



EnrichingEnvironment

# **4<sup>th</sup> ANNUAL REPORT 2022-2023**

**ENVAIR ELECTRODYNE LIMITED**

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

<b>NAME</b>	<b>DESIGNATION</b>
Mr. Anil Nagpal	Managing Director
Mr. Harish Agarwal	Non-Executive Director
Mrs. Prachi Narula	Women Independent Director
Mr. Anis Ahmad Quraishi	Independent Director (Resigned w.e.f 07 <sup>th</sup> August 2023)
Mr. Satish Kumar Avasthi	Independent Director (Appointed w.e.f 07 <sup>th</sup> August 2023)

### **OTHER KEY MANAGERIAL PERSONNEL**

<b>NAME</b>	<b>DESIGNATION</b>
CS Abhimanyu Singh (Resigned w.e.f 08 <sup>th</sup> April, 2023)	CFO (Appointed on 14 <sup>th</sup> November 2022) Company Secretary and Compliance Officer ( Appointed on 07 <sup>th</sup> September 2022)
CS Avneet Kaur	Appointed as Company Secretary and Compliance officer w.e.f 01 <sup>st</sup> September 2023

<b><u>Statutory Auditor:</u></b>  M/s. Vipul M. Shah & Associates Chartered Accountants C-111, Sanjay Apartment, Mandapeshwar Road, Above Union Bank Borivali West, Mumbai 400092  <b><u>Internal Auditor</u></b>  S.M. Bhat & Associates Chartered Accountant	<b><u>Secretarial Auditor</u></b>  Mrs. Tanu Sharma Company Secretary in Practice, Chandigarh  <b><u>Banker</u></b>  Bank of India, Pimpri, Pune 411 018 IDBI Bank, Nigdi, Pune 411 044
<b><u>Name of the stock exchange</u></b>  BSE Limited.	<b><u>Registered office &amp; Works</u></b>  Office No 123, Wing A Sohrab Hall, 21 Sasoon Road Pune 411001 mail id- cs@envair.in Website: www.envair.in

### **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 **41<sup>ST</sup> Annual General Meeting** of Envair Electrodyne Limited will be held on 30<sup>th</sup> September, 2023 at 11.00 a.m. through video conferencing or other Audio visual means. The Venue of the meeting shall be deemed to be the Registered office of the Company situated at Office No 123, Wing A Sohrab Hall, 21 Sasoon Road Pune- 411001 to transact the following business: -

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2023 together with the Board's Report & Auditor's Report thereon.
2. To appoint a Director in place of Mr. Anil Nagpal (DIN: 01302308) who retires by rotation and being eligible, offers himself for reappointment.

**SPECIAL BUSINESS:**

1. To re-appoint Mr. Anil Nagpal (DIN: 01302308), as a Managing Director of the Company for a period of Two years.

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Anil Nagpal (DIN: 01302308), as Managing Director of the Company for a period of 2 Years with effect from conclusion of this AGM on such terms and conditions as may be agreed between the Board and Mr. Anil Nagpal.”

**RESOLVED FURTHER THAT** Any director of the Company be and is hereby authorized to do all such acts deeds and things to give effect to the above resolution.”

2. To appoint Mr. Satish Kumar Avasthi (DIN:10242262) as an Independent Director for a period of Five years.

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

**“RESOLVED THAT** pursuant to the provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 including any other Rules made there under and Regulation 16(1)(b) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with Articles of Association of the company, Mr. Satish Kumar Avasthi (DIN:10242262) who was appointed as an Additional Director (in the capacity of a Non-Executive Independent Director) of the company by the Board of Directors at its meeting held on 7th August 2023 pursuant to section 161 of the Act and as recommended by the Nomination and Remuneration Committee and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the company has received a Notice in writing from a Member along with the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has

submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, be and is hereby appointed as an Independent Non-Executive Director of the company to hold office for a term of 5 (five) consecutive years commencing from 07th August 2023, whose period of office will not be liable to determination by retirement of directors by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorised to do all acts and to take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

By order of the Board of Directors

For **ENVAIR ELECTRODYNE LIMITED.**

**SD/-**

**HARISH AGARWAL**

**Director**

DIN: 02185002

Place: Chandigarh

Date: 06<sup>th</sup> September 2023

**NOTES:**

1. The Ministry of company Affairs ("MCA") has vide its circular no.10/2022 dated 28 December 2022 read together with circulars dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021 and 5 May 2022 ("MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue of the AGM shall be the Registered Office of the Company.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
3. 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.
4. The facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.evair.in](http://www.evair.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia..](http://www.bseindia..) The AGM Notice is also disseminated on the website of Link Intime India Private Limited ("LIPL"). (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
6. 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.

7. The Register of Members and share transfer books of the Company will remain closed from 24.09.2023 to 30.09.2023 (both days inclusive).
8. E-voting facility to all the Members has been provided through the E-voting platform of Link Intime India Private Limited ("LI IPL"). and the company has appointed Mr. Manish Ghia (Membership No. FCS 6252), Proprietor of M/s. Manish Ghia & Associates, Practicing Company Secretaries 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.
9. In compliance with the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023, the physical shareholders are requested to furnish their PAN, KYC and Nomination details for updation to the Registrar and Transfer Agent of the Company (RTA).
10. 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](http://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](mailto:cs@envair.in) for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account.
11. As the 41<sup>st</sup> AGM is being held through VC therefore the route map is not annexed to this notice.
12. 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](mailto:info@unisec.in)

**13. Voting through Electronic Means:**

In compliance with section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility which will enable the members to cast their vote electronically. The facility of casting the votes by the Members using an electronic voting system prior to AGM and during the AGM will be provided by Link Intime India Private Limited ("LI IPL").

The instructions for members for voting electronically are given further below:

- (i) The voting period begins on Wednesday, 27<sup>th</sup> September 2023 at 9.00 a.m. and ends on Friday, 29<sup>th</sup> September 2023 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Saturday, 23<sup>rd</sup> September 2023 may cast their vote electronically.
- (ii) Shareholders who have already voted prior to the meeting date may also attend / participate in the AGM through VC / OVAM but would not be entitled to cast their vote again.

#### 14 Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

**Login method for Individual shareholders holding securities in demat mode is given below:**

##### 1. Individual Shareholders holding securities in demat mode with NSDL.

1. Existing IDeAS user can visit the e-Services website of NSDL viz. <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>

Select "Register Online for IDeAS Portal" or click at

<https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>

##### 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:

<https://eservices.nsdl.com> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

##### 2. Individual Shareholders holding securities in demat mode with CDSL

1. Existing Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the

user can visit the e-Voting service providers' website directly.

3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.

4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.'

3. Individual Shareholders (holding securities in demat mode) login through their depository participants You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

2. Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -

**A. User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.)

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. \*Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above. \*Shareholders holding shares in Demat form, shall provide 'D' above

► Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

► Click “confirm” (Your password is now generated).

3. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select ‘**View**’ icon.



2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on '**No**' and accordingly modify your vote.

#### **Guidelines for Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the evoting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

#### **Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:** Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL. **Individual Shareholders holding securities in Physical mode has forgotten the password:** If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in> o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**' o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "**SUBMIT**".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

#### **Helpdesk details**

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at 022 - 4886 7000 and 022 - 2499 7000 Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

#### **Login type**

Individual Shareholders holding securities in demat mode with NSDL

Individual Shareholders holding securities in demat mode with CDSL

#### **Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget

Password option available at abovementioned depository/ depository participants website.

Ø It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Ø For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

Ø During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

**15 Process and manner for attending the Annual General Meeting through InstaMeet:**

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on “Login”.

► Select the “**Company**” and ‘**Event Date**’ and register with your following details: -

**A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No • Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

• Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID • Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

► Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

**16. Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the email id : [cs@envair.in](mailto:cs@envair.in)

2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.

3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.

4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.

5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**17. Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

i. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”

ii. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on

'Submit'.

iii. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

iv. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

v. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting. Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting. Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

**18.** Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members.

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

**SD/-**  
**HARISH AGARWAL**  
**Director**  
DIN: 02185002

Place: Chandigarh  
Date: 06<sup>th</sup> September 2023

## EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

**ITEM NO. 2 of Ordinary Business:**

**Information, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 for appointment / re-appointment of directors, is as below:**

<b>Name of the Director</b>	Mr. Anil Nagpal
<b>DIN</b>	01302308
<b>Date of Birth</b>	24/03/1959
<b>Date of first appointment on the Board</b>	11/05/2018
<b>Category</b>	Managing Director
<b>Remuneration</b>	0
<b>Nature of expertise in specific functional areas and Experience</b>	Mr. Anil has an experience of more than 30 years in the business of Supply Chain, Logistics and Manufacturing of Pharmaceuticals & FMCG goods. He has implemented green field projects for ICI plc UK, Johnson & Johnson & Unilever – Passion to venture into new projects to diversify and accept technology as tools of change has taken the group turnover to Rs. 400 million.
<b>Qualification</b>	A Commerce Graduate with a Business Management Degree from , Punjab University, Chandigarh,
<b>Number of shares held in the Company</b>	1234745
<b>Directorship held in other Companies</b>	NIL
<b>Relationships between Directors inter-se</b>	None

**(ii) Details of Other Directorships and Committee memberships held by Mr. Anil Nagpal:**

<b>Sr. No.</b>	<b>Name of the Company in which she is a director</b>	<b>Details of Committee Membership / Chairmanship in the Company</b>
1.	Envair Electrodyne Limited	<b>Member of Stake Holder committee and Audit committee</b>

2.	Aaa Constructions Private Limited	NA
3.	Duratech Cements India Limited	NA
4.	Alliance World Manufacturing Limited	Member of Audit committee
5.	Alliance India Consumer Products Private Limited	NA
6.	Imperial Marketing Services India Pvt Ltd	NA

**ITEM NO. 1 of Special Business**

i) The members are notified that it is proposed to reappoint Mr. Anil Nagpal as Managing Director of the Company. The Members may note that the tenure of appointment of Mr. Anil Nagpal, Managing Director is a period of 2 (Two years), i.e., effective from 30<sup>th</sup> September, 2023 to 30<sup>th</sup> September, 2025 for which approval of the shareholders is being sought. The Members may note that the Company has received a letter of consent from Mr. Anil Nagpal signifying his willingness to be reappointed as Managing Director, a declaration under section 164 of the Companies Act, 2013 and other statutory disclosures/declarations as required under the law. The essential terms and condition of his appointment and remuneration are as under;

Sr. No.	Requirement	Disclosures
1.	Name (DIN)	Mr. Anil Nagpal 01302308
2.	Reason for Reappointment	Mr. Anil Nagpal has been a pillar of the company in the field of Administration, Taxation, finance, accounting and Legal. He is a person of high integrity and complete honesty.
3.	Date of Reappointment &  Terms of appointment	Date of Re Appointment: 31 <sup>st</sup> August 2023 ( By board)  Terms of appointment: Re-Appointed as a Managing Director of the Company by the board subject to the approval of shareholders of the Company at the Annual General Meeting. <b>Retire by rotation</b> • Liable to retire by rotation <b>Duties:</b> • To adhere as provided under Section 166 of the Act. <b>Code of Conduct:</b> • Abide by the Code of Conduct devised by the Company. <b>Remuneration:</b> Nil
4.	Brief Profile and Expertise	Mr. Anil has an experience of more than 30 years in the business of Supply Chain, Logistics and Manufacturing of Pharmaceuticals & FMCG goods. He has implemented green field projects for ICI plc UK, Johnson & Johnson & Unilever – Passion to venture into new projects to diversify and accept technology as tools of change has taken the group turnover to Rs. 400 million.
5.	Disclosure of relationship between Directors (in case appointment of a Director)	Mr. Anil Nagpal is not related to any existing directors of the Company.

6.	Information as required pursuant to BSE Circular Vide Ref No.LIST/COMP/14/2018-19 and the National Exchange of India Limited Vide Ref. No. NSE/CML/2018/24, both dated June 20, 2018.	Mr. Anil Nagpal is not debarred from holding the office of Director by virtue of any order passed by the Securities and Exchange Board or any other.
7.	Number of shares held in the Company	12,34,745

## (ii) Details of Other Directorships and Committee memberships held by Mr. Anil Nagpal:

Sr. No.	Name of the Company in which she is a director	Details of Committee Membership / Chairmanship in the Company
1.	Envair Electrodyn Limited	Member of Stake Holder committee and Audit committee
2.	Aaa Constructions Private Limited	NA
3.	Duratech Cements India Limited	NA
4.	Alliance World Manufacturing Limited	Member of Audit committee
5.	Alliance India Consumer Products Private Limited	NA
6.	Imperial Marketing Services India Pvt Ltd	NA

**ITEM NO. 2 of Special Business**

(i) In pursuance to the provisions of Section 149, 152, 161, and other applicable provisions, if any, of the Companies Act, 2013, read with applicable rules made there under, Regulation 16 (1) (b) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, vide their resolution dated 7th August 2023, appointed Mr. Satish Kumar Avasthi (DIN:10242262) as an Additional Non-Executive Independent Director of the Company with effect from 7th August 2023 to hold office up to the date of the ensuing Annual General Meeting.

The Company has also received: -

- i. the consent in writing to act as Director pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and
- ii. an intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014, that he is not disqualified to act as a Director under Section 164(2) of the Companies Act, 2013;
- iii. A declaration that he meets the criteria of Independence as provided under Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;
- iv. a declaration to the effect that he is not debarred from holding the office of Director pursuant to any

Order issued by the Securities and Exchange Board of India (SEBI).

After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Mr. Satish Kumar Avasthi's vast knowledge and varied experience will be of great value to the Company and would be beneficial to the overall functioning of the Company.

As on date of this notice, Mr. Satish Kumar Avasthi does not hold any shares in the Company and is not related to any of the Directors / Key Managerial Personnel of the Company.

A brief profile of Mr. Satish Kumar Avasthi including the nature of his expertise and other details in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard-2 is annexed to the Notice convening the AGM.

Except Mr. Satish Kumar Avasthi, none of the Directors, Key Managerial Personnel and / or their relatives are, in any way, concerned or interested financially or otherwise, in the above resolution.

The Board of Directors recommend the passing of Special Resolution as set out in Item No. 2 of the accompanying notice relating to the appointment of Mr. Satish Kumar Avasthi as a Non-Executive Independent Director of the Company for the approval of the members.

(ii) Information, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 for appointment / re-appointment of directors, is as below:

<b>Name of the Director</b>	Satish Kumar Avasthi
<b>DIN</b>	10242262
<b>Date of Birth</b>	02/04/1951
<b>Date of Appointment</b>	07 <sup>th</sup> August 2023
<b>Category</b>	Independent Director
<b>Qualification</b>	M.Sc, M.Phil, L.L.B
<b>Nature of expertise in specific functional areas and Experience</b>	<p>1. Experience Period: <b>1978 – 2009 ( 30 years ) Employer: Govt. of Himachal Pradesh, Department of Excise and Taxation Position Held</b> : After recruitment as Excise and Taxation Officer , finally retired as Additional Excise and Taxation Commissioner in 2009</p> <p><b>2. Advocate and Consultant Period: 2009 to date (14 years):</b> After retirement from the Govt. service, presently working as an advocate and consultant , dealing with the matters related to State Excise , VAT , GST &amp; other State Taxes , mining laws and environment laws at various appellate forums and the Hon'ble High Court of HP.</p>
<b>Number of shares held in the Company</b>	NIL
<b>Directorship held in other Companies</b>	NIL
<b>Relationships between Directors inter-se</b>	None

<b>Skills and capabilities required for the role</b>	He is a qualified lawyer with good work experience in corporate and government sector. His incredible work experience will be a great boon in taking vital decisions for the Company in the near future.
<b>Terms of appointment</b>	<u>Retire by rotation</u> Not liable to retire by rotation <u>Duties:</u> To adhere as provided under Section 166 of the Act. <u>Code of Conduct:</u> Abide by the Code of Conduct devised by the Company. <u>Remuneration:</u> Sitting Fees for attending each meeting of Board of Directors and Committees of the Board thereto.

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

**SD/-**  
**HARISH AGARWAL**  
**Director**  
DIN: 02185002

Place: Chandigarh  
Date: 06<sup>th</sup> September 2023



**BOARD'S REPORT**

**To,  
The Members,  
Envair Electrodyn Limited.**

Your Directors hereby present the 41<sup>st</sup> Annual Report on the Business and Operations together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 ("FY 2022-23").

**1. FINANCIAL HIGHLIGHTS:**

The financial figures for the year under review along with previous financial year are given below:

Particulars	Current Year 2022-23	Previous Year 2021-22
Income Earned During the year	1,44,48,610	48,599,526
Profit before Taxes & Other adjustments	(58,86,083)	(7,704,064)
Exceptional item	8,37,49,999	-
Profit before Taxes	7,78,63,916	(7,704,064)
Less Provisions for Taxes		
Less Current Tax	1,70,46,536	-
Add/ (Less) Deferred Tax		
Profit for the period	6,08,17,380	(7,704,064)
Add: Item not classified to profit & loss	-	(36,813)
Total Comprehensive Income	6,08,17,380	(7,740,877)

**2. REVIEW OF OPERATIONS:**

During the year under review, the Company earned total revenue of Rs. 14,448,610 (One crore forty four lakhs forty eight thousand six hundred and Ten Only). The Profit after tax was Rs. 60,817,380 (Six Crores Eight lakhs Seventeen Thousand Three Hundred and Eighty Only) as against loss of Rs. 77,04,064 (Seventy-Seven Lakhs Four Thousand and Sixty-Four Only) in the previous year. The Company's profit can be attributed to exceptional item – sale of leasehold rights. The Company has also recorded loss of Rs. 19,115,549 due to fraud which was detected post balance sheet date and has now been fully provided for.

**3. CHANGE IN NATURE OF BUSINESS:**

There was no change in nature of business activities or operations of the Company during the financial year under review.

## ENVAIR ELECTRODYNE LTD.



### 4. DIVIDEND:

Your Directors do not recommend any dividend for the FY 2022-23.

### 5. TRANSFER TO RESERVES:

During the financial year under review, the Company has not made any transfer to reserves.

### 6. SHARE CAPITAL:

#### Authorized Share Capital

During the FY 2022-23, there was no change in the Authorized Share Capital of the Company. The Authorised Share Capital of the Company as on March 31, 2023 was Rs. 5,50,00,000/- (Rupees Five Crore Fifty Lakhs Only) divided into 55,00,000 (Fifty-Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

#### Issued, Subscribed, Paid-up Share Capital

During the FY 2022-23, there was no change in the Issued, Subscribed and Paid up Share Capital of the Company. The Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2023, was Rs. 4,64,00,000/- (Rupees Four Crores Sixty-Four Lakhs Only) divided into 46,40,000 (Forty-Six Lakhs Forty Thousand Only) Equity Shares of Rs. 10/- (Rupee Ten Only) each.

#### Demat Suspense Account

The company has not transfer any equity share(s) to Demat Suspense Account during the year.

### 7. PUBLIC DEPOSIT:

During the FY 2022-23, the Company has not accepted any deposits from public/members within the meaning of Section 73 and 76 of the Companies Act, 2013 ('the Act') read with Companies (Acceptance and Deposits) Rules, 2014.

### 8. ANNUAL RETURN:

The Annual Return of the Company in Form MGT-7 for the FY 2022-23, as required under Section 92(3) and Section 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 will available on the website of the Company and can be accessed at <http://www.envair.in/>

### 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### List of Directors as on 31<sup>st</sup> March 2023

S.no	Name	Designation	DIN
1	ANIL NAGPAL	Managing Director	01302308

## ENVAIR ELECTRODYNE LTD.



2	HARISH KUMAR AGARWAL	Director	02185002
3	PRACHI NARULA	Independent Director	08502922
4	ANIS AHMAD QURAISHI	Independent Director	09273102

### **Changes During the Financial Year 2022-23**

There were no changes in the directorship of the company in the reporting financial year.

### **Retirement by rotation:**

In accordance with the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, Mr. Anil Nagpal (DIN: 01302308) Managing Director, who is liable to retire by rotation at the ensuing Annual General Meeting ("AGM"), being eligible, offers himself for re-appointment.

### **Declaration from Independent Directors:**

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended, and as per the Ministry of Corporate Affairs Notification dated October 22, 2019 the Independent Directors of the Company have included their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

### **Remuneration to Non-Executive Directors**

During the financial year under review, the Non-Executive Directors (NEDs) of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

### **Key Managerial Personnel (KMP):**

Pursuant to the provisions of Section 2(51) and Section 203 of the Act, the following are KMPs of the Company as on March 31, 2023:

Sr. No.	Name of the KMP	Designation
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## ENVAIR ELECTRODYNE LTD.



1.	Mr. Anil Nagpal	Chairman & Managing Director
2.	Mr. Abhimanyu Singh	Chief Financial Officer, Company Secretary & Compliance Officer : (Resigned from April 08, 2023)

### 10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(3)(c) and Section 134(5) of the Act, your Directors, to the best of their knowledge and ability, confirm that:

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

### 11. ANNUAL PERFORMANCE EVALUATION BY THE BOARD, IT'S COMMITTEES AND OF INDIVIDUAL DIRECTORS:

**Board:** In accordance with the criteria suggested by the Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, with regards to various criteria such as Board composition, Board processes and Board dynamics. The Independent Directors, at their separate meeting, also evaluated the performance of the Board as a whole based on various criteria. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

**Committees of the Board:** The performance of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee was evaluated by the Board with regards to various criteria such as committee composition, committee processes and committee dynamics. The Board was of the unanimous view that all the committees were performing their functions satisfactorily.

and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Act, the Rules framed thereunder and the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Individual Directors:** In accordance with the criteria suggested by the Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of Directors (excluding the director being evaluated) on various parameters such as qualification, experience, availability and attendance, integrity, commitment, governance, independence, communication, preparedness, participation and value addition. The Board was of the unanimous view that each independent director was a reputed professional and brought his/her rich experience to the deliberations of the Board

## **12. MEETINGS OF THE BOARD:**

The Board met at regular interval to discuss and decide on affairs, operations of the Company and to supervise and control the activities of the Company.

During the year under review, 7 (Seven) Board Meetings were held i.e. on May 7, 2022, May 23, 2022, August 16, 2022, August 27, 2022, September 7 2022, November 14, 2022 and February 14, 2023. The intervening gap between the two consecutive Board meetings did not exceed the period prescribed by the Act, Listing Regulations, Secretarial Standard on Board Meetings (SS-1) issued by ICSI.

The details of attendance of the Directors at the meetings held during the year under review are stated herewith:

Sr. No.	Name of Directors	Category	No. of Board Meetings attended
1	Mr. Anil Nagpal	Chairman & Managing Director	7
2	Mr. Harish Kumar Agarwal	Director	7
3	Mr. Anis Ahmad Quraishi	Independent Director	7
4	Ms. Prachi Narula	Independent Director	7

## **13. COMMITTEES OF THE BOARD:**

As required under the applicable provisions of the Act, the Company has constituted following Statutory Committees of the Board viz.:

1. Audit Committee;
2. Stakeholders' Relationship Committee; and
3. Nomination and Remuneration Committee.

## **AUDIT COMMITTEE AND ITS COMPOSITION:**

## ENVAIR ELECTRODYNE LTD.



The Audit Committee is duly constituted as per the provisions of Section 177 of the Act:

During the FY 2022-23, the Committee met 4 (Four) times i.e. on May 7, 2022, August 16, 2022, November 14, 2022 and February 14, 2023.

The composition of the Committee and attendance details for the meetings held during FY 2022-23, is as follows:

Name of Director	Designation	No. of Meetings attended
Ms. Prachi Narula	Chairman	4
Mr. Harish Kumar Agarwal	Member	4
Mr. Anis Ahmad Quraishi	Member	4

All members are financially literate and bring in expertise in the fields of finance, accounting, development, strategy and management.

The minutes of the meetings of the Committee are placed before and noted by the Board. All the recommendations made by the Committee during the year under review were accepted by the Board.

### STAKEHOLDERS' RELATIONSHIP COMMITTEE AND ITS COMPOSITION:

The company has duly established stakeholder & Relationship Committee meeting.

Name of Director	Designation	No. of Meetings attended
Ms. Prachi Narula	Chairman	1
Mr. Anis Ahmad Quraishi	Member	1
Mr. Harish Kumar Agarwal	Member	1

### NOMINATION AND REMUNERATION COMMITTEE AND ITS COMPOSITION:

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.

Name of Director	Designation	No. of Meetings attended
Ms. Prachi Narula	Chairman	2
Mr. Anil Nagpal	Member	2
Mr. Harish Kumar Agarwal	Member	2

## 14. DETAILS OF FAMILIARIZATION PROGRAMME

The details of the programme for familiarization of independent directors with the company, their roles, rights, responsibilities in the company, nature of industry in which the company operates and related matters are posted on the website of the company at <http://www.envair.in>.

## 15. MANAGEMENT DISCUSSION & ANALYSIS:

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 as the business growth is slow. Since the takeover of the Company by the new management, they have been on the lookout for newer opportunities. Measures to achieve cost reduction and competitive sales price have been initiated for certain product lines which are being continued. These actions are expected to provide contribution.

Further, to improve return on equity and capital employed the Company, the Company have decided to invest the surplus cash into a business in Indonesia and the process for approval of the same by the members of the Company is underway. The Company is also looking at setting up contract manufacturing for certain products in India.

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

## 16. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to Section 177 of the Act, the Company has established a vigil mechanism to provide directors and employees with a platform to report concerns related to unethical behavior, actual or suspected fraud, or violation of the Code of Conduct and Ethics Policy. The mechanism provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and, in exceptional cases, it allows for direct access to the Chairman of the Audit Committee.

During the FY 2022-23, we affirm that no employee or director was denied access to the Chairman of the Audit Committee regarding any reported concerns through the vigil mechanism.

The Vigil Mechanism / Whistle Blower Policy can be accessed on the website of the Company [www.envair.in](http://www.envair.in)

## 17. RISK MANAGEMENT:

The Company has implemented a comprehensive Risk Management Policy aimed at proactively identifying, analyzing, and mitigating risks that may impact its operations and objectives. The Board of Directors consistently engages in a detailed exercise to identify these risks and define appropriate measures for their control and mitigation, following a well-defined procedure.

The Board and the Audit Committee periodically reviews the risks associated with the Company and recommend steps to be taken to control and mitigate the same through a properly defined framework.

The Risk Management Policy can be accessed on the website of the Company at chrome- [www.envair.in](http://www.envair.in)



**18. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There were no significant or material orders passed by any regulator, court or tribunal that would impact the going concern status of the Company or have a bearing on Company's operations in future.

**19. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

As the Company is not having Net Worth of Rupees Five Hundred Crores or more, or Turnover of Rupees One Thousand Crores or more or a Net Profit of Rupees Five Crores or more during any Financial Year, the Company is not required to comply with the provisions of Section 135 of the Companies Act, 2013 with regard to the formation of the CSR Committee and undertaking of Social Expenditure as required under the said Section.

**20. STATUTORY AUDITORS AND AUDITORS' REPORT:**

M/s. Vipul M. Shah & Associates, Chartered Accountants (Registration No. 117853W), were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 29<sup>th</sup> September 2022 to hold the office until the conclusion of the Annual General Meeting of the Company to be held for the financial year 2026-2027.

The Company has obtained written consent and a certificate from M/s. Vipul M. Shah & Associates. confirming their compliance with the criteria specified under Section 141 of the Act for the appointment of auditors. Additionally, the Certificate also verifies that their appointment as auditors falls within the limits prescribed under Section 139 of the Act.

During the year under review, the Statutory Auditors have confirmed that instance of fraud was reported to the Audit Committee, in accordance with Section 143(12) of the Act.

**21. DETAILS OF FRAUD AS REQUIRED UNDER SECTION 134(3)(CA) OF THE COMPANIES ACT READ WITH RULE 13 OF THE COMPANIES (AUDIT AND AUDITORS) RULES, 2014.**

(a) **Nature of Fraud with description:** Financial Fraud. Transfer of funds from the bank account without authorization.

(b) **Approximate Amount involved:** Financial loss of Rs. 19,115,549. Financials approval for 31st March 2023 and 30<sup>th</sup> June 2023 were also delayed which has resulted in a penalty levied by the Bombay Stock Exchange.

(c) **Parties involved:** Nilkanth Patole; (Chief Accountant) and Unnamed Bank Officials



(d) **Remedial actions taken.:** Yes, FIR is registered. Auditors were also informed. The fraud happened by sheer negligence of the bank which did the transactions without authorization and documentation or any approval from the Company. All the banks have been reprimanded and informed that no transaction should take place without original authentic documents. The directors have also started to personally check Bank reconciliation statements on a regular basis.

## 22. INTERNAL AUDITOR:

S.M. Bhat & Associates Chartered Accountant are the Internal Auditor of the Company.

## 23. INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Board has implemented comprehensive policies and procedures to ensure smooth and effective conduct of its business operations. These policies cover various aspects, including adherence to Company Policies, safeguarding of assets, prevention and detection of frauds and errors, as well as ensuring the accuracy and completeness of accounting records and timely preparation of reliable financial disclosures.

The Audit Committee in co-ordination with the Board evaluates the Internal Financial Control Systems and strives to maintain the appropriate Standards of Internal Financial Control. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis Report, which forms part of this Annual Report.

## 24. SECRETARIAL AUDITORS AND THEIR REPORT:

Mrs. Tanu Sharma, Company Secretary in Practice having Membership no. FCS 21041 was appointed to conduct the Secretarial Audit of the Company for the F.Y. 2022-23 as required under section 204 of the Act and Rule made their Rule under. The Secretarial Audit report, in form MR-3 for the F.Y. 2022-23 is annexed to this report.

## 25. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE –

### (i) By the Statutory Auditor in his report;

II	Audit Qualification				
II (1)	<p>a. Details of Audit Qualification:</p> <p>b. We draw attention to <b>Note no. 33.2.25</b> in Financial Statements regarding the fraud amounting to Rs. 1,91,15,549/- was identified during the year. Amounts reflecting year-wise fraud is reflected in the table below-</p> <table border="1"> <thead> <tr> <th>Financial Year (F.Y.)</th><th>Amount (Rs.)</th></tr> </thead> <tbody> <tr> <td> </td><td> </td></tr> </tbody> </table>	Financial Year (F.Y.)	Amount (Rs.)		
Financial Year (F.Y.)	Amount (Rs.)				



FY 2020-21	22,48,467
FY 2021-22	67,77,123
FY 2022-23	79,22,459
FY 2023-24 (May 2023)	21,67,500
Total	1,91,15,549

Out of the above, Rs.22,48,467 for FY 2020-21 and Rs. 67,77,123 for FY 2021-22 have not been restated with the impact of prior period fraud as per the requirement in Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

The Company has additionally debited an amount of Rs. 72,88,422 (**Refer Note no. 33.2.22**) pertaining to FY 2021-22 as prior period expense. This amount has not been restated in the Financial Statement as per the requirement of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

As per Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Loss of the previous year 2021-2022 is understated by Rs. 1,40,65,545 (Rs. 67,77,123 (Fraud of FY 2021-22) + Rs. 72,88,422 (prior period item debited in FY 2022-23)). The resultant Total loss for the previous year would be Rs. 2,18,06,422.

As per Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors, the opening reserve as on 01.04.2021 is understated by (Rs. 22,48,467) fraud pertaining to FY 2020-21. The resultant opening reserve would be (Rs. 8,29,42,833).

Rs. 21,67,500 (fraud of FY 2023-24) is debited to the Profit & Loss account of FY 2022-23. This should be charged to Profit & loss account for the Year 2023-24. The profit for the year 2022-23 is thereby understated by Rs. 21,67,500.

c. Type of Audit Qualification: Qualified Opinion

d. Frequency of Qualification: 1<sup>st</sup> Time

e. For Audit Qualification (s) where the impact is quantified by the Auditor Management's Views:  
 The Company has identified the financial fraud in the current year FY23-24 prior to finalization of FY22-23 accounts. The same has been accounted for in the year FY22-23 only (including amounts debited in FY23-24).  
 The IndAS 8 states:  
*Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:*  
 (a) was available when financial statements for those periods were approved for issue; and  
 (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial

	<p><i>statements.</i></p> <p>The management if of the opinion that since the fraud was detected only in FY23-24 this does not fall under the definition of prior period errors as per Ind AS 8.</p>
	<p>f. For Audit Qualification(s) where the impact is not quantified by the Auditor, Managements View: NIL</p>
II (2)	<p>a. Details of Audit Qualification:  <b>Note no. 33.2.17, 33.2.18 &amp; 33.2.27</b> in financial statements stating that the balances of parties under head Trade receivable, Trade payable, Advances and Deposits are subject to confirmation and reconciliation. 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.</p> <p>b. Type of Audit Qualification: Qualified Opinion</p> <p>c. Frequency of Qualification: Recurring</p> <p>d. For Audit Qualification (s) where the impact is quantified by the Auditor Management's Views: NIL</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the Auditor:                      The Company is in the process of getting the confirmations and reconciling the same, if required. The Management if of the opinion that debtor balances, advances have been provided to the extent of all long overdue balances except identified debtors wherein recovery is in process. Since, the chief accountant has been arrested due to the fraud incident, we have difficulties in collating the required information for audit purposes. The management feels no material provision is required for the same.</p>
II (3)	<p>a. Details of Audit Qualification:  <b>Note no. 33.2.4</b> in financial statements stating that the opening inventories of Rs. 45,69,253 as on 01.04.2022 consisting of -</p> <p style="text-align: center;"> <i>Raw Material      Rs. 24,88,755</i>  <i>Finished goods   Rs. 20,80,498</i> </p> <p><i>was sold to Rajesh Enterprise in June 2023 for -</i></p> <p style="text-align: center;"> <i>Raw Material      Rs. 4,00,000</i>  <i>Finished goods   Rs. 4,47,500</i> </p> <p><i>Accordingly, Closing inventories valued at Rs. 38,28,153/- as on 31.03.2023 includes Net Realizable Value of Opening inventories amounting to Rs. 8,47,500 (Cost Rs. 45,69,253).</i></p> <p>b. Type of Audit Qualification: Qualified Opinion</p> <p>c. Frequency of Qualification: 1<sup>st</sup> Time</p>

	<p>d. For Audit Qualification (s) where the impact is quantified by the Auditor Management's Views: NIL</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the Auditor, Managements View: The Company has followed the requirements of Ind-AS2 – Valuation of Inventory. As on 31 March 2023, the Company has valued the inventory at cost or NRV, whichever is lower and as on the date of signing of the financial statements, the entire inventory has been sold at higher than the carrying value as on 31 March 2023.</p>
II (4)	<p>a. Details of Audit Qualification: <i>We draw attention to <b>Note no 33.2.7</b> in financial statements stating that Net block of Vehicle as on 31.03.2022 was Rs. 2 (Rupees Two). Physical verification of the same has not been done by us as the Asset was not in possession of the Company as the same was fully depreciated and sold before 2018 as confirmed by the management. Looking at value of the Asset, the accounts of earlier years have not been reinstated.</i></p>
	<p>b. Type of Audit Qualification: Qualified Opinion</p>
	<p>c. Frequency of Qualification: 1<sup>st</sup> Time</p>
	<p>d. For Audit Qualification (s) where the impact is quantified by the Auditor Management's Views: NIL</p>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the Auditor, Managements View: The Management is of the opinion that the fixed assets were sold before the takeover of the Company by the current management. The Rs. 2 Net Book Value was inadvertently carried in the books of the Company and now has been written off.</p>

**(ii) By the Secretarial Auditor in her secretarial audit report;**

Sr. No.	Relevant Provision for Compliance Requirement	Observation made by company secretary in practice	Management Comments
01	Regulation 6(1) Non-compliance with requirement to appoint a qualified company secretary as the compliance officer.	The Company has complied with the Regulation and paid the fine imposed by BSE.	As soon as the noncompliance was brought to light it was made good and fine was paid to the stock exchange

**26. MAINTENANCE OF COST RECORDS:**

Pursuant to the provisions of Section 148(1) of the Act and rules made thereunder, maintenance of Cost Records or Cost Audit was not applicable to the Company during the year under review.

**27. PARTICULARS OF LOANS, GUARANTEES, AND INVESTMENTS:**

The particulars of Loans, Guarantees and Investments made by the Company, falling under the purview of Section 186 of the Act, are given in the notes to the Financial Statements, as included in this Annual Report.

## **28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The Company has entered into transactions with related parties in accordance with the provisions of the Companies Act, 2013 and the particulars of the contracts or arrangements with related parties referred to in Section 188 (1), as prescribed in Form AOC-2. The related party transaction was at arm's length and under normal course of business. Your Directors draw the attention of the members to Note No. 35 to the financial statement, which sets out related party disclosures.

## **29. PARTICULARS OF LOANS ACCEPTED FROM DIRECTORS OR RELATIVES OF DIRECTORS:**

During the year under review, no loans have been accepted from any director or their relative.

## **30. PARTICULARS OF THE EMPLOYEES AND REMUNERATION:**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure III of this report.

During the year under review, no employee was in receipt of remuneration exceeding the limits as prescribed under provisions of Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The details of the same are given in Annexure IV of this Report.

## **31. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Pursuant to Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, details regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo for the year under review is attached herewith as "**Annexure II**" to this report.

## **32. STOCK EXCHANGE:**

The Equity Shares of the Company are listed on BSE Limited. The Company has paid the Annual listing fees for the financial year 2023-24 to the said Stock Exchange.

## **33. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES:**

As on March 31, 2023, the Company does not have any Subsidiary, Associate and Joint Venture company. Therefore, the preparation of consolidated financial statements and the statement containing salient

features of the Subsidiary, Associate and Joint Venture companies in Form AOC-1, as required under Section 129 of the Act, is not applicable to the Company. Furthermore, during the year under review, no Company ceased to be a subsidiary, associate and joint of the Company.

**34. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:**

There was a fraud unearthed by the company while finalizing the accounts of the Company for the financial year ending 31<sup>st</sup> March 2023. The initial disclosure was made to stock exchange on 25<sup>th</sup> May 2023 and the final disclosure was made on 17<sup>th</sup> July 2023. Other than these, there have been no material changes and commitment that would have an impact on the financial positions of the Company occurred between the end of the FY 2022-23, to which this financial statement relates, and the date of this report.

**35. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company has devised robust systems to ensure compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI). During the year under review, the Company has diligently complied with all the relevant provisions of these secretarial Standards.

**36. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder. Furthermore, the Company has constituted an Internal Complaints Committee under Section 4 of the said Act. There were no complaints received by the Committee on sexual harassment during the Financial Year under review.

**37. VALUATION FOR ONE TIME SETTLEMENT WITH BANK AND FINANCIAL INSTITUTION:**

The Company has not made any valuation for one-time settlement with banks and financial Institution. Hence, there is no reason for elaboration on the said aspect.

**38. DISCLOSURE IN RESPECT OF STATUS OF APPLICATION OR PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:**

During the year under review, no application was made or any proceedings were pending against the Company under the Insolvency and Bankruptcy Code, 2016.

**ACKNOWLEDGEMENT:**

The Directors of Company express their heartfelt gratitude and appreciation to all the stakeholders, including bankers, clients, employees, and the investing community, for their unwavering assistance,



# ENVAIR ELECTRODYNE LTD.



cooperation, and support to the company. We sincerely acknowledge the contributions of every member of our organization, as their dedication and efforts have been instrumental in our success. We eagerly look forward to the continued support and collaboration of all stakeholders in the future.

For and on behalf of the Board of Directors,

SD/-  
ANIL NAGPAL  
MANAGING DIRECTOR  
DIN: 01302308

SD/-  
HARISH AGARWAL  
DIRECTOR  
DIN: 02185002

Date 31<sup>st</sup> August 2023

## **ANNEXURE 'I' TO DIRECTOR'S REPORT** **FORM AOC – 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of Particulars of Contracts or Arrangements with Related Parties referred to in Section 188(1) of the Companies Act, 2013.

A) Details of contracts or arrangements or transactions not at arm's length basis: N.A.

B) Details of contracts or arrangements or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid in advance, if any.	Board Approval Date
1.	PT.Alliance Consumer Products Indonesia.	Sales	ONGOING	As per the terms and conditions of the contract	N.A.	30th JUNE 2021

**Kindly note that the transaction is at arm's length and under normal course of business.**

**ANNEXURE 'II' 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	2022-23	2021-22
1	Expenses on power & fuel	-	Rs. 5,41,828

**(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:**

The details of Foreign exchange earnings during the current Financial year 2022-23.

Particulars	FY 2022-23	FY 2021-22
Export Sale	97,21,621	--



**Annexure III**

**Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with**

**Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

1. The percentage increase / (decrease) in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary (CS) during the financial year 2022-2023 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-2023 are as under:

Sr. No.	Name of the Director / Key Managerial Person (KMP) and Designation	Remuneration of Director / KMP for the financial year 2022 – 2023	% increase/ (decrease) in remuneration in the financial year 2022 – 2023	Ratio of remuneration of each Director to the median remuneration of employees
1.	Anil Nagpal	NIL	NIL	NIL
2.	Harish Kumar Agarwal	NIL	NIL	NIL
3.	Prachi Narula	NIL	NIL	NIL
4.	Anis Ahmad Quraishi	NIL	NIL	NIL
5.	Abhimanyu Singh	NIL	NIL	NIL

2. The median remuneration of the employees of the Company during the financial year NIL. As there was only one employee in the given period
3. The percentage change in the median remuneration of employees in the financial year. NIL. As there was only one employee in the given period
4. In the financial year, the median remuneration of employees in comparison to the previous year : NA
5. There was 1 permanent employee on the rolls of the Company as on March 31, 2023.
6. There has been no average percentile increase made in the salaries of employees other than the managerial personnel in the financial year 2022-2023 and there is no increase in the managerial remuneration for the same financial year.
7. Affirmation that the remuneration is as per the remuneration policy of the Company.  
It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**Annexure IV**

**Particulars of employees as required under Section 197(12) of Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- A. Particulars of employees drawing salary of Rs. 102 Lakhs or above per annum as required under Section 197(12) of Companies Act, 2013 read with Rule 5(2) (i) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name	Age	Designation	Gross Remuneration (Rs. in Lakhs)	Nature of Employment	Qualifications	Total Experience	Date of Commencement of employment	Last employment held, Designation-period for which post held
NIL								

- B. Particulars of the employees employed for a part of a year drawing salary of not less than Rs. 8.50 Lakhs per month in aggregate.

Name	Age	Designation	Gross Remuneration (Rs. in Lakhs)	Nature of Employment	Qualifications	Total Experience	Date of Commencement of employment	Last employment held, Designation-period for which post held
NIL								

- C. Particulars of the employee employed throughout the year or a part of the year who was in receipt of remuneration which is in excess of that drawn by the Managing Director or Manager and who holds himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

Name	Age	Designation	Gross Remuneration (Rs. in Lakhs)	Nature of Employment	Qualifications	Total Experience	Date of Commencement of employment	Last employment held, Designation-period for which post held
NIL								

For and on behalf of the Board of Directors,

SD/-  
ANIL NAGPAL  
MANAGING DIRECTOR  
DIN: 01302308

SD/-  
HARISH AGARWAL  
DIRECTOR  
DIN: 02185002

Date 31<sup>st</sup> August 2023

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2023.**

***[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,**

**(CIN: L29307MH1981PLC023810)**

Office No 123, Wing A Sohrab Hall

21 Sasoon Road, Pune, Pune City - 411001

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by M/s **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 31<sup>st</sup> March 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;



- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; – **Not applicable** to the Company during the Audit Period;
- (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 – **Not applicable** during the Audit Period;
- (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 have also examined compliance with the applicable clauses of the following:

- (i) 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.

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:



Sr. No.	Relevant Provision for Compliance Requirement	Observation
01	Regulation 6(1) Non-compliance with requirement to appoint a qualified company secretary as the compliance officer.	The Company has complied with the Regulation and paid the fine imposed by BSE.

**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.

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.

**Place: Chandigarh**  
**Date: 25<sup>th</sup> August 2023**



**Tanu Sharma**  
**Practicing Company Secretary**  
**C.P. No: 21041**  
**UDIN: A031410E000867036**  
**Peer Review No: 2619/2022**

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



**Tanu Sharma**  
**Company Secretary**  
**C.P. 21041**

#1235/2, Sector 30-B,  
Chandigarh-160030  
MB-9888932364  
Email: sharmasingh2013@gmail.com  
Cstanu12@gmail.com

**'Annexure A'**

To,

The Members,

**ENVAIR ELECTRODYNE LIMITED,**  
**(CIN: L29307MH1981PLC023810)**

Registered. Office: Office No 123

Wing A Sohrab Hall

21 Sasoon Road, Pune, Pune City - 411001

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 are 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.



**Place: Chandigarh**  
**Date: 25<sup>th</sup> August 2023**

**Tanu Sharma**  
**Practicing Company Secretary**  
**C.P. No: 21041**  
**UDIN: A031410E000867036**  
**Peer Review No: 2619/2022**



CA - Vipul M. Shah

M : 9820604323

CA - Urvi N. Nathwani

M : 9833002163

# M/s. Vipul M. Shah & Associates

## CHARTERED ACCOUNTANTS

Office : C/111, Sanjay Apartment, Mandpeshwar Road, Above Union Bank of India,  
Borivali (West), Mumbai - 400092. • Telefax : 2895 7258 • Email : vipul@vipulshahca.com

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVAIR ELECTRODYNE LIMITED Report on the 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, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow 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, 2023, its Profit (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

4. We draw attention to **Note no. 33.2.25** in Financial Statements regarding the fraud amounting to Rs. 1,91,15,549/- was identified during the year. Amounts reflecting year-wise fraud is reflected in the table below-





Financial Year (F.Y.)	Amount (Rs.)
FY 2020-21	22,48,467
FY 2021-22	67,77,123
FY 2022-23	79,22,459
FY 2023-24 (May 2023)	21,67,500
Total	1,91,15,549

Out of the above, Rs.22,48,467 for FY 2020-21 and Rs. 67,77,123 for FY 2021-22 have not been restated with the impact of prior period fraud as per the requirement in Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

The Company has additionally debited an amount of Rs. 72,88,422 (**Refer Note no. 33.2.22**) pertaining to FY 2021-22 as prior period expense. This amount has not been restated in the Financial Statement as per the requirement of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

As per Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Loss of the previous year 2021-2022 is understated by Rs. 1,40,65,545 (Rs. 67,77,123 (Fraud of FY 2021-22) + Rs. 72,88,422 (prior period item debited in FY 2022-23)). The resultant Total loss for the previous year would be Rs. 2,18,06,422.

As per Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors, the opening reserve as on 01.04.2021 is understated by (Rs. 22,48,467) fraud pertaining to FY 2020-21. The resultant opening reserve would be (Rs. 8,29,42,833).

Rs. 21,67,500 (fraud of FY 2023-24) is debited to the Profit & Loss account of FY 2022-23. This should be charged to Profit & loss account for the Year 2023-24. The profit for the year 2022-23 is thereby understated by Rs. 21,67,500.

5. **Note no. 33.2.17, 33.2.18 & 33.2.27** in financial statements stating that the balances of parties under head Trade receivable, Trade payable, Advances and Deposits are subject to confirmation and reconciliation. 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.
6. **Note no. 33.2.4** in financial statements stating that the opening inventories of Rs. 45,69,253 as on 01.04.2022 consisting of -

Raw Material Rs. 24,88,755  
Finished goods Rs. 20,80,498

was sold to Rajesh Enterprise in June 2023 for -

Raw Material Rs. 4,00,000  
Finished goods Rs. 4,47,500

Accordingly, Closing inventories valued at Rs. 38,28,153/- as on 31.03.2023 includes Net Realizable Value of Opening inventories amounting to Rs. 8,47,500 (Cost Rs. 45,69,253).

7. We draw attention to **Note no 33.2.7** in financial statements stating that Net block of Vehicle as on 31.03.2022 was Rs. 2 (Rupees Two). Physical verification of the same has not been done by us as the Asset was not in possession of the Company as the same was





fully depreciated and sold before 2018 as confirmed by the management. Looking at value of the Asset, the accounts of earlier years have not been reinstated.

### Emphasis of Matter

8. We draw attention to **Note no. 33.2.24** in the financial statements explaining the basis for preparation of financial statements on going concern assertion based on the management representations. However, all the Fixed Assets including Plant & Machinery at the year end have been disposed off in First Quarter of FY 2023-24. This report is not qualified in this matter.
9. We draw attention to **Note no. 33.2.27** in financial statements wherein an Advance of Rs. 30,00,000 (Rupees Thirty Lakhs) has been given to L N Consultants in May 2020 for acquiring land. However, the deal did not materialize and the party had to refund the full amount to the Company. The same is still outstanding till date.
10. We draw attention to **Note no. 33.2.17 and 33.2.18** in financial statements wherein Balances lying in many accounts of Sundry Debtors amounting to Rs. 22,779/- were written off and Sundry Creditors amounting to Rs. 21,19,760/- were written back during the year under Audit. The Company has also not provided us with any confirmations of these Sundry Debtors and Sundry creditors.

### Key Audit Matters

11. 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.	<b>Verification of Full and Final settlement dues paid to workers</b>	<b>Principal Audit Procedures</b> There was only 1 Employee in the Company's payroll and the he had committed fraud. Hence, no benefits have been provided for .
2.	<b>Export of goods out of India</b> During the year, the Company had earned export revenue through Sales to its related party in Indonesia.	<b>Principal Audit Procedures</b> We have verified relevant documents, record and forms which were maintained and also verified its compliance.

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

12. 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.

### **Management's Responsibility for the Financial Statements**

13. 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.
14. 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.
15. 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**

16. Our objectives is 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.
17. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - a. 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.



- b. 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.
  - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - d. 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 conditions 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.
  - e. 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.
18. 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.
19. 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.
20. 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.
21. 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

22. As required by the Companies (Auditor's Report) Order, 2020 ("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.
23. As required by section 143 (3) of the Act, based on our audit we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit *except as stated in **Note no. 33** 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 and emphasis of matter 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, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, no remuneration was paid by the Company to its directors during the year.
- 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, as amended, 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.
  - iv. As regards other matters,
    - 1. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or

share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (1) and (2) above, contain any material misstatement behalf of the Ultimate Beneficiaries.

- v. The Company has not paid or declared any dividend during the year.

#### Other Matters

1. No Provision for penalty leviable by BSE due to non fulfillment Listing norms has been made as the Company has delayed in publishing Audited Financial Statements for year ended 31.03.2023

**For Vipul M. Shah & Associates**

**Chartered Accountants**

**FRN:117853W**



**CA Vipul M. Shah**

**Proprietor**

**Membership No. 103726**

**UDIN: 23103726 BG YQZW 8130**

**Place: Mumbai**

**Date: 31/08/2023**



#### **ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of Envair Electrodyne Limited of even date)

(i) Property, Plant and Equipment and Intangible assets

- (a) The Company has not maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment;
- (b) The Company has sold Leasehold Land and Building during the year resulting into profit on sale amounting to Rs. 11,01,53,970.
- (c) The Company has scraped all other Tangible Assets from Property, Plant and Equipment head to Non Current Assets held for Sale under the head Current Assets. Net WDV written off is Rs. 8,79,705 .

The same have been sold in 1<sup>st</sup> Quarter of Financial year 2023-24.

- (d) Opening balance of Property, Plant and Equipment includes Vehicle which has already been fully depreciated and sold before 2018.
- (e) According to the information given by the Company, The Company has done physical verification of its Property, Plant and Equipment and Intangible assets at regular intervals.

(ii) Details of inventory

- a. According to information and explanation given to us, opening inventories as on 01.04.2022 amounting to Rs. 45,69,253 consisting of Raw Material Rs. 24,88,755 and Finished goods Rs. 20,80,498 have been sold to Excellent Tool Tech in June 2023 for Rs. 400000 and Rs. 447500 respectively. Accordingly, Closing inventories valued at Rs. Rs. 38,28,153/- as on 31.03.2023 includes Net Realizable Value of Opening inventories amounting to Rs. 8,47,500 (Cost Rs. 45,69,253).

- b. During the year under audit, we have not been able to verify the inventories physically as Inventories were not made available to us for physical verification. As informed to us, entire inventory was sold off subsequent to Balance sheet date.

(iii) Details of investments, any guarantee or security or advances or loans given

According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause (iii) (a), (b) and (c) of the Order are not applicable to the company and hence not commented upon.

(iv) Compliance in respect of a loan to directors

According to information and explanation given to us, the company has not given any loans to directors or any other person in whom the director is interested, or made any investments.,

(v) Compliance in respect of deposits accepted

The Company has not accepted any deposits from the public during the year and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.



(vi) Maintenance of costing records

The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

(vii) Deposit of statutory liabilities

According to the information and explanations given to us, in respect of statutory dues-

- (a) The Company has *not been* regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with appropriate authorities.
- (b) According to the information and explanations given to us, there are undisputed amounts payable which are outstanding as at the 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable as mentioned below-

Particulars	Amount (Rs.)
1. GST	22,17,401
2. Income Tax	26,84,609

(viii) Unrecorded income

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) Default in repayment of borrowings

Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has does not any dues to a financial institution or bank. The Company did not have any outstanding debentures during the year.

(x) Funds raised and utilisation

The company has not raised moneys by way of initial public offer or further public offer (including debt instrument) during the year under audit.

(xi) Fraud and whistle-blower complaints

To the best of our knowledge and according to the information and explanations given to us, fraud amounting to Rs. 1,91,00,549 has been identified. The said Fraud pertains to 4 Financial years as mentioned in point 4 of Independent Auditor's Report. Also Report to Central Government in Form ADT 4 has been submitted on 26th July 2023 where we had recommended to carryout Forensic Audit of the Company's Books of accounts.

(xii) Compliance by a Nidhi

The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.





- (xiii) **Compliance on transactions with related parties**  
In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financials statements as required by the applicable accounting standards.
- (xiv) **Internal audit system**  
In our opinion, the Company has *inadequate* internal audit system in accordance with its size and business activities. We have relied upon the internal audit reports issued by the internal auditor during the year in determining the nature, timing and extent of our audit procedures.
- (xv) **Non-cash transactions**  
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. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.
- (xvi) **Registration under Section 45-IA of RBI Act, 1934**  
(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.  
(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.  
(c) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- (xvii) **Cash losses**  
The Company has not incurred cash loss (considering the exceptional item of sale of leasehold land and building) during the financial year ended on that date, however the Company had incurred cash loss in the immediately preceding financial year. The amount of cash loss for immediately preceding financial year was Rs. 77,40,877.
- (xviii) **Resignation of statutory auditors**  
During the year, there has been resignation of statutory auditors due to completion of tenure of 5 years.
- (xix) **Material uncertainty**  
According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any



guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Transfer to fund specified under Schedule VII of Companies Act, 2013

In our opinion and according to the information and explanations given to us, the company has not fall under the categories to spent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order as it is not applicable.

(xxi) Preparation of financials on consolidated basis

The clause 3(xxi) of the Order is not applicable, as the financials of the Company are not prepared on consolidated basis.

**For M/s Vipul M Shah & Associates**

*Chartered Accountants*

**FRN No. 117853W**

UDIN : 23103726B6YQZW8130

Vipul Shah

Proprietor

**Membership No. 103726**

Place: Mumbai

Date: 31/08/2023



## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of Envair Electrodyne Limited of even date)

### **Report on the Internal Financial Controls over Financial Reporting 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 of Envair Electrodyne Limited ("the Company") as of 31<sup>st</sup> March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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 issued by the Institute of Chartered Accountants of India ('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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were **not operating** effectively as at 31 March 2023, 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 issued by the Institute of Chartered Accountants of India.

*As confirmed by Management, due to lapses in Internal Financial Controls, Fraud had been committed by the Company Accountant.*

*We recommend to the management adequate and strong internal financial controls system to be implemented on a priority basis.*



Also during FY 2022-23, Internal Auditor of the Company "Devesh Shah & Co" had resigned after the end of financial year (May 2023) and M/s S M Bhatt & Associates" were appointed as Internal Auditors of the Company w.e.f. 1<sup>st</sup> April 2022. No intimation of the change in Internal Auditors has been communicated to the Exchange, BSE.

Further, we draw your attention that from FY 2023-24 onwards, Audit trail has been made compulsory and the Audit Committee and Management should strictly monitor its implemented.

**For M/S Vipul M Shah and Associates**

**Chartered Accountants**

**Firm Regn. no. 117853W**

**UDIN : 23103726BGY02W8130**

**Vipul M. Shah**

**Proprietor**

**Membership Number: 103726**



Place : Mumbai

Date : 31/08/2023

**ENVAIR ELECTRODYNE LIMITED**  
**Balance Sheet as at 31st March 2023**  
(All amounts are in Lakhs)

Particulars		Note No.	As at	
			31st March 2023	31st March 2022
Assets				
I. Non-Current Assets				
Property, Plant and Equipment	1	-	84.05	
Capital work-in-progress	1	-	7.91	
Other Intangible Assets	2	-	1.95	
Other Non-Current Assets	3	18.73	18.73	
Total Non-Current Assets		18.73	112.65	
II. Current Assets				
Inventories	4	38.28	45.69	
Financial assets:				
a) Trade receivables	5	105.31	62.07	
b) Cash and Cash Equivalents	6	34.26	9.14	
c) Bank balances other than (b) above	7	631.21	116.98	
d) Loans	8	-	8.07	
e) Other Financials Assests	9	72.20	70.51	
f) Non Current Assets Held for Sale	10	34.14	-	
Current Tax Asset	11	3.83	3.83	
Other Current Assets	12	41.16	268.90	
Total current assets		960.39	585.20	
Total assets		979.12	697.85	
Equity and Liabilities				
III. Equity				
Equity Share Capital	13	464.00	464.00	
Other Equity	14	388.35	(216.85)	
Total equity		852.35	247.15	
IV. Non Current Liabilities				
Financials Liabilities				
a)Borrowings	15	-	225.39	
b)Provisions	16	-	0.36	
		-	225.75	
V. Current Liabilites				
Financial Liabilites				
a) Borrowings	17	-	51.42	
b) Trade payables	18			
- total outstanding dues of micro enterprises and small enterprises		27.10	22.75	
- total outstanding dues of creditors other than micro enterprises and small enterprises		9.45	44.69	
c)Other Financial Liabilities	19	34.91	14.33	
Other Current Liabilities	20	16.37	67.68	
Provisions	21	31.56	24.08	
Current Tax Liabilities (Net)	22	7.39	-	
Total current liabilities		126.77	224.94	
Total Equity and Liabilities		979.12	697.85	
Notes forming part of the financial statements.		33		

As per our report of even date attached  
Vipul M Shah and Associates  
Chartered Accountants  
Firm registration number: 117853W

For and on behalf of  
Board of Directors

sd/-  
Anil Nagpal  
Managing Director

Proprietor  
Membership number:103726  
Mumbai

sd/-  
Harish Agarwal  
Non-Executive Director

**ENVAIR ELECTRODYNE LIMITED****Statement of Profit and Loss for the year ended 31st March , 2023**

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

Particulars	Note	2022-23	2021-22
<b>Income</b>			
<b>I. Revenue from Operations</b>	23	97.2	463.8
<b>II. Other Income</b>	24	47.3	22.2
<b>III. Total Income (I + II)</b>		<b>144.5</b>	<b>486.0</b>
<b>IV. Expenses</b>			
a) Cost of materials consumed	25	20.89	429.09
b) Purchase of stock in trade	26	109.81	-
c) Changes in inventories of finished goods, stock-in-trade and work-in-p	27	(13.48)	-
e) Employee benefit expenses	28	2.94	13.88
f) Finance costs	29	-	4.73
g) Depreciation and Amortisation expenses	30	0.57	9.21
h) Other expenses	31	82.62	106.13
<b>Total Expenses (a to i)</b>		<b>203.35</b>	<b>563.04</b>
<b>V. Profit before exceptional items and tax (III - IV)</b>		(58.86)	(77.04)
<b>VI. Exceptional item</b>			
- Premium Received on Surrender of Lease Rights		1,101.54	-
- Fraud committed by employee against the company (refer Note no. 43)		(191.16)	-
- Prior Period Income/ (Expenses)		(72.88)	-
<b>VII. Profit/ (Loss) before tax (V - VI)</b>		<b>778.64</b>	<b>(77.04)</b>
<b>VIII. Tax expense:</b>			
i) Current Tax		170.47	-
ii) Deferred Tax		-	-
<b>Total Tax Expense</b>		<b>170.47</b>	<b>-</b>
<b>IX. Profit/ (Loss) for the period after Tax (VII - VIII)</b>		<b>608.17</b>	<b>(77.04)</b>
<b>X. Other comprehensive income (OCI)</b>			
A (i) Items that will not be reclassified to profit or loss		-	(0.37)
(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)		-	(0.37)
<b>XI. Total Comprehensive Income/ (Loss) for the year (IX + X)</b>		<b>608.17</b>	<b>(77.41)</b>
<b>XII. Earnings per equity share:</b>	32		
Basic		13.11	(1.67)
Diluted		13.11	(1.67)
Nominal value per share Rs. 10 each (previous year Rs. 10 each)			
Notes forming part of the financial statements.	33		

As per our report of even date attached  
Vipul M Shah and Associates  
Chartered Accountants  
Firm registration number: 117853W

Proprietor  
Membership number: 103726  
Mumbai -

For and on behalf of  
Board of Directors  
  
sd/-  
Anil Nagpal  
Chairman and Managing Director

sd/-  
Harish Agarwal  
Non-Executive Director



**ENVAIR ELECTRODYNE LIMITED**
**Cash flow statement for the year ended 31st March, 2023**

(All amounts are in Lakhs, unless stated otherwise)

Particulars	31st March, 2023	31st March, 2022
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Tax	778.64	(77.04)
Adjustments to reconcile profit before tax to net cash flows		
OCI	-	(0.37)
Depreciation and amortisation	13.09	9.21
OCI Directly adjusted to Reserve and Surplus	(2.98)	
Interest and finance charges	-	4.73
Irrecoverable balances and sundry balances written off	(1.72)	-
Sundry Balance written back	(21.20)	-
Unrealized Foreign Exchange gain	4.78	
Premium Received on Surrender of Lease Rights	(1,101.54)	-
Interest income	(15.38)	(11.12)
Cash from operating activities before working capital changes	<b>(346.31)</b>	<b>(74.59)</b>
Adjustments for:		
Increase / (Decrease) in Long Term Provisions	(0.36)	(0.63)
Increase / Decrease in Trade Payables	(30.89)	13.89
Increase / Decrease in Other Current Liabilities	(51.31)	22.77
Increase / Decrease in Other Financial Liabilities	20.58	(5.58)
Increase / Decrease in Short term provisions	7.48	10.29
Increase / Decrease in Inventories	7.41	15.16
Increase / Decrease in Trade Receivables	(48.02)	5.97
Increase / Decrease in Loans and Advances	8.07	-
Increase / Decrease in Other Financial Assets	(1.01)	(166.81)
Increase / Decrease in Other Current Assets	220.95	-
Increase / Decrease in Other Current Liabilities Tax	7.39	-
Cash Generated from Operations	<b>140.31</b>	<b>(104.93)</b>
Adjustment for:		
Less :- Taxes Paid	(150.00)	-
Net Cash Flow from Operating Activities	<b>(356.01)</b>	<b>(179.52)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	-	-
Proceeds from sale of assets	1,150.00	-
Investment in Fixed Deposit	(507.44)	144.90
Interest income	15.38	11.12
Net Cash Flow From Investing Activities	<b>657.94</b>	<b>156.01</b>
<b>c) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Availment/ (repayment) of Short Term Borrowings/Loan from Directors	(276.81)	4.81
Interest paid	-	(4.73)
Loan Received From Directors	-	23.50
Net Cash Flow From Financing Activities	<b>(276.81)</b>	<b>23.58</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C):</b>	<b>25.12</b>	<b>0.07</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
<b>AS AT THE BEGINNING</b>		
Cash and cash equivalents	9.14	9.07
<b>AS AT THE ENDING</b>		
	<b>34.26</b>	<b>9.14</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:</b>	<b>25.12</b>	<b>0.07</b>
As per our report of even date attached	For and on behalf of	
Vipul M Shah and Associates	Board of Directors	
Chartered Accountants		
Firm registration number:	sd/-	
	Anil Nagpal	
	Chairman and Managing Director	
Proprietor	sd/-	
Membership number:	Harish Agarwal	
Mumbai -	Non-Executive Director	

**ENVAIR ELECTRODYNE LIMITED****Statement of Changes in Equity for the year ended 31st March, 2023**

(All amounts are in Lakhs, unless stated otherwise)

**A Equity Share Capital**

Particulars	31 March , 2023	31 March, 2022
Balance at the beginning of the year	464.00	464.00
Changes in equity share capital during year	-	-
Balance at the end of reporting period	464.00	464.00

**B Other Equity**

Particulars	Reserves and Surplus			
	Capital Reserve	Securities premium	Retained earnings	Total other equity
As at 31 March 2021	30.13	435.45	(605.02)	17.85
Profit/ (Loss) for the year	-	-	(77.41)	(77.41)
As at 31 March 2022	30.13	435.45	(682.43)	(216.85)
Profit/ (Loss) for the year	-	-	605.19	605.19
<b>As at 31 March, 2023</b>	<b>30.13</b>	<b>435.45</b>	<b>(77.24)</b>	<b>388.35</b>

As per our report of even date attached  
Vipul M Shah and Associates  
Chartered Accountants  
Firm registration number: 117853W

Proprietor  
Membership number:103726  
Mumbai

For and on behalf of  
Board of Directors

sd/-  
Anil Nagpal  
Chairman and Managing Director

sd/-  
Harish Agarwal  
Non-Executive Director

**ENVAIR ELECTRODYNE LIMITED**
**Note 1 - Tangible Assets**

(All amounts are in Lakhs)

Particulars	Leasehold Land	Buildings	Plant & Machinery	Factory Equipments	Furniture & Fixtures	Vehicle	Office Equipments	Total	Capital Work-In-Progress
Gross Block									
As at 31st March 2021	2.41	73.06	535.62	5.68	61.48	4.74	54.54	737.53	7.91
Additions	-	-	-	-	-	-	-	-	-
Inter Transfers	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Gross Block as at 31st March. 2022	2.41	73.06	535.62	5.68	61.48	4.74	54.54	737.53	7.91
Gross Block									
As at 31st March. 2022	2.41	73.06	535.62	5.68	61.48	4.74	54.54	737.53	7.91
Additions	-	-	-	-	-	-	-	-	-
Inter Transfers	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	2.41	73.06	5.05	5.68	61.48	4.74	54.54	206.96	-
<b>Gross Block as at 31st March 2023</b>	-	-	<b>530.57</b>	-	-	-	-	<b>530.57</b>	<b>7.91</b>
Depreciation									
Upto 31st March 2021	1.43	28.22	501.08	1.65	59.31	4.74	50.15	646.57	-
For the year 21-22	0.04	-2.67	7.29	0.38	0.61	-	1.27	6.90	-
Inter Transfers	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at 31st March 2022	1.46	25.55	508.36	2.03	59.92	4.74	51.41	653.47	-
Depreciation									
Upto 31st March 2022	1.46	25.55	508.36	2.03	59.92	4.74	51.41	653.47	-
For the year 22-23	-	-	0.06	0.09	0.11	-	0.30	0.57	-
Inter Transfers	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	2.00	-	2.00	-
Disposals	1.46	25.55	4.09	2.12	60.03	6.74	51.71	151.70	-
<b>As at 31st March 2023</b>	-	-	<b>504.34</b>	-	-	-	-	<b>504.34</b>	-
<b>Net Block</b>									
As at 31st March 2022	0.95	47.51	27.25	3.65	1.56	0.00	3.13	84.05	7.91
<b>As at 31st March 2023</b>									
<b>Net block transferred to NCA held for sale</b>	-	-	<b>26.22</b>	-	-	-	-	<b>26.22</b>	<b>7.91</b>

**ENVAIR ELECTRODYNE LIMITED****Note : 2 -Intangible Assets****(All amounts are in Lakhs)**

<b>Particulars</b>	<b>Software</b>	<b>Total</b>
Gross Block		
As At 31 March 2021	56.92	56.92
Additions	-	-
Deductions		-
As At 31 March 2022	56.92	56.92
Gross Block		
As At 31 March 2022	56.92	56.92
Additions	-	-
Inter Transfers	-	-
Recoupment / Adjustment	-	-
Deductions	56.92	56.92
<b>As At 31 March 2023</b>	<b>-</b>	<b>-</b>
Depreciation		
Upto 31 March 2021	50.54	48.24
For The Year	2.30	2.30
Deductions		-
As At 31 March 2022	52.84	52.84
Depreciation		
Upto 31 March 2022	55.15	55.15
For The Year		
Deductions	(55.15)	(55.15)
<b>As At 31 March 2023</b>	<b>-</b>	<b>-</b>
<b>Net Block</b>		
As At 31 March 2022	1.77	1.77
<b>As At 31 March 2023</b>	<b>-</b>	<b>-</b>

**ENVAIR ELECTRODYNE LIMITED**  
**Notes to Balance Sheet as at 31st March, 2023**  
(All amounts are in Lakhs)

Note no.	Particulars	As at 31st March 2023	As at 31st Mar 2022				
3	Other Non Current Assets						
	MAT Credit	18.73	18.73				
	Total	18.73	18.73				
4	Inventories						
	(As Taken, Valued & Certified by the Management)						
	Raw Materials	4.00	24.89				
	Work-in-progress	-	8.71				
	Finished goods	34.28	12.09				
	Trading Goods	-	-				
	Total	38.28	45.69				
5	Trade Receivable (unsecured consider Good)						
	Unsecured						
	Considered good	105.31					
	Considered Doubtful	34.44	74.14				
	Less : Allowance for Doubtful Debts	34.44	12.07				
	Total	105.31	62.07				
Trade Recievables ageing schedule as on March 31, 2023							
Particulars		Less than 6 months	6 months - 1 year	1 to 2 year	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good		-	73.87	-	-	31.44	105.31
(ii) Undisputed Trade receivables - considered doubtful		-	-	0.13	24.79	9.52	34.44
(iii) Disputed Trade receivables - considered good		-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful		-	-	-	-	-	-
Trade Recievables ageing schedule as on March 31, 2022							
Particulars		Less than 6 months	6 months - 1 year	1 to 2 year	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good		-	-	-	-	-	-
(ii) Undisputed Trade receivables - considered doubtful		-	0.41	15.40	43.86	14.47	74.14
(iii) Disputed Trade receivables - considered good		-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful		-	-	-	-	-	-
6	Cash and Cash Equivalents						
	Cash in hand	-					0.15
	Balances with Bank on Current Accounts	34.26					8.98
	Total	34.26					9.14
7	Bank balances other than Cash and Cash Equivalents above						
	Term Deposits with bank maturity of less than 6 months	631.21					116.98
	Total	631.21					116.98
8	Loans						
	Other Loans & Advances	-					8.07
	Total	-					8.07
9	Other Financials Assets						
	Security Deposits	-					0.54
	Other Receivables	19.95					43.95
	GST Input credit receivable	52.25					26.01
	Total	72.20					70.51

10	<b>Non Current Assets Held for Sale</b> Non current Assets Held for Sale	34.14	-																													
	<b>Total</b>	<b>34.14</b>	<b>-</b>																													
11	<b>Current Tax Asset - Refund</b> Income Tax Refund Receivables	3.83	3.83																													
	<b>Total</b>	<b>3.83</b>	<b>3.83</b>																													
12	<b>Other Current Assets</b> <b>(unsecured consider Good)</b>																															
	Advance to Suppliers	41.16	268.90																													
	<b>Total</b>	<b>41.16</b>	<b>268.90</b>																													
13	<b>Equity Share Capital</b> <b>Authorised</b> 55,00,000 (55,00,000) Equity shares of Rs. 10/- each	550.00	550.00																													
	<b>Issued</b> 46,40,000 (46,40,000) Equity shares of Rs. 10/- each	464.00	464.00																													
	<b>Subscribed and Paid Up</b> 46,40,000 (46,40,000) Equity shares of Rs. 10/- each	464.00	464.00																													
	<b>Total</b>	<b>464.00</b>	<b>464.00</b>																													
13.1	<b>Reconciliation of Equity Shares outstanding at the beginning and at the end of the Reporting period</b>																															
	<table><tr><th rowspan="2">Particulars</th><th colspan="2">31st March,2023</th><th colspan="2">31st March,2022</th></tr><tr><th>No of Shares</th><th>Amount</th><th>No of Shares</th><th>Amount</th></tr><tr><td>At the Beginning of the Period</td><td>46.40</td><td>464.00</td><td>46.40</td><td>464.00</td></tr><tr><td>Issued/Reduction during the year</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Outstanding at the end of Period</td><td>46.40</td><td>464.00</td><td>46.40</td><td>464.00</td></tr></table>	Particulars	31st March,2023		31st March,2022		No of Shares	Amount	No of Shares	Amount	At the Beginning of the Period	46.40	464.00	46.40	464.00	Issued/Reduction during the year	-	-	-	-	Outstanding at the end of Period	46.40	464.00	46.40	464.00							
Particulars	31st March,2023		31st March,2022																													
	No of Shares	Amount	No of Shares	Amount																												
At the Beginning of the Period	46.40	464.00	46.40	464.00																												
Issued/Reduction during the year	-	-	-	-																												
Outstanding at the end of Period	46.40	464.00	46.40	464.00																												
13.2	<b>Terms/Rights attached to the equity shares</b> 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 I 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 amount will be in proportion to the number of equity shares held by the shareholders.																															
13.3	<b>Shares held by holding/ultimate holding Company and/or their subsidiaries/associates</b> NIL																															
13.4	<b>Number of Shares held by each shareholder holding more than 5% Shares in the company</b>																															
	<table><tr><th rowspan="2">Name of Shareholder</th><th colspan="2">As at 31 March 2023</th><th colspan="2">As at 31 March 2022</th></tr><tr><th>No. of Shares held</th><th>% of Holding</th><th>No. of Shares held</th><th>% of Holding</th></tr><tr><td>MR. ANIL NAGPAL</td><td>12.35</td><td>26.61%</td><td>8.23</td><td>17.74%</td></tr><tr><td>MR. GIAN PARKASH</td><td>-</td><td>0.00%</td><td>8.24</td><td>17.75%</td></tr><tr><td>MR. HARISH KUMAR AGARWAL</td><td>12.35</td><td>26.61%</td><td>8.23</td><td>17.73%</td></tr><tr><td>MRS.ARTI JAYESH PARMAR</td><td>3.01</td><td>6.48%</td><td>3.01</td><td>6.48%</td></tr></table>	Name of Shareholder	As at 31 March 2023		As at 31 March 2022		No. of Shares held	% of Holding	No. of Shares held	% of Holding	MR. ANIL NAGPAL	12.35	26.61%	8.23	17.74%	MR. GIAN PARKASH	-	0.00%	8.24	17.75%	MR. HARISH KUMAR AGARWAL	12.35	26.61%	8.23	17.73%	MRS.ARTI JAYESH PARMAR	3.01	6.48%	3.01	6.48%		
Name of Shareholder	As at 31 March 2023		As at 31 March 2022																													
	No. of Shares held	% of Holding	No. of Shares held	% of Holding																												
MR. ANIL NAGPAL	12.35	26.61%	8.23	17.74%																												
MR. GIAN PARKASH	-	0.00%	8.24	17.75%																												
MR. HARISH KUMAR AGARWAL	12.35	26.61%	8.23	17.73%																												
MRS.ARTI JAYESH PARMAR	3.01	6.48%	3.01	6.48%																												
13.5	<b>Shares held by promoters at March 31, 2023</b>																															
	<table><tr><th>Promoter Name</th><th>No. of Shares</th><th>% of total shares</th><th>% Change during the year</th></tr><tr><td>MR. ANIL NAGPAL</td><td>12.35</td><td>26.611%</td><td>8.87%</td></tr><tr><td>MR. GIAN PARKASH</td><td>-</td><td>0.00%</td><td>-17.75%</td></tr><tr><td>MR. HARISH KUMAR AGARWAL</td><td>12.35</td><td>26.61%</td><td>8.88%</td></tr></table>	Promoter Name	No. of Shares	% of total shares	% Change during the year	MR. ANIL NAGPAL	12.35	26.611%	8.87%	MR. GIAN PARKASH	-	0.00%	-17.75%	MR. HARISH KUMAR AGARWAL	12.35	26.61%	8.88%															
Promoter Name	No. of Shares	% of total shares	% Change during the year																													
MR. ANIL NAGPAL	12.35	26.611%	8.87%																													
MR. GIAN PARKASH	-	0.00%	-17.75%																													
MR. HARISH KUMAR AGARWAL	12.35	26.61%	8.88%																													
	<b>Shares held by promoters at March 31, 2022</b>																															
	<table><tr><th>Promoter Name</th><th>No. of Shares</th><th>% of total shares</th><th>% Change during the year</th></tr><tr><td>MR. ANIL NAGPAL</td><td>8.23</td><td>17.737%</td><td>0.00%</td></tr><tr><td>MR. GIAN PARKASH</td><td>8.24</td><td>17.75%</td><td>0.00%</td></tr><tr><td>MR. HARISH KUMAR AGARWAL</td><td>8.23</td><td>17.73%</td><td>0.00%</td></tr></table>	Promoter Name	No. of Shares	% of total shares	% Change during the year	MR. ANIL NAGPAL	8.23	17.737%	0.00%	MR. GIAN PARKASH	8.24	17.75%	0.00%	MR. HARISH KUMAR AGARWAL	8.23	17.73%	0.00%															
Promoter Name	No. of Shares	% of total shares	% Change during the year																													
MR. ANIL NAGPAL	8.23	17.737%	0.00%																													
MR. GIAN PARKASH	8.24	17.75%	0.00%																													
MR. HARISH KUMAR AGARWAL	8.23	17.73%	0.00%																													
13.6	Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date: Nil. Aggregate number of share issued for consideration other than cash and shares bought back during the period. of five years immediately preceding the reporting date: Nil.																															

14	Other equity						
	Capital Reserve						
	Opening Balance					30.13	30.13
	Net Addition During the year					-	-
	Written Back During the year					-	-
	Closing Balance					30.13	30.13
	Securities Premium						
	Opening Balance					435.45	435.45
	Add: Addition during the year					-	-
	Written Back During the year					-	-
	Closing Balance					435.45	435.45
	Retained earnings						
	Opening Profit and Loss					(682.43)	(605.02)
	Profit /(Loss) for the year					608.17	(77.41)
IND AS OCI adjustments					(2.98)	-	
Provision for Expected Credit Loss (Net of written off and reversal of Provision)					-	-	
Closing Surplus /(Deficit)					(77.24)	(682.43)	
Total					388.35	(216.85)	
15	Borrowings						
	From Directors						
	ANIL NAGPAL					-	159.39
	HARISH AGARWAL					-	49.00
	From Related Party						
	GIAN AGARWAL					-	17.00
	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.					-	225.39
16	Non Current Liabilities Provision						
	Provision for Employee Benefits						
	Gratuity					-	0.36
	Leave Encashment					-	-
	Total					-	0.36
	Financial liabilities: Borrowings						
	Secured						
	Bank Overdraft					-	51.42
	Total					-	51.42
	Note:- Bank overdraft facility is secured against lien on bank term deposits.						
17	Financial liabilities: Trade payable						
	Trade payable						
	i) Trade Payable to MSME Entities					27.10	22.75
	ii) Trade Payable other than MSME Entities					9.45	44.69
	Total					36.55	67.44
	Trade payables ageing schdule as on March 31, 2023						
	Outstanding for the follwing period from the due date of payment						
	Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	
	(i) MSME	7.91	2.08	4.49	12.61	27.10	
	(ii) Others	4.59	1.04	1.61	2.21	9.45	
	(iii) Disputed dues - MSME	-	-	-	-	-	
	(iv) Disputed dues - others	-	-	-	-	-	
	(v) Unbilled Dues	-	-	-	-	-	
	Trade payables ageing schdule as on March 31, 2022						
Outstanding for the follwing period from the due date of payment							
Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total		
(i) MSME	13.76	8.05	0.94	-	22.75		
(ii) Others	5.86	11.66	2.29	24.87	44.69		
(iii) Disputed dues - MSME	-	-	-	-	-		
(iv) Disputed dues - others	-	-	-	-	-		
(v) Unbilled Dues	-	-	-	-	-		
18	Other Financial Liabilities						
	Accured Employee Costs					1.28	3.93
	Business Deposits					-	0.60
	Other Liabilities					21.68	5.70
	Interest Payable to MSME entities					11.95	4.09
	Total					34.91	14.33



<b>20</b>	<b>Other Current Liabilities</b>		
	Others Liabilities and Payables	2.05	16.97
	Purchase Provision	-	7.56
	Advance received from Customers	11.18	43.15
	Statutory dues Payable	3.14	-
	<b>Total</b>	<b>16.37</b>	<b>67.68</b>
<b>21</b>	<b>Provisions</b>		
	Provision For tax matters of income tax	6.72	6.72
	Provision For tax matters of VAT & GST	5.50	15.79
	Provision For tax matters of TDS	19.33	1.56
	<b>Total</b>	<b>31.56</b>	<b>24.08</b>
<b>22</b>	<b>Current Tax Liabilities (Net)</b>		
	Advance Tax FY 2022-23	(150.00)	-
	Tax Deducted at Source	(13.07)	-
	Tax Liability	170.47	-
	<b>Total</b>	<b>7.39</b>	<b>-</b>

ENVAIR ELECTRODYNE LIMITED			
Notes to Profit and Loss Account			
(All amounts are in Lakhs)			
Sr.No	Particulars	Figures for the year ended 31st March 2023	Figures for the year ended 31st Mar 2022
23	Revenue from Operations		
	Sale of Products:		
	Manufacturing	-	-
	Trading	97.22	463.78
	<b>Total</b>	<b>97.22</b>	<b>463.78</b>
	Export sale out of total turnover	97.22	-
	Class of goods-		
	Industrial Machinery and Panels	97.22	463.78
24	Other income		
	Interest received on bank deposits*	15.38	11.12
	Balance Write back during the year	21.20	-
	Export Duty Drawback Income	-	11.10
	Unrealized Foreign Exchange Gain	4.78	-
	GST Income	5.92	-
	<b>Total</b>	<b>47.27</b>	<b>22.22</b>
	(* Interest income of Rs. 1.68 Lakhs has been offset for excess income booked in earlier years.)		
25	Cost of Materials Consumed		
	Raw Materials	24.89	40.05
	Add: Purchases	-	413.48
	Add: Transportation Charges	-	0.45
	Less: Stocks at close	4.00	24.89
	<b>Total</b>	<b>20.89</b>	<b>429.09</b>
26	Purchase of Stock in Trade		
	Purchase of Stock in Trade	109.81	-
	<b>Total</b>	<b>109.81</b>	<b>-</b>
27	Change in inventories of finished goods, work-in-progress and stock-in-trade		
	(Increase)/ Decrease in stocks		
	Stocks at close:		
	Finished goods	34.28	12.09
	Work-in-process	-	8.71
	Stock in Trade	-	-
		<b>34.28</b>	<b>20.80</b>
	Opening stocks		
	Finished goods	12.09	12.09
	Work-in-process	8.71	8.71
	Stock in Trade	-	-
		<b>20.80</b>	<b>20.80</b>
	<b>Total</b>	<b>(13.48)</b>	<b>-</b>
28	Employees Benefit Expenses		
	Salaries, Wages and Bonus	2.59	14.51
	Contribution to Gratuity Leave cashment & Provident Fund	0.35	(0.63)
	Staff Welfare Expenses	-	-
	<b>Total</b>	<b>2.94</b>	<b>13.88</b>
29	Finance Cost		
	Interest expense		
	Interest on Bank borrowings & Bill Discounting	-	4.73
	<b>Total</b>	<b>-</b>	<b>4.73</b>
30	Depreciation and amortisation expenses		
	Tangible assets	0.57	6.90
	Amortisation		
	Intangible assets	-	2.30
	<b>Total</b>	<b>0.57</b>	<b>9.21</b>

<b>31</b>	<b>Other Expenses</b>		
	<b>Manufacturing/ Direct Expenses</b>		
	Power and fuel	-	5.42
	Service charges	-	1.45
		-	<b>6.87</b>
	<b>Selling Expenses</b>		
	Selling and distribution	-	9.07
		-	<b>9.07</b>
	<b>Administration expenses</b>		
	Advertisement	0.59	0.32
	Rates and taxes, Fees	3.10	1.98
	Admin Expense	0.12	-
	Freight and Handling	5.60	2.27
	Postage and telephone	0.01	0.02
	Travelling and conveyance	0.20	-
	Security Charges	2.19	4.63
	Professional and consultancy fees	6.82	7.27
	Payment to Auditor (Refer note- 31.1)	1.80	1.85
	Irrecoverable balances and sundry balances written off	0.23	51.48
	Intangible Assets Written off	1.77	
	Provision for Doubtful Debts	22.37	-
	Bank Charges	0.04	-
	Printing & Stationery	0.19	-
	Sales tax dues	2.09	15.29
	Interest payable to MSME dues	1.75	4.09
	Rent	2.80	-
	Penalty from BSE	0.24	
	GST late fees and penalty	0.63	
	Realized Foreign Exchange Loss	1.35	-
	Scrap - Tangible Asset	8.80	
	TDS Expense - Against liability	17.77	
	Miscellaneous expenses	2.13	0.98
	Interest on Delayed Payments - TDS	0.05	-
		<b>82.62</b>	<b>90.19</b>
	<b>Total</b>	<b>82.62</b>	<b>106.13</b>
	OCI Income	-	(0.37)
<b>31.1</b>	<b>Payment to Auditors</b>		
	Statutory Audit	1.00	1.00
	Tax Audit	-	0.25
	Certification and other expense	0.80	0.55
	Out of Pocket Expense	-	0.05
		<b>1.80</b>	<b>1.85</b>
<b>32</b>	<b>Earning Per Share</b>		
	<b>Net profit / (loss) for the year</b>	608.17	(77.41)
	Weighted average number of equity shares for computing basic EPS outstanding at the end of the period	46.40	46.40
	<b>Basic earnings per share</b>	<b>13.11</b>	<b>(1.67)</b>
	<b>Diluted earnings per share</b>	<b>13.11</b>	<b>(1.67)</b>

**33 Notes to financial statements for the Year Ended March 31, 2023****1 Company Overview**

Envair Electrodyne Limited ("the Company"), is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed on the Bombay Stock Exchange. The Company engaged in the business of manufacturing and Trading of Clean Air Equipment, Technical Furniture and Hydraulic Oil Cleaner.

**2 Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis Of Preparation Of Financial Statement****i) 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 up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) notified under Section 133 of the Act and other relevant provisions of the Act ("Previous GAAP").

The financial statements were authorized for issue by the Company's Board of Directors on 31st August, 2023.

These financial statements are presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest lacs, unless otherwise indicated.

**ii) 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) Certain financial assets and liabilities (Including Derivative Instruments) that are measured at fair value;

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

(c) Investments are measured at fair value.

**iii) 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.

**2.2 Use of estimates and judgements**

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.

**2.3 Segment Report**

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

**2.4 Inventories Valuation**

Inventories are valued at lower of Cost and Net Realisable Value. Cost of traded goods is arrived at on FIFO basis.

During the year, the Company has Closing inventories valued at Rs. 38.28 Lakhs/- as on 31.03.2023 which includes Net Realizable Value of Opening inventories amounting to Rs. 8.48 Lakhs (Cost Rs. 45.69 Lakhs)

**2.5 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in statement of financial balance sheet and which are considered as integral part of company's cash management policy.

During the year, the Accountant of the Company had siphoned Cash amounting to Rs. 0.15 Lakhs

**2.6 Income tax, deferred tax and dividend distribution tax**

The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

**(i) Current income tax**

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**(ii) Deferred tax**

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Deferred Tax: In the absence of virtual certainty of future taxable profits against which the net deferred tax assets can be realised, the Company has considered it prudent not to recognise the deferred tax asset in the books of account.

**2.7 Property, plant and equipment**

(i) All property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

(ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(iii) Cost of Capital Work in Progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for its intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

(iv) Depreciation methods, estimated useful lives and residual value.

(a) Fixed assets are stated at cost less accumulated depreciation.

(b) Depreciation is provided on a pro rata basis on the written down method over the estimated useful lives of the assets which is as prescribed under Schedule II to the Companies Act, 2013. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

(v) Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress.

(vi) The residual values are not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income as applicable.

(vii) Tangible Asset consist of Leasehold Land & Building, Plant and Machinery, Factory & Office Equipment, Furniture and Fixtures.

Leashold land and Building has been sold in FY 2022-23 for an amount of 1,150 Lakhs resulting in exceptional gains on sale amounting to Rs. 1,101.54 Lakhs shown in Profit and loss statement.

Plant & Machinery - The Management has decided to sale of its Plant & Machinery, the said property has been disclosed as "Held for Sale" in Other Current Financial Assets. Management has decided in the begining of the period that the PPE has been disposed of as Non Current Assets held for sale. In Books, grouping has been done in the month of Jan'23 and balance has been written off to the extent of Rs. 8.78 Lakhs. The Plant & machinery has been subsequently sold off in FY 2023-24 as scrap.

(ix) During the year, Net block of Vehicle amounting to Rs. 2 was written off as the same had been sold prior to 2018

**2.7.1 Deprecation**

(i) Depreciation for the year has been booked for the first 9 months only (April 2022 to December 2022) as subsequently all the Fixed Assets were transferred to Non Current Assets held for sale.

**2.8 Intangible assets**

- (i) An intangible asset shall be recognised if, and only if: (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and (b) the cost of the asset can be measured reliably.
- (ii) Computer software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. The same is amortised over a period of 3 years on straight-line method.
- (iii) During the year, Intangible Assets amounting to Rs. 1.77 Lakhs has been written off.

**2.9 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 on the dates of Bill of Lading/Other delivering documents as per terms of contract.

**Sales****(i) The Company recognizes revenue from sale of goods when:**

- (a) The significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods.
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold.
- (c) The amount of revenue can be reliably measured.
- (d) It is probable that future economic benefits associated with the transaction will flow to the Company.
- (e) The cost incurred or to be incurred in respect of the transaction can be measured reliably.
- (f) The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**2.10 Other Income****(i) Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**(ii) Income from Indenting Services:**

- (a) The amount of revenue can be measured reliably.
- (b) It is probable that future economic benefits associated with the transaction will flow to the Company.
- (c) The stage of completion of the transaction at the end of the reporting period can be measured reliably.
- (d) The cost incurred for transaction and the cost to complete the transaction can be measured reliably.

**2.11 Employee Benefit****(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

There is no long term employee Benefit Obligation as the company had only 1 employee during the Previous Year and the same employee has been charged for committing fraud.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

No Provision for Employee Benfit has been made as the Company had only 1 Employee and the same person had committed fraud during the year.

**(iii) Defined Contribution plan:**

Contribution payable to recognised provident fund and superannuation scheme which is defined contribution scheme is charged to Statement of Profit & Loss. The company has not paid the contribution towards provident fund, as the former employee has committed fraud against the company. Company has only one employee during the year.

- (iv) The Company has one employee in the payroll of the company. Employee has committed fraud during the year against the company.

**2.12 Foreign currency translation****(i) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All the foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other expenses or other income as applicable.

(iii) During the year under review, the Company had incurred Foreign Currency loss amounting to Rs. 1.35 Lakhs

**2.13 Borrowing Cost**

(i) Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(ii) Borrowings are classified as current financial liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**2.14 Earnings per share****(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

**(ii) Diluted earnings per share**

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**2.15 Impairment of Assets**

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**2.16 Provisions, contingent liabilities and contingent assets****(i) Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

**(ii) Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent Liabilities of GST of Rs. 22.17 Lakhs pertains to year FY 2017-18 (Rs. 10.49 Lakhs) and FY 2018-19 (Rs. 11.68 Lakhs). Management has filed an appeal against the demand of FY 2017-18 and paid deposit of Rs. 0.49 Lakhs, which has been rejected. Management will move to appeal again for the demand raised by department.

Contingent liabilities of Income Tax of Rs. 26.85 Lakhs has been consider based intimation received of FY 22-23. Income Tax Department has adjusted refund of Rs. 3.83 Lakhs against the demand. Management has shown Refund amount as current assets in financials and gross amount is shown as contingent liabilities on a consevative basis as management is doing scrutiny of demand of Income tax, whether the same is payable or not.

Sr. no.	Particulars		As on 31 March 2023	As on 31 March 2022
1	On account of Sales Tax		-	14.91
2	On account of GST		22.17	-
3	On account of Income Tax		26.85	6.72
	<b>Total</b>		<b>49.02</b>	<b>21.63</b>

(iii) **Contingent Assets:** Contingent Assets are disclosed, where an inflow of economic benefits is probable.

#### 2.17 Trade receivables

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

During the year, the Company has written off Rs. 0.23 Lakhs

Balances of Trade Receivables are subject to confirmation and consequential adjustment, if any.

#### 2.18 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

During the year, the Company has written back Rs. 21.20 Lakhs

Balances of Trade Payables are subject to confirmation and consequential adjustment, if any.

#### 2.19 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.



## 2.20 RELATED PARTY DISCLOSURES

A. Names of related parties and description of relationship:

Name of the Party	Nature of Relation
Mr. Anil Nagpal	Managing Director
Mr. Harish Agarwal	Promoter
Mr. Gian Aggarwal	Promoter
Mr. Abhimanyu Singh	Company Secretary
Ms. Prachi Narula	Director
Mr. Anis Ahmad Quraishi	Director
Alliance World Manufacturing Limited	Common Ownership
PT.Alliance Consumer Products Indonesia.	Common Ownership

B. Transactions that have taken place during the year with related parties by the Company

Name of Related Parties	Nature of Transaction during the year	31-Mar-23	31-Mar-22
Mr. Anil Nagpal	Repayment of Loan	159.39	-
	Acceptance of Loan	-	11.50
Mr. Harish Agarwal	Repayment of Loan	17.00	-
	Acceptance of Loan	-	12.00
Mr. Gian Aggarwal	Repayment of Loan	49.00	-
PT.Alliance Consumer Products Indonesia.	Sales during the year	97.22	-
Alliance World Manufacturing Limited	Payment made on behalf of Envair Electrodyne Lim	150	-
Alliance World Manufacturing Limited	Repayment of payment to Alliance World Manufac	150	-
Mr. Anis Ahmad Quraishi	Service Charges for operation Activity (Prior period expense)	3.03	-

C. Balance at the year end.

Mr. Anil Nagpal	Outstanding Payable	0.19	-
Mr. Anil Nagpal	Loan	-	159.39
Mr. Harish Agarwal	Loan	-	49.00
Mr. Gian Aggarwal	Loan	-	17.00
Alliance World Manufacturing Limited	Outstanding Payable	3.88	-
PT.Alliance Consumer Products Indonesia.	Outstanding Receivable	73.87	-
PT.Alliance Consumer Products Indonesia.	Advance received against sale of goods	-	20.30
Mr. Anis Ahmad Quraishi	Service Charges for operation Activity	-	3.03

## 2.21 Trade Payable - MSME

Trade payables includes dues to Micro and small enterprises to whom the Company owes amounts outstanding for more than 180 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.

The Details are as follows:

Sr. No.	Particulars	2022-23 ₹	2021-22 ₹
1.	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	6.71	22.75
2.	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.75	4.09
3.	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
4.	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
5.	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
6.	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
7.	Further interest remaining due and payable for earlier years.	10.21	10.21

## 2.22 Prior Period Items

Below is the Summary of prior period expense which has not been consider in earlier periods.

Sr. no.	Particulars	2022-23	2021-22
1.	Prior Period Purchase	27.86	-
2.	Prior Period Realized Foreign Exchange Loss	6.46	-
3.	Prior Period Labour Settlement Expense	22.10	-
4.	Prior Period Freight Charges	7.08	-
5.	Prior Period Professional Expense	3.25	-
6.	Prior Period Misc Expense	6.15	-
	<b>Total</b>	<b>72.88</b>	<b>-</b>

**2.23 RATIO :**

				FY 2022-23	FY 2021-22	% change	Remarks
(a) Current Ratio	Current Assets / Current Liabilities			7.58	2.60	191.20	Current Ratio has been Increased due to Increased in F.D and Trade Receivable and corresponding decrease (repayment) of Bank OD.
(b) Debt-Equity Ratio	Debt / Shareholders Equity			0.00	0.49	-100.00	Debt has been repaid in full during the FY 22-23.
(c) Debt Service Coverage Ratio	Net Profit+Depreciation+Interest Expenses/Borrowing + Interest			0.00	-0.28	-100.00	Debt has been repaid in full during the FY 22-23.
(d) Return on Equity Ratio	Net Profit after Tax / Shareholders Equity			1.31	-0.17	-889.42	Return on Equity increased due to premium received on surrender of lease rights on Land and Building
(e) Inventory turnover ratio (Refer note no. 40.2)	(Cost of Goods sold *2) / (Beginning inventory +Closing inventory)			0.76	20.62	-96.32	Due to decreased in value of old inventory which has been considered as Net relizable Value.
(f) Trade Receivables turnover ratio	Turnover / Average Trade Receivables			1.16	7.13	-83.71	Trade receivable of previous period is receiveble along with part payment receivable of current period sales and sales has been decreased compared to previous year.
(g) Trade payables turnover ratio	Net Credit Purchases / ((Op.Trade Payable+Cl.Trade Payable)/2)			0.53	1.71	-69.10	During the Year, Creditor has been paid off and bill has been booked against the part payment advances.
(h) Net capital turnover ratio	Total Sales / Shareholder's Equity			0.21	1.00	-79.04	Sales has been decreased in the FY 22-23.
(i) Net profit ratio	Net Profit / Net Income			8.01	-0.17	-4921.54	Net Profit increased due to premium received on surrender of lease rights on Land and Building
(j) Return on Capital employed	(Net Profit+Interest+Taxes) / Capital Employed			1.68	-0.17	-1110.69	Return on Capital Employed increased due to premium received on surrender of lease rights on Land and Building

**2.24 Going Concern**

The Company is reporting operating loss for the current year and for past years. The turnover of company has also receded over a period. Land and Building has been sold during the year and Plant and Machinery has been sold before signing the balance sheet of the company. All these events and incidents create doubt about the going concern assertion of the company.

However, the new management of company is from a business conglomerate in northern region. It has plans to run business of the Company and the steps are being taken in this direction. The management is making efforts to have different compatible products range and reduction in operational costs.

The management has now shifted its focus from manufacturing to trading. The Company has now procured some export orders from Indonesia and has also supplied material in time. It has also procured local orders which it expects to execute in coming month. The Company in future, plans to supply Material via trading and not by manufacturing as the management is of the view that higher margins are available on export order via trading and the operational cost and overheads were reduced to the minimum. The company is having few export and local orders. This would help to reduce the costs and increase overall margin in near future.

**2.25 Fraud by Employee of the Company**

**Nature of Fraud with description** – Company's accountant has committed a fraud against the company by using digital and other means to withdraw sums from the bank. A detailed report for the same has been submitted to the authorities including the stock exchange. FIR has been registered against the employee of the company .

**Amount involved** – Fraud amounting to Rs. 191.16 Lakhs has been expense out during the year including cash Balances of Rs. 0.15 Lakhs.

Above Fraud amount pertains to below mentioned Financial Years-

Year	Amount Rs.
FY 20-21	22.48
FY 21-22	67.77
FY 22-23	79.22
FY 23-24	21.68
<b>Total</b>	<b>191.16</b>

**Parties Involved, if remedial action taken** – Mr. Nilkanth Patole - FIR has been lodged against the employee to police and the employee has been arrested. Further Investigation for recovery is in process.

**Remedial action taken to prevent occurrence of such frauds in future** – Company has changed authorized signatory in the bank account in which fraud has happened and opened a new bank account in another bank for all the future payment transaction and all the transaction has been done with the approval of senior management irrespective of amount of payment.

**2.26 Note for Held for Sale**

The Company has decided for sale of its Plant & Machinery at the value of Rs. 37.17 Lakhs. The sale has been done in FY 23-24 before signing financial statement of FY 22-23. The said property has been disclosed as "Held for Sale" in Other Current Financial Assets Note No. 12. The Held for Sale value as on 31 March 2023 is Rs. 34.13 Lakh. The Difference will be considered as Profit on Sale of NCA Held for Sale in FY 23-24.

**2.27 Other Loans & Advances**

Advance of Rs. 30,00,000 (Rupees Thirty Lakhs) has been given to L N Consultants in May 2020 for acquiring land. However, the deal did not materialize and the party had to refund the full amount to the Company. The same is still outstanding till date

Balances of Advances and Deposits are subject to confirmation and consequential adjustment, if any.

**2.28 Note on Registered Office**

The Registered office of the Company was shifted from Plot no. 117, MIDC Bhosari to Office no. 123, Wing A, Sohrab Hall, 21 Sasoon Road, Pune on 1 April 2023. The rental agreement for the MIDC Bhosari premises expired on 31 Dec 2022, However, given our relations with the buyer of our Leasehold Land & Building, we were allowed to operate our registered office in the same premises till 31 March 2023 and no rental was charged for the same. The Company was offered access to the premises including all correspondence were received during the period in the same office.

**2.29 Other Matters**

**a. Note on non-appointment of CFO till date**

The Company is in search of Company Secretary and CFO and the said vacancy is yet to be filled. The appointment of Company Secretary has been finalised and the joining will be 1st September 2023.

**2.30** The figures for the corresponding previous year have been regrouped/ reclassified wherever necessary, to make them comparable.

As per our report of even date attached  
Vipul M Shah and Associates  
Chartered Accountants  
Firm registration number:

**For and on behalf of Board of Directors**

sd/-  
Anil Nagpal  
Managing Director

Proprietor  
Membership number:103726  
Mumbai -  
Date - 31.08.2023  
UDIN: 23103726BGYZW8130

sd/-  
Harish Agarwal  
Non-Executive Director