

VAPI ENTERPRISE LIMITED

(Formerly Known as Vapi Paper Mills Limited)

45 TH ANNUAL REPORT

F.Y. 2018-19



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, vapienterpriseld@gmail.com
CIN : L21010MH1974PLC032457

DIRECTORS	:	Shri Manoj R. Patel - Managing Director DIN : 00485197
		Shri Rajeev R. Patel - Wholetime Director DIN : 00510532
		Smt. Laxmiben J Patel - Director DIN : 00510582
		Shri Himanshu H. Ruia - Director (Independent) DIN : 07572617
COMPANY SECRETARY:		Ms Priyanka Kunwar (w.e.f. 01.07.2019) MembershipNumber : A59197
AUDITORS		Messrs, Chirag N. Shah & Associates Chartered Accountants, Mumbai
REGISTERED OFFICE		213, Udhyog Mandir No.1,2nd Floor 7/C, Pitamber Lane, Mahim (West), Mumbai -400 016.
COMPANY E-MAIL		vapipaper@gmail.com vapienterpriseld@gmail.com
PLANT		298-299, GIDC Industrial Area Vapi 396 195 Dist. Valsad (Gujarat)
REGISTRARS AND TRANSFER AGENTS		M/s BIGSHARE SERVICES PVT. LTD. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Andheri (E) Mumbai- 400 072

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 45th Annual General Meeting of the Members of VAPI ENTERPRISE LIMITED (Formerly known as Vapi Paper Mills Ltd.) will be held on Monday, 30th day September day of 2019, at **10.00 am** at Title Waves Basement Lounge, Title Waves Bookshop, St Pauls Media Complex, 24th Road, TPS III, Bandra (West), Mumbai 400050 to transact the following business:

ORDINARY BUSINESS

Item No.01: Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

Item No.02: Re-Appointment of a Director

To appoint a Director in place of Mr. RAJEEV RAMANBHAI PATEL (DIN No. 00510532) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible offers himself for reappointment.

Item No.03: Appointment of 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 appoint 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 2023-24 on such remuneration plus applicable tax and reimbursement of expenses as may be determined by the Board of Directors and the Statutory Auditors.”

SPECIAL BUSINESS:

Item No. 04: Sale of Assets/Property under Section 180 (1) (a) of the Companies Act, 2013

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

“RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, the provisions of the Memorandum and Articles of Association of the Company, the provisions of the listing agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to sell / transfer / dispose of its Immovable Property / Land Situated at Plot No. 298/299 GIDC Vapi, Gujarat 396195 (“Undertaking”), together with all specified immovable assets on the property on such terms and conditions as may be deemed fit by the Board.

“RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

Item No.05: Adoption of new Article of Association (AOA), As per Companies Act, 2013

“RESOLVED THAT pursuant to provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the consent of the Board of Directors of the company be and is hereby accorded and subject to the approvals of shareholders in the General meeting, the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

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
3rd day of September,2019

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 2018-19 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 23rd, 2019 to September 30th, 2019 (both days inclusive) for the purpose of 45th Annual General Meeting (AGM) of the Company to be held on September 30th, 2019
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 45th 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

(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 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:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). 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 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.

- 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 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:

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

(ii) The voting period begins on 27th September, 2019 (10:00 a.m.) and ends on 29th September, 2019 (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 23rd September, 2019, 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

3. CS Anjana Manseta, Practising Company Secretary (Membership No.10078) 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 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
2nd SEPTEMBER, 2019

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 –

ANNEXURE TO ITEMS 2 :

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

Name of the Director	RAJEEV RAMANBHAI PATEL
Director Identification Number (DIN)	00510532
Date of Birth	15/10/1974
Nationality	Indian
Date of Appointment on Board	25/05/2004
Qualification	B.E. (Mechanical)
Shareholding in Vapi Enterprise Limited	78687(3.45%)
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	M/s POLYCONE PAPER LTD. M/s APPLIED ELECTROSTATICS and CONTROLS PVT. LTD.
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	N/A

ITEM No .04: Members of the Company are further requested to note that Section 180 (1) (a) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution. Explanation (i) to Section 180(1) (a) of the Companies Act, 2013 states that the meaning of an 'undertaking' for the purposes of Section 180(1) of the Companies Act, 2013 is an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year. Explanation (ii) to Section 180 (1)(a) of the Companies Act, 2013 states that the meaning of 'substantially the whole of the undertaking' for the purposes of Section 180(1) is in any financial year, twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

Accordingly, pursuant to Section 180(1)(a) of the Companies Act, 2013, members of the Company are further requested to note that their consent to the Board is being sought by way of a Special Resolution to sell and transfer, the Fixed assets including Land, Building, Plants & Machinery & other assets Plot No. 298/299 GIDC Vapi, Gujarat 396195 ("Undertaking"), together with all specified immovable assets on the property on such terms and conditions as may be deemed fit by the Board.

ITEM No. 05: The existing Articles Of Association ("AOA") are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act. With the coming into force of the Companies Act, 2013, several regulations of the existing AOA of the Company require alteration or deletions in several clauses. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Article.

The draft copy of the Articles of Association is attached for your review at the end of this Annual Report.

The draft copy of the Articles of Association can also be viewed and downloaded from the website of the company www.vapienterprise.com and from the Corporate Announcements page of BSE i.e www.bseindia.com

**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 45th Annual General Meeting of the company, to be held on the 30th day of September, 2019 at **10.00 am** at Title Waves Basement Lounge, Title Waves Bookshop , St Pauls Media Complex, 24th Road, TPS III, Bandra (West), Mumbai 400050 and at any adjournment thereof in respect of such resolutions are as 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, 2019		
2.	Appointment of Mr. Rajeev Patel as a Director		
3.	Appointment of M/S Chirag N. Shah and Associates, Chartered Accountants as Statutory Auditors & fixing their remuneration		
4.	Sale of Assets/Property under Section 180 (1) (a) of the Companies Act, 2013		
5.	Adoption of new Article Of Association(AOA)		

* Applicable for investors holding shares in Electronic form.

Signed this ____ day of September 2019

Affix Revenue
Stamps

Signature of Shareholder Signature of Proxy holder

Signature of the Shareholder
across Revenue Stamp

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

LETTER HEAD

ATTENDANCE SLIP

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

45th 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 45th Annual General Meeting of the Vapi Enterprise Ltd. at **10.00 am** at Title Waves Basement Lounge, Title Waves Bookshop, St Pauls Media Complex, 24th Road, TPS III, Bandra (West), Mumbai 400050 on Monday, the 30TH September 2019

(Member's /Proxy's Signature)

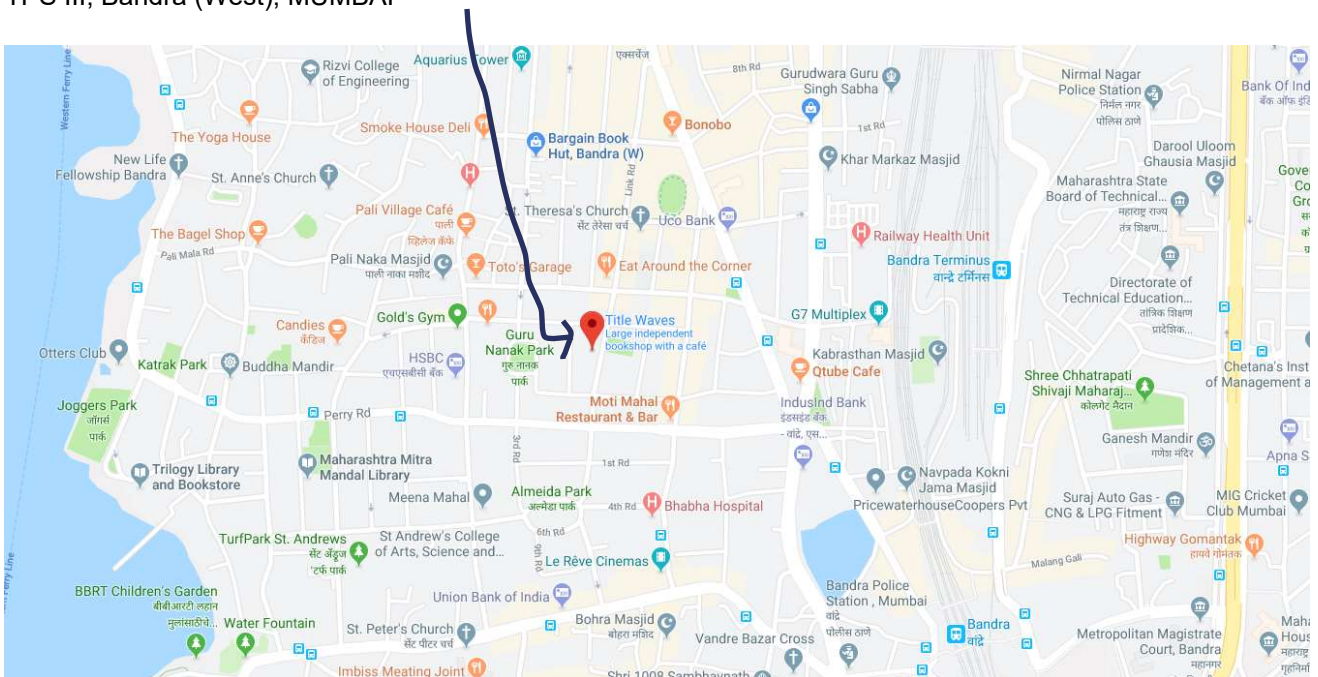
Note:

- 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.

MAP OF LOCATION OF ANNUAL GENERAL BODY MEETING OF VAPI ENTERPRISE LTD. (Formerly

known as Vapi Paper Mills Ltd. on 30th September 2019 at 10 AM

TITLE WAVES BASEMENT LOUNGE, Title Waves Bookshop, St. Pauls Media Complex, 24th Road, TPS III, Bandra (West), MUMBAI



To,

The Members,

Your Directors have pleasure in presenting their 45th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31st, 2019.

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)

Particulars	2018-2019	2017-2018
Gross Income	289.09	320.93
Profit Before Interest and Depreciation	22.21	49.36
Finance Charges	3.92	3.91
Gross Profit	18.29	45.45
Provision for Depreciation	20.95	23.25
Net Profit Before Tax	(2.66)	22.20
Provision for Tax	-	-
Net Profit After Tax	(2.66)	22.20
Balance of Profit brought forward	(1510.45)	(1532.64)
Balance available for appropriation	(1513.11)	(1510.45)
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	(1513.11)	(1510.45)

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. However due to substantial down time taken by company due to economic slowdown as well as expenditure incurred to upgrade the facilities for future growth, the gross profit reduced to 22.21 lacs from 49.36 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. The company continues to evaluate all options including sale or lease of assets of the company to enhance value to shareholders for which enabling provisions have been presented for approval to the shareholders at the upcoming Annual General Meeting of the company. It is the stated long term goal of the company in case of any such transaction to be net worth positive and to improve financial position of the company to enable long term value creation for shareholders by increase in share value, dividends and/or buybacks.

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

Mr. Rajeev R. 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 per

iod 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 which term expires on 30th September 2019.

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 for a further period of 5 years. Accordingly, Directors seek your consent for appointment of M/s Chirag N. Shah & Associates as the Statutory Auditors for the financial year 2019-20 to 2023-24. . 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.

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 : 03-09-2019

SD/-

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

ANNEXURE INDEX

Annexure	Content
I	Annual Return Extracts in MGT 9
II	MR-3 Secretarial Audit Report

FormNo.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31-03-2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L21010MH1974PLC032457
ii.	Registration Date	23-07-1974
iii.	Name of the Company	VAPI ENTERPRISE LIMITED
iv.	Category/Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	213 UDYOG MANDIR 2 ND FLOOR 87-C PITAMBER, MAHIM(WEST), MUMBAI 400016
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Paper and Paper Products	21091	73%
2	Renting/Warehousing	99721121	27%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	392197	257850	650047	26.77%	392197	257850	650047	26.77%	NIL
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt. (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp	37803	1550	39353	1.72%	37803	1550	39353	1.72%	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(A)(1):-	392197	257850	650047	28.49	392197	257850	650047	28.49	NIL
2) Foreign									
g) NRIs-Individuals	NIL	235000	235000	10.30%	NIL	235000	235000	10.30%	NIL
h) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
j) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
k) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Sub-total(A)(2):-	392197	492850	885047	38.79%	392197	492850	885047	38.79%	NIL
B. Public Shareholding									
<i>1. Institutions</i>									
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
<i>2. Non Institutions</i>									
a) Bodies Corp. (i) Indian (ii) Overseas	15040	500	15540	0.68%	12760	500	13260	0.68%	-0.02%
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	373550	708505	1082055	47.43%	334622	698355	1032977	45.27%	-2.15%
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	192697	0	192697	8.44%	243855	0	243855	10.68%	2.24%
c) Others(NRI)	91861	12000	103861	4.55%	91761	12000	103761	4.54%	-0.01%
d) Clearing Members	2050	0	2050	0.08%	2350	0	2350	0.10%	0.02%
Sub-total(B)(2)	684798	711405	1396203	61.20%	685348	710855	1396203	61.20%	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	684798	711405	1396403	61.21%	685348	711055	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%	1077545	1203905	2281450	100%	NIL

ii.Share Holding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
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 RANCHHODBHAI	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	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 RANCHODBHAI	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 RANCHHODBHAI 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	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

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%

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	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	NIL	NIL	NIL	NIL
Total(i+ii+iii)	NIL	7,91,38,218	NIL	7,91,38,218
Change in Indebtedness during the financial year				
- Addition	NIL	NIL	NIL	NIL
- Reduction	NIL	11,45,497	NIL	11,45,497
Net Change	NIL	-11,45,497	NIL	-11,45,497
Indebtedness at the end of the financial year	NIL	7,80,42,721	NIL	7,80,42,721
i) Principal Amount	NIL	7,80,42,721	NIL	7,80,42,721
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	7,80,42,721	NIL	7,80,42,721

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	8,40,000 NIL NIL NIL	8,40,000 NIL NIL NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit	NIL	NIL
5.	Others, please specify	NIL	NIL
6.	Total (A)	8,40,000	8,40,000
	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

	·Commission ·Others,pleasespecify					
	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.	Grosssalary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s17(2) Income-taxAct, 1961 (c)Profits in lieu of salary under section 17(3)Income-taxAct,1961	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
2.	StockOption	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
3.	SweatEquity	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
4.	Commission - as % of profit	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
5.	Others,please specify	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
6.	Total	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>

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)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B.Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C.OtherOfficersInDefault					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

ANJANA MANSETA & CO.

COMPANY SECRETARIES

ANNEXURE II

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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 31st March, 2019 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 31st March, 2019 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;
- 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;

Office Add.: 003, RadhaKunj CHS LTD,
Ram MandirMarg, TPS III Babhai Naka, Borivali (W), Mumbai- 400092 Email:
csamandco@gmail.com/m.anjana20@gmail.com

ANJANA MANSETA & CO.

COMPANY SECRETARIES

-
- 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;

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.

Office Add.: 003, RadhaKunj CHS LTD,
Ram MandirMarg, TPS III Babhai Naka, Borivali (W),Mumbai- 400092 Email:
csamandco@gmail.com/m.anjana20@gmail.com

ANJANA MANSETA & CO.

COMPANY SECRETARIES

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.

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: 30-05-2019

Anjana Manseta & Co.
Company secretaries

SD/-

Anjana Manseta
(Proprietor)
FCS No. : 10078
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

Annexure A

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

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: 30-05-2019

Anjana Manseta & Co.
Company secretaries

SD/-

AnjanaManseta
(Proprietor)
ACS No.: 10078
CP No.: 10668

Office Add.: 003, RadhaKunj CHS LTD,
Ram MandirMarg, TPS III Babhai Naka, Borivali (W),Mumbai- 400092 Email:
csamandco@gmail.com/m.anjana20@gmail.com

INDEPENDENT AUDITOR'S REPORT**To the members of Vapi Enterprise Limited (Formerly known as Vapi Paper Mills Limited)
Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Vapi Enterprise Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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.9,61,349/- 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.77,412/- of Advance to creditor is subject to confirmation and adjustment, if any, required upon such confirmations are not determinable.
 - e. Balance of Rs.9,74,825/- of long term Trade receivables is subject to confirmation and adjustment, if any, required upon such confirmations are not determinable.
 - f. Balance of Rs. 64,127/- of amount other financial liability is under dispute.

The effects of the matters referred to Para above on assets and liabilities, as well as Losses 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, 2019, its Losses 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, 2019. 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

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.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. 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.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 then under *except those mentioned in the basis for qualified opinion*;
- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. 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”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note – 25 to the financial statements;
 2. The Company did not have long-term contracts including derivative contracts – hence provision for material foreseeable losses is not applicable.
 3. 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 (118215W)

SD/-

Signature

(Hetal Shah)

(Partner)

(Membership No. 111610)

Place of Signature: Mumbai

Date:-30-05-2019

“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, 2019 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. 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, 2019 for a period of more than six months from the date of becoming payable.

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, 2019 on account of disputes except below :

Type of Tax payment	Forum under which case is pending	Year	Amount Details
ESIC	ESIC Department	2010-2011, 2011-12	Demanded Rs 71,250 Paid Rs.7,123 Payable Rs.64,127
Sales Tax	Appellate Tribunal	2010-2011	Demanded Rs 2,56,503 paid Rs.1,85,417 payable Rs.71,086 which is challenged hence not provided

- 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: 30.05.2019

“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, 2019 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, 2019.

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: 30.05.2019

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

Balance Sheet as at 31st March 2019

Sr.No.	Particulars	Note No.	As at March 31,2019	As at March 31,2018
A	<u>ASSETS</u>			
(1)	<u>Non-current assets</u>			
	(a) Property, Plant and Equipment	2	1,97,75,042	2,17,84,547
	(b) Capital Work in progress		7,69,639	-
	(C) Financial Assets			
	(i) Investments	3	2,00,000	2,00,000
	(ii) Trade receivables	4	9,74,825	10,73,270
	(iii) Loans	5	30,000	21,500
	(iv) Others	6	57,19,881	57,86,587
(2)	<u>Current assets</u>			
	(a) Financial Assets			
	(i) Trade receivables	7	27,99,553	64,59,998
	(ii) Cash and cash equivalents	8	10,78,107	28,21,863
	(iii) Loans	9	99,300	1,85,000
	(b) Other current assets	10	12,13,752	11,28,309
	Total Assets		3,26,60,100	3,94,61,074
B	<u>EQUITY AND LIABILITIES</u>			
(1)	<u>Equity</u>			
	(a) Equity Share capital	11	2,28,14,500	2,28,14,500
	(b) Other Equity	12	(8,39,17,390)	(8,36,51,025)
(2)	<u>LIABILITIES</u>			
(a)	<u>Non-current liabilities</u>			
	Financial Liabilities			
	(i) Borrowings	13	7,80,42,721	7,91,88,218
	(ii) Trade payables	14	9,61,349	44,48,923
	(iii) Other	15	1,14,35,333	1,31,22,212
(b)	<u>Current liabilities</u>			
	(i) Financial Liabilities			
	- Trade payables	16	5,29,488	18,63,860
	(ii) Other current liabilities	17	27,94,099	16,74,386
	Total Equity and Liabilities		3,26,60,100	3,94,61,074

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: 30-05-2019

SD/-
Manoj R. Patel
Director
DIN: 00485197
Place: Mumbai
Date: 30-05-2019

SD/-
Rajeev R. Patel
Director
DIN: 00510532
Place: Mumbai
Date: 30-05-2019

VAPI ENTERPRISE LIMITED
(Formerly known as Vapi Paper Mills Limited)
Statement of Profit and Loss for the period ended 31st March 2019

Sr.NO	Particulars	Note No.	As at March 31,2019	As at March 31,2018
I	Revenue From Operations	18	2,10,81,921	2,47,28,994
II	Other Income	19	78,27,848	73,64,524
III	Total Income (I + II + IV)		2,89,09,769	3,20,93,518
IV	EXPENSES			
	Employee benefits expense	20	1,28,45,432	1,42,61,549
	Finance costs	21	3,92,271	3,90,530
	Depreciation and amortization expense	22	20,95,303	23,25,541
	Other expenses	23	1,31,92,798	1,18,39,605
	Total expenses (VI)		2,85,25,804	2,88,17,226
V	Profit/(loss) before exceptional items and tax (III-IV)		3,83,965	32,76,292
VI	Exceptional Items	24	6,50,329	10,56,482
VII	Profit/(loss) before tax(V-VI)		(2,66,364)	22,19,810
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit/(loss) for the period (XI+XIV)		(2,66,364)	22,19,810
X	Earnings per equity share (basic/diluted)		(0.12)	0.97

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: 30-05-2019

SD/-
Manoj R. Patel
Director
DIN: 00485197
Place: Mumbai
Date: 30-05-2019

SD/-
Rajeev R. Patel
Director
DIN: 00510532
Place: Mumbai
Date: 30-05-2019

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

Statement of Changes in Equity for the period ended 31st March 2019

A. Equity Share Capital

	No of shares	Amount
As at 1 April 2017	22,81,450	2,28,14,500
Issued during the year	-	-
Bought back during the year	-	-
As at 31 March 2018	22,81,450	2,28,14,500
Issued during the year	-	-
Bought back during the year	-	-
As at 31 March 2019	22,81,450	2,28,14,500

B. Other Equity

	Revaluation Surplus				Total
	Capital Reserve	Securities Premium Reserve	General reserve	Retained Earnings	
As at 1st april 2017		4,34,06,480	2,39,87,567	(15,32,64,883)	(8,58,70,836)
Profit of FY 17-18		-	-	22,19,810	22,19,810
As at 31st March 2018		4,34,06,480	2,39,87,567	(15,10,45,073)	(8,36,51,025)
Profit of FY 18-19	-	-	-	(2,66,364)	(2,66,365)
As at 31st March 2019	-	4,34,06,480	2,39,87,567	(15,13,11,437)	(8,39,17,390)

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: 30-05-2019

SD/-
Manoj R. Patel
Director
DIN: 00485197
Place: Mumbai
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SD/-
Rajeev R. Patel
Director
DIN: 00510532
Place: Mumbai
Date: 30-05-2019

VAPI ENTERPRISE LIMITED
(Formerly known as Vapi Paper Mills Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2019

PARTICULARS	2018-19	2017-18
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Profit and Loss Account	(2,66,364)	22,19,810
Adjusted for:		
Depreciation and Amortisation Expenses	20,95,303	23,25,541
Amounts Written off/(Back)	115	1,96,958
Finance Costs	3,92,271	3,90,530
Dividend Income	(26,609)	(29,000)
Interest Income	(1,94,788)	(1,07,577)
	22,66,291	27,76,453
Operating Profit before Working Capital Changes	19,99,927	49,96,263
Adjusted for:		
Trade and Other Receivables	37,40,152	(33,23,778)
Amounts Written off/Back	(115)	(1,96,958)
Trade and Other Payables	(65,08,825)	11,13,018
Other Current Liability & Short Term Provision	11,19,713	3,05,801
Long Term Loans and Advances(Receivable)	77,200	(17,500)
Short term loan and advance(Receivable)	-	-
Cash Generated from Operations	4,28,052	28,76,846
Taxes Paid		
Net Cash from Operating Activities	4,28,052	28,76,846
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(85,799)	(5,31,697)
Capital WIP	(7,69,639)	
Interest Income	1,94,788	1,07,577
Dividend Income	26,609	29,000
Net Cash (used in) Investing Activities	(6,34,041)	(3,95,120)
C CASH FLOW FROM FINANCING ACTIVITIES		
Other long term liability	-	-
Repayment from Long-term Borrowings	(11,45,497)	(9,50,000)
Interest Paid	(3,92,271)	(3,90,530)
Net Cash (used in) / from Financing Activities	(15,37,768)	(13,40,530)
Net Increase in Cash and cash Equivalents (A + B + C)	(17,43,756)	11,41,195
Opening Balance of Cash and Cash Equivalents	28,21,863	16,80,667
Closing Balance of Cash and Cash Equivalents	10,78,107	28,21,863
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: 30-05-2019

SD/-
Manoj R. Patel
Director
DIN: 00485197
Place: Mumbai
Date: 30-05-2019

SD/-
Rajeev R. Patel
Director
DIN: 00510532
Place: Mumbai
Date: 30-05-2019

VAPI ENTERPRISE LIMITED
(Formerly known as Vapi Paper Mills Limited)
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2019

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.

VAPI ENTERPRISE LIMITED
(Formerly known as Vapi Paper Mills Limited)
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2019

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.

VAPI ENTERPRISE LIMITED
(Formerly known as Vapi Paper Mills Limited)
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2019

(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.

(l) 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 2019)

Description	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2018	Additions /Adjustments	Deductions / Adjustments	As at 31.03.2019	As at 01.04.2018	For the year	Deductions / Adjustments	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Leased Assets:										
Lease hold land	3,79,998			3,79,998	-	-	-	-	3,79,998	3,79,998
Own Assets:										
Factory Building	1,08,81,097	-	-	1,08,81,097	1,03,37,042	-		1,03,37,042	5,44,055	5,44,055
Office & Godown	3,53,07,472	85,799	-	3,53,93,270	1,45,11,691	20,95,303	-	1,66,06,994	1,87,86,276	2,07,95,781
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	15,46,852	-	-	15,46,852	36,983	36,983
Total	5,31,34,426	85,799	-	5,32,20,224	3,13,49,879	20,95,303	-	3,34,45,182	1,97,75,042	2,17,84,547

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

Description	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2017	Additions /Adjustments	Deductions /Adjustments	As at 31.03.2018	As at 01.04.2017	For the year	Deductions / Adjustments	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Leased Assets:										
Lease hold land	3,79,998			3,79,998	-	-	-	-	3,79,998	3,79,998
Own Assets:										
Factory Building	1,08,81,097	-	-	1,08,81,097	1,03,37,042	-		1,03,37,042	5,44,055	5,44,055
Office & Godown	3,47,75,775	5,31,697	-	3,53,07,472	1,21,90,786	23,20,905	-	1,45,11,691	2,07,95,781	2,25,84,989
Plant & Machinery	42,15,859	-	-	42,15,859	42,05,977	0	-	42,05,977	9,882	9,882
Furnitures & Fixtures	7,66,164	-	-	7,66,164	7,48,317	0	-	7,48,317	17,848	17,848
Office Equipments	15,83,836	-	-	15,83,836	15,42,216	4,637	-	15,46,852	36,983	41,620
Total	5,26,02,729	5,31,697	-	5,31,34,426	2,90,24,337	23,25,541	-	3,13,49,879	2,17,84,547	2,35,78,391

Note3: (Long Term Investments)

(Valued at cost)	As at 31.3.19	As at 31.3.18
Quoted Investment in Trust Securities (Long Term at cost)	1,00,000	1,00,000
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)		
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	10,64,700	9,77,937
3. Aggregate amount of unquoted investments	1,00,000	1,00,000

Note 4 : Non-current trade receivable

	As at 31.3.19	As at 31.3.18
Unsecured, considered good	9,74,825	10,73,270
Doubtful		
Total	9,74,825	10,73,270
Less: Provisions for bad and doubtful debts		
Total trade receivables	9,74,825	10,73,270

Note 5 : Non current Loan

	As at 31.3.19	As at 31.3.18
Unsecured, considered good		
Loan to Staff and workers	30,000	21,500
Total	30,000	21,500

Note 6 : Others non-current assets

	As at 31.3.19	As at 31.3.18
(a) Security Deposits	11,76,959	11,76,959
(b) Advances Recoverable Cash or for kind or value to be received	34,82,360	34,82,360
(c) Balances with government authorities	10,60,562	11,27,268
Total	57,19,881	57,86,587

Note 7 : Current-trade receivable

	As at 31.3.19	As at 31.3.18
Unsecured, considered good	27,99,553	64,59,998
Total	27,99,553	64,59,998

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

Note 8 : Cash and Cash Equivalent

	As at 31.3.19	As at 31.3.18
Cash on hand	17,429	50,515
Balances with banks-In current account	10,60,678	27,71,348
Total	10,78,107	28,21,863

Note 9 : Current Loan

	As at 31.3.19	As at 31.3.18
Unsecured, considered good		
Loan to Staff and workers	99,300	1,85,000
Total	99,300	1,85,000

Note 10 : Other current asset

	As at 31.3.19	As at 31.3.18
Balance with Government	11,35,806	10,40,187
Advances to creditors for services	77,412	71,224
Prepaid expenses	534	16,898
Total	12,13,752	11,28,309

Note 11 : SHARE CAPITAL

Note 11.1 : Authorised Share Capital

	As at 31.3.19	As at 31.3.18
3,000,000 Equity Shares of Rs.10 each (P.Y 3,000,000/- of Rs.10 each)	3,00,00,000	3,00,00,000
20,000 12 % Redeemable Cumulative Preference Shares of Rs. 100/- each redeemable at par at any time (P.Y 20,000 of Rs.100 each)	20,00,000	20,00,000
	3,20,00,000	3,20,00,000

Note 11.2 : Issued, Subscribed and Paid up

	As at 31.3.19	As at 31.3.18
2,281,450 Equity shares of Rs.10 each fully paid up (P.Y 2,281,450 of Rs.10each)	2,28,14,500	2,28,14,500
Total	2,28,14,500	2,28,14,500

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

	As at 31.3.19	As at 31.3.18
	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	22,81,450	22,81,450

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

SR	Name of Shareholder	FY 2018-19	FY 2017-18
		No. of Shares	No. of Shares
1	MADHAV HARIDAS ASHER	1,14,634	1,14,634
	% of Holding	5.02%	5.02%

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

Note 12 : Other equity

	As at 31.3.19	As at 31.3.18
(i) Securities Premium		
As per last Balance sheet	4,34,06,480	4,34,06,480
(ii) General Reserve		
As per last Balance sheet	2,39,87,567	2,39,87,567
(iii) Surplus/(deficit) as per statement of Profit and Loss		
Balance as at beginning of the year	(15,10,45,073)	(15,32,64,883)
Add: Profit/(Loss) during the year	(2,66,364)	22,19,810
Balance as at end of the year	<u>(15,13,11,437)</u>	<u>(15,10,45,073)</u>
Total	<u>(8,39,17,390)</u>	<u>(8,36,51,025)</u>

Note 13 : Long term borrowing

	As at 31.3.19	As at 31.3.18
Unsecured		
Term Loans-From Directors	7,32,94,645	7,44,40,142
Term Loans-Inter Corporates	47,48,076	47,48,076
Total	<u>7,80,42,721</u>	<u>7,91,88,218</u>

Note 13.1 : Disclosure regarding repayment of term loans

The Loans are interest-free and are repayable on demand.
During the year Rs. 11,45,497/- has been repaid to the directors

Note 14 : Non-Current trade Payables

	As at 31.3.19	As at 31.3.18
Trade payables for goods	5,43,085	7,93,085
Trade payables for services	4,18,264	36,55,838
Trade payable to Micro small and Medium Enterprises	-	-
Total	<u>9,61,349</u>	<u>44,48,923</u>

Note 15 : Other financial liability

	As at 31.3.19	As at 31.3.18
Rent Deposit from Tenant	86,87,237	1,04,11,237
Trade Deposits	25,85,000	25,85,000
Advance from customer	98,969	61,848
ESIC Penalty Payable	64,127	64,127
Total	<u>1,14,35,333</u>	<u>1,31,22,212</u>

6 SHORT TERM BORROWINGS

Unsecured Loan

From Banks	-
Trade Deposits	-
Total	<u><u>-</u></u>

Note 16 : Current Trade Payables

	As at 31.3.19	As at 31.3.18
Trade payable for capital goods	27,706	-
Trade payable for goods	52,452	-
Trade payable for Services	4,49,330	18,63,860
Trade payable to Micro small and Medium Enterprises	-	-
Total	<u>5,29,488</u>	<u>18,63,860</u>

Note 17 : Other current liability

	As at 31.3.19	As at 31.3.18
Outstanding Liability for Expenses	2,23,150	1,64,434
Statutory Dues	4,59,091	4,40,411
Employee Benefits Payable	9,16,858	9,94,541
Rent deposit	11,95,000	75,000
Total	<u>27,94,099</u>	<u>16,74,386</u>

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

Note 18 : Revenue From Operations

	As at 31.3.19	As at 31.3.18
Job Work (Net)	2,10,81,921	2,47,28,994
Total	2,10,81,921	2,47,28,994

Note 19 : Other Income

	As at 31.3.19	As at 31.3.18
Rent Income	76,06,451	72,27,947
Interest Income	1,94,788	1,07,577
Dividend Income From Long Term Investment	26,609	29,000
Total	78,27,848	73,64,524

Note 20 : Employee Benefits Expense

	As at 31.3.19	As at 31.3.18
Salary, Allowances, Bonus	1,11,69,112	1,23,49,394
Gratuity Expenses	-	1,75,000
Contribution To Provident And Other Funds	7,73,427	9,67,887
Staff Welfare Expenses	62,893	49,268
Directors Remuneration: Managing Director	8,40,000	7,20,000
Total	1,28,45,432	1,42,61,549

Note 21 : Finance Costs

	As at 31.3.19	As at 31.3.18
Interest Paid On Trade Deposits	3,87,750	3,90,245
Interest Paid To Statutory Authority	100	-
Interest Paid To Bank On Overdraft	4,421	285
Total	3,92,271	3,90,530

Note 22 : Depreciation And Amortization Expense

	As at 31.3.19	As at 31.3.18
Property, Plant And Equipment (Refer Note 2)	20,95,303	23,25,541
Total	20,95,303	23,25,541

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

Note 23 : Other Expenses

	As at 31.3.19	As at 31.3.18
Power And Fuel	69,44,776	74,86,864
Repairs To Godown	23,15,207	1,40,672
Repairs To Others	11,000	-
Advertisement	4,500	-
Bank Charges	4,599	-
GIDC NA Charges Expenses	47,404	-
Professional and Listing Fees	9,96,864	10,11,168
Freight Charges	2,144	-
Conveyance Expenses	31,061	-
Commission Charges	3,02,200	36,726
Insurance Charges	35,276	-
Internet Charges	4,466	-
Rates And Taxes And Fees	6,47,902	11,44,594
Security Expenses	5,01,764	5,10,622
Water Charges	3,26,683	2,51,272
Professional Tax Company	2,500	-
Rent	2,00,000	2,00,250
Travelling Expenses	2,40,261	1,03,520
Miscellaneous Expenses	21,947	91,323
Telephone Expenses/Internet Expenses	1,11,023	1,87,063
Vehicle Expenses	1,50,995	2,00,410
Office Expenses	2,16,312	3,76,421
Sundry Balance W/off	115	-
Auditor Remuneration:		
Statutory Audit Fees	32,800	47,200
Tax Audit Fees	28,700	41,300
Other Services	12,300	10,200
Total	1,31,92,798	1,18,39,605

Note 24 : Exceptional Items

	As at 31.3.19	As at 31.3.18
Prior Period Expenses	5,95,866	10,56,482
Short /excess Provision for Expenses of Earlier Year	54,463	-
Total	6,50,329	10,56,482

25. Contingent Liabilities: Rs.34,82,360/- (Previous Year Rs.34,82,360/-)

26. Capital Commitment:

Estimated amount of contracts remaining to be executed on capital account is 7,69,639/- (Net of advances) (Previous Year Nil).

27. The Company's net worth is negative as on March 31, 2019. 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. 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	2018-2019	2017-2018
1.	Lease income recognized in the Statement of Profit and Loss for the year	Rs.76,06,451/-	Rs.72,27,947/-
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
	ii) Later than five years.	Rs. Nil	Rs. Nil

- 31.** 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 Nil to previous employees (Previous year Rs.1,75,000/-)
- 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	
		2018-19	2017-18	2018-19	2017-18
A.	Transaction during the year				
I	Remuneration	8,40,000	7,20,000	NIL	NIL
II	Unsecured Loan Taken	NIL	NIL	NIL	NIL
III	Unsecured Loan repaid	11,45,497	9,50,000	NIL	NIL
IV	Interest	NIL	NIL	NIL	NIL
B	Outstanding balances at the year end:				
I	Unsecured Loan	7,32,94,645	7,44,40,142	47,48,076	47,48,076
II	Remuneration	NIL	NIL	NIL	NIL

- III.** Post Employment Benefits of key managerial person are not identified and accounted.

37. In view of the uncertainty of availment 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".

38. **Earnings per Share:**

Particulars	2018-19	2017-18
Profit / (Loss) in Rupees	(2,66,364)	22,19,810
Weighted average number of equity shares outstanding	22,81,450	22,81,450
Basic and diluted Profit / (Loss) per share in Rupees	(0.12)	0.97

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. None of the assets of the company having decline in the value of the assets which of permanent nature hence impairment treatment is not required for any of the assets.

42. Previous year's figures have been regrouped and /or rearranged whenever necessary.

The notes are integral part of these financial statements.

As per our Audit Report of even date attached

For Chirag N Shah & Associates,

Chartered Accountants

Registration No: 118215W

SD/-

Hetal Shah

Partner

Membership No: 111610

Mumbai

Date: 30-05-2019

For VAPI ENTERPRISE LIMITED,

SD/-

Manoj R. Patel

Director

DIN: 00485197

Mumbai

Date: 30-05-2019

SD/-

Rajeev R. Patel

Director

DIN: 00510532

Mumbai

Date: 30-05-2019

DRAFT
THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1956)
ARTICLES OF ASSOCIATION
OF
VAPI ENTERPRISE LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the annual general meeting of the Company held on 30TH September, 2019 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

CONSTITUTION OF THE COMPANY

1. The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act, which shall be the regulations for the management of the company.

INTERPRETATION

2. In these regulations —

(a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment Thereof for the time being in force and any previous Company Law, so far as may be applicable.

(b) "Articles" means these Articles of Association of the Company or as altered from time to time.

(c) "Associate Company", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation.—For the purposes of this clause, "significant influence" means control of at least twenty per cent of total share capital, or of business decisions under an agreement;

(d) "Board of Directors" or "Board", means the collective body of the directors of the Company and shall include a Committee thereof.

(e) "Company" means **VAPI ENTERPRISE LIMITED**.

(f) "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

(g) "Depositories Act" means the Depositories Act, 1996, or any statutory modification or re-enactment thereof, for the time being in force.

(h) "Depository" means a depository as defined under Section 2(1)(e) of the Depositories Act.

(i) "Director" means a member of the Board appointed in accordance with these Articles, including any additional and/or alternate director.

(j) "Debenture" includes Debenture stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not.

(k) "Document" includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.

(l) "General Meeting" means a general meeting of the Shareholders of the Company, whether an annual general meeting or an extraordinary general meeting.

(m) "Independent Director" shall have the meaning ascribed to it in the Act.

(n) "Key Managerial Personnel" means the Chief Executive officer or the managing director or the manager; the company secretary; whole-time director; Chief Financial Officer; and such other officer as may be notified from time to time in the Rules.

(o) "Ordinary & Special Resolution" shall have the meanings assigned to these terms by Section 114 of the Act.

(p) "Promoter" means a person—

- (a) who has been named as such in a prospectus or is identified by the company in the annual return referred to in Section 92; or
- (b) who has control over the affairs of the Company, directly or indirectly whether as a shareholder, director or otherwise; or
- (c) in accordance with whose advice, directions or instructions the Board of Directors of the Company is accustomed to act:

Provided that nothing in sub-clause (c) shall apply to a person who is acting merely in a professional capacity;

(q) "Rules" means the applicable rules for the time being in force as prescribed under relevant Sections of the Act.

(r) "Seal" means the Common Seal of the Company.

(s) "Secretary" is a Key Managerial Person appointed by the Directors to perform any of the duties of a Company Secretary.

(t) "The office" means the Registered Office for the time being of the Company.

Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

Reference in these articles to any provision of the Act shall, where the context so admits, be construed as a reference by any statute for the time being in force.

Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Act or Rules, or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

SHARE CAPITAL

3. The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association with power to Board of Directors to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges, or conditions may be, thought fit and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.
4. The Board may issue and allot shares in the Capital of the Company for consideration other than cash.

Kinds of Share Capital

5. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
 - (a) Equity share capital:
 - (i) with voting rights; and / or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
 - (b) Preference share capital

Certificate of Shares

6. **(1)** Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide:
 - (a) one certificate for all his shares without payment of any charges; or
 - (b) Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
- (2)** In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
7. A person opts to hold any shares with the depository, the Company shall intimate such depository the details of allotment of the shares to enable the depository to enter in its records the name of such person as the beneficial owner of that shares.
8. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.
9. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

Commission for placing of Shares

10. **(1)** Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture-stock or other securities of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock or other securities of the Company but so that the statutory conditions and requirements shall be observed and complied with. The amount of rate of commission shall not exceed the rate as may be fixed under the Companies Act, 2013, the Rules and SEBI guidelines wherever applicable.
- (2)** The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash or in share, debentures or debenture stock of the Company, (whether fully paid or otherwise) or in any combination thereof.

Variation of members' rights

11. **(1)** If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms or issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class and all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in question.

(2) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Issue and redemption of preference shares

12. Subject to the provisions of the Act and Rules made in this behalf, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

Further issue of capital

13. **(1)** The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –

- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
- (b) employees under any scheme of employees' stock option; or
- (c) Any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

(2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules and SEBI guidelines.

Issue of Securities at a Premium

14. The Company shall have power to issue Securities at a premium and shall duly comply with the provision of Sections 52 of the said Act.

LIEN

15. **(1)** The Company shall have a first and paramount lien –

- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b)
- (c) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(2) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

16. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(c) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency.

17. To give effect to such sale, the Board of Directors may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

18. The net proceeds of the sale after payment of the costs of the sale shall be received by the Company and applied or towards payment or such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

19. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

20. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

SHARE WARRANTS

21. The Company may issue Share warrants subject to, and in accordance with, the provisions of the Act and the applicable rules/ regulations/ guidelines. The Board may in its discretion, with respect to any Share which is fully paid-up, on application in writing signed by the person registered as holder of the Share, and authenticated by such evidence (if any) as the Board may from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) with respect to the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a Share warrant.

22. (1) The bearer of a Share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of two (2) clear days from the time of deposit, as if the depositor's name were inserted in the Register of Members as the holder of the Shares included in the deposited warrant.

(2) Not more than one person shall be recognized as the depositor of the Share warrant.

(3) The Company shall, on two (2) days' written notice, return the deposited Share warrant to the depositor.

23. (1) Except as herein otherwise expressly provided, no person shall, as bearer of a Share warrant, sign a requisition for calling a meeting of the Shareholders of the

Company, or attend, or vote or exercise any other privilege of a Shareholder at a meeting of the Shareholders, or be entitled to receive any notices from the Company.

(2) The bearer of a Share warrant shall be entitled in all other respects to the same privileges and advantages as if such person were named in the Register of Members as the holder of the Shares included in the warrant, and such person shall be a Shareholder.

24. The Board may, from time to time, make rules as to the terms on which (if it deems fit) a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

POWER TO BORROW

25. The Board may, from time to time, and at its discretion, subject to the provisions of the Act and these Articles, accept deposits from Shareholders either in advance of calls or otherwise and generally raise or borrow moneys, either from the Directors, their friends and relatives or from others for the purposes of the Company and/or secure the payment of any such sum or sums of money, provided however, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in ordinary course of business) and remaining outstanding and undischarged at that time exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company in a General Meeting by an ordinary resolution. The Board may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions as it thinks fit, and in particular by receiving deposits, issue of bonds, debentures perpetual, redeemable, debenture stock, or any security of the Company or by mortgage or charge or other security upon all or any part of the property or undertaking of the Company (both present and future), including its uncalled capital for the time being; provided that the Board shall not give any option or right to any person for making calls on the Shareholders in respect of the amount unpaid for the time being on the Shares held by them, without the previous sanction of the Company in a General Meeting.

CALLS ON SHARES

26. **(1)** The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

(2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(3) A call may be revoked or postponed at the discretion of the Board.

27. **(1)** A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

(2) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

28. If a sum called in respect of the shares is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest upon the sum at such rate not exceeding 10% per annum or at such lower rate, if any, as the Board may determine, but the Board of Directors shall be at liberty to waive payment of that interest wholly or in part.

29. **(1)** Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the

purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

30. The Board –

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

31. Neither a judgment nor a decree in favour of Company for calls or other moneys due in respect of any share, nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall, from time to time, be due from any member in respect of any share, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

32. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

TRANSFER OF SHARES

33. **(1)** The instrument of transfer shall be in writing and all provisions of the Companies Act, 2013, and of any statutory modification thereof for the time being shall be duly complied within respect of all transfer of shares and the registration thereof.

(2) The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.

34. The Board may, subject to the right of appeal conferred by Section 58 of the Act, decline to register any transfer of shares (not being fully paid shares) to a person of whom they shall not approve and they may also decline to register any transfer of shares on which the Company has a lien.

35. The Board of Directors may also decline to recognize any instrument of transfer unless:

a. the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;

b. the instrument of transfer is accompanied by the certificate of shares to which it relates and such other evidence as the Board of Directors may reasonably require to show the right of transferor to make the transfer; and

c. the instrument of transfer is in respect of only one class of shares.

36. On giving not less than seven days' previous notice or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days

in the aggregate in any year. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

TRANSMISSION OF SHARES

37. **(1)** On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares but nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
38. **(1)** Any person becoming entitled to a share in consequence of the death or insolvency of member may, upon such evidence being produced as may from time to time, be required by the Board and subject as hereinafter provided, elect either:

- a. to be registered himself as holder of the shares; or
- b. b. to make such transfer of the shares as the deceased or insolvent member could have made.

(2) The Board shall, in either case, have the same right to decline or suspend registration as they would have had, if the deceased or insolvent member had transferred the shares before his death or insolvency.

39. **(1)** If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing by him stating that he so elects.

(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(3) All the limitations, restrictions and provisions or these regulations to the rights to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.

(4) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

40. The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

FORFEITURE OF SHARES

41. If a member fails to pay any call or installment of a call, on the day appointed for payment thereof, the Board may at any time thereafter, during such time as the call or installment remains unpaid, serve a notice on him requiring to pay such call or installment together with interest which may have accrued.

42. The notice shall name a further day (not earlier than the expiry of fourteen days from the date of service thereof) on or before which and the place where the payment required by the notice is to

be made, and shall state that in the event of non- payment on or before the day and at the place appointed the shares in respect of which the call was made shall be liable to be forfeited.

43. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made, be forfeited by a Resolution of the Board of Directors to that effect.
44. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
45. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
46. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
47. A forfeited share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Board thinks fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as it thinks fit.
48. A member whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with interest thereon at such rate as the Board may determine.
49. A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company, and that a share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name has been entered in the Register of Members in respect of such shares the validity of the sale shall not be impeached by any person.
51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
52. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
53. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, becomes payable at a fixed time whether on account of the

nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

54. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

ALTERATION OF CAPITAL

55. Subject to the provisions of the Act , the Company may –

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

56. Where any shares have been converted into stock:

- a. the holders of such stock may transfer the same, or any part thereof, in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit, but the Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable, with power nevertheless at its discretion to waive the observance of such rules in any particular case, provided that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- b. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- c. such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stockholder" respectively.

57. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, –

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.

JOINT HOLDERS

58. Where two or more persons are registered as joint holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the following provisions:
- a. The person whose name stands first on the register in respect of such shares shall alone be entitled to delivery of certificate thereof.
 - b. Any one of such persons may give effectual receipts for any dividend, bonus or return of capital payable in respect of such share and such joint holders shall be severally, as well as jointly liable for payment of all installments and calls due in respect of such share/shares.
 - c. Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators, of a deceased member in whose names any share stands shall be for the purpose of this Article be deemed joint holders thereof;
 - d. On death of any one or more of such joint holders, the survivors shall be the only persons, recognized by the Company as having any title to or interest in such share, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
 - e. The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

CAPITALISATION OF PROFITS

59. **(1)** The Company in General Meeting may, upon the recommendation of the Board, resolve:
- a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the Profit & Loss Account or otherwise available for distribution; and
 - b. that such sum is accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have entitled thereto if distributed by way of dividend and in the same proportion.
- (2)** The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;
- i. paying up any amounts for the time being unpaid on shares held by such members respectively;
 - ii. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
 - iii. partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- (3)** A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

60. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

- a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares, if any, and
- b. generally do all acts and things required to give effect thereto.

(2) The Board shall have full power:

- a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
- b. to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.

(3) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

61. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

GENERAL MEETINGS

62. All general meetings other than annual general meeting shall be called extraordinary general meeting.

63. The Board may, whenever it thinks fit, call an extraordinary general meeting. A General Meeting of the Company may be called by giving at least clear twenty one day's notice in writing or through electronic mode but a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting. The accidental omission to give notice to or the non-receipt of notice by, any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

PROCEEDINGS AT GENERAL MEETINGS

64. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the Chair is vacant.

(3) The quorum for a general meeting shall be as provided in the Act.

65. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

- 66.** If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
- 67.** If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
- 68.** On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
- 69.(1)** The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
- (2)** The Chairman shall exercise an absolute discretion in the matters as are or could reasonably be regarded as defamatory of any person, irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

ADJOURNMENT OF MEETING

- 70.** The Chairman of the meeting may suo moto or with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice on an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

- 71.** Subject to any rights or restrictions for the time being attached to any class or classes of shares –
- (a) on a show of hands, every member present in person shall have one vote; and
 - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- 72.** A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
- 73.** In 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 votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.
- 74.** A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office or such other office of the Company as may from time to time be designated by the Board, not less than forty eight hours before the time for holding the meeting or

adjourned meeting at which such person claims to vote. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

- 75.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 76.** No member shall, unless the Board otherwise determines, be entitled to vote at any General Meeting, either personally or by proxy, or to exercise any privilege as a Member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
- 77.** No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to his given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

PROXY

- 78. (1)** Any member entitled to attend and vote at a general meeting of the Company shall be entitled to appoint any person or attorney whether a member or not as his proxy to attend and vote instead of himself, but the proxy so appointed shall not, unless be a member, have any right to speak at the meeting and shall not be entitled to vote except on a poll.
- (2)** The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- 79.** An instrument appointing a proxy shall be in the form as prescribed in the Rules.
- 80.** A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

- 81. a.** Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen).
- b.** Subject to the provisions of Section 149 of the Act, the Company may from time to time by Special Resolution increase or reduce the number of Directors within the limits fixed by these Articles, and may also determine in what rotation the increased or reduced number is to vacate the office. A person appointed as a Director shall not act as a Director unless he gives his consent to hold the office as director and such consent has been filed with the Registrar within thirty days of his appointment in such manner as prescribed in the relevant Rules. The Directors shall appoint one women director as per the requirements of section 149 of the Act.
- 82. (i)** The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. An Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be

required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.

(ii) Not less than two-thirds of the total number of Directors of the Company shall:

- (a) be persons whose period of office is liable to determination by retirement of Directors by rotation; and
- (b) save as otherwise expressly provided in the said Act; be appointed by the Company in General Meeting.

Explanation:- for the purposes of this Article "total number of Directors" shall not include Independent Directors appointed on the Board of the Company. The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.

(iii) The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.

(iv) Subject to the provisions of Section 152 of the Act at every Annual General Meeting, one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

(v) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring Director shall be eligible for re- election.

(vi) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

(vii) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a holiday, at the same time and place.

(viii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless :-

- (a) at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
- (b) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
- (c) he is not qualified or is disqualified for appointment;
- (c) a resolution, whether special or ordinary, is required for his appointment or reappointment by virtue of any provisions of the said Act; or

(ix) The Whole-time Directors shall not be liable to retire by rotation.

83. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(2) The remuneration payable to the Directors, including any Managing or Whole-time Director or Manager, if any, shall be determined in accordance with and subject to the provisions of the Act by a resolution passed by the Company in General Meeting.

(3) Every Director shall be paid a sitting fee not exceeding the limits prescribed in the Companies Act, 2013 or any amendment thereof for each meeting of the Board of Directors or of any committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the company or in connection with the business of the Company to and from any place.

- 84.** All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
- 85.** The Board of Directors shall have power at any time, and from time to time, to appoint any person other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office only up to the date of the next Annual General Meeting, or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company at that meeting subject to the provisions of the Act.
- 86.** The Board of Directors may appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an Independent Director unless he is qualified to be appointed as an Independent Director. An Alternate Director shall be entitled to notice of meetings of the Directors, and to attend and vote thereat accordingly. An Alternate Director shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India as aforesaid any provision for the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director. An Alternate Director may be removed by the Board of Directors which may appoint another Alternate Director in his place.
- 87.** The Board may appoint any person as a director nominated by any financial institution, bank, corporation or any other statutory body, or if the Company has entered into any obligation with any such institution, bank, corporation or body in relation to any financial assistance by way of loan advanced to the Company or guarantee or given of any loan borrowed or liability incurred by the Company or so long as the Company is indebted. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
- 88.** If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board and the person so appointed shall hold office upto the date which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid.

Subject to the provisions of Section 168 of the Act a Director may at any time resign from his office upon giving notice in writing to the Company of his intention so to do, and thereupon his office shall be vacated.

POWERS OF BOARD

- 89.** The management and business of the Company shall be vested in the Board of Directors, who may exercise all such powers of the Company as are not by the Act or any statutory modification

thereof for the time being in force, or by these presents, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these presents, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Provided that Board of Director shall not except with the consent of the Company in General Meeting:

- (a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
- (b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- (c) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business: Provided that the acceptance by a banking company, in the ordinary course of its business, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise, shall not be deemed to be a borrowing of monies by the banking company within the meaning of this clause.
- (d) to remit, or give time for the repayment of, any debt due from a director.

Every special resolution passed by the company in general meeting in relation to the exercise of the powers referred to in clause (c) of sub-section shall specify the total amount up to which monies may be borrowed by the Board of Directors.

Nothing contained in clause (a) of sub-section shall affect—

- (a) the title of a buyer or other person who buys or takes on lease any property, investment or undertaking as is referred to in that clause, in good faith; or
- (b) the sale or lease of any property of the company where the ordinary business of the company consists of, or comprises, such selling or leasing.

Any special resolution passed by the company consenting to the transaction as is referred to in clause (a) of sub-section may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions:

90. Every resolution passed by the Company in General Meeting in relation to the exercise of the powers referred to in sub-clause (d) or sub-clause (e) shall specify the total amount upto which the moneys may be borrowed by the Board of Directors under sub-clause (d) or as the case may be contributed to charitable and other funds in any financial year under sub-clause (e).

91. Subject to the provisions of Section 179 of the Act and other provisions of the Act and rules there under, the Board may delegate from time to time and at any time to committee formed out of the Directors any of its powers, authorities, and discretion for the time being vested in the Board and any such delegations may be made on such terms and subject to such conditions as the Board may think fit.

- 92.** The Board may appoint, at any time and from time to time by a power of attorney under the Company's seal any person to be the attorney of the company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or any of the members of any firm or company, or the members, directors, nominees or manufacturers of any firm or company or otherwise in favour of anybody or persons, whether nominated directly or indirectly by the Board, and any such power of attorney may contain such provision for the protection or convenience of persons dealing with such attorney as the Board may think fit.
- 93.** The Board may authorise any such delegate, or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in it.
- 94.** Subject to the provisions of Section 179, the Board may delegate all or any of their powers to any Directors jointly or severally or to any one Director at their discretion.

PROCEEDINGS OF THE BOARD

- 95. (1)** A minimum number of four meetings of the Directors shall have been held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meeting and proceedings, as they think fit.

(2) The Chairperson may at any time summon a meeting of the Board and the Chairperson or a Secretary, on the requisition of a Director, shall at any time summon a meeting of the Board. Subject to provisions of Section 173 (3) of the Act, notice of not less than seven days of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the company and shall be sent by hand delivery or by post or through electronic means. The meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one Independent Director of the Company shall be present at the meeting. In the event, any Independent Director is not present at the meeting called at shorter notice, the decision taken at such meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director.

(3) The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one third being rounded off as one), or two directors whichever is higher and the directors participating by video conferencing or by other audio visual means shall also be counted for the purposes of quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, being not less than two, shall be the quorum during such time.

Explanation:

The expressions "interested Director" shall have the meanings given in Section 184(2) of the said Act and the expression "total strength" shall have the meaning as given in Section 174 of the Act.

(4) With regard to every meeting conducted through video conferencing or other permitted means, the scheduled venue of the meetings shall be deemed to be in India, for the purpose of specifying the place of the said meeting and for all recordings of the proceedings at the meeting.

- 96. (1)** Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the votes.

(2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

97. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

98.(1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairperson of the meeting.

99. (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.

(2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

(3) The participation of Directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

100. A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

101. (1) A Committee may meet and adjourn as it thinks fit.

(2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present. In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

102. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as a s aforesaid or that they or any of them were disqualified be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

103. Subject to the provisions of the Act, resolutions of the Board may be passed by circulation, if the resolution has been circulated in draft, together with necessary papers, if any, to all the Directors or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution:

Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution under sub-section (1) shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

Key Managerial Personnel

104. Subject to the provisions of the Act,—

A Key Managerial Personnel may be appointed by the Board for such term at such remuneration and upon such conditions as it may think fit and the Key Managerial Personnel so appointed may be removed by means of a resolution in the Board Meeting.

REGISTERS

105. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.

106. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

(b) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

THE SEAL

107. (1) The Board shall provide a common seal for the Company and shall have power from time to time to destroy the same, substitute a new seal in lieu thereof, and the common seal shall be kept at the Registered Office of the Company and committed to the custody of the Whole-time/ Managing Director or the Secretary if there is one.

(2) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of anyone Director or the Secretary or such other person as the Board/ Committee may appoint for the purpose shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVE

108. The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

109. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

110. (1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

111. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid

upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

112. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

113. (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(2) Every such electronic transfer, cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders may, direct the payment of the cheque or warrant if purporting to be duly endorsed shall be a good discharge to the Company. Payment in any way whatsoever shall be made at the risk of the person entitled to the money represented thereby.

114. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

115. Notice of any dividend that may have been declared shall be given to the persons entitled to have thereto in the manner mentioned in the Act.

116. No dividend shall bear interest against the Company.

ACCOUNTS

117. (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules.

(2) The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorised by the Directors or by the resolution of the Company in General Meeting.

(3) Subject to Section 129 of the Act at every Annual General Meeting of the Company the Directors shall lay before the Company a Financial Statements for each financial year. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. Every account when audited and approved by a General Meeting shall be conclusive.

AUDIT

118. Accounts to be Audited

Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

119. Remuneration of Auditors

The remuneration of the Auditors shall be fixed by the Board as authorised in a General Meeting from time to time.

WINDING UP

120. Subject to the applicable provisions of the Act and the Rules made thereunder –

- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY AND INSURANCE

121. (a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Company Secretary and other officer or Employee of the Company shall be indemnified by the Company against any liability, and it shall be the duty of Directors out of the funds of the Company to pay, all costs and losses and expenses (including travelling expenses) which any such Director, Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Company Secretary, Officer or Employee or in any way in the discharge of his duties.

(b) Subject as aforesaid the Managing Director and every Director, Manager, Company Secretary, or other officer or employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings, whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

(d) Subject to the provisions of the Act, no Director or other officer of the Company shall be liable for the act, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expense happening to the company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys or the company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his officer or in relation thereto unless the same happen through his own willful act or default.

GENERAL POWER

122. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company

to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

SECURITY CLAUSE

123. No member shall be entitled to inspect the Company works without the permission of the Director, or Managing Director, or to require discovery of or any information respecting any details of the Company's manufacturing process, technology, marketing strategies trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the Company to communicate to the public.

124. Every Director, Managing Director, Manager, Company Secretary, Auditor, Trustee, Members of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company, shall if so required by the Directors before entering upon his duties, or at any time during his term of office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or any meeting or by a Court of Law or by the person to whom such matters relate and expect so far as may be necessary in order to comply with any of the provisions of these Articles or law.

NOTICES AND SERVICE OF DOCUMENTS

125. It shall be imperative on every member or notify to the Company for registration his place of address in India and if he has no registered address within India to supply to the Company an address within India for giving of notices to him. A member may notify his email address if any, to which the notices and other documents of the company shall be served on him by electronic mode. The Company's obligation shall be satisfied when it transmits the email and the company shall not be responsible for failure in transmission beyond its control.

126. Subject to Section 20 of the said Act, a document may be served by the Company on any member thereof by sending it to him by post or by registered post or by speed post or by courier or by delivering at his address (within India) supplied by him to the company for the service of notices to him. The term courier means person or agency who or which delivers the document and provides proof of its delivery. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by any and every notice and other document in respect of such share which previous to his name and address being entered upon the register shall have been duly given to the person from whom he derives his title to such share. Any notice required to be given by the Company to the members or any of them and not expressly provided for by these presents shall be sufficiently given, if given by advertisement, once in English and once in a vernacular daily newspaper circulating in the city, town or village in which the registered office of the Company is situate. Any notice or document served in the manner hereinbefore provided shall notwithstanding such member be then dead and whether or not the Company has notice of his death, be deemed to have been duly served in respect of any share, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof and such service, for all purposes of these presents be deemed a sufficient service of such notice or documents on his heirs, executors, administrators and all person (if any) jointly interested with him in any such shares. Any notice given by the Company shall be signed (digitally or electronically) by a Director or by the Secretary or some other officer appointed by the Directors and the signature thereto may be written, facsimile, printed, lithographed, photostat. A document may be served on the Company or on an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post or by Registered Post or by leaving it at its Registered Office, or by means of such electronic mode or other mode as may be specified in the relevant Rules.