

**VAPI ENTERPRISE LIMITED**

**( Formerly Known as Vapi Paper Mills Limited )**

**44 TH ANNUAL REPORT**

**F.Y. 2017-18**



## VAPI ENTERPRISE LTD.

(Formerly known as Vapi Paper Mills Limited)

213 UDYOG MANDIR, PITAMBER LANE, MAHIM (WEST), MUMBAI 400016

TEL: 98200 68363 / 022-24449753 E-MAIL : [vapipaper@gmail.com](mailto:vapipaper@gmail.com)

CIN : L21010MH1974PLC032457

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<b>DIRECTORS</b>	:	<b>Shri Manoj R. Patel - Managing Director</b> <b>DIN : 00485197</b>
		<b>Shri Rajeev R. Patel - Wholetime Director</b> <b>DIN : 00510532</b>
		<b>Smt. Laxmiben J Patel - Director</b> <b>DIN : 00510582</b>
		<b>Shri Himanshu H. Ruia - Director (Independent)</b> <b>DIN : 07572617</b>
<b>AUDITORS</b>		<b>Messrs, Chirag N. Shah &amp; Associates</b> <b>Chartered Accountants, Mumbai</b>
<b>REGISTERED OFFICE</b>		<b>213, Udhog Mandir No.1,2<sup>nd</sup> Floor</b> <b>7/C, Pitamber Lane, Mahim ( West ),</b> <b>Mumbai -400 016.</b>
<b>COMPANY E-MAIL</b>		<b><a href="mailto:vapipaper@gmail.com">vapipaper@gmail.com</a></b>
<b>PLANT</b>		<b>298-299, GIDC Industrial Area</b> <b>Vapi 396 195</b> <b>Dist. Valsad ( Gujarat )</b>
<b>REGISTRARS AND TRANSFER AGENTS</b>		<b>M/s BIGSHARE SERVICES PVT. LTD.</b> <b>E-2/3, Ansa Industrial Estate,</b> <b>Saki Vihar Road, Andheri (E)</b> <b>Mumbai- 400 072</b>

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 44th Annual General Meeting of the Members of VAPI ENTERPRISE LIMITED (Formerly known as Vapi Paper Mills Ltd.) will be held on Friday 28th September day of 2018, at **9.30 am** at 117 Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), MUMBAI 400053 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2018, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Laxmiben J. Patel (DIN No. 00510582), who retires by rotation, and being eligible offers herself for reappointment.
3. **RATIFICATION OF STATUTORY AUDITORS :** 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 139,142 and other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Chirag N. Shah and Associates, Chartered Accountants (Firm Registration No. 118215/W), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2018-2019 on such remuneration plus applicable tax and reimbursement of expenses as may be determined by the Board of Directors and the Statutory Auditors.”

### **Registered Office:**

213 Udyog Mandir No. 1  
7/C Pitamber Lane  
Mahim (West), Mumbai 400054, INDIA

By Order of the Board

SD/-  
**Manoj R. Patel**

( Managing Director )  
Din No. 00485197  
May 30th , 2018

### **NOTES**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
2. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
4. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting. The members are requested to get their shares dematerialized. The company's ISIN Code **INE464D01014** pursuant to change in face value.

7. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following:

**The Compliance Officer (Vapi Enterprise Ltd.), 213 Udyog Mandir, 7/C Pitamber Lane, Mahim (West), Mumbai 400016 Or on Email : vapipaper@gmail.com**

The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
9. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants.
10. The Register of Members & Share Transfer Books of the Company will remain closed from September 21st, 2018 to September 28th, 2018 (both days inclusive) for the purpose of 44th Annual General Meeting (AGM) of the Company to be held on September 28th, 2018
11. 1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 44th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL) :

The instructions for e-voting are as under :

A. In case of members receiving e-mail:

(i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

(ii) Click on "Shareholders" tab.

(iii) Now, select "VAPI ENTERPRISE LIMITED" from the drop down menu and click on "SUBMIT"

(iv) Now Enter your User ID

(a) For CDSL: 16 digits beneficiary ID,

(b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

(c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on your registered address sticker in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio No. in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for "VAPI ENTERPRISE LTD."

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non-individual Shareholders and Custodians :

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**B. In case of members receiving the physical copy:**

(Formerly Known as Vapi Paper Mills Limited)

**Regd. Address :** 213 UDYOG MANDIR, PITAMBER LANE, MAHIM (WEST), MUMBAI 400016 **CIN : L21010MH1974PLC032457**

(i) Please follow all steps from sl. no. (i) to (xvii) above to cast vote.

(ii) The voting period begins on 25th September, 2018 (10:00 a.m.) and ends on 26th September, 2018 (6:00 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 (record date) of 21st September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

2. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

3. CS Anjana Manseta, Practising Company Secretary (Membership No.29605) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

4. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

5. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.vapienterprise.com](http://www.vapienterprise.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE and NSE.**Registered Office:**213 Udyog Mandir No. 1  
7/C Pitamber Lane  
Mahim (West), Mumbai 400054, INDIA

By Order of the Board

SD/-

**Manoj R. Patel****(Managing Director)****Din No. 00485197****May 30th, 2018****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 - N/A****ANNEXURE TO ITEMS 2 OF THE NOTICE**

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting

Name of the Director	<b>Mrs. Laxmiben J. Patel</b>
Director Identification Number (DIN)	<b>00510582</b>
Date of Birth	<b>12/10/1938</b>
Nationality	<b>Indian</b>
Date of Appointment on Board	<b>25/05/2004</b>
Qualification	<b>HIGH SCHOOL</b>
Shareholding in Vapi Enterprise Limited	<b>94,700(4.15%)</b>
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	<b>NONE</b>
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	<b>N/A</b>

(Formerly Known as Vapi Paper Mills Limited)

**Regd. Address :** 213 UDYOG MANDIR, PITAMBER LANE, MAHIM (WEST), MUMBAI 400016 **CIN : L21010MH1974PLC032457**

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID
I/We, being the member(s) of _____ shares of the above named company. Hereby appoint		
Name :		E-mail Id:
Address:		
Signature , or failing him		

Name :		E-mail Id:
Address:		
Signature , or failing him		

Name :		E-mail Id:
Address:		
Signature , or failing him		

As my/ our proxy to attend and vote( on a poll) for me/us and on my/our behalf at the 44th Annual General Meeting of the company, to be held on the 28th day of September, 2018 at 9.30 a.m. at 117 Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai 400053 of the company and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2018		
2.	Appointment of Mrs. Laxmiben J. Patel as Director		
3.	Ratification of M/S Chirag N. Shah and Associates, Chartered Accountants as Statutory Auditors & fixing their remuneration		

\* Applicable for investors holding shares in Electronic form.

Signed this \_\_\_\_ day of \_\_\_\_ 20 \_\_\_\_

Signature of Shareholder

Signature of Proxy holder

Signature of the Shareholder  
across Revenue StampAffix Revenue  
Stamps

Note:

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2) The proxy need not be a member of the company

## ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

44th Annual General Meeting on **Vapi Enterprise Ltd.**

Full name of the members attending \_\_\_\_\_

(In block capitals)

Ledger Folio No./Client ID No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 44th Annual General Meeting of the Vapi Enterprise Ltd. at 117 Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai 400053 on Friday, the 28<sup>th</sup> September 2018

(Member's /Proxy's Signature)

### Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.



To,

The Members,

Your Directors have pleasure in presenting their 44th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31st, 2018.

**1. Financial summary or highlights/Performance of the Company** (Standalone)

The Board's Report shall be prepared based on the stand alone financial statements of the company.

**( Rs. In Lacs )**

<b>Particulars</b>	<b>2017-2018</b>	<b>2016-2017</b>
Gross Income	320.93	307.65
Profit Before Interest and Depreciation	49.36	45.88
Finance Charges	3.91	7.23
Gross Profit	45.45	38.65
Provision for Depreciation	23.25	25.32
Net Profit Before Tax	22.20	13.33
Provision for Tax	-	-
Net Profit After Tax	22.20	13.33
Balance of Profit brought forward	(1532.64)	(1545.97)
Balance available for appropriation	(1510.45)	(1532.64)
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	(1510.45)	(1532.64)

**2. Brief description of the Company's working during the year/State of Company's affair**

The company has continued to rationalize the business mix to improve on its financial condition. Gross profit increased to 45.45 lacs from 38.65 lacs in the previous year. Net Profit increased to 22.20 lacs from 13.33 lacs in the previous year. The company continues to safeguard company assets in a conservative manner and continue to constantly evaluate value enhancing opportunities for the company.

**3. Dividend**

Considering the financial position of the company and to conserve valuable resources, the Directors do not recommend a dividend for the period under consideration.

**4. Directors and Key Managerial Personnel**

Mrs. Laxmiben J. Patel , Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for her reappointment. The Board recommends to the members to confirm her reappointments at the forthcoming Annual General Meeting.

**5. Particulars of Employees**

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**6. Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year four (4) Board Meetings were held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013

**7. Auditors:**

Members of the Company at the Annual General Meeting that was held on 30th September, 2014 have appointed M/s Chirag N. Shah & Associates, Chartered Accountants, as a Statutory Auditor of the Company for a period of 5 years. In terms of Section 139 of the Companies Act, 2013, such continuing appointment is subject to the yearly ratification by the Members at an Annual General Meeting.

M/s Chirag N. Shah & Associates, Chartered Accountants, have confirmed their eligibility to act as the Auditors of the Company in accordance with Section 141 of the Companies Act, 2013. Accordingly, Directors seek your ratification for the appointment of M/s Chirag N. Shah & Associates as the Statutory Auditors for the financial year 2018-19.

**8. Auditors' Report**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

**9. Cost Auditors**

The Company is not required to maintain cost records as per The Companies (Cost Records and Audit) Amendments Rules, 2014.

**10. Nomination And Remuneration Committee**

The Company is not required to constitute a Nomination and Remuneration Committee since it does not fall within the class of companies prescribed under The Companies (Meetings of the Board and its Powers) Rules, 2014

**11. Secretarial Audit Report**

In terms of Section 204 of the Act and Rules made there under, M/s. Anjana Manseta & Co., Practicing Company Secretary have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure II** to this report. The report is self-explanatory and do not call for any further comments.

**12. Audit Committee**

The Company is not required to constitute an Audit Committee since it does not fall within the class of companies prescribed under The Companies (Meetings of the Board and its Powers) Rules, 2014.

**13. Risk management policy**

A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, this in the opinion of the Board may threaten the existence of the company.

**14. Significant & Material Orders Passed By The Regulators Or Courts Or Tribunals Impacting The Going Concern Status Of The Company**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations

**15. Extract Of Annual Return:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **ANNEXURE I**.

**16. Particulars Of Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo**

There was no technology absorption and no foreign exchange earnings or outgo, during the year under review. Hence, the information as required under Section 134(3)(m) of the Companies Act, 2013, read with The Companies (Accounts) Rules, 2014, is to be regarded as Nil. The Company has not entered into any technology transfer agreement.

**17. Human Resources**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

**18. Directors' Responsibility Statement**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors, in the case of a **listed company**, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**19. Acknowledgements**

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 30-05-2018

SD/-

**Manoj R. Patel**  
**Managing Director**  
**(Din No. 00485197)**

**ANNEXURE INDEX**

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<b><u>I</u></b>	Annual Return Extracts in MGT 9
<b><u>II</u></b>	MR-3 Secretarial Audit Report

[illegible]

## VAPI ENTERPRISE LIMITED

Annual Report 2017-18

(Formerly Known as Vapi Paper Mills Limited)

**Regd. Address :**213 UDYOG MANDIR, PITAMBER LANE, MAHIM (WEST), MUMBAI 400016

**CIN :** L21010MH1974PLC032457

a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	200	200	0.01%	NIL	200	200	0.01%	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(B)(1)	NIL	200	200	0.01%	NIL	200	200	0.01%	NIL
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	12760	500	13260	0.58%	15040	500	15540	0.68%	-0.02%
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	312152	698905	1011057	44.32%	373550	708505	1082055	47.43%	+0.81%
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	266075		266075	11.66%	192697	0	192697	8.44%	-0.88%
c) Others(NRI)	91761	12000	103761	4.55%	91861	12000	103861	4.55%	NIL
d) Clearing Members	2050	0	2050	0.08%	2050	0	2050	0.08%	0.10%
Sub-total(B)(2)	684798	711405	1396203	61.20%	674998	721205	1396203	61.20%	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	684798	711405	1396403	61.21%	674998	721405	1396403	61.21%	NIL
C Shares held by Custodian for GDRs &ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	1076995	1204455	2281450	100%	1067195	1214255	2281450	100%	NIL

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**CIN : L21010MH1974PLC032457**
**ii.ShareholdingofPromoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	MANOJ RAMANBHAI PATEL	112055	4.91	0	112055	4.91	0	NIL
2.	LAXMIBEN J PATEL	94700	4.15	0	94700	4.15	0	NIL
3.	RAJEEV R PATEL	78687	3.45	0	78687	3.45	0	NIL
4.	DEVIBEN R PATEL	68952	3.02	0	68952	3.02	0	NIL
5.	LAJ INVESTMENTS PRIVATE LTD	37803	1.66	0	37803	1.66	0	NIL
6.	BHULA RAMJI PATEL	29000	1.27	0	29000	1.27	0	NIL
7.	NEETA PATEL	29000	1.27	0	29000	1.27	0	NIL
8.	INDUBEN RAMESHBHAI PATEL	22500	0.99	0	22500	0.99	0	NIL
9.	PATEL RANCHHODHAI KALYANBHAI	18300	0.80	0	18300	0.80	0	NIL
10.	PATEL KANTILAL R	14500	0.64	0	14500	0.64	0	NIL
11.	RAMESHCHANDRA JIVANJEE PATEL	14500	0.64	0	14500	0.64	0	NIL
12.	MITESH MANOO PATEL	14500	0.64	0	14500	0.64	0	NIL
13.	HEMANT KUMAR PATEL	14500	0.64	0	14500	0.64	0	NIL
14.	RUPAL A PATEL	14000	0.61	0	14000	0.61	0	NIL
15.	SANJAY A PATEL	14000	0.61	0	14000	0.61	0	NIL
16.	NAGINBHAI LALLUBHAI PATEL	12900	0.57	0	12900	0.57	0	NIL
17.	ATUL BHULABHAI PATEL	12600	0.55	0	12600	0.55	0	NIL
18.	HARISH BHULABHAI PATEL	12200	0.53	0	12200	0.53	0	NIL
19.	PADMESH PATEL	12000	0.53	0	12000	0.53	0	NIL
20.	NALINIBEN KANTUBHAI PATEL	11800	0.52	0	11800	0.52	0	NIL
21.	KANTUBHAI RANCHODHAI PATEL	11800	0.52	0	11800	0.52	0	NIL
22.	PREETY NAGINBHAI PATEL	10200	0.45	0	10200	0.45	0	NIL
23.	JASODABEN BHULABHAI PATEL	10050	0.44	0	10050	0.44	0	NIL
24.	HEMANT RANCHHODHAI PATEL	10000	0.44	0	10000	0.44	0	NIL
25.	HEMU HEMANTBHAI PATEL	10000	0.44	0	10000	0.44	0	NIL
26.	GUNWANTBHAI G PATEL	10000	0.44	0	10000	0.44	0	NIL
27.	NARESHBHAI GOVINDBHAI PATEL	10000	0.44	0	10000	0.44	0	NIL
28.	MOHANLAL LALLUBHAI PATEL	10000	0.44	0	10000	0.44	0	NIL
29.	NAGINBHAI GOVINBHAI PATEL	10000	0.44	0	10000	0.44	0	NIL
30.	NANUBHAI S PATEL	10000	0.44	0	10000	0.44	0	NIL
31.	PAEL LALLUBHAI BHANABHAI	9900	0.43	0	9900	0.43	0	NIL
32.	JASODABEN B PATEL	9350	0.41	0	9350	0.41	0	NIL
33.	SUKHADA ARUN PATEL	7900	0.35	0	7900	0.35	0	NIL
34.	NALINIBEN MANUBHAI PATEL	7800	0.34	0	7800	0.34	0	NIL
35.	MITESH MANOOBHAI PATEL	6000	0.26	0	6000	0.26	0	NIL
36.	JAYSHREE MANOOBHAI PATEL	6000	0.26	0	6000	0.26	0	NIL

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37.	DARSHNA MANOOBHAI PATEL	5800	0.25	0	5800	0.25	0	NIL
38.	PUSHPABEN N PATEL	5300	0.23	0	5300	0.23	0	NIL
39.	PARESH RAMUBHAI PATEL	5000	0.22	0	5000	0.22	0	NIL
40.	NATVERBHAI LALLUBHAI PATEL	5000	0.22	0	5000	0.22	0	NIL
41.	NEELABEN NATVARBHAI PATEL	5000	0.22	0	5000	0.22	0	NIL
42.	NARESH RAMUBHAI PATEL	5000	0.22	0	5000	0.22	0	NIL
43.	PATEL SANJAY ARUNBHAI	5000	0.22	0	5000	0.22	0	NIL
44.	BIPIN C PATEL	5000	0.22	0	5000	0.22	0	NIL
45.	JAGDISHBHAI LALLUBHAI PATEL	5000	0.22	0	5000	0.22	0	NIL
46.	BHANUBEN S PATEL	4800	0.21	0	4800	0.21	0	NIL
47.	PUSPABEN NAGINBHAI PATEL	4000	0.18	0	4000	0.18	0	NIL
48.	ARUN RAMBHAI PATEL	3950	0.17	0	3950	0.17	0	NIL
49.	ANIL RAMBHAI PATEL	3600	0.16	0	3600	0.16	0	NIL
50.	CHUNILAL M PATEL	3000	0.13	0	3000	0.13	0	NIL
51.	PATEL GANGABEN LALLUBHAI	3000	0.13	0	3000	0.13	0	NIL
52.	ARUNBHAI RAMBHAI PATEL	3000	0.13	0	3000	0.13	0	NIL
53.	PATEL BHANUBEN SHANTILAL	3000	0.13	0	3000	0.13	0	NIL
54.	JAYESHKUMAR I PATEL	3000	0.13	0	3000	0.13	0	NIL
55.	MAHESH MANUBHAI PATEL	3000	0.13	0	3000	0.13	0	NIL
56.	PATEL SHANTILAL LALLUBHAI	3000	0.13	0	3000	0.13	0	NIL
57.	RAJENDRA MANUBHAI PATEL	3000	0.13	0	3000	0.13	0	NIL
58.	MANOOBHAI JIVANBHAI PATEL	2800	0.12	0	2800	0.12	0	NIL
59.	BHULABHAI RAMABHAI PATEL	2600	0.11	0	2600	0.11	0	NIL
60.	MAHENDRABHAI C PATEL	2000	0.09	0	2000	0.09	0	NIL
61.	LAJ INVESTMENTS PVT LTD	1550	0.07	0	1550	0.07	0	NIL
62.	RAMBHAI HIRABHAI PATEL	1000	0.04	0	1000	0.04	0	NIL
63.	PATEL ANIL RAMBHAI	500	0.02	0	500	0.02	0	NIL
64.	SHANTILAL L PATEL	400	0.02	0	400	0.02	0	NIL
65.	JAYSHREE MANOOBHAI PATEL	150	0.01	0	150	0.01	0	NIL
66.	SHANTILAL L PATEL	100	0.00	0	100	0.00	0	NIL
	Total	885047	38.79%	0	885047	38.79%	0	NIL

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

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	885047	38.79%	885047	38.79%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	885047	38.79%	885047	38.79%

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**IV. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	8,01,38,218	NIL	8,01,38,218
i) Principal Amount		8,01,38,218	NIL	8,01,38,218
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	8,01,38,218	NIL	8,01,38,218
Change in Indebtedness during the financial year				
- Addition	NIL	NIL	NIL	NIL
- Reduction	NIL	9,50,000	NIL	9,50,000
Net Change	NIL	-9,50,000	NIL	-9,50,000
Indebtedness at the end of the financial year	NIL	7,91,38,218	NIL	7,91,38,218
i) Principal Amount	NIL	7,91,38,218	NIL	7,91,38,218
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	7,91,38,218	NIL	7,91,38,218

**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Manoj R Patel (Managing Director)	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	7,20,000 NIL  NIL NIL	7,20,000 NIL  NIL NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others specify	NIL	NIL
5.	Others, please specify	NIL	NIL
6.	Total (A)	7,20,000	7,20,000
	Ceiling as per the Act	N/A	N/A

**C. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)					
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL



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	- Commission - Others, please specify					
	Total(2)	NIL	NIL	NIL	NIL	NIL
	Total(B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

**D. Remuneration to Key Managerial Personnel Other Than MD/Manager/ WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
6.	Total	NIL	NIL	NIL	NIL

**VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. Directors</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. Other Officers In Default</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

# ANJANA MANSETA & CO.

## COMPANY SECRETARIES

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### ANNEXURE II

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,  
The Members  
**VAPI ENTERPRISE LIMITED**  
213 Udyog Mandir,  
2nd Floor 87-C,  
Pitamber Lane, Mahim (West)  
Mumbai 400016  
Maharashtra

I, Anjana Manseta & Co., Practicing Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VAPI ENTERPRISE LIMITED (Formerly Known as Vapi Paper Mills Limited) (L21010MH1974PLC032457)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the 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, we hereby report that in our opinion, the Company has, during the audit period ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by VAPI ENTERPRISE LIMITED ("The Company") for the year ended on 31<sup>st</sup> March, 2018 according to the provisions of:
  - I. The Companies Act, 2013 (the Act) and Companies Act, 1956 (to the extent applicable) (The Act) and the Rules made there under;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

# ANJANA MANSETA & CO.

## COMPANY SECRETARIES

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IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);

**Note: The FEMA, 1999 was not applicable to the company during the year under review.**

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period under review);**
- 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 under review);**
- 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 under review);**
- 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 under review);** and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period under review);**
- i. Memorandum of Association and Articles of Association;

# ANJANA MANSETA & CO.

## COMPANY SECRETARIES

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VI. Other Laws Applicable Specifically to the Company namely:

- a. Environmental Laws Of India such as Environmental (Protection) Act, 1986;
- b. Indian Labour and Industrial Laws such as The Employees' State Insurance Act, 1948, The Contract Labour (Prohibition And Regulation) Act, 1986;
- c. The Indian Contract Act, 1872;
- d. Laws Of Property such as Transfer Of Property Act, 1882.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. (Applicable to the extent notified and enforced during the period of audit).
- ii. The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.
- iii. We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

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

In respect of other laws specifically applicable to the Company, I have relied on the information/record produced by the Company during the course of my audit and the reporting is limited to that extent.

**I further report that,**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors.

Adequate notice is 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 decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

# **ANJANA MANSETA & CO.**

## **COMPANY SECRETARIES**

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**I further report that,**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that,**

During the audit period there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

**Place: Mumbai**  
**Date: 30-05-2018**

**Anjana Manseta & Co.**  
**Company secretaries**

SD/-  
**Anjana Manseta**  
**(Proprietor)**  
**ACS No. : 29605**  
**CP No. : 10668**

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.

# **ANJANA MANSETA & CO.**

## **COMPANY SECRETARIES**

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### **Annexure A**

To,  
The Members  
**VAPI ENTERPRISE LIMITED**  
213 Udyog Mandir,  
2nd Floor 87-C,  
Pitamber Lane, Mahim (West)  
Mumbai 400016 Maharashtra

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance.
3. About the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. 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: Mumbai**  
**Date: 30-05-2018**

**Anjana Manseta & Co.**  
**Company secretaries**

SD/-  
**Anjana Manseta**  
**(Proprietor)**  
**ACS No.: 29605**  
**CP No.: 10668**

## **Independent Auditors' Report**

**To The Members of Vapi Enterprise Limited (Formerly known as Vapi Paper Mills Limited)**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Vapi Enterprise Limited (Formerly Known as "Vapi Paper Mills Limited"), which comprise the Balance Sheet as at March 31, 2018, the Profit and Loss Statement and the Cash Flow Statement for the year then ended, and statement of changes in equity for the year ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India including Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the disclosures and amounts in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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



### **Basis for Qualified Opinion**

i. *In our opinion, the following accounting standards are not complied by the company:*

1. *Indian Accounting Standard (Ind AS-19) on "Employee Benefits"; regarding non provisioning of employee benefits*
2. *Indian Accounting Standard (Ind AS-105) on "Non-current Assets Held for Sale and Discontinued Operations"*
3. *Indian Accounting Standard (Ind AS-12) on "Income tax".*

*The effect of the above on assets and liabilities, as well as loss and reserves is not ascertainable.*

ii. *We are unable to form an opinion about the obligations of:*

- a. *Rs.47,48,076/- is Long term borrowings from inter corporate which is subject to confirmations.*
- b. *Balance of Rs.44,48,923/- of long term trade payables is subject to confirmation and adjustment, if any, required upon such confirmations are not determinable.*
- c. *Balance of Rs.25,85,000/- of Long term trade deposits is subject to confirmation and adjustment, if any, required upon such confirmations are not determinable.*
- d. *Balance of Rs.71,224/- of Advance to creditor is subject to confirmation and adjustment, if any, required upon such confirmations are not determinable.*
- e. *Balance of Rs.10,73,270/- of long term Trade receivables is subject to confirmation and adjustment, if any, required upon such confirmations are not determinable.*

*The effects of the matters referred to Para above on assets and liabilities, as well as profit and reserves could not be ascertainable.*

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *subject to the possible effects of the matter described in the Basis for Qualified Opinion paragraph*, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit and its cash flows and change in equity for the year ended on that date.

**Emphasis of Matter:**

*We draw attention to the note no. 23 in the Ind AS financial statement which indicates that Company's net worth is negative as on March 31, 2018. Going concern assumption for the Company is dependent upon the surplus that may be generated out of present activity as well as promoters bringing in funds to finance losses.*

Our opinion is not qualified on this matter.

**Report on Other Legal and Regulatory Requirements**

A. As required by the Companies (Auditor's Report) Order, 2016("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act,2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- 1) 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.
- 2) In our opinion, 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.
- 3) The Balance Sheet, the Profit and Loss Statement , the Cash Flow Statement and statement of change in equity dealt with by this report are in agreement with the books of account.
- 4) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read Rules issued then under *except those mentioned in the basis for qualified opinion*;
- 5) On the basis of the written representations received from directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed

as director in terms of the Section 164(2) of the Act.

- 6) 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".
- 7) With respect to 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:
  - a) The company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements as referred in the Note No.25 of Rs. 34,82,360/-.
  - b) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There were been no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

For Chirag N Shah & Associates  
Chartered Accountants  
FRN.118215W

SD/-

Hetal C. Shah  
Partner  
Membership No: 111610  
Place: Mumbai  
Date : 30.05.2018

**"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph A under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**To the Members of VAPI ENTERPRISE LIMITED**

We refer to our report on the Ind AS financial statements of **VAPI ENTERPRISE LIMITED (Formerly Known as Vapi Paper Mills Limited)** for the year ended March 31, 2018 issued on even date.

- i     a     *The Company has not maintained proper records showing full particulars including quantitative details and situation of Fixed Assets*
  - b     *The fixed assets have not been physically verified by the management. In the absence of physical verification, we are not in a position to comment on the discrepancies, if any, between physical and book balances and the impact thereof.*
- c     As per information and explanation provided to us, the title deeds of immovable properties are held in the name of the company.
- ii     The Company does not hold any inventories. Thus paragraph 3(ii) of the order is not applicable.
- iii     The company has not granted any unsecured loan to a firm, company, limited liability Partnerships or other parties covered in the section 189 of the Companies Act However the register is not maintained as per Sec 189 of the Companies Act, 2013 .Therefore clause (iii) of the order is not applicable.
- iv     As per information and explanations given to us, there are no loans, investments, guarantees, and securities covered u/s 185 and 186 of the Companies Act, 2013; accordingly clause (iv) of the order is not applicable.
- v     According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- vi     As per the information and explanation given to us, the company is not required to maintain cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013. Therefore, the provisions of Clause (vi) of paragraph 3 of the CARO 2016 are not

applicable to the Company.

- vii a According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, ,Goods and service tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been *Profession Tax* have been generally regularly deposited with the appropriate authorities. According to the records of the Company, and information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date of becoming payable.
- b According to the records of the Company, there are no amounts of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited as on March 31, 2018 on account of disputes except below :

Type of Tax payment	Forum under which case is pending	Year	Amount Details	
ESIC	ESIC Department	2010-2011, 2011-2012	Demanded Paid Payable	Rs 71250 Rs 7123 Rs 64127
Sales Tax	Appellate Tribunal	2010-2011	Demanded Paid Payable	Rs 256503 Rs 185417 Rs 71086

- viii Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not borrowed from any financial institutions, banks and debenture holders, thus paragraph 3(viii) of the order is not applicable.
- ix The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- x According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- xi In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

- xii The company is not Nidhi company, thus paragraph 3(xii) of the order is not applicable.
- xiii All the transactions with related parties are in compliance with section 188 and 177 of Companies Act 2013. The details of the same have been disclosed in the Ind AS financial statements as required by the accounting standards.
- xiv The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review, thus paragraph 3(xiv) of the order is not applicable.
- xv The company has not entered in to any non-cash transactions with directors or persons connected with him. Thus paragraph 3(xv) of the order is not applicable.
- xvi The company is not required to be registered u/s 45IA of the Reserve Bank of India Act, 1934, thus paragraph 3(xvi) of the order is not applicable.

For Chirag N Shah & Associates  
Chartered Accountants  
FRN.118215W

SD/-

Hetal C. Shah  
Partner  
Membership No: 111610  
Place: Mumbai  
Date :30.05.2018

**“Annexure – B” to the Auditors’ Report**

(Referred to in paragraph B(6) under ‘Report on other legal and regulatory requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Vapi Enterprise Limited (Formerly Known as “Vapi Paper Mills Limited”), as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.



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

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

### **Opinion**

According to the information and explanation given to us, the Company has *not* established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.

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

For Chirag N Shah & Associates  
Chartered Accountants  
FRN.118215W

SD/-

Hetal C. Shah  
Partner  
Membership No: 111610  
Place: Mumbai  
Date : 30.05.2018

**VAPI ENTERPRISE LIMITED**  
**( Formerly known as Vapi Paper Mills Limited )**  
**Balance Sheet as at 31st March 2018**

Sr.No.	Particulars	Note No.	As at March 31,2018	As at March 31,2017
<b>A</b>	<b><u>ASSETS</u></b>			
<b>(1)</b>	<b><u>Non-current assets</u></b>			
	(a) Property, Plant and Equipment	2	217,84,546	235,78,391
	(b) Financial Assets			
	(i) Investments	3	2,00,000	2,00,000
	(ii) Trade receivables	4	10,73,270	33,79,679
	(iii) Loans	5	21,500	16,250
	(iv) Others	6	57,86,587	67,57,449
<b>(2)</b>	<b><u>Current assets</u></b>			
	(a) Financial Assets			
	(i) Trade receivables	7	64,59,998	7,36,994
	(ii) Cash and cash equivalents	8	28,21,863	16,80,667
	(iii) Loans	9	1,85,000	1,72,750
	(b) Other current assets	10	11,28,308	2,50,265
	<b>Total Assets</b>		<b>394,61,073</b>	<b>367,72,445</b>
<b>B</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>(1)</b>	<b><u>Equity</u></b>			
	(a) Equity Share capital	11	228,14,500	228,14,500
	(b) Other Equity	12	(836,51,025)	(858,70,835)
<b>(2)</b>	<b><u>LIABILITIES</u></b>			
<b>(a)</b>	<b><u>Non-current liabilities</u></b>			
	Financial Liabilities			
	(i) Borrowings	13	791,88,218	801,38,218
	(ii) Trade payables	14	44,48,923	31,61,678
	(iii) Other	15	131,22,212	131,87,449
<b>(b)</b>	<b><u>Current liabilities</u></b>			
	(i) Financial Liabilities			
	- Trade payables	16	18,63,860	19,72,850
	(ii) Other current liabilities	17	16,74,386	13,68,585
	<b>Total Equity and Liabilities</b>		<b>394,61,073</b>	<b>367,72,445</b>

See accompanying notes to the financial statements

As per our report of even date  
**For Chirag N Shah & Associates**  
**Chartered Accountants**  
FRN No: 118215W

For, and on behalf of the board  
**For Vapi Enterprise Limited**

SD/-  
**Hetal Shah**  
**Partner**  
Membership No. 111610  
Place: Mumbai  
Date: 30/05/2018

SD/-  
**Manoj R. Patel**  
Director  
DIN: 00485197  
Place: Mumbai  
Date: 30/05/2018

SD/-  
**Rajeev R. Patel**  
Director  
DIN: 00510532  
Place: Mumbai  
Date: 30/05/2018

**VAPI ENTERPRISE LIMITED**  
**( Formerly known as Vapi Paper Mills Limited )**  
**Statement of Profit and Loss for the period ended 31st March 2018**

Sr.NO	Particulars	Note No.	As at March 31,2018	As at March 31,2017
I	Revenue From Operations	18	247,28,994	215,13,875
II	Other Income	19	73,64,524	92,51,909
III	<b>Total Income (I + II + IV)</b>		<b>320,93,518</b>	<b>307,65,784</b>
IV	EXPENSES			
	Employee benefits expense	20	142,61,549	121,71,954
	Finance costs	21	3,90,530	7,23,584
	Depreciation and amortization expense	22	23,25,541	25,31,709
	Other expenses	23	118,39,605	129,09,957
	<b>Total expenses (VI)</b>		<b>288,17,226</b>	<b>283,37,203</b>
V	<b>Profit/(loss) before exceptional items and tax (III- IV)</b>		<b>32,76,292</b>	<b>24,28,581</b>
VI	Exceptional Items	24	10,56,482	10,95,579
VII	<b>Profit/(loss) before tax(V-VI)</b>		<b>22,19,810</b>	<b>13,33,001</b>
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	<b>Profit/(loss) for the period (XI+XIV)</b>		<b>22,19,810</b>	<b>13,33,001</b>
X	Earnings per equity share (for continuing operation):			
	(1) Basic		0.97	0.58
	(2) Diluted		-	-

As per our report of even date  
**For Chirag N Shah & Associates**  
**Chartered Accountants**  
FRN No: 118215W

For, and on behalf of the board  
**For Vapi Enterprise Limited**

SD/-  
**Hetal Shah**  
**Partner**  
Membership No. 111610  
Place: Mumbai  
Date: 30/05/2018

SD/-  
**Manoj R. Patel**  
Director  
DIN: 00485197  
Place: Mumbai  
Date: 30/05/2018

SD/-  
**Rajeev R. Patel**  
Director  
DIN: 00510532  
Place: Mumbai  
Date: 30/05/2018

**VAPI ENTERPRISE LIMITED**  
**( Formerly known as Vapi Paper Mills Limited )**

**Statement of Changes in Equity for the period ended 31st March 2018**

**A. Equity Share Capital**

	<b>No of shares</b>	<b>Amount</b>
As at 1 April 2016	22,81,450	228,14,500
Issued during the year	-	-
Bought back during the year	-	-
As at 31 March 2017	22,81,450	228,14,500
Issued during the year	-	-
Bought back during the year	-	-
As at 31 March 2018	22,81,450	228,14,500

**B. Other Equity**

	Revaluation Surplus				Total
	Capital Reserve	Securities Premium Reserve	General reserve	Retained Earnings	
As at 1st april 2016		434,06,480	239,87,567	(1545,97,883)	(872,03,836)
Profit of FY 16-17		-	-	13,33,001	13,33,001
As at 31st March 2017		434,06,480	239,87,567	(1532,64,883)	(858,70,835)
Profit of FY 17-18	-	-	-	22,19,810	22,19,809
As at 31st March 2018	-	434,06,480	239,87,567	(1510,45,072)	(836,51,025)

As per our report of even date  
**For Chirag N Shah & Associates**  
**Chartered Accountants**  
FRN No: 118215W

For, and on behalf of the board  
**For Vapi Enterprise Limited**

SD/-  
**Hetal Shah**  
**Partner**  
Membership No. 111610  
Place: Mumbai  
Date: 30/05/2018

SD/-  
**Manoj R. Patel**  
Director  
DIN: 00485197  
Place: Mumbai  
Date: 30/05/2018

SD/-  
**Rajeev R. Patel**  
Director  
DIN: 00510532  
Place: Mumbai  
Date: 30/05/2018

VAPI ENTERPRISE LIMITED ( Formerly known as Vapi Paper Mills Limited ) CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2018			
	PARTICULARS	2017-18	2016-17
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax as per Profit and Loss Account	22,19,810	13,33,001
	Adjusted for:		
	Depreciation and Amortisation Expenses	23,25,541	25,31,709
	Amounts Written off/(Back)	1,96,958	(1,82,544)
	Finance Costs	3,90,530	7,23,584
	Dividend Income	(29,000)	(31,600)
	Interest Income	(1,07,577)	(3,91,177)
		<b>27,76,453</b>	<b>26,49,972</b>
	<b>Operating Profit before Working Capital Changes</b>	<b>49,96,263</b>	<b>39,82,973</b>
	Adjusted for:		
	Trade and Other Receivables	(33,23,778)	(3,19,481)
	Amounts Written off/Back	(1,96,958)	1,82,544
	Trade and Other Payables	11,13,018	15,81,151
	Other Current Liability & Short Term Provision	3,05,801	(8,01,036)
	Long Term Loans and Advances(Receivable)	(17,500)	51,000
	Short term loan and advance(Receivable)	-	22,78,610
	<b>Cash Generated from Operations</b>	<b>28,76,846</b>	<b>69,55,761</b>
	Taxes Paid		
	<b>Net Cash from Operating Activities</b>	<b>28,76,846</b>	<b>69,55,761</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(5,31,697)	(7,72,204)
	Interest Income	1,07,577	3,91,177
	Dividend Income	29,000	31,600
	<b>Net Cash (used in ) Investing Activities</b>	<b>(3,95,120)</b>	<b>(3,49,427)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Other long term liability	-	(40,02,985)
	Repayment from Long-term Borrowings	(9,50,000)	(6,27,175)
	Interest Paid	(3,90,530)	(7,23,584)
	<b>Net Cash (used in ) / from Financing Activities</b>	<b>(13,40,530)</b>	<b>(53,53,744)</b>
	<b>Net Increase in Cash and cash Equivalents (A + B + C )</b>	<b>11,41,196</b>	<b>12,52,589</b>
	Opening Balance of Cash and Cash Equivalents	16,80,667	4,28,078
	<b>Closing Balance of Cash and Cash Equivalents</b>	<b>28,21,863</b>	<b>16,80,667</b>
The notes are integral part of these financial statements.			

As per our report of even date  
**For Chirag N Shah & Associates**  
**Chartered Accountants**  
FRN No: 118215W

For, and on behalf of the board  
**For Vapi Enterprise Limited**

SD/-  
**Hetal Shah**  
**Partner**  
Membership No. 111610  
Place: Mumbai  
Date: 30/05/2018

SD/-  
**Manoj R. Patel**  
Director  
DIN: 00485197  
Place: Mumbai  
Date: 30/05/2018

SD/-  
**Rajeev R. Patel**  
Director  
DIN: 00510532  
Place: Mumbai  
Date: 30/05/2018

**VAPI ENTERPRISE LIMITED**  
**( Formerly known as Vapi Paper Mills Limited )**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2018**

**Note 1 : Significant accounting policies**

**(a) Basis of preparation**

*(i) Compliance with Ind AS*

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements under Ind AS.

*(ii) Historical cost convention*

The financial statements have been prepared on a historical cost basis. The financial statement are presented in Indian Rupee.

**(b) Estimates and judgements**

The preparation of the financial statements in conformity with the Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**(c) Revenue recognition**

- a. Revenue from services is recognized as and when services are rendered as per terms of contract.
- b. Dividend income is recognized based on establishment of the right to receive such income.

**(d) Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 'Cost' for the purpose of valuing tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the written down value(WDV) method to allocate their cost, net of their residual values, over their estimated useful lives.

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed Assets, depreciation is provided as aforesaid over the residual life of the respective assets.

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to Companies Act, 2013

Impairment

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Reversal of impairment loss recognised in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

**(e) Investments**

Non current investments are stated at cost. Provision for diminution in the value of Non Current Investments is made only if such a decline is other than temporary, if any.

**(f) Inventories**

Inventories of stock in process, finished goods and raw materials have been valued at lower of cost or net realizable value.

Inventory of stores and spares are stated at cost.

For this purpose cost is arrived at on the First in First out basis.

**(g) Foreign Currency Transactions**

a) Foreign Currency Transactions are recorded on the basis of the exchange rate prevailing on the date of transaction.

b) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c) Monetary items which are denominated in foreign currency are restated at the exchange rates prevailing at the Balance Sheet date.

d) Profit/ loss on translation thereon is credited or charged to the Profit and Loss Account except in case of long term liabilities, where they relate to acquisition of Fixed Assets, in which case they are adjusted to carrying cost of such assets.

**(h) Employee benefits**

The company accounts for leave encashment benefits, bonus and gratuity on declaration.

**(i) Borrowing costs**

Borrowing costs that are attributable to the acquisition / construction of qualifying assets are capitalized as part of cost of such assets.

A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

**(j) Taxation**

a) Tax expense comprise of current and deferred taxes.

b) Current tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act.

c) Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized.

d) Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the period and available case law to re-assess realization/ liabilities.

**(k) Provisions, Contingent Liabilities And Contingent Assets**

a) A provision is recognized when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

b) A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent liabilities are not recognized but are disclosed in the notes.

c) Contingent Assets are neither recognized nor disclosed in the financial statements.

d) Provisions, contingent asset and contingent liabilities are reviewed at each balance sheet date.

**(I) Leases**

**As a Lessee**

Operating Leases: Leases on which significant portion of the risks and rewards of ownership are effectively retained by the lessor, are classified as operating leases. Operating leases payments are charged to the Statement Profit and Loss on a straight- line basis over the lease term.

**As a Lessor**

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in Statement of Profit and Loss in period in which they are incurred.



**VAPI ENTERPRISE LIMITED**  
**( Formerly known as Vapi Paper Mills Limited )**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2 : Property, Plant and Equipment (As at 31st March 2018)**

Discription	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2017	Additions/ Adjustments	Deductions/Ad justments	As at 31.03.2018	As at 01.04.2017	For the year	Deductions/Adjus tments	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land under lease	3,79,998	-	-	3,79,998	-	-	-	-	3,79,998	3,79,998
Factory Building	108,81,097	-	-	108,81,097	103,37,042	-	-	103,37,042	5,44,055	5,44,055
Office & Godown	347,75,775	5,31,697	-	353,07,472	121,90,786	23,20,905	-	145,11,691	207,95,780	225,84,988
Plant & Machinery	42,15,859	-	-	42,15,859	42,05,977	-	-	42,05,977	9,882	9,882
Furnitures & Fixtures	7,66,164	-	-	7,66,164	7,48,317	-	-	7,48,317	17,848	17,848
Office Equipments	15,83,836	-	-	15,83,836	15,42,216	4,637	-	15,46,853	36,983	41,620
<b>Total</b>	<b>526,02,729</b>	<b>5,31,697</b>	<b>-</b>	<b>531,34,426</b>	<b>290,24,338</b>	<b>23,25,541</b>	<b>-</b>	<b>313,49,879</b>	<b>217,84,546</b>	<b>235,78,391</b>

**Note 2 : Property, Plant and Equipment (As at 31st March 2017)**

Discription	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2016	Additions/ Adjustments	Deductions/Ad justments	As at 31.03.2017	As at 01.04.2016	For the year	Deductions/Adjus tments	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land under lease	3,79,998	-	-	3,79,998	-	-	-	-	3,79,998	3,79,998
Factory Building	108,81,097	-	-	108,81,097	103,37,042	-	-	103,37,042	5,44,055	5,44,055
Office & Godown	340,03,571	7,72,204	-	347,75,775	96,66,373	25,24,413	-	121,90,786	225,84,988	243,37,197
Plant & Machinery	42,15,859	-	-	42,15,859	42,05,977	-	-	42,05,977	9,882	9,882
Furnitures & Fixtures	7,66,164	-	-	7,66,164	7,48,317	-	-	7,48,317	17,848	17,848
Office Equipments	15,83,836	-	-	15,83,836	15,34,920	7,296	-	15,42,216	41,620	48,916
<b>Total</b>	<b>518,30,525</b>	<b>7,72,204</b>	<b>-</b>	<b>526,02,729</b>	<b>264,92,629</b>	<b>25,31,709</b>	<b>-</b>	<b>290,24,338</b>	<b>235,78,391</b>	<b>253,37,896</b>

**VAPI ENTERPRISE LIMITED**  
**( Formerly known as Vapi Paper Mills Limited )**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 3 : Non-current investment**

**(Long Term Investments)**

**(Valued at cost)**

**Quoted Investment in Trust Securities (Long Term at cost)**

Unit Trust of India

\*10,000 Units of Rs. 10 each fully paid up

(Previous year 10,000 units of Rs. 10 each fully paid up

out of which 5000 units is been held by a company which was merged with Vapi Enterprise Limited in earlier years)

**As at 31.3.18**

1,00,000

**As at 31.3.17**

1,00,000

**Unquoted Investment in Shares (Long Term at Cost)**

The Zoroasterian Co-op Bank Ltd.

4,000 Equity Shares of Rs 25 each fully paid up

(Previous year 4,000 Equity Shares of Rs 25 each fully paid up)

1,00,000

1,00,000

**2,00,000**

**2,00,000**

**Aggregate Values**

1. Aggregate amount of quoted investments

1,00,000

1,00,000

2. Market Value of quoted investments

9,77,937

8,99,340

3. Aggregate amount of unquoted investments

1,00,000

1,00,000

**Note 4 : Non-current trade receivable**

	<b>As at 31.3.18</b>	<b>As at 31.3.17</b>
<b>Unsecured, considered good</b>	10,73,270	33,79,679
<b>Doubtful</b>	-	4,97,688
<b>Total</b>	<b>10,73,270</b>	<b>38,77,367</b>
<b>Less: Provisions for bad and doubtful debts</b>		(4,97,688)
<b>Total trade receivables</b>	<b>10,73,270</b>	<b>33,79,679</b>

**Note 5 : Non current Loan**

	<b>As at 31.3.18</b>	<b>As at 31.3.17</b>
<b>Unsecured, considered good</b>		
<u>Loan to Staff and workers</u>	21,500	16,250
<b>Total</b>	<b>21,500</b>	<b>16,250</b>

**Note 6 : Others non-current assets**

	<b>As at 31.3.18</b>	<b>As at 31.3.17</b>
(a) Security Deposits	23,04,227	23,35,913
(b) Advances Recoverable Cash or for kind or value to be received	34,82,360	34,82,360
(c) Balances with government authorities	-	9,39,176
<b>Total</b>	<b>57,86,587</b>	<b>67,57,449</b>

**VAPI ENTERPRISE LIMITED**  
**( Formerly known as Vapi Paper Mills Limited )**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 7 : Current-trade receivable**

	As at 31.3.18	As at 31.3.17
<b>Unsecured, considered good</b>	64,59,998	7,36,994
<b>Total</b>	<b>64,59,998</b>	<b>7,36,994</b>

**Note 8 : Cash and Cash Equivalent**

	As at 31.3.18	As at 31.3.17
Cash on hand	50,515	1,15,639
Balances with banks-In current account	27,71,348	15,65,028
<b>Total</b>	<b>28,21,863</b>	<b>16,80,667</b>

**Note 9 : Current Loan**

	As at 31.3.18	As at 31.3.17
<b>Unsecured, considered good</b>		
<u>Loan to Staff and workers</u>	1,85,000	1,72,750
<b>Total</b>	<b>1,85,000</b>	<b>1,72,750</b>

**Note 10 : Other current asset**

	As at 31.3.18	As at 31.3.17
Balance with Government	10,40,187	14,283
Advances to ceditors	<b>71,224</b>	2,35,692
Prepaid expenses	<b>16,897</b>	290
<b>Total</b>	<b>11,28,308</b>	<b>2,50,265</b>

**Note 11 : SHARE CAPITAL**

**Note 11.1 : Authorised Share Capital**

	As at 31.3.18	As at 31.3.17
3,000,000 Equity Shares of Rs.10 each (P.Y 3,000,000/- of Rs.10 each)	300,00,000	300,00,000
20,000 12 % Redeemable Cumulative Preference Shares of Rs. 100/- each redeemable at par at any time (P.Y 20,000 of Rs.100	20,00,000	20,00,000
	<b>320,00,000</b>	<b>320,00,000</b>

**Note 11.2 : Issued, Subsided and Paid up**

	As at 31.3.18	As at 31.3.17
2,281,450 Equity shares of Rs.10 each fully paid up (P.Y 2,281,450 of Rs.10each)	228,14,500	228,14,500
<b>Total</b>	<b>228,14,500</b>	<b>228,14,500</b>

**VAPI ENTERPRISE LIMITED**  
**( Formerly known as Vapi Paper Mills Limited )**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 11.3 : Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:**

	As at 31.3.18	As at 31.3.17
	Number of shares	Number of shares
Number of shares outstanding at the beginning of the year	22,81,450	22,81,450
Add: Changes during the year	Nil	Nil
Number of shares outstanding at the end of the year	<b>22,81,450</b>	<b>22,81,450</b>

**Note 11.4 :Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

SR NO.	Name of Shareholder	FY 2017-18		FY 2016-17	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	<b>MADHAV HARIDAS ASHER</b>	1,44,860	6.35%	1,14,634	5.02%

**Note 12 : Other equity**

	As at 31.3.18	As at 31.3.17
<b>(i) Securities Premium</b>		
As per last Balance sheet	<b>434,06,480</b>	<b>434,06,480</b>
<b>(ii) General Reserve</b>		
As per last Balance sheet	<b>239,87,567</b>	<b>239,87,567</b>
<b>(iii) Surplus/(deficit) as per statement of Profit and Loss</b>		
Balance as at beginning of the year	(1532,64,883)	(1545,97,883)
Add: Profit/( Loss) during the year	22,19,810	13,33,001
Balance as at end of the year	<b>(1510,45,072)</b>	<b>(1532,64,883)</b>
<b>Total</b>	<b>(836,51,025)</b>	<b>(858,70,835)</b>

**Note 13 : Long term borrowing**

	As at 31.3.18	As at 31.3.17
<b>Unsecured</b>		
Term Loans-From Directors	744,40,142	753,90,142
Term Loans-Inter Corporates	47,48,076	47,48,076
<b>Total</b>	<b>791,88,218</b>	<b>801,38,218</b>

**Note 13.1 : Disclosure regarding repayment of term loans**

The Loans are interest-free and are repayable on demand. 9,50,000  
During the year Rs. 9,50,000/- has been repaid to the directors

**VAPI ENTERPRISE LIMITED**  
**( Formerly known as Vapi Paper Mills Limited )**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 14 : Non-Current trade Payables**

	As at 31.3.18	As at 31.3.17
Trade payables outstanding more than 6 month	44,48,923	31,61,678
<b>Total</b>	<b>44,48,923</b>	<b>31,61,678</b>

**Note 15 : Other financial liability**

	As at 31.3.18	As at 31.3.17
Rent Deposit from Tenant	104,11,237	105,46,637
Trade Deposits	25,85,000	25,85,000
Advance from customer	61,848	55,812
ESIC Penalty Payable	64,127	-
<b>Total</b>	<b>131,22,212</b>	<b>131,87,449</b>

**Note 16 : Current Trade Payables**

	As at 31.3.18	As at 31.3.17
Trade payables outstanding less than 6 Month	18,63,860	19,72,850
<b>Total</b>	<b>18,63,860</b>	<b>19,72,850</b>

**Note 17 : Other current liabilities**

	As at 31.3.18	As at 31.3.17
Outstanding Liability for Expenses	1,64,434	1,61,279
Statutory Dues	4,40,411	4,016
Employee Benefits Payable	9,94,541	11,39,163
ESIC Penalty Payable	-	64,127
Rent deposit	75,000	-
<b>Total</b>	<b>16,74,386</b>	<b>13,68,585</b>

**VAPI ENTERPRISE LIMITED**  
**( Formerly known as Vapi Paper Mills Limited )**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 18 : Revenue From Operations**

	As at 31.3.18	As at 31.3.17
Job Work	247,28,994	215,13,875
<b>Total</b>	<b>247,28,994</b>	<b>215,13,875</b>

**Note 19 : Other Income**

	As at 31.3.18	As at 31.3.17
Rent Income	72,27,947	86,46,588
Interest Income	1,07,577	3,91,177
Dividend Income From Long Term Investment	29,000	31,600
Other Miscellaneous Balances Written Off	-	1,82,544
<b>Total</b>	<b>73,64,524</b>	<b>92,51,909</b>

**Note 20 : Employee Benefits Expense**

	As at 31.3.18	As at 31.3.17
Salary, Allowances, Bonus	123,49,394	104,27,282
Gratuity Expenses	1,75,000	4,58,635
Contribution To Provident And Other Funds	9,67,887	6,16,838
Staff Welfare Expenses	49,268	40,564
Lta / Medical Allowance-Paid	-	26,048
Pl Encashment	-	2,587
Directors Remuneration: Managing Director	7,20,000	6,00,000
<b>Total</b>	<b>142,61,549</b>	<b>121,71,954</b>

**Note 21 : Finance Costs**

	As at 31.3.18	As at 31.3.17
Interest Paid On Trade Deposits	3,90,245	6,57,668
Interest Paid To Statutory Authority	-	65,916
Interest Paid To Bank	285	-
<b>Total</b>	<b>3,90,530</b>	<b>7,23,584</b>

**Note 22 : Depreciation And Amortization Expense**

	As at 31.3.18	As at 31.3.17
Property, Plant And Equipment (Refer Note 3)	23,25,541	25,31,709
<b>Total</b>	<b>23,25,541</b>	<b>25,31,709</b>

**VAPI ENTERPRISE LIMITED**  
**( Formerly known as Vapi Paper Mills Limited )**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 23 : Other Expenses**

	<b>As at 31.3.18</b>	<b>As at 31.3.17</b>
Power And Fuel	74,86,864	75,33,837
Repairs To Godown	1,40,672	12,33,281
Legal And Consultancy Expenses	10,11,168	8,86,135
Commission Charges	36,726	2,03,600
Rates And Taxes And Fees	11,44,594	11,28,502
Security Expenses	5,10,622	5,10,881
Water Charges	2,51,272	1,45,559
Rent	2,00,250	2,21,149
Travelling Expenses	1,03,520	1,62,516
Miscellaneous Expenses	91,323	1,31,464
Telephone Expenses/Internet Expenses	1,87,063	2,59,660
Vehicle Expenses	2,00,410	1,92,010
Office Expenses	3,76,421	1,97,863
<b>Auditor Remuneration:</b>		
Statutory Audit Fees	47,200	46,000
Tax Audit Fees	41,300	40,250
Other Services	10,200	17,250
<b>Total</b>	<b>118,39,605</b>	<b>129,09,957</b>

**Note 24 : Exceptional Items**

	<b>As at 31.3.18</b>	<b>As at 31.3.17</b>
Prior Period Expenses	10,56,482	9,60,162
Sales Tax Paid (Fy 2010-11)	-	1,35,417
<b>Total</b>	<b>10,56,482</b>	<b>10,95,579</b>

**NOTES TO FINANCIAL STATEMENTS**

- 25. Contingent Liabilities:** Rs.34,82,360/- (Previous Year Rs.10,00,000/- )
- 26. Capital Commitment:**  
Estimated amount of contracts remaining to be executed on capital account is Nil (Net of advances) (Previous Year Nil)
- 27.** The Company's net worth is negative as on March 31, 2018. The management is hopeful of making net worth positive out of the surplus that had been generated from present activities and also by bringing required funds to finance losses. Now having regard to these the accounts are prepared on going concern.
- 28.** In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business, provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 29.** a) Balance of Trade Payables, Trade Deposits, Advance from Customers, Trade Receivables, Non Current and Current Loans and Advances are subject to confirmation by the parties.  
b) There are no identifiable Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of information available with the Company. This has been relied upon by the auditors.
- 30.** The Company has setup Gratuity Fund for future payment of retirement gratuities of employees. The company has not ascertained the amount of accrued liability for the year and has not made any contribution to gratuity fund; Gratuity will be accounted on payment basis. During the year Rs. 1,75,000/- to previous employees.
- 31.** Disclosure for operating leases under Ind AS 17 – "Leases"  
(i) Disclosure in respect of the assets given on leave and license agreement under operating lease is as under:

SR No	Particulars	2017-2018	2016-2017
1.	Lease income recognized in the Statement of Profit and Loss for the year	Rs.72,27,947/-	Rs.86,46,588/-
2.	Future minimum receipt under the agreements, which are non cancellable are as follows:		
	Not later than one year	Rs. Nil	Rs. Nil
	i) Later than one year and not later than five years	Rs. Nil	Rs. Nil



**NOTES TO FINANCIAL STATEMENTS**

	ii) Later than five years.	Rs. Nil	Rs. Nil
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- 32.** Expenditure in foreign currency during the year on account of Travelling expenses Rs. Nil (Previous Year Rs Nil )
- 33.** CIF Value of Imports of Raw Materials and Capital goods Rs. Nil (Previous Year Rs. Nil )
- 34.** Remittance in Foreign Currency on account of Dividend Rs. Nil (Previous Year Rs. Nil)
- 35.** Earnings in foreign exchange and expenditure in foreign currency Rs. Nil (Previous Year Rs. Nil)
- 36.** Related party disclosures:

**I. LIST OF RELATED PARTIES:**

**A) Key Management Personnel:**

- a) Shri Manoj R. Patel : Managing Director
- b) Shri Rajeev R. Patel : Whole time Director
- c) Smt. Laxmiben J. Patel : Director

**B) Other Related Parties:**

- a) M/s Polycone Paper Limited : Associate Company
- b) Laj Investments Private Limited : Associate Company

**II. Transaction with related parties:**

Sr. No.	Particulars	Key Management Personnel		Associate Companies	
		2017-18	2016-17	2017-18	2016-17
<b>A.</b>	<b>Transaction during the year</b>				
I	Remuneration	7,20,000	6,00,000	NIL	NIL
II	Loan Taken	NIL	NIL	NIL	NIL
III	Loan repaid	9,50,000	6,27,175	NIL	NIL
IV	Interest	NIL	NIL	NIL	NIL
<b>B</b>	<b>Outstanding balances at the year end:</b>				
I	Loan	7,44,40,141	7,53,90,141	47,48,076	47,48,076
II	Remuneration	NIL	NIL	NIL	NIL

- 37.** In view of the uncertainty of avilment of tax benefit on accumulated business losses and unabsorbed depreciation, the company has not considered any deferred tax assets as required to be disclosed under Ind AS 12 "Income tax" .

**NOTES TO FINANCIAL STATEMENTS**

**38. Earnings per Share :**

Particulars	2017-18	2016-17
Profit / (Loss) in Rupees	22,19,810	13,33,001
Weighted average number of equity shares outstanding	22,81,450	22,81,450
Basic and diluted Profit / (Loss ) per share in Rupees	0.97	0.58

- 39.** Company has closed down engineering and paper manufacturing division during the year 2011-12. However, the required information as per Ind AS – 105 has not been disclosed.
- 40.** Company's Non-current liability is not being discounted since the amount is not significant as per management.
- 41.** Previous years figures have been regrouped and /or rearranged whenever necessary.

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**The notes are integral part of these financial statements.**

**As per our Audit Report of even date attached**

**For VAPI ENTERPRISE LIMITED**

**For Chirag N Shah & Associates,**

**Chartered Accountants**

Registration No: 118215W

SD/

**Hetal Shah**

**Partner**

**Membership No: 111610**

Mumbai

Date: 30/05/2018

SD/-

**Manoj R. Patel**

Director

DIN: 00485197

Mumbai

Date: 30/05/2018

SD/-

**Rajeev R. Patel**

Director

DIN: 00510532

Mumbai

Date: 30/05/2018