

**BOARD'S REPORT**

To,  
The Members

Envair Electrodyne Ltd.

Your Directors are pleased to present your Company's 37<sup>th</sup> Board's Report, together with the Audited Financial Statement for the Financial Year ended on 31st March 2019:

**1. FINANCIAL RESULTS**

Particulars	Current Year 2018-19	Previous Year 2017-18
Income Earned During the year	35,195,018	85,539,403
Profit before Taxes & Other adjustments	(27,921,792)	34,669,816
Add prior period income	162020	-
Profit before Taxes	(27,759,772)	34,669,816
Less Provisions for Taxes	47,36,655	-
Less Current Tax		21,33,798
Add/ (Less) Deferred Tax	-	-
Profit for the period	(32,496,427)	32,536,018
Add: Item not classified to profit & loss	2,86,874	-
Total Comprehensive Income	(32,209,553)	32,536,018
Profits carried forward from previous year	28,58,166	(29,677,852)
Less proposed Dividend	-	-
Less Dividend Distribution Tax	-	-
Profits c/f to Balance Sheet	(29,351,388)	32,536,018

**2. CHANGE IN NATURE OF BUSINESS IF ANY**

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

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

The extract of Annual Return as on 31<sup>st</sup> March 2019, pursuant to the provisions of Section 92 of the Companies Act, 2013 and Rules framed there under, in the prescribed Form MGT-9 is annexed to this report as "Annexure 2"

The copy of annual return is available on the companies website [www.envair.in](http://www.envair.in)

**4. NUMBER OF BOARD MEETINGS**

The Board of Directors duly met 8 times during the financial year 2018-19. During the year, the meetings of the Board of Directors of the Company were held on 11.5.2018, 24.5.2018, 7.7.2018, 9.08.2018, 24.09.2018, 14.11.2018, 31.01.2019 & 11.02.2019, respectively.

**5. AUDIT COMMITTEE MEETING**

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

and consist 5 members. They have vast experience and knowledge of Corporate affairs and Financial management and possess strong accounting and financial Management expertise. All the recommendation made by the Audit committee were accepted by the Board.

**6. MANAGEMENT DISCUSSION & ANALYSIS**

Sales decreased by 18.50% compared to previous year. The Company has shored up its networth and it now stand at Rs.2,76,07,057/-. This would provide a spring board for future growth of the company.

Prestigious assignments for ESD(Electro static discharge) Furniture and fume extraction system were done for Sloyd Ventures, Hyderabad.

Prestigious assignment for Technical furniture were done for Apollo Micro Systems Ltd.

Prestigious assignment for clean room were done for Nuclear Power Corporation Ltd..

**7. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**8. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTOR**

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

## 9. SHARE CAPITAL

The Paid up equity share capital as on 31<sup>st</sup> March 2019 was Rs. 30,400,000. Their was preferential issue of 16,00,000 convertible warrants to promoter and non promoter group. The warrants to be converted into equity shares.

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

The price of warrants to be issued is fixed at Rs. 30 Per warrants convertible into equal number of equity share of Rs. 10/- each at premium of Rs. 20/- per share in accordance with the price determined in terms of Regulation 76A of the ICDR Regulations. The warrants shall be exercised within a period of 18 months from the date of allotment, in one or more tranches

## 10. NOMINATION AND REMUNERATION COMMITTEE

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

## 11. DIRECTOR'S APPOINTMENT AND REMUNERATION

As per Clause 128 of the Article of Association of the Company, one third strength of the Board is required to retire by rotation at the ensuing Annual General Meeting. Mr. Harish Agarwal and Mr. Archit Aggarwal, Director will retire by rotation.

Mr. Vikas Khanvelkar resigned from the post of Independent Director on 23rd October 2018.

Mr. Sanjiv Kumar Narain is appointed as Independent director with effect from 7th June 2019.

Mrs. Prachi Narula is appointed as Women Independent Director with effect from 7th June 2019.

## 12. AUDITORS:

### a) Statutory Auditors:

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

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

Trade receivable, Trade payable and advances are receivable/ payable in due course of time except as provided in financial statement. As per management no further provision is required for said balance.

### b) Secretarial Auditors:

Mr. I.U. Thakur Company Secretary in Practice having Membership no. FCS 2298 was appointed to conduct the Secretarial Audit of the Company for the F.Y. 2018-

19 as required under section 204 of the Act and Rule made there Rule under. The Secretarial Audit report, in form MR-3 for the F.Y. 2018-19 is annexed to this report.

### c) Internal Auditor

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

## 13. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS

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

## 14. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2018-19 were on an arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee as also the Board for approval.

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

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

## 15. RESERVES

The company proposes to carry Rs. (29,35,188)/- to Reserves after adjusting previous profit of Rs. 28,58,166/- from current year loss of Rs.32,209,553/-. This makes Equity plus other Equity as Rs 15,607,057/-.

## 16. DIVIDEND

Since there was no operational profit, the Board has not recommended any dividend during the Financial Year 2018-19.

## 17. MATERIAL CHANGES & COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET & THE DATE OF REPORT

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

## 18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE & OUTGO

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

## 19 RISK MANAGEMENT POLICY

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

## 20 CORPORATE SOCIAL RESPONSIBILITY

Since the Company's networth does not exceed Rs. 500

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

## 21. FORMAL ANNUAL EVALUATION

The Board has formulated a Board Evaluation Policy for evaluation of Individual Directors as well as the entire Board & Committees of the Board. The Evaluation frame work is divided in to parameters based on the various performance criteria to be done annually. The evaluation for the year ended 31st March, 2019 has been completed.

Sr. No.	Particulars	Disclosure
1.	Financial summary/highlights	Already given in Sr.No.1
2.	Change in the nature of business	There is no change in the nature of business.
3.	Details of directors or key managerial personnel who were appointed or have resigned during the year;	Mr. Vikas Khanvelkar resigned from the post of Independent Director on 23rd October 2018. Mr. Rajabhau Ramchandr Joshi resigned from the post of C.F.O on 11 <sup>th</sup> September 2018 Mr. Prince Vohra, is appointed as Chief Finance officer with effect from 23th April 2019. Mr. Sanjiv Kumar Narain appointed as Independent director with effect from 7th June 2019. Mrs. Prachi Narula appointed as Women Independent Director with effect from 7th June 2019. Mr. Prince Vohra appointed as CFO with effect from 23 <sup>rd</sup> April 2019
	Names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year along with reasons therefore;	The company does not have any subsidiaries.

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

Sr. No.	Particulars		
(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Name of the Director: Mr. Anil Nagpal Mr. Harish Agarwal Mr. Archit Agarwal	Ratio: 0:0 0:0
(ii)	Percentage increase in remuneration of each director and CEO in the financial year	Mr. Anil Nagpal Mr. Harish Agarwal Mr. Archit Agarwal	0.00% 0.00%
(iii)	Percentage increase in the median remuneration of employees in the financial year		0.00%
(iv)	Number of permanent employees on the rolls of company;		40
(v)	Explanation on the relationship between average increase in remuneration and company performance		Remuneration is revised based on the Company's policy which is based on Annual Operating Plan.

(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Comparison base year is 2017-18. Increase in the remuneration of KMP is 0%	
(vii)	The key parameters for any variable component of remuneration availed by the directors	Key Parameters: There is no variable payment made to the Directors for the year.	
(viii)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Name: Nil	Ratio: Nil
(ix)	Affirmation	The Board affirms that the remuneration is as per the remuneration policy of the company.	

## 23. ENVIRONMENT & SAFETY

The Company is aware of the importance of environment clean

## 24. DETAILS OF FRAUDS REPORTED BY AUDITORS:

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

## 25. VIGILMECHANISM

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

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

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

## 27. SECRETARIAL STANDARD OF THE ICSI

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

## 28. APPRECIATION:

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

For and on behalf of the Board of Directors,

**ANIL NAGPAL**  
MANAGING DIRECTOR  
DIN:01302308

Place: Pune Date: 3.9.2019