

**INTENSIVE**   
***Air Systems***  
 **LIMITED**

**16<sup>th</sup> ANNUAL REPORT 2010 - 2011**

**BOARD OF DIRECTORS**

Mr. Rajiv Hemant Kharbanda	- Chairman (w.e.f.15 <sup>th</sup> July, 2010)
Mr. K. V. K. Raju	- Managing Director
Mr. J. Anjaneyulu Reddy	- Director
Mr. R. L. Kanchibhotla	- Director
Mr. Praful Hande	- Director (w.e.f.15 <sup>th</sup> July, 2010)
Mr. P. Ramayya Naidu	- Director (upto 15 <sup>th</sup> July, 2010)
Mr. V. S. Raju	- Director (upto 15 <sup>th</sup> July, 2010)

**AUDITORS**

M/s GMK Associates  
607, Raghava Ratna Towers  
Abids, Hyderabad 500 001

**BANKERS**

State Bank of India  
Saifabad (SIB) Branch,  
Hyderabad

**REGISTERED & CORPORATE OFFICE**

7, Ground Floor,  
Shiv Mandir Co-operative Housing Society Limited,  
Plot No 4, Sector 13, Sanpada,  
Navi Mumbai - 400705

**REGISTRARS AND SHARE TRANSFER AGENTS**

CIL Securities Limited  
Unit: Intensive Air Systems Ltd.  
214, Raghava Ratna Towers,  
Chirag Ali Lane, Abids,  
Hyderabad 500 001

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**NOTICE**

Notice is hereby given that the **Sixteenth Annual General Meeting** of the Company will be held on Friday, 25<sup>th</sup> day of November, 2011 at 12.30 P.M. at Sagar Banquets 1<sup>st</sup> Floor, Behind Hotel Navratna, Nirman Vyapar Kendra, Plot No.10, Sector 17, Vashi, Navi Mumbai -400703 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2011 and the Profit and Loss account for the year ended on that date together with the reports of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. R. L. Kanchibhotla , who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. GMK Associates, Chartered Accountants as Auditors of the Company and to fix their remuneration. M/s. GMK Associates, retiring Auditors are eligible for re-appointment.

**SPECIAL BUSINESS**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 & 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and such other approvals as may be necessary, the re-appointment of Mr. KVK Raju as Managing Director of the Company for a further period of 1 year with effect from 1<sup>st</sup> July 2011 be and is hereby approved on the following terms and conditions:

1. Date of reappointment: 1<sup>st</sup> July 2011
2. Tenure : 1 year
3. Remuneration: He shall not draw any salary or remuneration.
4. Others:
  - Company's car with driver for business use of the Company.
  - Conveyance: Actual
  - Mr. KVK Raju will be entitled to leave as per the rules of the Company as are applicable to other staff members of his category.

**RESOLVED FURTHER THAT** aforesaid reappointment of Mr. KVK Raju shall be subject to provisions of Articles of Association of the Company and he shall have such powers and duties as provided in Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, things and deeds as may be necessary to give effect to the aforesaid resolution.”

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

**“RESOLVED THAT** pursuant to provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the new set of Articles of Associations, as placed before the meeting and initialed by the Chairman for the purpose of identification, be and is hereby approved and adopted as new Articles of Association of the Company in the place and exclusion of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, things, deeds and take such steps as may be required to give effect to the above resolution.”

**By order of the Board of Directors  
For Intensive Air Systems Limited**

Place: Mumbai  
Date: 22<sup>nd</sup> October, 2011

**K V K Raju**  
Managing Director

**Notes:**

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member, proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 21<sup>st</sup> November, 2011 to Friday, 25<sup>th</sup> November, 2011 (both days inclusive).
3. Members are hereby requested to communicate to the Company's Registrars and share Transfer Agents at the following address for transfers and demat requests to CIL Securities Ltd., Unit (Intensive Air Systems Limited), 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad 500 001.
4. The Shares of the Company are listed at Bombay Stock Exchange Limited. The company has paid the listing fee to Bombay Stock Exchange Limited for the financial year 2011-12.
5. Details of directors seeking re-appointment at the ensuing Annual General Meeting to be held on Friday, 25<sup>th</sup> day of November, 2011 (in pursuance of the Clause 49 of the Listing Agreement):

Name of Director	Mr. R. L. Kanchibhotla	Mr. KVK Raju
Date of Birth	09/09/1956	25/07/1963
Nationality	Indian	Indian
Date of appointment as director	16/02/2000	25/01/1995
Designation	Non- Executive Director	Managing Director
Qualification	Post Graduate in Physics	Chartered Accountant
Experience/Expertise	He is having over more than 17 years of experience of engaged in the business.	He is having more than 20 Years of Experience in the field of Accounts, Audit and Taxation.
Shareholding in the Company Equity shares of Rs. 1/- each	Nil	425100 Equity Shares
List of Directorships held in other Companies	Nil	Nil
Relationship with existing Directors of the company	Not related	Not related

**Green Initiative in the Corporate Governance**

The Ministry of Corporate Affairs (MCA), vide its Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 has taken a "Green Initiative" by allowing paperless compliances by the companies to serve the requisite documents (including notice calling of Annual General Meeting alongwith Annual Report) to its members vide e-mode in pursuance to Section 53 of the Companies Act, 1956. Accordingly, the Company shall be required to update its database by incorporating your designated e-mail ID in its records.

You are thus requested to join with us in Green Initiative in the Corporate Governance of your Company and kindly submit your e-mail ID vide the e-mail updation form attached with the Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning this letter either by post or by sending scan copy through e-mail at **intensiveairsystems@gmail.com**

Further, if any of the members still wish to get hard copy/physical copy of aforesaid documents, the request of the same should be made in writing and through e-mail also and the Company undertakes to provide the same at no cost to members.

The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the Registrar and Share Transfer Agent of the Company.

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 4**

The terms of Mr. KVK Raju as Managing Director of the Company expired on 30<sup>th</sup> June, 2011 and Board of Directors at their meeting held on 25<sup>th</sup> June, 2011 has re-appointed Mr. KVK Raju as Managing Director of the company for a further period of one year w.e.f. 1<sup>st</sup> July, 2011 on such terms and conditions as mentioned in the draft resolution as set out at item no. 4 of this notice.

Further, the Remuneration Committee of the Company at its meeting held on 25<sup>th</sup> June, 2011 has also recommended for his re-appointment.

Your directors recommend the passing of an ordinary resolution as set out at item No.4 of the Notice. None of the Directors, except Mr. K V K Raju, is interested or concerned in the resolution.

**ITEM NO. 5**

Your Directors considered that the existing Articles of Association of the Company do not cover latest amendments in the Companies Act, 1956 and it is proposed to amend the existing Article of Association by adopting a new set of Articles of Association of the Company in the place of the existing Articles of Association of the Company.

In terms of Section 31 of the Companies Act, 1956, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

Your directors recommend the passing of a special resolution as set out at item No. 5 of the Notice. None of Directors is interested or concerned in this resolution.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection at the Registered Office of the Company during the office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00. p.m. up to the date of the Annual General Meeting and during the Annual General Meeting.

By order of the Board of Directors  
For **Intensive Air Systems Ltd.**

Place: Mumbai  
Date: 22<sup>nd</sup> October, 2011

K V K Raju  
Managing Director

**DIRECTORS' REPORT**

To  
The Members

Your Directors hereby present the Sixteenth Annual Report together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2011.

**FINANCIAL RESULTS**

The financial results for the year ended 31<sup>st</sup> March 2011 are as under:

(Rs. in Lacs)

Particulars	For the year ended 31/03/2011	For the year ended 31/03/2010
Sales and other income	0.10	0.00
Less: Expenses except Depreciation	3.87	4.35
Profit (Loss) before Interest, Depreciation, Tax & Extraordinary Items	(3.77)	(4.35)
Less: Depreciation	0.07	0.07
Less: Exceptional Items - Bad Debts written off	-	9.87
Profit/(Loss) during the year	(3.84)	(14.29)
Profit/ (Loss) brought forward	(82.89)	(68.60)
Profit/ (Loss) carried to Balance Sheet	(86.74)	(82.89)

**REVIEW OF OPERATIONS**

During the year the Company has not carried out any business activity.

**DIRECTORS**

In accordance with the provisions of Articles of Association of the Company, Mr. R. L. Kanchibhotla is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment and your Board recommends his appointment.

Mr. KVK Raju was re-appointed as Managing Director of the Company for a further period of 1 year w.e.f. 1<sup>st</sup> July, 2011, subject to confirmation by shareholders at the ensuing Annual General Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- They 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 as at 31<sup>st</sup> March, 2011 and of the loss of the Company for the year ended on that date;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a going concern basis.

**AUDITORS**

M/s. GMK Associates, Chartered Accountants, Auditors of the company who holds office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

**AUDITORS' REPORT**

In respect of remark made by the Auditors' in their report that the Company does not have an adequate internal audit system. Your Directors would like to say that the Company has no business activity for which it requires to set up an Internal Audit system.

**PUBLIC DEPOSITS**

Your Company has not accepted or renewed any deposits from the public during the year under review.

**SECRETARIAL COMPLIANCE CERTIFICATE**

As required under section 383A of the Companies Act, 1956, Secretarial Compliance Certificate received from M/s. Manish Ghia & Associates, practicing Company Secretaries for the financial year 2010-2011 is annexed herewith and forms part of this report.

**AMALGAMATION OF YUVRAAJ HYGIENE INDUSTRIES PRIVATE LTD. (YHIPL) WITH THE COMPANY**

The Board of Directors your Company at its meeting held on 23<sup>rd</sup> May, 2011 has approved the Scheme of Amalgamation under Section 391 to 394 of the Companies Act, 1956 of Yuvraaj Hygiene Industries Private Ltd. (YHIPL) with the Company with effect from appointed date i.e. 1<sup>st</sup> April, 2011, subject to the approval of shareholders, Hon'ble High Court of Bombay at Mumbai and other authorities.

As per the valuation report of M/s. Grant Thornton, share exchange ratio of 69 (sixty nine) equity shares of Re.1 each fully paid up of the Transferee Company for every 8 (eight) equity share of Re.1 each fully paid up held in the YHIPL has been approved by the Board of directors.

**PARTICULARS OF EMPLOYEES**

There are no employees whose particulars are required to be disclosed pursuant to Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975 as amended from time to time.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.**

Since there was no business activities have been carried out by the Company, hence Information related to Conservation of energy, Technology Absorption, Adaptation and Innovation are reported to be Nil.

**CHANGE IN REGISTERED OFFICE OF THE COMPANY:**

The Registered office of the Company has been shifted from the State of Andhra Pradesh to State of Maharashtra post receipt of Shareholders approval by postal ballot on 2<sup>nd</sup> September, 2010 and Order from Company Law Board dated 5<sup>th</sup> April, 2011.

**CORPORATE GOVERNANCE**

As required by the Listing Agreement, the Corporate Governance Report, including Management Discussion and Analysis Report and the Certificate of Compliance from the Practicing Company Secretary is attached and forms part of this Report.

**ACKNOWLEDGEMENT**

Your Directors acknowledge with gratitude the co-operation and assistance given by the shareholders of the company, business associates and various Government and Non-Government Departments during the year under review.

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

**KVK Raju**  
Managing Director

Place: Mumbai  
Date: 22<sup>nd</sup> October, 2011

**FORM**  
[See Rule 3]  
**COMPLIANCE CERTIFICATE**

CIN : L29197AP1995PLC019282  
Authorised Share Capital : Rs. 55,000,000/-

To,  
The Members,  
**INTENSIVE AIR SYSTEMS LIMITED**  
7, Ground Floor, Shiv Mandir Co-op Housing Society Ltd.  
Plot No. 4, Sector 13, Sanpada  
Navi Mumbai  
Mumbai-400705

We have examined the registers, records, books and papers of **INTENSIVE AIR SYSTEMS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company, for the financial year ended on **31.03.2011** (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in **Annexure `A'** to this certificate, as per the provisions of the Act and rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure `B'** to this certificate, with the Registrar of Companies, Hyderabad, Andhra Pradesh. The Company has paid necessary additional fees for the forms and returns filed after the time prescribed under the Act and rules made thereunder. The Company has filed petition with Company Law Board, Chennai Bench for shifting of its registered office from the State of Andhra Pradesh to the State of Maharashtra. The Company was not required to file any documents with the Office of Regional Director, Central Government or other authorities prescribed under the Act.
3. The Company, being a Public Limited Company, has minimum prescribed paid-up share capital. As on 31.03.2011, the paid-up capital of the Company was Rs. 46,18,400/- (Rupees Forty Six Lacs Eighteen Thousand Four Hundred only). The restrictive provisions of Section 3(1)(iii) of the Companies Act, 1956 are not applicable to the Company.
4. The Board of Directors duly met 6(Six) times on 31.05.2010, 10.06.2010, 15.07.2010, 10.08.2010, 30.10.2010 and 10.02.2011 and as per information and explanation given by the management, proper notices were given and the proceedings were properly recorded in the Minute Book maintained for the purpose. No circular resolution was passed by the Company during the financial year.
5. The Company closed its Register of Members from Monday, 27.09.2010 to Thursday, 30.09.2010 during the financial year and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended 31.03.2010 was held on 30.09.2010 and as per information and explanation given by the management, the Company has given adequate notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year. The Company has conducted Postal Ballot Process under Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001 for approval of the members of the company for various matters, the results of which was declared on 02.09.2010.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries maintained under section 301 of the Act.



11. As there were no instances falling under the purview of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, members or the Central Government, as the case may be.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company:
  - i) has delivered all certificates on lodgement thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act;
  - ii) was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year;
  - iii) was not required to post warrants for dividend to the members of the Company as no dividend was declared during the financial year;
  - iv) do not have any amount lying on accounts of unpaid dividend account, application money due for refund, matured deposit, matured debentures and the interest accrued thereon which remained unclaimed or unpaid for a period of seven years and which is required to transfer to investor Education and protection fund.
  - v) has complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The reappointment of Director retiring by rotation was duly made. There was appointment of additional directors during the year under review. There was no appointment of alternate director and directors to fill casual vacancy during the financial year.
15. The members of the Company approved the appointment of Managing Director at their Annual General Meeting held on 30.09.2010 in compliance with the provisions of section 269 read with Schedule XIII of the Companies Act, 1956. The Company has not appointed any Whole time Director/ Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company has filed Petition Company Law Board, Chennai Bench for seeking approval for shifting of its registered office from the State of Andhra Pradesh to the State of Maharashtra. The Company was not required to obtain any approvals from the Central Government, Regional Director, Registrar and/ or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms and companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares or debentures, hence the question of redemption of the same does not arise.
22. There were no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits falling within preview of Sections 58A and 58AA of the Act during the financial year.
24. The Company has not made any borrowing during the financial year.
25. The Company has not made any loans and advances, or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for that purpose.
26. The members of the Company has approved the alteration in the provisions of the Memorandum with respect to situation of the Company's registered office through postal ballot process, subject to the approval of the Company Law Board, Chennai Bench.

27. The Company has altered the provisions of its Memorandum of Association with respect to the objects clause during the financial year.
28. The Company has not altered the provisions of its Memorandum of Association with respect to the name during the financial year.
29. The Company has not altered the provisions of its Memorandum of Association with respect to share capital during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any amount as security from its employees during the financial year.
33. The Company has not deducted any contribution towards Provident Fund during the financial year.

For **Manish Ghia & Associates**  
Company Secretaries

**A. N. Sarma**  
Partner  
M. No. FCS 4557  
C.P. No. 7812

Place: Mumbai  
Date: 08.06.2011

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#### **Annexure "A"**

##### **Registers maintained by INTENSIVE AIR SYSTEMS LIMITED**

1. Register of Members u/s. 150 of the Act.
2. Register of Index of Members u/s 151 of the Act.
3. Register and Returns u/s. 163 of the Act.
4. Register of Contracts, Companies and Firms in which directors are interested u/s. 301 of the Act.
5. Register of Directors u/s. 303 of the Act.
6. Register of Directors' Shareholding u/s. 307 of the Act.
7. Minutes Book of General Meeting and Board Meeting u/s. 193 of the Act.
8. Register of Transfer / Transmission of Shares.

## Annexure "B"

Forms and Returns filed by Intensive Air Systems Limited during the financial year ended 31.03.2011:

## A) With the Registrar of Companies Hyderabad, Andhra Pradesh:

Sr. No.	E-Form No.	Relevant Section	Description	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes / N.A.
1	32	303(2)	Particulars of appointment of Mr. Praful Hande and Mr. Rajiv Kharbanda as additional directors of the company w.e.f. 15.07.2010	29.07.2010	Yes	N.A.
2.	62	192A	Intimation to the Registrar of the Companies about calendar of events for conducting Postal Ballot Process.	05.08.2010	Yes	N.A.
3.	66	383A	Compliance Certificate u/s 383A for the financial year ended 31.03.2010	29.10.2010	Yes	N.A.
4.	23AC& 23ACA	220(1)	Schedule VI (Annual Accounts) for the financial year ended 31.03.2010	30. 10.2010	Yes	N.A.
5.	23	192(1)	Particulars of Special Resolutions passed by the members of the company through postal ballot process, the results of which declared on 02.09.2010	23.09.2010	Yes	N.A.
6.	20B	159(1)	Schedule VI (Annual Return) as on Annual General Meeting held on 30.09.2010.	30.12.2010	No	N.A.
7.	32	303(2)	Particulars of appointment of Mr. Praful Hande and Mr. Rajiv Kharbanda as directors of the company at the Annual General Meeting held on 30.09.2010.	07.01.2011	No	N.A.

## B) With the Office of the Regional Director during the financial year ended 31.03.2011.

Nil

## C) With the Office of the Ministry of Corporate affairs (Central Government) at Delhi during the financial year ended 31.03.2011.

Nil

## D) With any other Authorities as prescribed under the Act, during the financial year ended 31.03.2011.

The Company has filed a petition with Company Law Board, Chennai Bench for seeking approval for shifting of the registered office of the Company from the State of Andhra Pradesh to the State of Maharashtra.

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY

The Company believes in and practices good corporate governance. The Corporate Governance philosophy of the Company is founded upon transparency, accountability, values and ethics and is an integral part of the management in its pursuit for excellence, growth and value creation. The operations of the Company are managed under the directions of the Board within the framework set by the Companies Act, 1956, the Listing Agreement with the stock exchange and the Articles of Association of the Company.

### 2. BOARD OF DIRECTORS

COMPOSITION OF PRESENT BOARD OF DIRECTORS, ATTENDANCE AT BOARD MEETINGS LAST AGM AND DETAILS OF MEMBERSHIP OF OTHER BOARDS/ COMMITTEES

The Company's Board of Directors comprises executive, non-executive and independent Directors as per the Corporate Governance requirements. Mr. KVK Raju, Managing Director of the company, is the only Executive Director and is in charge of the day to day management of the company subject to the overall superintendence and control of the Board.

During the year 2010-11, the Board of Directors met 6(Six) times on 31<sup>st</sup> May 2010, 10<sup>th</sup> June 2010, 15<sup>th</sup> July 2010, 10<sup>th</sup> August 2010, 30<sup>th</sup> October 2010 and 10<sup>th</sup> February 2011.

The composition of the Board and the particulars of attendance of the Directors at the Board Meetings are as follows:

Name of Director	Position/ Category	No of Board meetings held	Attendance in Board Meetings during 2010-11	Attendance in last AGM	Other Boards/ Committees		
					Director- Ships	Committee Member	Chairman
Mr. V. S. Raju (upto 15 <sup>th</sup> July, 2010)	Independent /Non Executive Director	2	2	No	-	-	-
Mr. P Ramayya Naidu (upto 15 <sup>th</sup> July, 2010)	Non Executive Director	2	2	No	-	-	-
Mr. R L Kanchibhotla	Non- Executive Director	6	6	Yes	-	-	-
Mr. J Anjaneyulu Reddy	Promoter	6	6	Yes	-	-	-
Mr. K V K Raju	Managing Director	6	6	Yes	-	-	-
Mr. Rajiv Kharbanda (w.e.f. 15 <sup>th</sup> July, 2010)	Chairman/ Independent Director	4	4	Yes	-	-	-
Mr. Praful Hande (w.e.f. 15 <sup>th</sup> July, 2010)	Independent Director	4	4	Yes	1	-	-

In accordance with Clause 49 of the Listing Agreement, Membership/Chairmanships of only the Audit Committee and Shareholders / Investors' Grievance Committee of all Public Limited Companies are considered, except of the Directors who have resigned during the year and for which details as on 31<sup>st</sup> March, 2011 are not available.

### 3. AUDIT COMMITTEE

The purpose of the Audit Committee is to insure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters. The composition, powers, role and terms of reference of the Committee are in consonance with the requirements mandated under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The members of the Audit Committee met 4(four) times on 31<sup>st</sup> May, 2010, 10<sup>th</sup> August, 2010, 30<sup>th</sup> October, 2010, and 10<sup>th</sup> February, 2011 during the financial year ended 31<sup>st</sup> March, 2011. The terms of reference of Audit Committee are in conformity with the requirements specified in Clause 49 of the Listing Agreement with Stock Exchanges and also comply with the requirements of Section 292A of the Companies Act, 1956.

The composition and attendance of the members of the Audit Committee during the financial year 2010-11 was as follows:

Name of Director	Designation	Number of Meeting held	Meetings attended
Mr. P Ramayya <sup>1</sup>	Chairman	1	1
Mr. V S Raju <sup>2</sup>	Member	1	1
Mr. Rajiv Kharbanda <sup>3</sup>	Chairman	3	3
Mr. Praful Hande <sup>4</sup>	Member	3	3
Mr. R L Kanchibhotla	Member	4	4

1. Ceased to be Chairman and Member of the Committee w.e.f. 15<sup>th</sup> July, 2010
2. Ceased to be Member of the Committee w.e.f. 15<sup>th</sup> July, 2010
3. Appointed as Chairman & Member of the Committee w.e.f. 15<sup>th</sup> July, 2010
4. Appointed as Member of the Committee w.e.f. 15<sup>th</sup> July, 2010.

#### 4. REMUNERATION COMMITTEE

The Remuneration Committee of the Company is solely comprised of Non-Executive / Independent Directors, comprising as follows:

Name of Director	Designation
Mr. P Ramayya <sup>1</sup>	Chairman
Mr. V S Raju <sup>2</sup>	Member
Mr. Rajiv Kharbanda <sup>3</sup>	Chairman
Mr. Praful Hande <sup>4</sup>	Member
Mr. R L Kanchibhotla	Member

1. Ceased to be Chairman and Member of the Committee w.e.f. 15<sup>th</sup> July, 2010
2. Ceased to be Member of the Committee w.e.f. 15<sup>th</sup> July, 2010
3. Appointed as Chairman & Member of the Committee w.e.f. 15<sup>th</sup> July, 2010
4. Appointed as Member of the Committee w.e.f. 15<sup>th</sup> July, 2010.

No meeting of the Remuneration Committee was held during the year under review. The broad terms of reference of the Remuneration Committee are to recommend the remuneration packages for Executive Directors and Senior Management personnels as per the Company's policy.

#### Details of Remuneration / fees paid / No. of Equity shares held by the Directors during the year ended 31<sup>st</sup> March, 2011

Name	Category	Salary	Perquisites or Allowances	Stock Option	Sitting Fees	No. of shares held
Mr. R L Kanchibhotla	Non- Executive Director	-	-	-	-	-
Mr. J Anjaneyulu Reddy	Promoter	-	-	-	-	413600
Mr. K V K Raju	Managing Director	-	-	-	-	425100
Mr. Rajiv Kharbanda (w.e.f. 15 <sup>th</sup> July, 2010)	Chairman / Independent Director	-	-	-	-	-
Mr. Praful Hande (w.e.f. 15 <sup>th</sup> July, 2010)	Independent Director	-	-	-	-	-
Mr. V. S. Raju (upto 15 <sup>th</sup> July, 2010)	Independent / Non Executive Director	-	-	-	-	-
Mr. P Ramayya Naidu (upto 15 <sup>th</sup> July, 2010)	Non Executive Director	-	-	-	-	-

**5. INVESTORS GRIEVANCE & SHARE TRANSFER COMMITTEE:**

During the year 2010-11 the Share holders' / Investors Grievance Committee met 4 (four) times on 31<sup>st</sup> May, 2010, 10<sup>th</sup> August, 2010, 30<sup>th</sup> October, 2010, and 10<sup>th</sup> February, 2011. The Constitution and attendance of the committee meeting was as follows:

Name of Director	Designation	Number of Meeting held	Meetings attended
Mr. R L Kanchibhotla	Chairman	4	4
Mr. P Ramayya <sup>1</sup>	Member	1	1
Mr. V S Raju <sup>2</sup>	Member	1	1
Mr. Rajiv Kharbanda <sup>3</sup>	Member	3	3
Mr. Praful Hande <sup>4</sup>	Member	3	3

1. Ceased to be Member of the Committee w.e.f. 15<sup>th</sup> July, 2010
2. Ceased to be Member of the Committee w.e.f. 15<sup>th</sup> July 2010
3. Appointed as Member of the Committee w.e.f. 15<sup>th</sup> July, 2010
4. Appointed as Member of the Committee w.e.f. 15<sup>th</sup> July, 2010.

The scope of the committee includes the following:

- To deal with matters relating to share transfers.
- To review the system of dealing with and responding to correspondence from shareholders.
- To review and deal with complaints and responses to letters received from Stock Exchanges, SEBI and Department of Company Affairs.

The Company has not received any complaints from the investors during the year ended 31<sup>st</sup> March 2011.

**6. COMPLIANCE OFFICER**

The name and designation of the Compliance officer Mr. KVK Raju, Managing Director

**7. GENERAL BODY MEETINGS**

1) Location, date and time, where last three Annual General Meetings were held:

Year	FY 2009-10	FY 2008-09	FY 2007-08
Date & Time	30 <sup>th</sup> September, 2010 at 10.00 A.M.	30 <sup>th</sup> September, 2009 at 10.00A.M.	30 <sup>th</sup> September, 2008 at 10.00A.M.
Venue	Registered office: Survey No.273, 467 Bonthapally Village Jinnaram Mandal Medak District – 502313.	Registered office: Survey No.273, 467 Bonthapally Village Jinnaram Mandal Medak District – 502313.	Registered office: Survey No.273, 467 Bonthapally Village Jinnaram Mandal Medak District – 502313.

Following Special Resolutions were passed in the last three AGMs:

AGM held on	Special Resolution passed
30 <sup>th</sup> September, 2010	No Special Resolution was passed.
30 <sup>th</sup> September, 2009	No Special Resolution was passed.
30 <sup>th</sup> September, 2008	Approval of Members u/s 100 to 104 of the companies Act, 1956 for reduction of share capital of the Company from Rs.4,61,84,000/- divided into 46,18,400 Equity shares of Rs.10/- each to Rs.46,18,400/- divided into 46,18,400 Equity Shares of Re.1/- each.

No Special Resolution is proposed to be passed through postal ballot process at ensuing annual general meeting.

## 2) Resolution passed through Postal Ballot process:

During the year 2010-11, the Company conducted postal ballot process, the details of which are as follows:

Date of declaration of results of postal ballot	Type of Resolution	Purpose of Resolution
2 <sup>nd</sup> September, 2010	Special Resolution	U/s. 81 (1A) of the Companies Act, 1956 for the issue of Equity Shares on Preferential basis to persons other than promoters of the Company
	Special Resolution	U/s 17 of the Act for alteration in the Object Clause of Memorandum of Association of the Company by Substituting existing clause 13 and 14 with new sub clauses 13 and 14.
	Special Resolution	U/s 149(2A) of the Act for giving authority to commence new business activities as set out in sub clause 13 and 14 in Clause IIIC Other Objects of Memorandum of Association of the Company
	Special Resolution	U/s. 17 of the Companies Act, 1956 for alteration in Clause II of the Memorandum of Association of the Company by substitution of the existing Clause II with new Clause II, for shifting of the Registered office of the Company from the State of Andhra Pradesh to the state of Maharashtra.

The Company issued Postal Ballot Notice to its shareholders on 2<sup>nd</sup> August, 2010. The postal ballot process was undertaken in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. Mr. Manish L. Ghia, Practising Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process. The result of the Postal Ballot process was announced on 2<sup>nd</sup> September, 2010.

The resolution passed through postal ballot and the voting pattern for the same are as follows:

Sr. No.	Business	Postal Ballot forms received		Valid Votes Cast		
		Total	Valid	Total	In favour	Against
1	Special Resolution under Section 81 (1A) of the Companies Act, 1956 for the issue of Equity Shares on Preferential basis to persons other than promoters of the Company	37	37	893436	893436	0
2	Special Resolution under Section 17 of the Companies Act, 1956 for alteration in the Object Clause of Memorandum of Association of the Company by Substituting existing clause 13 and 14 with new sub clauses 13 and 14	37	37	893436	893436	0
3	Special Resolution under Section 149 (2A) of the Companies Act for giving authority to commence new business activities as set out in sub clause 13 and 14 in Clause IIIC Other Objects of Memorandum of Association of the Company	37	37	893436	893436	0
4	Special Resolution under Section 17 of the Companies Act, 1956 for alteration in Clause II of the Memorandum of Association of the Company by substitution of the existing Clause II with new Clause II, for shifting of the Registered office of the Company from the State of Andhra Pradesh to the state of Maharashtra.	37	37	893436	893436	0

The above all resolutions were passed with requisite majority.

**8. DISCLOSURES****A. Related Party Transactions:**

There are no Related Party Transactions during the year as disclosed in the Note No. 7 to Notes to Accounts of Schedule H to the Financial Statements in the Annual Report.

**B. Disclosure of accounting treatment:**

In the preparation of the financial statements, the Company has followed the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**C. Disclosure of Risk Management:**

The Company has initiated the risk assessment and minimization procedure.

**D. Compliance by the Company:**

The Company has complied with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities. The Company has paid the listing fees for the year 2011-12 to the Bombay Stock Exchange Limited.

**E. Whistle Blower policy:**

The Company has no formal Whistle Blower policy, however it takes cognizance of complaint made and suggestions given by the employees and whenever necessary, suitable corrective steps are taken for it. Also employees have not been denied to access the audit committee for the same purpose.

**F. Code of conduct:**

The Company has laid down a code of conduct for the Directors, Senior Management and Employees of the Company. A declaration to the effect that the Directors and Senior Managerial personnel have adhered to the same, signed by the Managing Director of the Company, forms part of this report, which along with the Practising Company Secretary Certificate on compliance of clause 49 of the Listing Agreement by the Company is annexed to this report.

**G. Review of Directors' Responsibility Statement:**

The Board in its report has confirmed that the annual accounts for the year ended 31<sup>st</sup> March, 2011 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**H. CEO / CFO Certification:**

In terms of the requirements of Clause 49(V) of the Listing Agreement, the Managing Director have submitted necessary certificate to the Board stating the particulars specified under the said clause.

**9. MEANS OF COMMUNICATION****A. PUBLICATION OF QUARTERLY RESULTS**

The quarterly and Annual Financial results are faxed to the stock exchange and duly published in "Business Standard", "Andhra Prabha" and "Praja Sakti" in compliance with the Listing Agreement.

All material information about the Company is promptly sent to the stock exchange and the Company regularly updates about its financial as well as other organizational developments.

**B. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis is given separately in this Annual Report.



**10. GENERAL SHAREHOLDERS' INFORMATION****A. ANNUAL GENERAL MEETING:**

Date and Time : Friday, 25<sup>th</sup> day of November, 2011 at 12.30 P.M.  
 Venue : Sagar Banquets, 1st Floor, Behind Hotel Navratna,  
 Nirman Vyapar Kendra, Plot No.10, Sector  
 17, Vashi, Navi Mumbai -400703

**B. DATE OF BOOK CLOSURE** : Monday, 21<sup>st</sup> November, 2011 to Friday, 25<sup>th</sup> November, 2011 (Both days inclusive)

**C. DIVIDENT PAYMENT** : The Company has not declared dividend during the financial year.

**D. FINANCIAL CALENDAR** : The Company has following events for the financial year 2011-2012

Event	Due Date
Financial reporting for the quarter ending 30 <sup>th</sup> June , 2011.	On 12 <sup>th</sup> August, 2011
Financial reporting for the quarter ending 30 <sup>th</sup> September, 2011	by 14 <sup>th</sup> November, 2011
Financial reporting for the quarter ending 31 <sup>st</sup> December, 2011	by 14 <sup>th</sup> February, 2011
Financial reporting for the quarter ending 31 <sup>st</sup> March, 2012	by 15 <sup>th</sup> May 2012 (if unaudited) or by 30 <sup>th</sup> May 2012 (if Audited)

**E. LISTING ON STOCK EXCHANGES** : The shares of the Company are listed on Bombay Stock Exchanges Limited and Listing Fees is paid for the financial year 2011-12.

**F. STOCK CODE & ISIN** : Scrip ID : INTENSIV Scrip Code: 531663  
 : ISIN : INE139D01020 with NSDL and CDSL

**G. MARKET PRICE DATA** : The monthly High/ low quotations of shares traded on the Bombay Stock Exchange Ltd. during each month in the financial year are as follows:

Period	Share price on BSE		BSE Sensex	
	( in Rs.)		High	Low
	High	Low		
Apr-10	6.95	3.25	18047.86	17276.80
May-10	7.64	4.81	17536.86	15960.10
Jun-10	5.57	3.87	17919.62	16318.39
Jul-10	5.73	4.73	18237.36	17395.58
Aug-10	-	-	18475.27	17819.99
Sep-10	-	-	20267.98	18027.12
Oct-10	10.27	4.50	20584.55	19768.96
Nov-10	7.95	4.66	21108.64	18954.82
Dec-10	5.99	4.38	20552.03	19074.57
Jan-11	4.17	2.91	20664.80	18038.48
Feb-11	3.87	3.20	18690.97	17295.62
Mar-11	4.76	2.95	19575.16	17792.17

Source: www.bseindia.com

**H REGISTRAR AND SHARE TRANSFER AGENTS :**

CIL Securities Limited  
Unit: Intensive Air Systems Ltd.  
214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad 500 001

**I. SHARE TRANSFER PROCEDURE:**

In respect of transfer of shares, shareholders are advised to contact CIL Securities Limited directly. Every effort is made to clear share transfers/ transmissions and split/ consolidation requests within 15 days. Requests for issue of duplicate share certificates are normally cleared within 30 days, subject to the documents being clear in all respects. The company has not received any complaints from shareholders during the financial year.

**J. DISTRIBUTION SCHEDULE: As on 31<sup>st</sup> March, 2011:**

As on 31 <sup>st</sup> March 2011				
No. of equity shares held	No. of share holders	% of share holders	No. of shares held	% of share holding
1-5000	1402	93.28	1251113	27.09
5001-10000	47	3.13	388370	8.41
10001-20000	20	1.33	316708	6.86
20001-30000	8	0.53	208300	4.51
30001-40000	5	0.33	184297	3.99
40001-50000	4	0.27	187800	4.07
50001-100000	11	0.73	821312	17.78
100001 & above	6	0.40	1260500	27.29
<b>Total</b>	<b>1503</b>	<b>100.00</b>	<b>4618400</b>	<b>100.00</b>

**K. SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2011:**

Categories	No. of Shareholders	No. of Shares	% of shareholding
Promoters	11	947200	20.51
Financial Institution/Banks	-	-	-
FII's	-	-	-
Non- Resident Indians	4	9799	0.21
Bodies Corporate	51	625348	13.54
Indian Public	1437	3036053	65.74
<b>Total</b>	<b>1503</b>	<b>4618400</b>	<b>100.00</b>

**L. DEMATERIALISATION OF SHARES:**

Out of the total paid up share capital of the company 50.31 % aggregating to 2,323,390 equity shares was held in dematerialized form as on 31<sup>st</sup> March 2011.

**M. CONVERTIBLE INSTRUMENTS:**

As of date, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity shares of the company.

**N. ADDRESS FOR INVESTOR CORRESPONDENCE:**

Intensive air systems limited  
Registered office:  
7, Ground Floor,  
Shiv Mandir Co-operative Housing Society Limited,  
Plot No 4, Sector 13, Sanpada,  
Navi Mumbai 400705  
Tel/Fax:022-27811205  
Email id: intensiveairsystems@gmail.com

**O WEBSITE : Under Construction**

**DECLARATION ON CODE OF CONDUCT**

To,  
The Members of  
**Intensive Air Systems Limited**

I, KVK Raju, Managing Director of the Company declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct during the year ended 31<sup>st</sup> March, 2011.

**For Intensive Air Systems Limited**

Place: Mumbai  
Date: 22<sup>nd</sup> October, 2011

**KVK Raju**  
Managing Director

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**CERTIFICATE FROM PRACTICING COMPANY SECRETARY FOR COMPLIANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To  
The Members  
**Intensive Air Systems Limited**

We have examined the compliance of conditions of corporate governance by Intensive Air Systems Limited for the year ended 31<sup>st</sup> March 2011 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the company which are presented to the investors' grievance committee.

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

**For Manish Ghia & Associates**  
*Companies Secretaries*

Place: Mumbai  
Date.: 22<sup>nd</sup> October, 2011

**Manish Ghia**  
F.C.S. 6252  
M. No. 3531

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## MANAGEMENT DISCUSSION AND ANALYSIS

The information, opinions and views expressed in this section of the Annual Report contain certain forward looking statements which involve risks and uncertainties. The management has put its best efforts to present this discussion/ analysis and believes these to be true to the best of its knowledge at the time of its preparation. The management is not responsible to publicly update or revise any of these forward looking statements whether on the basis of new information, future events or otherwise. The management shall not be liable for any loss which may arise as a result of any action taken on the basis of information, opinion or views contained herein. The reproduction, disclosure or use of the information contained herein without express prior written permission of the company is strictly prohibited.

### A. INDUSTRY STRUCTURE

Intensive Air Systems Limited was engaged in designing, manufacturing and supply of Dust Collection and Industrial Ventilation Systems. However, due to financial constraints and other factors beyond the control of the management, presently the Company is not carrying any business activities. The management of the Company was looking for various business opportunities in the Company. Accordingly the Board of Directors of the Company at their meeting held on 23<sup>rd</sup> May, 2011 approved the proposal of Scheme of Amalgamation of Yuvraaj Hygiene Industries Private Limited (YHIPL) with the Company with effect from the appointed date i.e. 1<sup>st</sup> April, 2011 subject to the approval of various authorities. Presently, the YHIPL is engaged in the business of Hygiene and cleaning products including scrubbing pads of all kinds etc.

At present no business activities are carried in the Company. Hence, the management has nothing to report on outlook and risk and concern.

### B. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company is having adequate internal control systems commensurate to the level of operations of the company.

### C. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

The financial statements are prepared under the historical cost consumption in accordance with Indian Accepted Accounting Policies and Standards and the Provisions of the Companies Act, 1956. The results of the operations are discussed in the Directors' Report.

### D. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

All the requirements of the Company are being out source, hence the Company does not have material development on Human Resources front.

### E. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward- looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

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## Auditors' Report

The Members of  
**M/s. Intensive Air Systems Limited.**

1. We have audited the attached balance sheet of **M/s. Intensive Air Systems Limited** as at 31<sup>st</sup> March 2011, the Profit and Loss Account for the year ended 31<sup>st</sup> March 2011 and cash flow statement annexed thereto. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on the financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion
3. As required by the Companies (Auditors Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order wherever applicable.
4. Further to our comments in the annexure referred to in paragraph 3 above we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account, as required by law have been kept by the company so far as appears from our examination of these books.
  - c. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
  - d. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in section 211 (3C) of the Act.
  - e. Based on the written representation made by all the directors of the company as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors of the Company and in accordance with the information and explanations as made available, the directors of the company do not, prima facie have any disqualification as referred to in clause (g) of sub section (1) to section 274 of the Act.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the balance sheet and profit and loss account together with the notes thereon and attached thereto give in the prescribed manner the information required by the "Act" and also give respectively, a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) In the case of Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March 2011 and
    - ii) In the case of Profit and Loss account of the Loss for the year ended 31<sup>st</sup> March 2011
    - iii) In the case of the cash flow statement, of the cash flows for the year ended 31<sup>st</sup> March 2011.

For **GMK ASSOCIATES**  
Chartered Accountants  
(Firm Regn No.006945S)

Place: Hyderabad  
Date: 8<sup>th</sup> June, 2011

**G.SATYANARAYANA MURTY**  
Partner M.No.29919

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**ANNEXURE TO THE AUDIT REPORT****Re: Intensive Air Systems Limited**

Referred to in paragraph 3 of our report or even date,

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) During the year, the company has not disposed off any major plant and machinery.
- (ii) Clause regarding inventory is not applicable to this company.
- (iii) The company had not given any loans to companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company had not taken any loans from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public falls under the provisions of section 58A and 58AA of the Companies Act, 1956.
- (vii) The company does not have an internal audit system. However the internal controls are adequate and commensurate with the size and nature of its business.
- (viii) The clause regarding maintenance of cost records is not applicable for this company for the year.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor Education and protection fund, Employees' state insurance, income tax, sales tax, wealth tax, Service tax, custom duty, excise duty, cess and other material statutory dues.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty, and cess were in arrears, as at 31.03.11 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty, service tax and cess which have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the company exceeded more than fifty percent of its net worth. The Company has incurred cash loss during the financial year covered by our audit and also has incurred cash loss during the immediate preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank.
- (xii) We are of the opinion based on the information available that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a Chit fund or a Nidhi/ Mutual Benefit Fund/ Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

- (xv) In our opinion and the information, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) No term loans have been taken by the company during the year under review.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long Terms funds have been used to finance short- term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301.
- (xix) According to the information and explanations given to us, the company has not issued any debentures during the period covered by our audit.
- (xx) The company has not made any public issue during the year under audit.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For GMK ASSOCIATES**  
Chartered Accountants  
(Firm Regn No.006945S)

Place: Hyderabad  
Date: 8<sup>th</sup> June, 2011

**G.SATYANARAYANA MURTY**  
Partner M.No.29919

**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2011**

(Amount in Rs.)

PARTICULARS	Schedules	AS ON 31 <sup>ST</sup> MARCH, 2011	AS ON 31 <sup>ST</sup> MARCH, 2010
<b>I Sources of Funds:</b>			
<b>Shareholders Funds</b>			
Share Capital	A	7,118,400	7,118,400
Reserves and Surplus	B	2,000,000	2,000,000
<b>Loan Funds</b>			
Unsecured Loans		-	-
		<u>9,118,400</u>	<u>9,118,400</u>
<b>II Application of Funds:</b>			
<b>Fixed Assets</b>			
Gross Block	C	152,721	
Less: Depreciation		<u>130,440</u>	<u>29,535</u>
Net Block		<b>22,281</b>	29,535
<b>Current Assets, Loans &amp; Advances</b>			
Sundry Debtors		-	-
Cash & Bank Balances	D	15,322	38,897
Loans & Advances	E	<u>565,473</u>	<u>980,893</u>
		580,795	1,019,790
Less: Current Liabilities & Provisions	F	<u>80,279</u>	<u>220,906</u>
Net Current Assets		<b>500,515</b>	798,885
<b>Miscellaneous Expenditure to the extent not written off or adjusted</b>			
Debit balance in Profit and Loss Account		<b>8,595,604</b>	8,289,980
<b>TOTAL</b>		<u><b>9,118,400</b></u>	<u><b>9,118,400</b></u>
NOTES ON ACCOUNTS	H		

As per our report of even date

For and on behalf of the Board

For **GMK Associates**  
Chartered Accountants**G Satyanarayana Murty**  
Partner**Rajiv Hemant Kharbanda**  
Director**K V K Raju**  
Managing DirectorPlace:Hyderabad  
Date: 8<sup>th</sup> June,2011



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

(Amount in Rs.)

<b>PARTICULARS</b>	<b>Schedules</b>	<b>AS ON 31<sup>ST</sup> MARCH, 2011</b>	<b>AS ON 31<sup>ST</sup> MARCH, 2010</b>
<b>INCOME</b>			
Sales		-	-
Other Income-Interest		10,205	-
<b>TOTAL</b>		<b>10,205</b>	<b>-</b>
<b>EXPENDITURE</b>			
Raw Materials Consumed		-	-
Other Manufacturing Expenses		-	-
Selling and Distribution Expenses		-	-
Depreciation		7,254	7,254
Finance Charges		-	-
Other Expenses	G	308,575	435,367
Preliminary Expenses Written off		-	-
		<b>315,829</b>	<b>442,621</b>
Profit before tax & exceptional items		<b>(305624)</b>	<b>(442621)</b>
Exceptional items-		-	(986734)
Profit/(Loss) before tax		(305624)	(1429355)
Extra-Ordinary items		-	-
Provision for taxation		-	-
Income-tax (previous year)		-	-
Profit/ (Loss) after tax		<b>(305624)</b>	<b>(1429355)</b>
Share Capital		-	(41565600)
Capital Reserve		-	(10577000)
Share Premium		-	(20179876)
Profit/ (Loss) brought forward		(8289980)	(6860625)
Profit/ (Loss) carried to Balance Sheet		<b>(8595604)</b>	<b>(8289980)</b>

As per our report of even date

For and on behalf of the Board

For **GMK Associates**  
Chartered Accountants**G Satyanarayana Murty**  
Partner**Rajiv Hemant Kharbanda**  
Director**K V K Raju**  
Managing DirectorPlace:Hyderabad  
Date: 8<sup>th</sup> June,2011

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2011**

(Rs. in lakhs)

<b>PARTICULARS</b>	<b>Schedules</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>CASH FLOWS FROM OPERATION ACTIVITIES:</b>			
Net Profit (Loss) before tax and extraordinary items		(3.06)	(14.29)
<b>ADJUSTMENTS FOR:</b>			
Preliminary Expenses written off		0.00	0.00
Depreciation		0.07	0.07
Profit on sale of Assets		0.00	0.00
Bad debts written off		0.00	0.00
Operating Profit before working capital changes		(2.98)	(14.22)
Increase in trade and other receivables		(4.15)	(4.16)
Increase in the inventories		0.00	0.00
Increase in trade payables		1.41	0.69
Cash generated from operations		(0.24)	(10.75)
Interest paid		0.00	0.00
Income tax paid		0.00	0.00
Cash flow before extra-ordinary items		(0.24)	(10.75)
Extra-ordinary items		0.00	0.00
Net cash from operating activities		(0.24)	(10.75)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets (net)		0.00	0.00
Sale of Fixed assets		0.00	0.00
Capital work in progress, Capital expenditure and capital advances		0.00	0.00
Net cash used in investing activities		0.00	0.00
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
Proceeds from issuance of share capital & subsidy		0.00	0.00
Payment to long term borrowings		0.00	0.00
Proceeds from long term borrowings		0.00	0.00
Proceeds from short term borrowings		0.00	0.00
Net cash used in financing activities		0.00	0.00
Net increase in cash and cash equivalents		(0.24)	(10.75)
Cash and Cash equivalents at the beginning of the year		0.39	11.14
Cash and Cash equivalents at the end of the year		0.15	0.39

As per our report of even date

For and on behalf of the Board

For **GMK Associates**

Chartered Accountants

**G Satyanarayana Murty**

Partner

**Rajiv Hemant Kharbanda**

Director

**K V K Raju**

Managing Director

Place:Hyderabad

Date: 8<sup>th</sup> June,2011**AUDITORS' CERTIFICATE**

We have examined the attached cash flow statement of M/s Intensive Air Systems Limited for the year ended 31<sup>st</sup> March 2011. The statement has been prepared by the company in accordance with the requirements clause 32 of the listing agreement with stock exchange and is based on and in agreement with the corresponding profit and loss account and Balance sheet of the company covered by our report dated 08.06.2011 to the members of the company.

As per our report of even date

**For GMK Associates**  
Chartered Accountants  
(Firm Regn No.006945S)

Place: Hyderabad

Date: 8<sup>th</sup> June, 2011

**(G. Satyanarayana Murty)**  
Partner, M.No.29919

**SCHEDULES FORMING INTEGRAL PART OF BALANCE SHEET &  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011** (Amount in Rs.)

PARTICULARS	AS ON 31 <sup>ST</sup> MARCH, 2011	AS ON 31 <sup>ST</sup> MARCH, 2010
-------------	---------------------------------------	---------------------------------------

**SCHEDULE - A****Share Holders Funds****Share Capital****Authorised Share Capital**

55,000,000 Equity shares of Rs1/- each

**55,000,000**

55,000,000

**Issued & Subscribed**

51,184,000 Equity shares of Rs.1/- each

**51,184,000**

51,184,000

**Paid up**

46,18,400 Equity shares of Rs.1/- each

**4,618,400**

4,618,400

Add: Amount on shares forfeited

**2,500,000**

2,500,000

**7,118,400**

7,118,400

**SCHEDULE - B****Reserves & Surplus**

Capital Reserve

-

-

Share Premium

-

-

Capital Subsidy

**2,000,000**

2,000,000

**2,000,000**

2,000,000

**SCHEDULE - C****Fixed Assets**

(Amount in Rs.)

SR. No.	Name of the Asset	Gross Block				Depreciation				Net Block	
		As on 01.04.10	Additions	Deletion	As on 31.03.11	Upto 01.04.10	for the period	Adjustments	up to 31.03.11	As on 31.03.11	As on 31.03.10
1	Office Equipment	152,721	0	0	152,721	123,186	7,254	0	130,440	22,281	29,535
	<b>Total</b>	<b>152,721</b>	<b>0</b>	<b>0</b>	<b>152,721</b>	<b>123,186</b>	<b>7,254</b>	<b>0</b>	<b>130,440</b>	<b>22,281</b>	<b>29,535</b>

**SCHEDULE - D****Cash and Bank Balances**

Cash in Hand

-

-

Cash at Bank

**15,322****38,897****15,322****38,897****SCHEDULE - E****Loans and Advances**

(Unsecured, considered good recoverable in cash or in kind or for value to be received)

Deposits receivable

**41,100**

41,100

Other advances

**524,373**

854,818

Income-tax (TDS)

-

84,975

**565,473**

980,893

**SCHEDULES FORMING INTEGRAL PART OF BALANCE SHEET &  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

(Amount in Rs.)

PARTICULARS	AS ON 31 <sup>ST</sup> MARCH, 2011	AS ON 31 <sup>ST</sup> MARCH, 2010
<b>SCHEDULE - F</b>		
<b>Current Liabilities and Provisions</b>		
Creditors for Raw-Material and Stores		
SSI Units	-	-
Others	-	-
Creditors for Expenses	<b>55,463</b>	174,287
Audit Fee Payable	<b>24,817</b>	46,619
Duties and taxes payable	-	-
Provisions:	-	-
Provision for Gratuity	-	-
	<u><b>80,280</b></u>	<u>220,906</u>

**SCHEDULE TO PROFIT AND LOSS ACCOUNT**

(Amount in Rs.)

PARTICULARS	AS ON 31 <sup>ST</sup> MARCH, 2011	AS ON 31 <sup>ST</sup> MARCH, 2010
<b>SCHEDULE - G</b>		
<b>Other expenses</b>		
Printing & Stationery	<b>34,205</b>	8,840
Bank Charges	<b>1,150</b>	-
Audit Fee	<b>27,575</b>	27,575
Professional Charges	-	51,025
Bad-Debts Written off	-	986,734
Office Maintenance	-	9,109
Advertisement	<b>20,952</b>	38,890
AGM Expenses	-	36,449
Interest on TDS	<b>669</b>	-
Listing fee	<b>55,150</b>	17,748
Travelling Expenses	-	7,787
	-	-
Registrar & Depository charges & fees	<b>168,874</b>	37,944
Prior Year Expenses	-	200,000
	<u><b>308,575</b></u>	<u>1,422,101</u>

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**NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT  
AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

**SCHEDULE H****Accounting Policies and Notes to Accounts****1. SIGNIFICANT ACCOUNTING POLICIES****a) Basis of Accounting**

The accounts of the company are prepared under the historical cost convention and in accordance with the applicable accounting standards except where otherwise stated.

**b) Revenue Recognition**

Revenue from the sale of goods is recognized upon passage of title to the customer, which generally coincides with the delivery.

**c) Fixed Assets**

Fixed Assets are stated at historical cost of acquisition or construction less accumulated depreciation, inclusive of invoice price, freight, taxes, duties and other directly and indirectly attributable cost for bringing the asset to its present location and working condition for its intended use.

**d) Depreciation**

Depreciation has been charged on fixed assets on straight-line method as per the rates specified in schedule xiv of the Companies Act, 1956.

**e) Impairment of Assets:**

An Asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when the asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**f) Inventories:**

Inventories are valued as follows:

- i) Raw Materials                      At cost
- ii) Work-in-process                      At cost

**g) Employee retirement benefits:**

The contribution to the provident fund is charged against revenue.

**i) Deferred Taxation:**

In accordance with the accounting standards AS-22 issued by the Institute of Chartered Accountants of India, the deferred tax resulting from timing differences between book and tax profits is recognized under the liability method.

**NOTES ON ACCOUNTS****1. Dues to Small & Medium Enterprises**

There are no dues to SME's.

**2. Balances of Sundry Debtors and Creditors are subject to confirmation.****3. Contingent Liabilities: Nil****4. Estimated Contracts remain to be executed on capital account and not provided are Nil.**

## 5. Segment Reporting

The company has no reportable segments under AS-17.

## 6. There are no assets to be impaired during the year.

## 7. There are no Related Party Transactions during the year.

8. There are no inventories as at 31<sup>st</sup> March, 2011.

## 9. Directors Remuneration

	Rupees (2010-11)	Rupees (2009-10)
Managing Director	Nil	Nil

## 10. Auditors Remuneration

Statutory Audit	27,575	27,575
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## 11. Earnings per Share:

	2010-11	2009-2010
a) Calculation of weighted average number of equity shares of Rs. 1/- each (Previous Year Rs10/- each). No. of shares at the beginning of the year	46,18,400	46,18,400
Shares issued during the year	Nil	Nil
Total equity shares outstanding at the end of the year	46,18,400	46,18,400
Weighted average number of equity shares outstanding during the year	46,18,400	46,18,400
b) Net profit (Loss) after tax available for equity shareholders (Rupees)	(3,05,624)	(14,29,355)
c) Basic and diluted earnings (loss) per share in Rupees	(0.06)	(0.31)

## 12. Deferred Tax Asset/ Liability (Net)

	Deferred Tax Asset/(liability) as at 31.03.11	Deferred Tax Asset/(liability) as at 31.03.10
Deferred tax Asset		
Brought forward Business Loss and unabsorbed Depreciation	1,53,63,745 0	1,54,79,117 0
Provision for gratuity	0	0
Difference in depreciation	1,53,63,745	1,54,79,117
Total deferred asset		
Deferred Tax Liability		
Depreciation	7,573	10,039
Net Deferred Tax Asset	1,53,56,172	1,54,69,079

## Note:

In accordance with the Accounting Standard AS-22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the company has not adjusted the deferred tax assets (net) arising out of timing differences for the period up to 31/03/2011 of Rs 1,53,56,172/- in view of the uncertainty of availability of future taxable income.

## 13. Previous year figures have been regrouped/ re-arranged wherever necessary.

## 14. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956 are not applicable to this company since the company has disposed off its manufacturing facility.

## 15. Foreign Currency Transactions

Foreign Exchange Inflow	Nil	Nil
Outflow	Nil	Nil

16. Amounts are rounded off to the nearest rupee.

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As per our report of even date

**For and on behalf of the Board**

For **GMK Associates**

Chartered Accountants

**G Satyanarayana Murty**

Partner

**Rajiv Hemant Kharbanda**

Director

**K V K Raju**

Managing Director

Place:Hyderabad

Date: 8<sup>th</sup> June,2011

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

Balance Sheet Abstract And Company's General Business Profile As At 31.03.2011

**1. Registration Details:**

Registration No.	:	19282	State Code: 01
Balance Sheet Date	:	31.03.2011	

**2. Capital raised during the year(Rs.'000s)**

Public	:	Nil	Right Issue	:	Nil
Bonus Issue	:	Nil	Private placement	:	Nil

**3. Position of mobilization and deployment of funds (Rs.'000s)**

Total Liabilities	9,118	Total Assets	9,118
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**Sources of Funds**

Paid up capital	4,618	Reserves & surplus	2,000
Forfeited Capital	2,500	Unsecured Loans	Nil
Secured Loans	Nil		

**Application of Funds**

Net Fixed Assets	22	Loss	8,596
Net Current Assets	501	Misc. Expenses	0

**4. Performance of the Company (Rs.000's)**

Turnover/Other Income	10	Total expenditure	316
Profit (Loss) before tax	(306)	Profit (Loss) after tax	(306)
Earnings per share	(0.07)	Dividend rate (%)	Nil

**5. Generic names of three principle products/ services of the company (as per monetary terms)**

a) Item Code No.	84289001
Product Description	Dust Collectors
b) Item Code No.	84145903
Product Description	Industrial Blowers

For and on behalf of the Board of Directors

**Rajiv Hemant Kharbanda**  
Director

**K V K Raju**  
Managing Director

Place: Hyderabad

Date: 8<sup>th</sup> June, 2011



# INTENSIVE AIR SYSTEMS LIMITED

Regd. off.: 7, Ground Floor, Shiv Mandir Co-operative Housing Society Limited, Plot No 4,  
Sector 13, Sanpada, Navi Mumbai - 400705

## ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the meeting hall)

Folio No.: \_\_\_\_\_

No. of shares held: \_\_\_\_\_

DP ID/ Client ID: \_\_\_\_\_

I hereby record my presence at the 16<sup>th</sup> Annual General Meeting of the shareholders of the company being held on Friday, 25<sup>th</sup> day of November, 2011 at 12.30 P.M. at Sagar Banquets, 1<sup>st</sup> Floor, Behind Hotel Navratna, Nirman Vyapar Kendra, Plot No.10, Sector 17, Vashi, Navi Mumbai -400703

Name and Address of the Shareholder \_\_\_\_\_  
\_\_\_\_\_

Signature of the Shareholder/Proxy \_\_\_\_\_

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# INTENSIVE AIR SYSTEMS LIMITED

Regd. off.: 7, Ground Floor, Shiv Mandir Co-operative Housing Society Limited, Plot No 4,  
Sector 13, Sanpada, Navi Mumbai - 400705

## FORM OF PROXY

Folio No.: \_\_\_\_\_

No. of shares held: \_\_\_\_\_

DP ID/Client ID: \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being member/members of

Intensive Air Systems Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_

of \_\_\_\_\_ as my/our proxy to vote for me/us and my/our behalf at the 16<sup>th</sup> Annual General Meeting of the company to be held on Friday, 25<sup>th</sup> day of November, 2011 at 12.30 P.M. at Sagar Banquets, 1<sup>st</sup> Floor, Behind Hotel Navratna, Nirman Vyapar Kendra, Plot No.10, Sector 17, Vashi, Navi Mumbai -400703 or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Revenue  
Stamp  
of Re.1

\_\_\_\_\_  
Signature of Member

**Note:** The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.





## **BOOK-POST**

If undelivered please return to:

**INTENSIVE AIR SYSTEMS LIMITED**

7, Ground Floor,  
Shiv Mandir Co-operative Housing Society Limited,  
Plot No 4, Sector 13,  
Sanpada, Navi Mumbai - 400705