in the ensuing AGM through VC/OAVM only and no physical presence at the meeting is required.
2. Pursuant to the circular no. 14/2020 dated 8th April 2020 by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However the Body corporates are entitled to appoint authorized representative to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Therefore the proxy form and attendance sheet for 38th AGM is not annexed with the notice.
3. The member can join the AGM through VC/OAVM mode 30 minutes before and after the schedule time of the commencement of the meeting by following the procedure mentioned in the notice. The facility of the participation at the AGM through VC/OAVM without any restriction to all members, key managerial personnel, the chairperson of the Audit Committee, Nomination and Remuneration committee and Stakeholders Relationship Committee, Statutory auditor's, Secretarial Auditor's, Scrutinizers etc. who are allowed to attend the AGM.
4. The attendance of the members attending the AGM through VC/ OAVM will be count for the purpose of reckoning the quorum under section 103 of the Companies Act 2013.
5. Pursuant to the Provisions of section 108 of the Companies Act 2013 read with rule 20 of the Companies

Management and Administration) Rule 2014 (as amend) Regulation 44 of the SEBI (Listing Obligation and

Disclosures requirements) Regulations 2015 (as amended), and the Circulars issued by the MCA dated 8th April 2020, 13th April 2020 and 5th May 2020 the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has made an arrangement with Central Depository services (India) Limited (CDSL) for facilitating voting through electronic means and independent agency for providing necessary platform for video conference/OAVM and necessary technical support as may be required. Therefore the facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by CDSL.

6. The notice calling the AGM alongwith complete Annual report has been uploaded on the website of the Company. The notice can also be accessed from the websites of the stock exchanges i.e. BSE Ltd. At www.bseindia.com and the AGM notice is also available on the website of CDSL (agency for providing the remote e-voting facility and providing necessary platform for video conference/ OAVM) i.e. www.evotingindia.com
7. This AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act 2013 read with MCA circular no. 14/2020 dated 8th April 2020 and MCA circular no. 17/2020 dated 13th April 2020 and MCA circular no. 20/2020 dated 5th May 2020.
8. In Compliance with the aforesaid MCA circular dated 5th May 2020 and SEBI circular dated 12th May 2020, Notice of the AGM along with Annual report 2019-2020 is being sent only through electronic mode to those members whose email address are registered with the Company/ Depositories. Members may note that the notice and Annual report for the year 2019-2020 will also be available on the Company's website www.envair.in , website of the stock exchange i.e. BSE limited at www.bseindia.com and on the website of CDSL at www.evotingindia.com .
9. Members joining the meeting through video conferencing, who have not cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC/OAVM but shall not be entitled to cast their vote again.
10. The Explanatory statement pursuant to section 102 of Companies Act 2013 which sets out details relating to special business at the meeting is annexed and forms part of notice.
11. The Register of Members and share transfer books of the Company will remain closed from 24.09.2020 to 30.09.2020 (both days inclusive).
12. 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.
13. 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 email id and Members whose Shares are held in Demat Form are requested to notify the Depository participant of any change in their address.
14. Members whose Shares are held in Demat Form are requested to notify the Depository participant of any change in their address.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent.
16. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evotingindia.com to reset the password.
17. Members of the Company are requested to note that pursuant to section 124(6) of the Act, in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company within a period of 30 days of such shares becoming due to transferred to IEPF. Please note that the dividend remaining unclaimed / unpaid for a period of seven years from the date of its transfer to Unclaimed Dividend Account shall be credited to the Investor Education and Protection Fund ('the Fund') set up by the Central Government. The members who have so far not claimed the dividends declared for the Financial Years 2012-13 are requested to make their claim with the Company immediately. The Company has uploaded the details of such

shareholders on the website of the Company at www.envair.in. Further, the members who have not encashed dividend in previous consecutive seven years are requested to approach the Company at cs@envair.in for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account.

As the 38th AGM is being held through VC therefore the route map is not annexed to this notice.

- 18 For any other queries relation to the shares of the Company, you may contact the share transfer agent at the following address:

Universal Capital Securities Pvt. Ltd.
(Registrar & Share Transfer Agent)
C 101, 247 Park,
LBS Road, Vikhroli West,
Mumbai – 400083.
Tel Nos. : (022) 28207203-05
Fax No. : (022) 28207207
Email id : info@unisec.in

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

CS ANKITA TRIVEDI
COMPANY SECRETARY &
COMPLIANCE OFFICER

Place: Pune
Date : 1st September 2020
Envair Electrodyne Ltd.
CIN: L29307MH1981PLC023810
117 S Block, M I D C Bhosari
Pune MH 411026 IN

Place: Pune
Date : 1st September 2020

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013:

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.3 OF THE NOTICE

Mr. Anil Nagpal (DIN: [01302308](#)) was appointed as Managing director at board meeting was held on 7th July 2018 for 2 years with effect from 7th July 2018. Therefore he has re-appointed as Managing Director in the board meeting held on 30th June 2020 by the Company for a further term of 2 years with effect from 6th July 2020.

Mr. Anil Nagpal is a promoter of the Company and associated with the Company since 2018.

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.

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

The Board recommends resolution set out in Item no.3 of the notice for approval of members.

Board of Directors For **ENVAIR
ELECTRODYNE LIMITED**

**ANKITRIVEDI
COMPANYSECRETARY**

Place: Pune

Date : 1st September 2020

ENVAIR ELECTRODYNE LTD.

VOTING THROUGH ELECTRONIC MODE

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 38th Annual General Meeting scheduled to be held on Wednesday, 30th September, 2020 at 11.00 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 |
|-------------------------------------|-------------------------------------|
| 27th September, 2020 at 9 a.m.(IST) | 29th September, 2020 at 5 p.m.(IST) |

The cut off date (i.e. Record date) for the purpose of E-voting 23rd September, 2020. 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 alongwith the Scrutinizer's report will be available on the website of the company ([www. envair.in](http://www.envair.in)) within two days of the passing of the resolutions and communication of the same to the BSE Ltd.

Please read the instructions given over leaf 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 27th September, 2020 at 9.00 A.M.(IST) and ends on 29th September, 2020 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) 30688117/8, FAX: (020) 30688130,
 EMAIL: info@envair.in, Visit us at : www.envair.in

(vi) 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 the 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 memberid / 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 and 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

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company at cs@envair.in /RTA-** khade@uniseq.in.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **cs@envair.in /RTA-** khade@uniseq.in.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@envair.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@envair.in. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
5. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

38TH ANNUAL
REPORT2019 - 2020

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

Place: Pune
Date : 1st September 2020

ANKITA TRIVEDI
COMPANY SECRETARY
& COMPLIANCE OFFICER

Details of the directors seeking re-appointment in the ensuing Annual General meeting

The Statement of Disclosures pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) 2015 and Secretarial Standard -2 on General Meetings is as under:

| | |
|--|--|
| NAME OF THE DIRECTOR | MR. ANIL NAGPAL |
| DIN | 01302308 |
| DESIGNATION | MANAGING DIRECTOR |
| DATE OF APPOINTMENT | 11.05.2018 |
| DATE OF BIRTH | 24.03.1959 |
| QUALIFICATION | COMMERCE GRADUATE WITH A BUSINESS MANAGEMENT DEGREE FROM PUNJAB UNIVERSITY, CHANDIGARH. |
| BRIEF RESUME & EXPERTISE IN SPECIFIC FUNCTIONAL AREA OF THE DIRECTOR | 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. |
| DIRECTORSHIP HELD IN OTHER COMPANY | RMGR PROJECTS LLP |
| MEMBERSHIP OF COMMITTEE | NOMINATION & REMUNERATION COMMITTEE MEETING AND STAKEHOLDER COMMITTEE MEETING |
| NO. OF EQUITY SHARES | 823000 |
| RELATIONSHIP BETWEEN DIRECTORS | NONE |
| NO. OF BOARD MEETINGS ATTENDED DURING THE F.Y 2019-20. | 6 |

BOARD'S REPORT

To,
The Members

Envair Electrodyne Ltd.

Your Directors are pleased to present your Company's 38th Board's Report, together with the Audited Financial Statement for the Financial Year ended on 31st March 2020:

1. FINANCIAL RESULTS

| Particulars | Current Year 2019-20 | Previous Year 2018-19 |
|--|-------------------------|--------------------------|
| Income Earned During the year | 35,655,556 | 35,195,018 |
| Profit before Taxes & Other adjustments | (14,975,990) | (27,921,792) |
| Add prior period income | - | 162020 |
| Profit before Taxes | (14,975,990) | (27,759,772) |
| Less Provisions for Taxes | | 47,36,655 |
| Less Current Tax | | |
| Add/ (Less) Deferred Tax | | - |
| Profit for the period | (14,975,990) | (32,496,427) |
| Add: Item not classified to profit & loss | (4,46,005) | 2,86,874 |
| Total Comprehensive Income | (15,421,995) | (32,209,553) |
| Profits carried forward from previous year | (29,351,388) | 28,58,166 |
| Less proposed Dividend | | - |
| Less Dividend Distribution Tax | | - |
| Profits c/f to Balance Sheet | (44,773,382) | (29,351,388) |

2. CHANGE IN NATURE OF BUSINESS IF ANY

During the year under review, there is no change in the nature of business.

3. EXTRACT OF ANNUAL RETURN & WEB LINK OF ANNUAL RETURN

The extract of Annual Return as on 31st March 2020, pursuant to the provisions of Section 92 of the Companies Act, 2013 and Rules framed there under, in the prescribed Form MGT-9 is annexed to this report as "Annexure2"

The copy of annual return is available on the Company website www.envair.in

4. NUMBER OF BOARD MEETINGS

The Board of Directors duly met 8 times during the financial year 2018-19. During the year, the meetings of the Board of Directors of the Company were held on 23.04.2019, 07.06.2019, 14.08.2019, 3.09.2019, 24.09.2018, 13.11.2019, 13.02.2020 & 20.03.2020, respectively.

5. AUDIT COMMITTEE MEETING

The Company has duly constituted Audit Committee. The Audit Committee was reconstituted by the Board

and consist 4 members. They have vast experience and knowledge of Corporate affairs and Financial management and possess strong accounting and financial Management expertise. All their recommendation made by the Audit committee were accepted by the Board.

6. MANAGEMENT DISCUSSION & ANALYSIS

Sales increased by 3.26 % compared to previous year. The Company has shored up its networth and it now stand at Rs.4,81,85,063/-. This would provide a spring board for future growth of the company.

Prestigious assignments were completed during financial year 2019-2020 are following:

1. Inmet Technology Private Limited- Class 100,000 (iso8) Clean room for 3D printing machine/Medical part packing.
2. Bharat forge limited- Conventional clean room (class 10000 ISO8) Laser machine/ defense part manufacturing
3. Volkswagen/Skoda India Pvt. Ltd- Corian top/ Solid surface laboratory workstation for testing.
4. Kalyani Techno Forge- Enclosure for packing of metal jobs
5. Bajaj Auto- Assembly workstation for Automobiles job assembly and inspection
6. Smalz India Pvt. Ltd- Reverse Laminar airflow workstation for grinding jobs
7. BEL Kotdwara- WSD workstation for assembly line
8. ADOR India- Electrostatic air cleaner

The Company is incurring losses in business during past number of years. The turnover of it has receded over a period. Reasons for the losses have been identified and analysed. The Company has been taken over by the new management, a couple of years ago. The management is taking strategic decisions to address issues of continued functioning of the Company. Certain new products of the existing line of products, e.g. Automatic Disinfectant Device, Plasma Air Purifier, Auto Door with Attendance system Air Showers etc. are under development. These products will be introduced during the coming twelve months. Contract manufacturing is also under consideration. Measures to achieve cost reduction and competitive sales price have been initiated. These actions expected to provide handsome contribution.

Further, additional steps such as innovation in quality of products and services delivered, infrastructure and resources at disposal, efforts for business prospects being undertaken, strong customer base, etc. are being adopted. The management, in this background, is of the view that it will be able to perform and operate above breakeven point in a foreseeable future.

In view of this, preparation of financial statements on the assumption that the Company is a going concern is appropriate.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) 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;
- f) 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.

8. 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.

9. SHARE CAPITAL

The Paid up equity share capital as on 31st March 2020 was Rs. 4,64,00,000. There was preferential issue of 16,00,000 convertible warrants to promoter and non promoter group. 16,00,000 warrants were converted into 16,00,000 equity shares on 20th March 2020.

16,00,000 warrants allotted on 24th September 2018 in board meeting to promoter and non promoter group and members approval of preferential issue had been taken in previous Annual General Meeting held on 10th August 2018.

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 premium of Rs. 20/- per share in accordance with the price determined in terms of Regulation 76A of the ICDR Regulations.

The warrants were exercised within a period of 18 months from the date of allotment.

10. 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

11. DIRECTOR'S APPOINTMENT AND REMUNERATION

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. Archit Aggarwal, Director will retire by rotation.

Mr. Jayesh Parmar ceased as a director of the Company on 31st July 2020.

12. AUDITORS:

a) Statutory Auditors:

The Shareholders at the 35th Annual General Meeting, appointed M/s C.V. Chitale, Chartered Accountants (Firm Registration no. 126338W) Pune as statutory Auditor's of the Company for a period of five years.

In response to the qualification specified by the statutory auditor, the management views are as under:

Our Office & Factory were closed since 23rd March 2020 due to COVID related nation-wide lockdown. Statutory Audit has been completed during this pandemic situation under partial or full lock down. As our office was closed, our customers and suppliers were also not available. Accordingly balance confirmation and related reconciliation has not been performed. As the unlock process is starting in different phases, we will ensure to take the relevant confirmations and reconciliations during the current year.

b) Secretarial Auditors:

Mr. I. U. Thakur Company Secretary in Practice having Membership no. FCS 2298 was appointed to conduct the Secretarial Audit of the Company for the F.Y. 2019-20 as required under section 204 of the Act and Rule made there Rule under. The Secretarial Audit report, in form MR-3 for the F.Y. 2019-20 is annexed to this report.

In response to the qualification specified by the secretarial auditor, the management views are as under:

Company will timely upload the details to BSE.

Jayesh Parmar ceased on 31st July 2020 as director of the Company as he is disqualified by the Registrar of Companies. He is no more associated with the Company.

c) Internal Auditor

Devesh Shah & Co., Chartered Accountants are the Internal Auditor of the Company.

13. 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.

14. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2019-20 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. 33 (13) of the Financial Statements..

15. RESERVES

The company proposes to carry Rs. (44,773,382)/- to Reserves after adjusting previous loss of Rs. (29,351,388)/- from current year loss of Rs.(15421994)/-. This makes Equity plus other Equity as Rs. 4,81,85,063/-.

16. DIVIDEND

Since there was no operational profit, The Board has not recommended any dividend during the Financial Year 2019-20.

17. 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.

18. 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)Rules2014 is given in "Annexure1" attached to this Report.

19. RISK MANAGEMENTPOLICY

Risk of obsolesce of products, manufacturing equipment's & processes are regularly evaluated.

20. CORPORATE SOCIALRESPONSIBILITY

Since the Company's networth 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.

21. 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 frame work is divided in to parameters based on the various performance criteria to be done annually. The evaluation for the year ended 31st March, 2020 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 natureof business. |
| 3. | Details of directors or key managerial personnel who were appointed or have resigned during the year; | Mr. Anil Nagpal is re-appointed as Managing Director with effect from 6 th July 2020. Mr. Jayesh parmar ceased as director of the Company on 31 st july 2020 as he is disqualified. |
| | Names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year alongwith reasons therefore; | The company does not have any subsidiaries. |

22. DISCLOSURES PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 AND THE RULES MADE THERE UNDER

| 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. Anil Nagpal Mr. Harish Agarwal Mr. ArchitAgarwal | Ratio : 0:0 0:0 |
| (ii) | Percentage increase in remuneration of each director and CEO in the financial year | Mr. Anil Nagpal Mr. Harish Agarwal Mr. ArchitAgarwal | 0.00% 0.00% |
| (iii) | Percentage increase in the median remuneration of employees in the financial year | | 0.00% |
| (iv) | Number of permanent employees on the rolls of company; | | 36 |
| (v) | Explanation on the relationship between average increase in remuneration and company performance | | Remuneratio n is revised based on the Company's policy which is based on Annual Operating Plan. |

23. ENVIRONMENT & SAFETY

The Company is aware of the importance of environment clean.

24. DETAILS OF FRAUDS REPORTED BY AUDITORS:

There are no fraud against the Company reported by the Auditors for the period under report.

25. 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.envair.in under Investors/ policy documents/ Vigil Mechanism Policy link.

26. IMPACT OF CORONA VIRUS ON GOING CONCERN

The COVID-19 pandemic has been the defining global health crisis of our time and has already spread very fast across the world. But it is much more than a health crisis and is having an unprecedented impact on people and economies worldwide. The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business.

27. 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.

28. SECRETARIAL STANDARD OF THE ICSI

The Company is in Compliance with the secretarial Standards on the meeting of Board of Director (SS-1) and General meeting (SS-2) as issued and amended by the Institute of Company secretaries of India (ICSI)

29. STAKEHOLDER COMMITTEE

The company has duly established stakeholder & Committee meeting.

30. APPRECIATION:

The Director express their gratitude to the Dealers, Suppliers and Bank for their co-operation and express warm appreciation for the sincere co-operation and dedicated work by the employees of the Company.

For and on behalf of the Board of Directors,

ANIL NAGPAL
MANAGING DIRECTOR
DIN:01302308

HARISH AGARWAL
DIRECTOR
DIN:02185002

Place: Pune

Place: Pune

Date: 1.09.2020

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 in spite of almost same manufacturing tonnage & increased tariff.

| S.no. | Particulars | 2019-20 | 2018-19 |
|-------|--------------------------|---------------|--------------|
| 1 | Expenses on power & fuel | Rs. 13,73,168 | Rs 13,37,373 |

(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, Clean room 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:

. There was no Foreign exchange inflow and out flow during the current Financial year 2019-20.

For and on behalf of the Board of Directors,

ANIL NAGPAL
MANAGING DIRECTOR
DIN: 01302308

HARISH AGARWAL
DIRECTOR
DIN: 02185002

Date: 01.9.2020

Place: Pune

ANNEXURE -2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2020

[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 | Envair Electrodyne 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, ShakilNiwas, 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 | 55.78% |
| 2. | Workstations | 31009 | 35.62% |
| 3. | Electrostatic Oil Cleaners | 28295 | 8.60% |

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 | 1869490 | Nil | 1869490 | 61.50 | 1869490 | 600000 | 2469490 | 53.22 | 8.28 |
| b. Central Government(s) | - | - | - | - | - | - | - | - | - |
| c. State Government (s) | - | - | - | - | - | - | - | - | - |
| d. Bodies Corporate | - | - | - | - | - | - | - | - | - |
| e. Banks / Financial Institutes | - | - | - | - | - | - | - | - | - |
| f. Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1):- | 1869490 | Nil | 1869490 | 61050 | 1869490 | 600000 | 2469490 | 53.22 | 8.28 |
| (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) | 1869490 | Nil | 1869490 | 61.50 | 1869490 | 600000 | 2469490 | 53.22 | 8.28 |

| 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. FII's | - | - | - | - | - | - | - | - | - |
| 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 | 28916 | 2800 | 31716 | 1.043 | 25619 | 2500 | 28119 | 0.606 | 0.437 |
| ii. Overseas | - | - | - | - | - | - | - | - | - |
| b. Individuals | | | | | | | | | |
| i. Individual shareholders holding nominal share capital upto Rs.1lakh | 516972 | 285591 | 802563 | 26.40 | 506477 | 147001 | 653478 | 14.08 | 12.32 |
| ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 237856 | 12440 | 250296 | 8.233 | 236215 | 912440 | 1148655 | 24.755 | 16.522 |
| iii. Others (specify) | | | | | | | | | |
| a) Clearing Members | 8483 | 0 | 8483 | 0.28 | 131 | 0 | 131 | 0.003 | 0.277 |
| b) NRI/OCB's | 32076 | 0 | 32076 | 1.06 | 32057 | 0 | 32057 | 0.691 | 0.37 |
| c) HUF | 41414 | 0 | 41414 | 1.36 | 49927 | 0 | 49927 | 1.076 | 0.28 |
| d) LLP | 3962 | - | 3962 | 0.130 | 3962 | 100000 | 103962 | 2.241 | 2.11 |
| e) IEPF Suspense account | - | - | - | - | 154181 | 0 | 154181 | 3.323 | 3.323 |
| Sub-total (B)(2):- | 865717 | 300831 | 1170510 | 38.50 | 1008569 | 1,161,941 | 2170510 | 46.778 | 35.63 |
| Total Public Shareholding B)=(B)(1)+ (B)(2) | 863869 | 300831 | 1170510 | 38.50 | 1008569 | 1,161,941 | 2170510 | 46.778 | 35.63 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 2733359 | 300831 | 3040000 | 100 | 2,878,059 | 1,761,941 | 4640,000 | 100 | 43.919 |

Note: 16,00,000 equity shares were in physical form as issued on 20th March 2020 and convert into demat after 31st March 2020.

(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 | |
| 3 | Anil Nagpal | 617000 | 20.3 | 0 | 823000 | 17.74 | 0 | 2.56 |
| 4 | GianParkash | 635790 | 20.91 | 0 | 823790 | 17.75 | 0 | 3.16 |
| 5 | Harish Agarwal | 616700 | 20.29 | 0 | 822700 | 17.73 | 0 | 2.56 |
| | TOTAL | 1869490 | 61.5 | 0.00 | 2469490 | 53.22 | 0.00 | 8.28 |

(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 | 1869490 | 61.5% | 2,469,490% | 53.22% |
| | 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.) (6,00,000 Equity shares were issued to promoters on 20 th March 2020 against convertible warrants). | 6,00,000 | 8.28% | | |
| | At the End of the year | 2469490 | 53.22% | 2,469,490% | 53.22% |

Note: .6,00,000 Equity shares were issued to promoters on 20th March 2020 against convertible warrants

(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 | Arati Jayesh Parmar | 500 | 0.02 | 300500 | 9.88 |
| 2 | Rakesh Kumar Aggarwal | 0 | 0.00 | 200000 | 6.58 |
| 3 | Ashok Gupta | 0 | 0.00 | 200000 | 6.58 |
| 4 | Rajiv Malik | 0 | 0.00 | 200000 | 6.58 |
| 5 | KDA Corporate Advisors LLP | 0 | 0.00 | 100000 | 3.29 |
| 6 | Mahendra Girdharilal | 48430 | 1.59 | 48430 | 1.59 |
| 7 | Hitesh Ramji Javeri | 34591 | 1.14 | 34591 | 1.14 |
| 8 | Anil Gurmukh Bhagwani | 29582 | 0.97 | 29582 | 0.97 |
| 9 | Kalpana Prakash Pandey | 29138 | 0.96 | 29138 | 0.96 |
| 10 | Sarabjeet Singh Ghai | 22582 | 0.74 | 22582 | 0.74 |
| | Date wise Increase / Decrease in Share holding during the years 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. | Mr. Anil Nagpal | 617000 | 0.00 | 617000 | 20.3 | allotment | 823000 |
| 2. | Mr. Harish Agarwal | 616700 | 0 | 616700 | 20.3 | allotment | 822700 |
| 3 | 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 | 61,08,411 | - | 0 | 61,08,411 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| • Addition | | - | - | - |
| • Reduction | 1,916,721 | - | 0 | 1,916,721 |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i. Principal Amount | 4,191,690 | - | - | 4,191,690 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 4,191,690 | - | 0 | 4,191,690 |

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/ Mr. Anil Nagpal, Managing Director | | Total Amount |
|---------|---|--|--|--------------|
| | | | | |
| 1. | Gross salary (Rs.) | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil | | Nil |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | Nil | | Nil |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | Nil | | Nil |
| 2. | Stock Option | Nil Nil Nil | | Nil |
| 3. | Sweat Equity | Nil | | Nil |
| 4. | Commission - as % of profit - others, specify | Nil | | Nil |
| 5. | Others, please specify | Nil | | Nil |
| | Total (A) | Nil | | Nil |
| | Ceiling as per the Act | | | Nil |

B. Remuneration to other directors:

| Sr. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---------|--|---------------------|------------------|--|--------------|
| | | | | | |
| | Independent Directors | Dr Avinash Kulkarni | Mr Jayesh Parmar | | |
| | • Fee for attending board / committee meetings | 16000/- | 16000/- | | 16000/- |
| | • Commission | Nil | Nil | | Nil |
| | • Others, please specify | Nil | Nil | | Nil |
| | Total (1) | 16000/- | 16000/- | | 32000/- |
| | Other Non-Executive Directors | | | | |
| | • Fee for attending board / committee meetings | Nil | Nil | | Nil |
| | • Commission | Nil | Nil | | Nil |
| | • Others –Conveyance Exp. | Nil | Nil | | Nil |
| | Total (2) | Nil | Nil | | Nil |
| | Total (B)=(1+2) | 16000/- | 16000/- | | 32,000/- |

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 | Nil | 301,740 | - | 301,740 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | Nil | - | - | - |
| | (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) | - | 301,740 | - | 301,740 |

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,

ANIL NAGPAL
MANAGING DIRECTOR
DIN: 01302308

HARISH AGARWAL
DIRECTOR
DIN: 02185002

Place: Pune

Date: 1.9.2020

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020**

[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 compliances 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's 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 31st March 2020 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 (records were verified in electronic form due to situation of "COVID-19") for the financial year ended on 31st March 2020 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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not applicable to the Company during the Audit Period.
 - (i) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as *mentioned below*:
 - 1. Where in terms of SEBI (Prohibition of insider trading) Regulation, 2015 read with BSE circular no. LIST/COMP/01/2019-20 dated 2nd April 2019 -----We observed that, for the quarter ended 31st June 2019 - the window for trading in the shares of the Company was closed from 09th July 2019 instead of 01st July 2019.
 - 2. Where in terms of Regulation 30 and 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ----- We observed that the Quarterly Financial Statements for the quarter ended on 30th September 2019 were uploaded timely as per SEBI Regulations but the statement of cash flow for half year ended on 30th September 2019 was missed & submitted later on 10th December 2019.

3. *Where in terms of Regulation 34 (3) and Schedule V para C clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, We observed that the Mr. Jayesh Madhavji Parmar (DIN: 00802843) Director of the Company is disqualified under section 164(2) of the Companies Act, 2013 for a period of five years from 01/11/2018 to 31/10/2023 (As per the List of Disqualified Directors under Drive-III by Goa ROC dated 26th November 2019).*

Based on the information provided by the Company, following laws are also complied with:

A) ENVIRONMENTAL LAWS:

1. The Air (Prevention and Control of Pollution) Act, 1981 & The Air (Prevention and Control of Pollution) Rules 1982.
2. The Water (Prevention and Control of Pollution) Act, 1974 & The Water (Prevention and Control of Pollution) Rules 1975.
3. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

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

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

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Further, *Mr. Jayesh Madhavji Parmar (DIN: 00802843) Director of the Company is disqualified under section 164(2) of the Companies Act, 2013 for a period of five years from 01/11/2018 to 31/10/2023 (As per the List of Disqualified Directors under Drive-III by Goa ROC dated 26th November 2019).*

I have been informed by the management that adequate notices were 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 due to the outbreak of COVID -19 pandemic and the lockdown in the entire country, physical examination of documents under Companies Act, 2013 is not possible; we have therefore relied upon the documents provided by the Company in electronic mode for Audit purpose.

Name of Company Secretary in practice:

I. U.Thakur

FCS:2298

C.P. No.: 1402

Place: PUNE

Date:01.9.2020

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. Wherever 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.
7. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company. We hereby state that due to present scenario of "COVID 19", the audit was done based on information provided by the Company in electronic mode. We were unable to conduct actual physical examination of documents and reports filed by the Company with respect to compliances applicable.

Date:01.09.2020
Place: PUNE

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

ANNEXURE 4

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V para C clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015

To,

ENVAIR ELECTRODYNE LIMITED
Regd. Office: 117 GENERAL BLOCK, MIDC BHOSARI
PUNE MH 411026 IN

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ENVAIR ELECTRODYNE LIMITED having CIN: L29307MH1981PLC023810 and having registered office at 117 General Block, MIDC Bhosari, Pune MH 411026 IN (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34 (3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

In my opinion and to the best of my information and according to the verification (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or Continuing as Director of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, Except Mr. Jayesh Madhavji Parmar (DIN: 00802843) is disqualified under section 164(2) of the Companies Act, 2013 for a period of five years from 01/11/2018 to 31/10/2023 (As per the List of Disqualified Directors under Drive-III by Goa ROC dated 26th November 2019).

| S. NO. | NAME OF DIRECTOR | DIN | DATE OF APPOINTMENT IN COMPANY |
|--------|-----------------------------|----------|--------------------------------|
| 1 | AVINASH DATTATRAYA KULKARNI | 00016046 | 29/03/2003 |
| 2 | ANIL NAGPAL | 01302308 | 11/05/2018 |
| 3 | HARISH KUMAR AGARWAL | 02185002 | 11/05/2018 |
| 4 | ARCHIT AGGARWAL | 08127356 | 11/05/2018 |
| 5 | SANJIV KUMAR NARAIN | 07349240 | 07/06/2019 |
| 6 | PRACHI NAVESH NARULA | 08502922 | 07/06/2019 |

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: 01.09.2020

Name: I UTHAKUR
Membership No: 2298
CP No: 1402

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

Qualified Opinion

1. We have audited the accompanying financial statements of ENVAIR ELECTRODYNE LIMITED (The Company), which comprise the Balance Sheet as at March 31, 2020, 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 "financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid Financial Statements give the information required by the Act, in the manner so required and except for the effects of the matters described in the basis for qualified opinion paragraph, give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2020, its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion

**Management's Responsibility for the Ind AS
Financial Statements**

4. We invite attention to the Note 33.17 in financial statements stating that the balances of parties and accounts under head trade receivable, trade payable, advances and deposits are subject to confirmation and Financial impact of the same has not been ascertained by the management. In view of this, we were unable to determine whether any adjustments are necessary in respect of the same.

Empasis of Matter

5. We invite attention to Note 33.03 in the financial statements explaining the basis for preparation of financial statements on going concern assertion based on the management representations. This report is not qualified in this matter.
6. We invite attention to the Note 33.26 in financial statements stating that the impact of non-compliance with some of the Indian Accounting Standards (Ind AS) is insignificant. The impact of same is not ascertained. This report is not qualified in this matter.

Key Audit Matters

7. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|---|---|
| 1. | <p><u>Conversion of Share Warrants into equity capital during the year</u></p> <p>The Company had issued Share Warrants in previous year. At year end, these warrants were converted into equity share capital pursuant to the conversion option appended to it and shares were allotted to such warrant holders. The issue of warrants has impact on ownership composition of the Company. The details have been stated in Note 12.04 and 14 in the Financial Statements.</p> | <p><u>Principal Audit Procedures</u></p> <p>We have examined secretarial data and communication with the Stock Exchange and other authorities to confirm that appropriate procedure has been followed for conversion of Share Warrants and allotment of shares. Financial record, books of account and other documentary evidence including board resolution have been verified for ascertaining the realization of amounts for issue of Equity Shares and compliance with the terms and conditions attached to issue of share warrants.</p> |
| 2. | <p><u>Payment of sales tax dues under the Amnesty scheme of State Government</u></p> <p>During the year the Company applied under the Amnesty Scheme to settle old sales tax demand / dues for past few years. The payment of settlement dues happened during the year. The details have been stated in Note 23 in the Financial Statements.</p> | <p><u>Principal Audit Procedures</u></p> <p>We examined the application Forms, payment challans, settlement orders obtained from the sales tax department and accounting record to ascertain compliance and appropriate recognition of cost. We have verified the accounting treatment as well.</p> |
| 3. | <p>Verification of Employee Cost</p> <p>There is decrease in employee cost, as compared with the previous accounting period</p> | <p><u>Principal Audit Procedures</u></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>We have examined human resource records and accounting record to ascertain proper recognition of employee cost. We have noted composition of the cost and checked underlying record to confirm appropriateness of the cost.</p> |

8. Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

9. Management's Responsibility for the Financial Statements

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 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.

10. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

11. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 19 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.
- 20 As required by section 143 (3) of the Act, based on our audit we report that:
- a. 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 except as stated in Note 33.17 in the financial statements, the balances of accounts and parties under head trade receivable, payable, deposits and loans & advances are subject to confirmation and reconciliation..
 - 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 relevant books of account.
 - d. In our opinion, except for the matters described in the basis for qualified opinion paragraph, the aforesaid 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. On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. 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.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - i. The qualifications relating to maintenance of accounts and other matters connected therewith are as stated in the basis for Qualified Opinion paragraph above.
 - j. 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 has disclosed the impact of pending litigations on its financial position in its 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 Abhay Avchat
Partner
ICAI M No. 112265

Place: Pune
Date: July 31, 2020.

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 March 31, 2020 we report that:

- i) In respect of its fixed assets:
 - a) The Company is in process of updating its fixed asset register showing full particulars, including quantitative details and situation of fixed asset.
 - b) The fixed assets have not been physically verified during the year.
 - c) According to the information and explanation given to us, the records examined by us and based on the examination of the conveyance deeds and lease deeds provided to us, we report that, in respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the 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 procedures 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, a requirement relating to maintenance of cost records is not applicable to the Company, since its turnover is below the threshold limit prescribed by the Central Government under section 148(1) of the Act.

vii) In respect of statutory dues:

- a) According to the information & explanation given to us the books & records, the company is generally regular in depositing 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, goods and service tax, cess and any other statutory dues to the appropriate authorities except in few instances, delay in payment were 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, goods and service tax, cess, were outstanding, as at March 31, 2020 for a period of more than six months from the date of becoming payable except amount payable with respect to VAT of Rs 5,50,000/-.
- 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 Statue | 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 | VAT Liability | 1,00,000/- | FY 2014-15 | Asst. Commissioner of Sales Tax, Pune |
| Income Tax Act, 1961 | Income Tax Penalty | 6,48,900/- | FY 2012-13 | Commissioner of Income Tax (A), Pune |
| Income Tax Act, 1961 | Late filing fee of TDS | 2,27,596/- | FY 2008-09 to 2014-15 | Commissioner of Income Tax (A), Pune |

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.

- ii. 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.
- iii. 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.
- iv. According to the information and explanations given to us, the Company has not paid / provided for managerial remuneration during the year.
- v. 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
- vi. 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 and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards. However while reporting under this sub-clause we have relied on the list of related parties and transactions with them, as provided to us by the management.
- vii. 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.
- viii. 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.
- ix. 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
Place: Pune
Date: 31th July 2020

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE IND AS FINANCIAL STATEMENTS OF ENVAIR ELECTRODYNE LIMITED FOR THE YEAR ENDED ON MARCH 31, 2020

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 financial statements of Envair Electrodyne Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 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

Auditors' Responsibility

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 elected 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 reason able 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 financial statements.

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.

Disclaimer of Opinion

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

- (1) 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. Pertain to the maintenance of records that, in

reason able detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company has adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2020.

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 financial statements of the Company

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

CA Abhay Avchat Partner
ICAI M No. 112265

Place: Pune
Date: July 31, 2020

Balance Sheet as at 31st March, 2020

(All amounts are in Rupees)

| Particulars | Note | As at 31st March 2020 | As at 31st March 2019 |
|---|------|--------------------------|--------------------------|
| Assets | | | |
| I. Non-Current Assets | | | |
| Property, plant and equipment | 1 | 9,886,799 | 1,04,72,197 |
| Capital work-in-progress | 1 | 791,488 | 7,91,488 |
| Other Intangible Assets | 2 | 655,862 | 3,17,861 |
| Other Non-Current Assets | 3 | 1,872,674 | 18,72,674 |
| Total Non-Current Assets | | 13,206,823 | 1,34,54,220 |
| II. Current Assets | | | |
| Inventories | 4 | 7,475,966 | 7,201,862 |
| Financial assets: | | | |
| a) Trade receivables | 5 | 10,193,554 | 8,939,119 |
| b) Cash and Cash Equivalents | 6 | 36,213,495 | 187,332 |
| c) Bank balances other than Cash and Cash Equivalents above | 7 | 11,856,331 | 11,157,607 |
| d) Loans | 8 | 670,878 | 747759 |
| e) other financial assets | 9 | 54,240 | 2074,839 |
| Current tax assets(net) | 10 | 269,177 | 140,132 |
| Other Current Assets | 11 | 6,270,744 | 5,719,704 |
| Total current assets | | 73,004,385 | 36,168,354 |
| Total assets | | 86,211,208 | 49,622,574 |
| Equity and Liabilities | | | |
| III. Equity | | | |
| Equity Share Capital | 12 | 46,400,000 | 3,04,00,000 |
| Other Equity | 13 | 1,785,063 | (1,47,92,943) |
| Money received against Share Warrants | 14 | - | 1,20,00,000 |
| Total equity | | 48,185,063 | 2,76,07,057 |
| IV. Non Current Liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 15 | 18,188,570 | - |
| Provisions | 16 | 202,038 | 248,622 |
| | | 48,185,063 | 2,48,622 |
| V. Current Liabilities | | | |
| Financial Liabilities | | | |
| a) Borrowings | 17 | 4,191,690 | 6,108,411 |
| b) Trade payables | 18 | 6,638,939 | 6,346,124 |
| c) Other Financial Liabilities | 19 | 1,652,085 | 528,392 |
| Other Current Liabilities | 20 | 1,955,782 | 4,814,854 |
| Provisions | 21 | 5,197,042 | 3969114 |
| Current Tax Liabilities (Net) | 22 | - | - |
| Total current liabilities | | 19,635,537 | 21,766,895 |
| Total Equity and Liabilities | | 86,211,208 | 49,622,574 |
| Notes forming part of the financial statements. | 33 | | |

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

Abhay Avchat

Partner

Membership number: 112265

Pune: 31st July 2020

Anil Nagpal
Managing
Director
DIN: [01302308](#)

Harish Agarwal
Director
DIN: [02185002](#)

Ankita Trivedi
Company Secretary

Prince Vohra
Chief Financial Officer

Sanjiv Narain
Independent
Director
DIN: [07349240](#)

Statement of Profit and Loss for the year ended 31st March, 2020

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

| Particulars | Note | As at 31st March 2020 | As at 31st March 2019 |
|---|------|--------------------------|--------------------------|
| Income | | | |
| I. Revenue from Operations | 23 | 34,914,720 | 33,810,515 |
| II. Other Income | 24 | 740,836 | 1,384,502 |
| III. Total Income (I + II) | | 35,655,556 | 35,195,018 |
| IV. Expenses | | | |
| a) Cost of materials consumed | 25 | 19,916,633 | 18,543,294 |
| b) Purchase of stock in trade | 26 | 682,737 | 732,653 |
| c) Changes in inventories, work-in-progress and stock-in-trade | 27 | 617,798 | 351,968 |
| d) Excise duty on sale of goods | | 12,408,347 | 19,759,641 |
| e) Employee benefit expenses | 28 | 494,434 | 548,266 |
| f) Finance costs | 29 | 1,047,397 | 792,701 |
| g) Depreciation and Amortisation expenses | 30 | 15,464,200 | 22,388,287 |
| h) Other expenses | 31 | 50,631,546 | 63,116,810 |
| Total Expenses (a to i) | | 50,631,546 | 63,116,810 |
| V. Profit before exceptional items and tax (III - IV) | | (14,975,990) | (27,921,792) |
| VI. Exceptional item | | - | - |
| Prior Period Income | | - | 162,020 |
| VII. Profit/ (Loss) before tax (V - VI) | | (14,975,990) | (27,759,772) |
| VIII. Tax expense: | | | |
| i) Current Tax | | - | - |
| ii) Deferred Tax | | - | - |
| iii) Prior Period Short Provision | | - | 6,609,329 |
| iv) Prior Period MAT Credit FY due tax | | - | (1,872,674) |
| Total Tax Expense | | - | 4,736,655 |
| IX. Profit/(loss) for the period after tax (VII- VIII) | | (14,975,990) | (32,496,427) |
| X. Other comprehensive income (OCI) | | | |
| A (i) Items that will not be reclassified to profit or loss | | (446,005) | 286,874 |
| (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) | | (446,005) | 286,874 |
| XI. Total Comprehensive Income/ (Loss) for the year (IX + X) | | (15,421,995) | (32,209,553) |
| XII. Earnings per equity share: | | | |
| Basic | | (4.99) | (6.94) |
| Diluted | | (4.99) | (5.16) |
| Notes forming part of the financial statements. | 33 | | |

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

Abhay Avchat

Partner

Membership number: 112265

Pune: 31st July 2020

Anil Nagpal
Managing
Director
DIN: [01302308](#)

Harish Agarwal
Director
DIN: [02185002](#)

Ankita Trivedi
Company Secretary

Prince Vohra
Chief Financial Officer

Sanjiv Narain
Independent
Director
DIN: [07349240](#)

Statement of Changes in Equity for the year ended 31st March, 2020

(All amounts are in Rupees, unless stated otherwise)

A. Equity Share Capital

| Particulars | 31 March, 2020 | 31 March, 2019 |
|---|----------------|----------------|
| Balance at the beginning of the year | 3,04,00,000 | 3,04,00,000 |
| Changes in equity share capital during year | 16,00,000 | - |
| Balance at the end of reporting period | 46,40,000 | 3,04,00,000 |

B. Other Equity

| Particulars | Reserves and Surplus | | | |
|-----------------------------|----------------------|--------------------|---------------------|--------------------|
| | Capital Reserve | Securities premium | Retained earnings | Total other equity |
| As at 31 March 2018 | 30,13,000 | 1,15,45,445 | 2,858,166 | 17,416,611 |
| Profit/ (Loss) for the year | | | (32,209,553) | (32,209,553) |
| As at 31 March 2019 | 30,13,000 | 1,15,45,445 | (29,351,388) | (14,792,943) |
| Profit/ (Loss) for the year | - | - | (15,421,994) | 16,578,006 |
| As at 31 March, 2020 | 30,13,000 | 43,545,445 | (44,773,382) | 1,785,063 |

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

Anil Nagpal
Managing
Director
DIN: [01302308](#)

Ankita Trivedi
Company Secretary

Abhay Avchat

Partner
Membership number: 112265

Harish Agarwal
Director
DIN: [02185002](#)

Prince Vohra
Chief Financial Officer

Pune: 31st July 2020

Sanjiv Narain
Independent
Director
DIN: [07349240](#)

Cash flow statement for the year ended 31st March, 2020
(All amounts are in Rupees, unless stated otherwise)

| Particulars | As at 31st March 2020 | As at 31st March 2019 |
|--|--------------------------|--------------------------|
| A) CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit Before Tax | (14,975,990) | (27,759,772) |
| Adjustments to reconcile profit before tax to net cash flows | | |
| OCI | (446,005) | 286874 |
| Depreciation and amortisation | 1,047,397 | 792,701 |
| Interest and finance charges | 494,434 | 548,266 |
| Irrecoverable balances and sundry balances written off | - | - |
| Bad debts written off | - | - |
| Profit on sale of assets | - | - |
| Interest income | (740,711) | (1,345,450) |
| Provision no longer required write back | - | - |
| Cash from operating activities before working capital changes | (14,620,875) | (2,74,77,381) |
| Adjustments for: | | |
| Increase / (Decrease) in Long Term Provisions | (46,578) | (29,06,842) |
| Increase / Decrease in Trade Payables | (292,815) | (1,72,190) |
| Increase / Decrease in Other Current Liabilities | 1,227,927 | 12,68,129 |
| Increase / Decrease in Other Financial Liabilities | 1,123,693 | (9,52,563) |
| Increase / Decrease in Short term provisions | (2859072) | 12,31,890 |
| Increase / Decrease in Inventories | (274110) | (6,16,959) |
| Increase / Decrease in Trade Receivables | 1,254,435 | 1,07,73,109 |
| Increase / Decrease in Loans and Advances | - | - |
| Increase / Decrease in Other Financial Assets | 1417395 | - |
| Increase / Decrease in Other Current Assets | - | 2,47,86,898 |
| Cash Generated from Operations | (372,364) | 3,09,47,694 |
| Adjustment for: | | |
| Less :- Taxes Paid | - | (66,09,329) |
| Net Cash Flow from Operating Activities | (14,993,239) | (31,39,016) |
| B) CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets | (800,000) | (35,53,723) |
| Proceeds from sale of assets | - | - |
| Increase in Bank balances other than Cash and Cash Equivalents | (698,724) | (60,91,107) |
| Interest income | 740,711 | 13,45,450 |
| Net Cash Flow From Investing Activities | (758,013) | (82,99,380) |
| c) CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Availment/ (repayment) of Short Term Borrowings | (1,916,721) | (5,89,739) |
| Interest paid | (494,434) | (5,48,275) |
| Loan received from directors | 18,188,570 | - |
| Money received against share warrants | 36,000,000 | 1,20,00,000 |
| Net Cash Flow From Financing Activities | 51,777,415 | 1,08,61,994 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C): | 36026163 | (5,76,411) |
| CASH AND CASH EQUIVALENTS: | | |
| AS AT THE BEGINNING | | |
| Cash and cash equivalents | 187,332 | 7,63,743 |
| AS AT THE ENDING | | |
| Cash and cash equivalents | 36,213,495 | 1,87,332 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS: | (36026163) | (5,76,411) |

As per our report of even date attached
For **M/s C. V. Chitale & Co.**
Chartered Accountants

Abhay Avchat
Partner
Membership number: 112265
Date: 31st July 2020

For and on behalf of Board of Directors
Anil Nagpal
Managing Director
DIN: [01302308](#)

Harish Agarwal

DIN [02185002](#)
Sanjiv Narain
Independent Director
07349240

Ankita Trivedi
Company Secretary

Prince Vohra
Chief Financial Officer

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

| Particulars | Leasehold Land | Buildings | Plant & Machinery | Factory Equipment | Furniture & Fixtures | Office Equipments | Vehicles | Total | Capital Work-In-Progress |
|-----------------------------------|----------------|-----------|-------------------|-------------------|----------------------|-------------------|----------|------------|--------------------------|
| 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 |
| Additions | | 2,400,842 | 89,995 | - | 26,112 | 766,774 | - | 3,283,723 | - |
| Inter Transfers | - | - | - | - | - | - | - | - | - |
| Adjustments | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Gross Block as at 31st March 2019 | 241,158 | 7,305,996 | 53,311,839 | 567,734 | 6,147,769 | 5,454,218 | 474,175 | 73,502,889 | 791,488 |
| Gross Block | | | | | | | | | |
| As at 31st March 2019 | 241,158 | 7,305,996 | 53,311,839 | 567,734 | 6,147,769 | 5,454,218 | 474,175 | 73,502,889 | 791,488 |
| Additions | | | 250,000 | - | - | - | - | 250,000 | - |
| Inter Transfers | - | - | - | - | - | - | - | - | - |
| Adjustments | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Gross Block as at 31st March 2020 | 241,158 | 7,305,996 | 53,561,839 | 567,734 | 6,147,769 | 5,454,218 | 474,175 | 73,752,889 | 791,488 |
| Depreciation | | | | | | | | | |
| Upto 31st March 2018 | 131,753 | 3,780,304 | 47,707,144 | 50,752 | 5,598,253 | 4,633,931 | 406,303 | 62,308,441 | - |
| For the year 18-19 | 3,657 | -369,138 | 793,865 | 37,208 | 121,319 | 105,176 | 30,164 | 722,251 | - |
| Inter Transfers | - | - | - | - | - | - | - | - | - |
| Adjustments | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| As at 31st March 2019 | 1,35,410 | 3,411,166 | 48,501,009 | 87,960 | 5,719,572 | 4,739,107 | 4,36,467 | 63,030,692 | - |
| Depreciation | | | | | | | | | |
| Upto 31st March 2019 | 135,410 | 3,411,166 | 48,501,009 | 87,960 | 5,719,572 | 4,739,107 | 436,467 | 63,030,692 | - |
| For the year 19-20 | 3,657 | -322,410 | 806,873 | 39,371 | 121,319 | 156,423 | 30,165 | 835,398 | - |
| Inter Transfers | - | - | - | - | - | - | - | - | - |
| Adjustments | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| As at 31st March 2020 | 139,067 | 3,088,756 | 49,307,882 | 127,331 | 5,840,891 | 4,895,530 | 466,632 | 63,866,090 | - |
| Net Block | | | | | | | | | |
| As at 31st March 2019 | 105,748 | 3,894,830 | 4,810,830 | 479,774 | 428,197 | 715,111 | 37,708 | 10,472,197 | 791,488 |
| As at 31st March 2020 | 102,091 | 4,217,240 | 4,253,957 | 440,403 | 306,878 | 558,688 | 7,543 | 9,886,799 | 791,488 |

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

| Particulars | Software | Total |
|----------------------------|------------------|------------------|
| Gross Block | | |
| As At 31 March 2018 | 48,71,679 | 48,71,679 |
| Additions | 2,70,000 | 2,70,000 |
| Deductions | | - |
| As At 31 March 2019 | 5,141,679 | 5,141,679 |
| Gross Block | | |
| As At 31 March 2019 | 5,141,679 | 5,141,679 |
| Additions | 550,000 | 550,000 |
| Inter Transfers | - | - |
| Recoupment / Adjustment | - | - |
| Deductions | - | - |
| As At 31 March 2020 | 5,691,679 | 5,691,679 |
| Depreciation | | |
| Upto 31 March 2018 | 4,753,378 | 4,753,378 |
| For The Year | 70,440 | 70,440 |
| Deductions | | - |
| As At 31 March 2019 | 4,823,818 | 4,823,818 |
| Depreciation | | |
| Upto 31 March 2019 | 4,823,818 | 4,823,818 |
| For The Year | 212,000 | 212,000 |
| Deductions | | |
| As At 31 March 2020 | 5,035,818 | 5,035,818 |
| Net Block | | |
| As At 31 March 2019 | 317,861 | 317,861 |
| As At 31 March 2020 | 655,861 | 655,861 |

Notes to Balance Sheet as at 31st March, 2020

(All amounts are in Rupees)

Note 3 : Other non-current assets

| Particulars | 31st March 2020 | 31st March 2019 |
|----------------|------------------|-----------------|
| MAT Credit due | 18,72,674 | - |
| Total | 18,72,674 | - |

Note 4 : Inventories

| Particulars | 31st March 2020 | 31st March 2019 |
|--|------------------|------------------|
| As Taken, Valued & Certified by the Management | | |
| Raw Material | 4,681,931 | 37,90,030 |
| Work-in-progress | 1,232,816 | 7,14,755 |
| Finished goods | 1,561,219 | 22,28,983 |
| Stock in Trade | | 4,68,095 |
| Total | 7,475,966 | 7,201,862 |

Note 5 : Trade Receivable(Unsecured Consider Good)

| Particulars | 31st March 2020 | 31st March 2019 |
|--|-------------------|------------------|
| Outstanding for a period exceeding six months from the date they are due for payment | 2,322,640 | 41,94,608 |
| Other receivables | 8,419,568 | 49,44,511 |
| Provision for Expected Credit Losses | 5,48,655 | 2,00,000 |
| Total | 10,193,554 | 89,39,119 |

Note 6 : Cash and Cash Equivalents

| Particulars | 31st March 2020 | 31st March 2019 |
|-------------------------------------|-------------------|-----------------|
| Cash in hand | 15,179 | 42,682 |
| Balances with Bank-Current Accounts | 36,198,316 | 1,44,650 |
| Total | 36,213,495 | 1,87,332 |

Note 7 : Bank balances other than Cash and Cash Equivalents above

| Particulars | 31st March 2020 | 31st March 2019 |
|---|-------------------|--------------------|
| Term Deposits with maturity of more than 6 months Note:- Term Deposit of Rs. 1,00,66,500 are against the bank guarantees issued (PY Rs. 1,00,66,500) | 11,856,331 | 1,11,57,607 |
| Total | 11,856,331 | 1,11,57,607 |

Note 8: Loans

| Particulars | 31st March 2020 | 31st March 2019 |
|-------------------------|-----------------|-----------------|
| Other loan and advances | 670,878 | 747,759 |
| Total | 6,70,878 | 747,759 |

Note 9: Other financial assets

| Particulars | 31st March 2020 | 31st March 2019 |
|--------------------------------|-----------------|------------------|
| Security deposits | 54240 | - |
| Statutory Balances recoverable | - | 2,074,839 |
| Total | 54240 | 5,719,704 |

Note 10: Current tax assets(net)

| Particulars | 31st March 2020 | 31st March 2019 |
|--|-----------------|-----------------|
| Tax paid in advance (net of provision) | 269,177 | 140,132 |
| Total | 269,177 | 140,132 |

**Note 11 :Other Current Assets
(unsecured consider Good)**

| Particulars | 31st March 2020 | 31st March 2019 |
|-----------------------------|------------------|------------------|
| Other Receivables | 3,027,025 | 20,07,351 |
| Loan & Advance to Suppliers | 3,243,719 | 37,12,353 |
| Total | 6,270,744 | 5,719,704 |

Note 12 : Equity Share Capital

| Particulars | 31st March 2020 | 31st March 2019 |
|---|-------------------|-------------------|
| Equity Share Capital | | |
| Authorised | | |
| 55,00,000 (55,00,000) Equity shares of Rs. 10/- each | 55,000,000 | 55,000,000 |
| Issued | | |
| 464,00,000 (46,40,000) Equity shares of Rs. 10/- each | 46,400,000 | 30,400,000 |
| Subscribed and Paid Up | | |
| 46,40,000 (46,40,000) Equity shares of Rs. 10/- each | 46,400,000 | 46,400,000 |
| Total | 46,400,000 | 46,400,000 |

Note 12.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the Reporting period

| Particulars | 31st March,2020 | | 31st March,2019 | |
|----------------------------------|-----------------|------------|-----------------|------------|
| | 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 |
| Issued/Reduction during the year | 16,00,000 | 16,000,000 | - | - |
| Outstanding at the end of Period | 4,640,000 | 46,400,000 | 3,040,000 | 30,400,000 |

Note 12.2 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.

16,00,000 equity shares were issued on conversion of 16,00,000 warrants to promoters and non promoters on 20th March 2020 at Rs.30 per share (face value Rs. 10 per share and premium Rs. 20/- per share).

The Company had issued 16,00,000 Convertible warrants to promoters and non promoters group on 24th September 2018.

Note: 12.3 Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

NIL

Note: 12.4 Number of Shares held by each shareholder holding more than 5% Shares in the company

Nil.

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

Aggregate number of share issued for consideration other than cash and shares bought back during the period of five

| Name of Shareholder | As at 31 March 2020 | | As at 31 March 2019 | |
|--------------------------|---------------------|--------------|---------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| MR. ANIL NAGPAL | 823,000 | 17.74% | 617,000 | 20.30 |
| MR. GIAN PARKASH | 823,790 | 17.75% | 635,790 | 20.91 |
| MR. HARISH KUMAR AGARWAL | 822,700 | 17.73% | 616,700 | 20.29 |
| MRS.ARTI JAYESH PARMAR | 300,500 | 6.48% | 500 | 0.01% |

years immediately preceding the reporting date: Nil.

Note 13 : Other equity

| Particulars | 31st March 2020 | 31st March 2019 |
|---|---------------------|----------------------|
| Capital Reserve | | |
| Opening Balance | 3,013,000 | 3,013,000 |
| Net Addition During the year | - | - |
| Written Back During the year | - | - |
| Closing Balance | 3,013,000 | 3,013,000 |
| Securities Premium | | |
| Opening Balance | 11,545,445 | 11,545,445 |
| Add: addition during the year | 32000,000 | - |
| Written Back During the year | - | - |
| Closing Balance | 43,545,445 | 11,545,445 |
| Retained earnings | | |
| Opening Profit and Loss Foreign exchange loss(Net) | (29,351,388) | 28,58,166 |
| Profit/(Loss) for the year | (15,421,994) | (3,22,09,553) |
| Ind AS transitional adjustments | - | - |
| Provision for Expected Credit Loss (Net of written off and reversal of provision) | - | - |
| Closing Surplus/(Deficit) | (44,773,382) | (2,93,51,388) |
| Total | 1,785,063 | (1,47,92,943) |

Note 14 : Money received against Share Warrants

| Particulars | No. of Warrants | Category | 31st March 2020 | 31st March 2019 |
|-------------------------------|------------------|--------------|-------------------|--------------------|
| 1. Harish Agarwal | 2,06,000 | Promoter | 46,35,000 | 15,45,000 |
| 2. Anil Nagpal | 2,06,000 | Promoter | 46,35,000 | 15,45,000 |
| 3. GianAggarwal | 1,88,000 | Promoter | 4,230,000 | 14,10,000 |
| 4. KDA Corporate Advisors LLP | 1,00,000 | Non-Promotor | 2,250,000 | 7,50,000 |
| 5. AratiJayeshParmar | 3,00,000 | Non-Promotor | 6,750,000 | 22,50,000 |
| 6. Rajiv Malik | 2,00,000 | Non-Promotor | 45,00,000 | 15,00,000 |
| 7. Ashok Gupta | 2,00,000 | Non-Promotor | 45,00,000 | 15,00,000 |
| 8. Rakesh Kr. Aggarwal | 2,00,000 | Non-Promotor | 45,00,000 | 15,00,000 |
| Total | 16,00,000 | | 36,000,000 | 1,20,00,000 |

14.1 Terms of issue of Share Warrants

- 16,00,000 of warrants were allotted on 24th September 2018, 25% of warrants were subscribed at issue price Rs. 30 each (including face value Rs. 10 and premium of Rs. 20each)
- The warrants may be exercised by the warrant holder at any time before the expiry of 18 months from the date of allotment of Warrants.
- In the event of warrant holder does not exercise the warrants within 18 months from the date of allotment of warrants, the warrants shall lapse and the amount paid on such warrants shall stand forfeited by the Company.
- Upon exercise of warrants by the warrant holder, the company shall issue and allot appropriate number of equity shares.

Note 15 Borrowings

| Particulars | 31st March 2020 | 31st March 2019 |
|--|-------------------|-----------------|
| Anil Nagpal | 12,788,570 | - |
| Leave Encashment From Related Party Gian Agarwal | 37,00,000 | - |
| Total | 18,188,570 | - |

Note:- The Unsecured loans are interest free. In absence of any term as regards repayment of loan & repayment period, the management has decided to classify the same as non-current liabilities.

Notes 16: Non-current liabilities Provision

| Particulars | 31st March 2020 | 31st March 2019 |
|---|------------------|-------------------|
| Provision for employee benefits Gratuity Leave encashment | 177,986 24052 | 64,220 184,402 |
| Total | 202,038 | 248,622 |

Notes: 17. Financial Liabilities : Borrowing

| Particulars | 31st March 2020 | 31st March 2019 |
|---------------------------|------------------|------------------|
| Secured Bank overdraft | 4,191,690 | 6,108,411 |
| Total | 4,191,690 | 6,108,411 |

Note:- Bank overdraft facility is secured against lien on bank term deposits.

Notes 18 : Financial liabilities: Trade payable

| Particulars | 31st March 2020 | 31st March 2019 |
|--|------------------|------------------|
| Trade payable | | |
| i) Trade Payable to MSME entities | 2,284,014 | 6,43,180 |
| ii) Trade Payable other than SSI & SME Enterprises | 4,354,925 | 57,02,944 |
| Total | 6,638,939 | 63,46,124 |

Notes 19 : Other Financial Liabilities

| Particulars | 31st March 2020 | 31st March 2019 |
|---------------------------|------------------|-----------------|
| occurred Employee Costs | 1,196,759 | 1,76,412 |
| Business Deposits | 59,935 | 59,935 |
| Other liabilities | 2,55,064 | 2,75,000 |
| Interest Payable for MSME | 8,940 | 17,045 |
| Total | 1,652,085 | 5,28,392 |

Notes 20 : Other Current Liabilities

| Particulars | 31st March 2020 | 31st March 2019 |
|---------------------------------------|------------------|------------------|
| Other Liabilities and Payables | 1,793,308 | 1,607,836 |
| Non Trade Creditors | 850,835 | 10,42,144 |
| Advance received from Customers | 1,023,412 | 354,030 |
| Statutory dues payable | 1,529,486 | 965,104 |
| Total | 5,197,042 | 3,969,114 |

21: Provisions

| Particulars | 31st March 2020 | 31st March 2019 |
|---|------------------|------------------|
| Provision for Sales tax dues | - | 3,205,337 |
| Gratuity | 380,159 | 565,950 |
| Leave encashment | 76,473 | 94,417 |
| Provision for disputed tax matters of VAT | 550,000 | - |
| Provisions for disputed tax matters of income tax | 949,150 | 276,820 |
| Total | 1,955,782 | 4,814,854 |

22. : Current Tax Liabilities (Net)

| Particulars | 31st March 2020 | 31st March 2019 |
|-------------------------|-----------------|------------------|
| Provision For Tax (net) | - | - |
| Total | - | 21,07,687 |

Note 23 : Revenue from Operations

Sale of Products:

| Particulars | Figures for the year ended 31st Mar 2020 | Figures for the year ended 31st Mar 2019 |
|-------------------------|--|--|
| Manufacturing | 30,499,066 | 3,11,96,859 |
| Trading | 2,378,415 | 15,58,709 |
| Sale of service | 2,037,239 | 989,878 |
| Other Operating Revenue | - | 65,070 |
| Total | 34,914,720 | 3,38,10,515 |

Note 24 : Other Income

| Particulars | Figures for the year ended 31st Mar 2020 | Figures for the year ended 31st Mar 2019 |
|------------------------------------|--|--|
| Profit on sale of assets(Net) | - | - |
| Interest received on bank deposits | 740,711 | 13,45,450 |
| Miscellaneous income | 125 | 15,945 |
| | 740,836 | 13,84,502 |

Note 25 : Cost of Materials Consumed

| Particulars | Figures for the year ended 31st Mar 2020 | Figures for the year ended 31st Mar 2019 |
|-----------------------|--|--|
| Opening stocks | 3,790,030 | 28,21,102 |
| Add: Purchases | 20,808,534 | 1,95,12,221 |
| Less: Stocks at close | 4,681,931 | 37,90,030 |
| Total | 19,916,633 | 1,85,43,294 |

Note 26 : Purchase of Stock in Trade

| Particulars | Figures for the year ended 31st Mar 2020 | Figures for the year ended 31st Mar 2019 |
|----------------------------|--|--|
| Purchase of Stock in Trade | 6,82,737 | 7,32,653 |
| Total | 6,82,737 | 7,32,653 |

Note 27 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particulars | Figures for the year ended 31st Mar 2020 | Figures for the year ended 31st Mar 2019 |
|---------------------------------------|--|--|
| (Increase)/ Decrease in stocks | | |
| Stocks at close: | | |
| Finished goods | 1,561,219 | 22,28,983 |
| Work-in-process | 1,232,816 | 7,14,755 |
| Stock in Trade | - | 4,68,095 |
| Opening stocks | | |
| Finished goods | 2,228,983 | 24,85,939 |
| Work-in-process | 714,755 | 1,157,105 |
| Stock in Trade | 468,095 | 120,757 |
| | 3,411,833 | 37,63,801 |
| Total | 617,798 | 3,51,968 |

Note 28 : Employees Benefit Expenses

| Particulars | Figures for the year ended 31st Mar 2020 | Figures for the year ended 31st Mar 2019 |
|--|--|--|
| Salaries, Wages and Bonus | 12,030,743 | 1,80,76,019 |
| Contribution to gratuity leave encashment & Provident fund | 2,30,740 | 13,56,215 |
| Staff Welfare Expenses | 146,864 | 3,27,407 |
| Total | 12,408,347 | 1,97,59,641 |

Note 29 : Finance Cost

| Particulars | Figures for the year ended 31st Mar 2020 | Figures for the year ended 31st Mar 2019 |
|---|--|--|
| Interest expense | | |
| Interest expense on loan and LC discounting | 390,060 | 3,24,249 |
| Other borrowing cost | | |
| Interest for other reasons | 40,000 | 1,04,033 |
| Commission & Discounting Charges etc. | 64,374 | 1,19,984 |
| Total | 494,434 | 5,48,266 |

Note 30 : Depreciation and amortisation expenses

| Particulars | Figures for the year ended 31st Mar 2020 | Figures for the year ended 31st Mar 2019 |
|-----------------------------------|--|--|
| Depreciation/ amortisation | | |
| Tangible assets | 835,398 | 7,22,261 |
| Amortisation | | |
| Intangible assets | 211,999 | 70,440 |
| Total | 1,047,397 | 7,92,701 |

Note 31 : Other Expenses

| Particulars | Figures for the year ended 31st Mar 2020 | Figures for the year ended 31st Mar 2019 |
|--|---|---|
| Manufacturing/ Direct Expenses | | |
| Stores, spares and tools consumed | 1,129,288 | 35,77,991 |
| Power and fuel | 1,373,168 | 13,37,373 |
| Repairs to machinery | 479,711 | 26,50,476 |
| Service charges | 39,000 | - |
| | 3,021,167 | 75,65,840 |
| Selling expenses | | |
| Selling and distribution | 798,733 | 8,27,938 |
| Other selling expenses | 298,825 | 1,46,098 |
| | 1,097,558 | 9,74,036 |
| Administration Expenses | | |
| Advertisement | 99,528 | 93,168 |
| Rates and taxes | 775,543 | 5,27,679 |
| Insurance | 3,578 | 93,845 |
| Building & Other repairs and maintenance | - | 3,94,272 |
| Travelling and conveyance | 3,482,917 | 25,07,852 |
| Postage and telephone | 131,573 | 4,20,925 |
| Printing and stationery | 2,85,603 | 3,48,537 |
| Gardening and cleaning | 1,68,785 | 7,31,118 |
| Director's sitting fees | 49822 | 57,000 |
| Security | 767245 | 7,22,351 |
| Interest payable to MSME dues | 114342 | - |
| Professional and consultancy | 3,145,015 | 1622767 |
| Irrecoverable balances and sundry balances written off | 348,655 | 10,41,402 |
| Prior period expenses(Net) | 1,729,325 | - |
| Miscellaneous expenses | 243,545 | 13,07,290 |
| | 11,345,475 | 13,848,411 |
| Total | 15,464,200 | 2,23,88,287 |

Note 32 Tax expenses

| Particulars | Figures for the year ended 31st Mar 2020 | Figures for the year ended 31st Mar 2019 |
|--------------------------------------|---|---|
| Income Tax Expenses | | |
| Tax charge/(credit) for earlier year | - | 66,09,329 |
| Deferred Tax Expense / (Income) | - | - |
| Total Tax Expense | - | 66,09,329 |

Note 33 : Notes to and forming part of the Financial Statements as at and for the year ended 31st March , 2020**33.1 Significant Accounting Policies****33.1.1 Basis of preparation of Financial Statements****a. Compliance with IND AS:**

The financial statements Complies in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements were approved by the Board of Directors as per the meeting on 31st July 2020.

These financial statements are presented in Indian Rupees (INR), which is also the functional currency.

b. Historical cost convention:

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

- (a) Defined benefit plans where plan assets are measured at fair value.

c. Current and Non-Current Classification:

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities

33.1.2 Use of Estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

33.1.3 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 |
| 3 | Building | 30 |
| 4 | Electrical fitting | 10 |
| 5 | Furniture & Fixture | 10 |
| 6 | Office Equipment | 5 |
| 7 | 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 as per actuarial valuation basis. The company has not made any contribution to gratuity fund during the year.

Termination Benefits

The Company has provided for leave encashment liability as per actuarial valuation basis.

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. Domestic sales are accounted for when dispatched from the point of sale, consequent to property in goods being transferred.
- b. Export sales are accounted on the basis of the dates of Bill of Lading/ Other delivering documents as per terms of contract.
- c. Service income is recognized when services are rendered as per terms of contract.
- d. Export Incentive – Export Incentives are accounted for Export of Goods if the entitlement can be estimated with reasonable accuracy and conditions precedents 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 recognized 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 tax able incomes 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 earnings 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.

M) 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

As per our report of even date attached
Directors
For **M/s C. V. Chitale & Co.**
Chartered Accountants

Abhay Avchat
Partner
Membership number: 112265
Date: 31st July 2020

For and on behalf of Board of

Anil Nagpal
Managing Director
DIN: [01302308](#)

Harish Agarwal
DIN [02185002](#)
Sanjiv Narain
Independent Director
07349240

Ankita Trivedi
Company Secretary

Prince Vohra
Chief Financial Officer

Note 33 : Notes to and forming part of the Financial Statements as at and for the year ended 31st March, 2020.**2 Contingent Liability not provided for in respect of:**

| Sr. No. | Particulars | As of 31 March,2020 | As of 31 March,2019 |
|---------|--------------------------------|---------------------|---------------------|
| i. | On account of Sales Tax | 100,000 | 1,09,16,282 |
| ii | On account of Income Tax | 651,732 | 6,51,732 |
| | Total Tax Expense | 751,732 | 1,15,68,014 |

In respect of the ongoing sales tax and income tax appeals, the management expects favourable result of the appeal. Therefore no provision is considered necessary in books.

3 Going Concern

The Company is incurring losses in business during past number of years. The turnover of it has receded over a period. Reasons for the losses have been identified and analysed. The Company has been taken over by the new management, a couple of years ago. The management is taking strategic decisions to address issues of continued functioning of the Company. Certain new products of the existing line of products, e.g. Automatic Disinfectant Device, Plasma Air Purifier, Auto Door with Attendance system, Air Showers, etc. are under development. These products will be introduced during the coming twelve months. Contract manufacturing is also under consideration. Measures to achieve cost reduction and competitive sales price have been initiated. These actions expected to provide handsome contribution.

Further, additional steps such as innovation in quality of products and services delivered, infrastructure and resources at disposal, efforts for business prospects being undertaken, strong customer base, etc. are being adopted. The management, in this background, is of the view that it will be able to perform and operate above breakeven point in a foreseeable future. In view of this, preparation of financial statements on the assumption that the Company is a going concern is appropriate.

4 Estimated amount of contracts remaining to be executed on capital account (Net of Advances):NIL**5 The Company is operating in a single segment of "Industrial Machinery".****6 Deferred Tax: In the absence of virtual certainty of future taxable profits against which the net deferred tax assets as above can be realised, the company has considered it prudent not to recognise the deferred tax asset in the books of account.****7. Payment to Auditors:**

| Sr. No. | Particulars | As of 31 March,2020 | As of 31 March,2019 |
|---------|---|---------------------|---------------------|
| | Payment to Auditors: | | |
| i. | Statutory Audit | 1,00,000 | 1,00,000 |
| ii. | Tax Audit | 25,000 | 25,000 |
| iii. | Certification and Other Services | 40,000 | 40,000 |
| iv. | Out of Pocket Expenses | 10,000 | 23,208 |
| | Total | 1,75,000 | 1,88,208 |

8. Trade payables includes dues to Micro and small enterprises to whom the Company owes amounts outstanding for more than 45 days. The information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied

upon by the auditors.

The Details are as follows:

| Sr. No. | Particulars | 2019-20 | 2018-19 |
|---------|---|----------|----------|
| 1 | The Principal Amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year | 6,35,237 | 6,60,226 |
| 2 | The amount of interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond appointed day during each accounting year | NIL | NIL |
| 3 | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | NIL | - |
| 4 | The amount of interest accrued and remaining unpaid at the end of each accounting year. | 114343 | 17,046 |
| 5 | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006. | NIL | NIL |

9. CIF Value of Imports & Expenditure in Foreign Currencies

| Sr. No. | Particulars | 2019-20 | 2018-19 |
|---------|--|---------|---------|
| i. | CIF Value of Imports- | | |
| | a)Goods | - | - |
| | b)Asset | - | - |
| ii. | Expenditure in Foreign Currencies- On account of Travelling & Conveyance | - | - |
| iii. | Other Expenses | - | - |
| | Total | - | - |

10. Prior Period Items (Net)

| Sr. No. | Particulars | 2019-20 | 2018-19 |
|---------|--------------------|---------|----------|
| 1 | Prior Period Items | - | 1,62,020 |
| | Total | - | 1,62,020 |

11. Earning in foreign currency

| Sr. No. | Particulars | 2019-20 | 2018-19 |
|---------|----------------------|---------|----------|
| 1 | FOB Value of Exports | - | 1,65,315 |
| | Total | - | 1,65,315 |

12. Employee Benefits

The disclosure as required by Ind AS 19 on "Employee Benefits" are given below:

| Sr. No. | Particulars | 2019-2020 | 2018-19 |
|---------|---|----------------|------------------|
| I. | Defined Contribution Plan | | |
| | Charge to the Statement of Profit and Loss based on contributions: | | |
| | Employers contribution to provident fund | 667077 | 9,23,910 |
| | Employers contribution to employees' state insurance | 174,761 | 1,40,533 |
| | Employers contribution to employees' pension scheme 1995 | - | - |
| | Employers contribution to labour welfare fund and others | 1188 | 2,448 |
| | Included in contribution to provident fund and other funds (Refer Note no.29) | 843,026 | 10,66,891 |

II. Defined Benefit Plan

The present value of gratuity (unfunded) and compensated absences (unfunded) obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

a) Gratuity :

i) Movement in Present Value of Obligation

| Particulars | 2019-2020 | 2018-19 |
|---|-----------------|-------------------|
| Present Value of Obligation as at the beginning | 1,172,763 | 30,87,950 |
| Current Service Cost | 182,318 | 1,94,065 |
| Interest Expense or Cost | 87,723 | 2,36,228 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | |
| - change in financial assumptions | 82,747 | - |
| - experience variance (i.e. actual experience vs assumptions) | 3,60,654 | (3,18,533) |
| Past Service Cost | - | - |
| Benefits Paid | (117,317) | (20,26,947) |
| Present Value of Obligation as at the end | 1,768,888 | 11,72,763 |

ii) Expenses recognised in the income statement and other comprehensive income

| Particulars | 2019-2020 | 2018-19 |
|--|-----------|------------|
| Current service cost | 182,315 | 1,94,065 |
| Past service cost | - | - |
| Net interest cost on the net defined benefit liability | 47,137 | 1,95,420 |
| Expenses recognised in Profit & Loss Account | 229,455 | 3,89,485 |
| Other Comprehensive Income | | |
| Actuarial (gains) / losses | 443,401 | (3,18,533) |
| - Return on plan assets, excluding interest income | 2604 | 31,659 |
| - Experience variance | 443,401 | (3,18,533) |
| Expenses recognised in OCI | 446,005 | (2,86,874) |

ii) Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below

| Particulars | March 31, 2020 | March 31, 2019 |
|--------------------------------|----------------|----------------|
| Discount Rate (per annum) | 6.59% | 7.48% |
| Salary growth rate (per annum) | 7.50% | 7.50% |
| Mortality Rate | IALM 06-08 | IALM 06-08 |

iv) Sensitivity Analysis

| Sr. No. | Particulars | March 31, 2020 | |
|---------|-------------------------------|----------------|----------|
| | | Decrease | Increase |
| | Discount rate (- / + 1%) | (92447) | (57,678) |
| | Salary growth rate (- / + 1%) | 101,062 | 63,520 |
| | Attrition rate (- / + 1%) | (7522) | (4,093) |

v) Maturity profile of Defined Benefit obligation

| Expected Cash flow over the next (valued on undiscounted basis) | March 2020 | March 31, 2019 |
|---|------------|----------------|
| 1st Following Year | 232,568 | 1,83,538 |
| 2nd Following Year | 156,664 | 1,48,599 |
| 3rd Following Year | 153,067 | 92,696 |
| 4th Following Year | 255,724 | 93,711 |
| 5th Following Year | 192,301 | 1,60,622 |
| Sum of years 6 to 10 | 803,893 | 5,29,210 |
| Sum of years 11 and above | 950,444 | 6,98,242 |

b) Leave Encashment:

i) INDAS19 deals with termination benefits separately from other employee benefits because the event that gives rise to an obligation is the termination of employment rather than employee service. Leave encashment is treated as termination benefit and hence disclose as per IND AS 19 is not considered mandatory.

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

| Year | Opening Balance | Addition/ (Deductions) | Closing Balance |
|---------|-----------------|---------------------------|-----------------|
| 2018-19 | 2,78,819 | (178,234) | 100,585 |
| 2017-18 | 6,00,958 | (322,139) | 278,819 |

13 Details of Related Parties

| | Key Managerial Personnel | Designation |
|----|---------------------------------|---|
| 1 | Mr. Anil Nagpal | Managing Director- Executive (w.e.f. 11th May 2018) |
| 2 | Mr. Harish Agarwal | Non Executive Director (w.e.f 11th May 2018) |
| 3 | Mr. Archit Aggarwal | Non Executive Director (w.e.f 11th May 2018) |
| 4 | Mr. Avinash Dattatraya Kulkarni | Independent Director (w.e.f 29th March 2003) |
| 5 | Mr. Jayesh Madhavji Parmar | Independent Director (w.e.f 7th July 2018) |
| 6 | Mr. Gian Aggarwal | Relative of Director- (Arhit Aggarwal) |
| 7 | Ms. Arati Jayesh Parmar | Relative of Director- (JayeshParmar) |
| 8 | Mr. Shripad R. Mirashi | Chairman & Managing Director (till 6th July 2018) |
| 9 | Ms. Deepanjali S. Mirashi | Executive Director & CEO (till 10th May 2018) |
| 10 | Mr. Rajabhau R. Joshi | Chief Financial Officer (till 11th September 2018) |
| 11 | Ms. Meena S. Joglekar | Company Secretary (till 6th July 2018) |
| 12 | Ms. AnkitaTrivedi | Company Secretary (w.e.f. 7th July 2018) |
| 13 | Mr. Rakesh Kumar Agarwal | Non- Promoter |
| 14 | Mr. Rajiv Malik | Non- Promoter |
| 15 | KDA corporate Adviser LLP | Non-Promoter |

14 Related Party Transactions

Nature of Relationship: Key Management Personnel

| Sr.No. | Name of Related Party | 2019-20 | | 2018-19 | |
|--------|--|---|-------------------------------|---|-------------------------------------|
| | | Transaction Value | Payable Amount | Transaction Value | Payable Amount |
| 1 | Mr. Anil Nagpal Issue of Share Warrants Issue of Equity shares Acceptance of deposits Reimbursement of expenses | 4,635,000 2060,000 12,788,570 19,000 | - 12,788,570 19,000 | 15,45,000 | - |
| 2 | Mr. Harish Agarwal Issue of share warrants Issue of equity shares Acceptance of deposits | 4,635,000 2,060,000 3700,000 | - 37,00,000 | 1,545,000 | - |
| 3 | Mr. Gian Aggarwal Issue of Share Warrants | 4,230,000 1,880,000 17,00,000 | - 17,00,000 | 1,410,000 | - |
| 4 | Mrs. Arati Jayesh Parmar Issue of Share Warrants | 6,750,000 30,00,000 | - | - | - |
| 5 | Mr. Rakesh Kumar agarwal Issue of share warrants Issue of equity shares | 45,00,000 2,00,000 | - - | - - | - - |
| 6 | Mr. Ashok Gupta Issue of share warrants Issue of equity shares | 45,00,000 2,00,000 | - - | 15,00,000 -- | - - |
| 7 | KDA corporate advisor LLP Issue of share warrants Issue of Equity shares | 2,250,000 100,000 | | 7,50,000 | |
| 8 | Mr. Rajeev Malik Issue of warrants Issue of equity shares | 45,00,000 20,00,000 | - - | 15,00,000 | |
| 9 | Mr. Shripad Mirashi Remuneration Interest on deposits Acceptance of deposits Repayment of deposits Car rent Bank guarantee commission | - -- - - - - | - - - - - - | 1,752,539 18180 - - 4,23,000 75000 | 30122 - - - 35,070 - |
| 10 | Mr. Rajabhau R. Joshi Remuneration | - | - | 202,155 | 2,000 |
| 11 | Ms. Meena S. Joglekar Remuneration Provident Fund Reimbursement of expenses | | | 5,09,571 - 15,862 | - - - |
| 12 | Ms. Ankita Trivedi Remuneration | 3,01,740 | 25,145 | 2,20,291 | 25145 |

15 Raw Material Consumed

| Particulars | 2019-20 | | 2018-19 | |
|-----------------------------------|------------|-------------------|------------|-------------------|
| | Qty (Nos.) | (Amount in Rs.) | Qty (Nos.) | (Amount in Rs.) |
| Raw Material Consumed : | | | | |
| 1. For Clean Air Equipments | - | 10,562,048 | - | 7,331,938 |
| 2. For Workstations | - | 4,839,157 | - | 2,432,485 |
| 3. Aluminium Profile & Components | 4201 | 868,702 | 3,768 | 1,594,817 |
| 4. MS/CRCA Sheets | 24,770 | 1,135,763 | 28901 | 1,567,665 |
| 5. SS Sheets | 2271 | 4,25,157 | 6731 | 1,299,814 |
| 6. Other Raw Material | - | 1,120,083 | - | 2,901,415 |
| TOTAL | | 18,950,910 | | 17,128,134 |

16 Quantitative & Other Details

| Particulars | 2019-20 | | | | |
|------------------------|--------------------|------------------|------------------|---------------|----------|
| | Sales | WIP | Stock | | |
| | (Amount in Rs.) | Opening | Closing | Opening | Closing |
| 1. Clean Air Equipment | 17,258,014 | 1,409,304 | 1,198,548 | | |
| 2. Trading items | 2,381,415 | - | - | 26,835 | - |
| 3. Oil Purifiers | 1,535,000 | 589,624 | - | | |
| 4. Workstations | 11,586,477 | 209,174 | 34,269 | | |
| TOTAL : | 3,22,85,640 | 2,208,103 | 1,232,817 | 26,835 | - |

| Particulars | 2018-19 | | | | |
|------------------------|-------------------|------------------|------------------|----------------|---------------|
| | Sales | WIP | Stock | | |
| | (Amount in Rs.) | Opening | Closing | Opening | Closing |
| 1. Clean Air Equipment | 17,411,672 | 2,891,795 | 1,409,304 | | |
| 2. Trading items | 1,557,709 | - | - | 120,757 | 26,835 |
| 3. Oil Purifiers | 3,647,441 | 231,712 | 589,624 | | |
| 4. Workstations | 9,668,818 | 519,537 | 209,174 | | |
| TOTAL : | 32,285,640 | 3,643,044 | 2,208,102 | 120,757 | 26,835 |

- 17 Confirmation of balances has not been obtained from parties under the head trade receivable, trade payable, advances and deposits. Pending final reconciliations, the balance in respect of trade receivable, trade payable, advances and deposits are as appearing in the books of accounts 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 Provision for Expected Current Losses

| Year | Opening Balance | Addition/ (Deductions) | Closing Balance |
|---------|-----------------|---------------------------|-----------------|
| 2019-20 | 62,212 | 4,86,442 | 548,654 |
| 2018-19 | 2,00,000 | (1,37,788) | 62,212 |

19 Exchange Difference on account of fluctuation in Foreign Currency Rates

| Particulars | 2019-20 | 2018-19 |
|---|---------|---------|
| Exchange Difference on account of fluctuation in Foreign Currency Rates | - | - |
| On settlement/ revalorisation of Current Assets & Current Liabilities | | |

ii Foreign Exchange Derivatives not hedged at close of the year

| Particulars | Currency | 2019-20 | 2018-19 |
|--|--------------|---------|---------|
| Exposure not hedged at the close of the year | | | |
| a. Receivables | USD | - | - |
| | Total | - | - |
| b. Payables | USD | - | - |
| | Total | - | - |

20 Imported Material Consumed

| Particulars | 2019-20 | 2018-19 |
|----------------------------------|---------|---------|
| Consumption of Imported Material | - | - |

21 Earnings Per Share (EPS):

| Particulars | 2019-20 | 2018-19 |
|---|--------------|---------------|
| Basic EPS | | |
| Earnings attributable to the Equity Share Holders | (15,421,995) | 3,25,36,018 |
| Total weighted average No. of shares | 30,88,219 | 30,40,000 |
| Earnings Per Share | (4.99) | 10.60 |
| Diluted EPS | | |
| Earnings attributable to the Equity Share Holders & Warrant Holders | (15,421,995) | (3,22,09,554) |
| Total weighted average No. of shares | 3088219 | 46,40,000 |
| Earnings Per Share | (4.99) | (6.94) |

Provision For Current Tax

22. The Company has incurred losses in the current year as well as preceding previous years and therefore there is no taxable income and tax liability for the current financial year.
23. The aggregate sales tax liability, as per appellate and assessments orders for the financial years 2001-02, 2002-03, 2003-04 and 2012-13, was Rs. 80,05,138/- as at 31st March 2019. The company had applied under the amnesty scheme of Maharashtra State Government in respect of above mentioned outstanding sales tax liabilities in the current financial year 2019-20. Out of the above mentioned liability, based on prospective relief available under amnesty scheme, provision for sales tax liability was made for Rs. 25,49,624/- against tax and Rs. 6,55,713/- for interest as against aggregate demand of Rs. 80,05,138/-. Vide Circular No. (2019 Trade Circular No. 9T of 2019, dated the 8th March) of Government of Maharashtra (Ref: - Settlement of Arrears of Tax, Interest, Penalty or Late fee under various Acts). Administered by the Maharashtra Goods and Services Tax Department. Ordinance, 2019 (Mah. Ord. No. V of 2019 dated 6th March 2019).

The Sales tax department has accepted the applications filed by the company for above mentioned financial years and out of the total liability of Rs. 80,05,138/- net liability of Rs. 28,89,290/- and interest of Rs. 8,99,280/- was determined and levied by the sales tax department vide orders passed for respective financial years under Settlement of Arrears of Tax, Interest, Penalty or Late fee Ordinance 2019. The company has paid the total amount of Rs. 37,88,570/- including interest of Rs. 8,99,280/- against liability for above financial years under

amensty scheme.

The company had already provided for liability of Rs. 32,05,337/- as on 31st March 2019 and the said amount was paid during the current financial year 2019-20. Balance amount of Rs. 5,83,233/- was paid in the current financial year 2019-20 after the compnay received final order under amensty scheme of Maharashtra state government and the same is debited under "prior period expenses" in statement of profit and loss.

24. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases retrospectively, with the cumulative effect of initially applying the standard, on the date of initial application. Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date but discounted using lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which underlying asset is of low value.

With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating lease of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for right-to-use asset, and b) interest accrued on lease liability.

25. Effective April 1, 2018, the Company has applied Ind AS 115 which establishes comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to the contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.
26. The Company has generally complied with INDAS requirements in all material aspects and that the impact of non-compliance with some Indian Accounting Standards (Ind AS) is insignificant.
27. The previous year figures have been regrouped/reclassified, wherever necessary to conform other current presentation as per the schedule III of Companies Act, 2013.

28. Impact of COVID-19 on financial results:

The operations of the Company were completely suspended w.e.f. 25th March, 2020 as per the directives of government due to Covid-19 pandemic and now resumed in a phased manner taking into account directives from the Government. As a result of lockdown, the volume for the month of March, 2020 have been affected and consequently, the performance for the Month of March, 2020 and the current quarter has also been affected.

The impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. Accordingly the impact may be different from that estimated as at the date of approval of these financial results. The impact of COVID 19 is expected to be for several quarters. The management will closely monitor the activities and take appropriate action.

As per our report of even date attached

Directors

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

Chartered Accountants

Abhay Avchat

Partner

Membership number: 112265

Date: 31st July 2020

For and on behalf of Board of

Anil Nagpal

Managing Director

DIN: [01302308](#)

Harish Agarwal

DIN [02185002](#)

Sanjiv Narain

Independent Director

07349240

Ankita Trivedi

Company Secretary

Prince Vohra

Chief Financial Officer

Notes to accounts

Contingent liabilities & commitments

| Sr. no | Act | Particulars | Year F.Y. | Amount | Amount paid under | CARO | Remarks | Status | Jurisdiction | Whether Contingent liability |
|--------|---------------|-------------------|-----------|----------|-------------------|----------|--|----------------|--------------------------------|------------------------------|
| 1 | MVAT Act 2002 | CST Rectification | 2010-11 | - | - | - | As per discussion Form C have been submitted to Sales Tax Authority. | pending | Asst Commissioner of Sales Tax | Yes |
| 2 | MVAT Act 2002 | CST Liability | 2011-12 | - | - | - | Case is in appeal | pending | Dy. Commissioner of Sales Tax | Yes |
| 3 | MVAT Act 2002 | VAT Liability | 2010-11 | - | - | - | Case is in appeal | Appeal Pending | Asst Commissioner of Sales Tax | Yes |
| 4 | MVAT Act 2002 | VAT IB Notice | 2014-15 | 100,000 | - | 100,000 | Due to supplier not paid payment of tax | pending | Asst Commissioner of Sales Tax | Yes |
| 5 | MVAT Act 2002 | VAT Liability | 2013-14 | - | - | - | C Form not received | pending | Dy. Commissioner of Sales Tax | Yes |
| | Total | | | 1,00,000 | | 1,00,000 | | | | |

| Sr. no. | A.Y. | Section code | Demand identify | Date of demand raised | Outstanding demand | Uploaded by | Remarks |
|---------|---------|--------------|--------------------------------------|-----------------------|--------------------|-------------|--------------|
| 1 | 2013-14 | 271 (1) (c) | ITBA/PNL/S/156/2018-19/1015550012(1) | 29/03/2019 | 648,900 | AO | Appeal filed |
| 3 | 2014-15 | 143 (1) (a) | 2015201437025894153C | 06/04/2018 | 2,832 | CPC | |
| | | | | | 651,732 | | |

As per our report of even date attached
Directors
For **M/s C. V. Chitale & Co.**
Chartered Accountants

Abhay Avchat
Partner

Membership number: 112265
Date: 31st July 2020

For and on behalf of Board of

Anil Nagpal
Managing Director
DIN: [01302308](#)

Harish Agarwal
Director
DIN [02185002](#)

Sanjiv Narain
Independent Director
07349240

Ankita Trivedi
Company Secretary

Prince Vohra
Chief Financial Officer

