

**VAPI ENTERPRISE LIMITED**

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

**46 TH ANNUAL REPORT**

**F.Y. 2019-20**



## VAPI ENTERPRISE LTD.

(Formerly known as Vapi Paper Mills Limited)

213 UDYOG MANDIR, PITAMBER LANE, MAHIM (WEST), MUMBAI 400016  
TEL: 98200 68363 / 022-24449753 E-MAIL : [vapipaper@gmail.com](mailto:vapipaper@gmail.com), [vapienterpriseld@gmail.com](mailto:vapienterpriseld@gmail.com)  
CIN : L21010MH1974PLC032457

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



**VAPI ENTERPRISE LTD.**  
**(Formerly known as VAPI PAPER MILLS LTD.)**

Regd. Off.213 UDYOG MANDIR, PITAMBER LANE, MAHIM (WEST), MUMBAI 400016  
Works : Plot No. 298/299, GIDC 2<sup>nd</sup> Phase, Industrial Area, VAPI, GUJARAT 396 195  
TEL: 98200 68363 / 022-24449753/ 093768 15945 (Works) E-MAIL : [vapipaper@gmail.com](mailto:vapipaper@gmail.com)  
Website : [www.vapienterprise.com](http://www.vapienterprise.com) CIN No. L21010MH1974PLC032457

To,

The Members,

Your Directors have pleasure in presenting their 46th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31st, 2020.

**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.

<b>Particulars</b>	<b>2019-2020(Amt in Rs.)</b>	<b>2018-2019(Amt in Rs.)</b>
Revenue	2,50,17,055	2,10,81,921
Other Income	75,44,604	78,27,848
Total Income	3,25,61,659	2,89,09,769
<b>Expenses</b>		
Operating expenditure	2,48,28,782	2,60,38,230
Depreciation and amortization expense	13,37,299	20,95,303
<b>Total expenses</b>	<b>2,61,66,081</b>	<b>2,81,33,533</b>
Profit before finance costs and tax	52,62,277	1,25,907
Finance costs	1,23,779	3,92,271
Profit before tax (PBT)	<b>51,38,498</b>	<b>(2,66,364)</b>
Tax expense	0	0
Profit for the year	51,38,498	(2,66,364)
Attributable to:	(7,87,78,892)	(8,39,17,389)
Shareholders of the Company		
Non-controlling interests	NA	NA
Opening balance of retained earnings	(15,13,11,437)	(15,10,45,073)
Closing balance of retained earnings	(14,61,72,939)	(15,13,11,437)

**2. COVID-19**

In the March month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees and labours. As of March 31, 2020, work from home was enabled for employee and Vapi plant has started the manufacturing operations subject to compliance with the conditions and directions as mentioned in guidelines or order of respective state government and Ministry of Home Affairs, Government of India.

**3. Company's performance**

The company has continued to rationalize the business mix to improve on its financial condition. Profit for the year has increased to 51.38 lacs from loss of Rs.2.66 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. 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.

**4. 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.

5. **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.

6. **Subsidiary companies**

The Company does not have any subsidiary, associate companies & joint ventures. There has been no material change in the nature of the business of the subsidiaries.

7. **Particulars of loans, guarantees and investments**

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

8. **Related Party Transactions**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

9. **Significant Orders Passed By The Regulators, Courts Or Tribunal Impacting Going Concern And Company's Operations**

To the best of our knowledge, the company has not received any such orders passed by the regulators, courts or tribunals during the year, which may impact the going concern status or company's operations in future.

10. **Material Changes And Commitments If Any Affecting The Financial Position Of The Company**

No material changes and commitments affecting the financial position of the company have occurred between the end of financial year to which the financial statements relate and the date of the Directors' Report.

11. **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.

12. **Declaration By Independent Directors**

The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

### 13. **Directors and Key Managerial Personnel**

In accordance with the Companies Act, 2013, Mrs. Laxmiben Jayantibhai Patel (DIN 00510582), Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for reappointment

The Board of Directors had appointed Ms. Priyanka Mohan Kunwar as a Company Secretary of the Company w.e.f 01st July, 2019.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are:

- 1) Manoj Ramanbhai Patel- Chairman and Managing Director
- 2) Rajeev Ramanbhai Patel- Whole Time Director (Chief Financial Officer)
- 3) Priyanka Mohan Kunwar- Company Secretary

### 14. **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.

### 15. **Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 7 (Seven) Board Meetings were held.

<b>Sr.No.</b>	<b>Date of Meeting</b>
1	30/05/2019
2	01/07/2019
3	13/07/2019
4	12/08/2019
5	03/09/2019
6	13/11/2019
7	13/02/2020

### 16. **Auditors**

Members of the Company at the Annual General Meeting that was held on 30th September, 2019 have reappointed 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 30<sup>th</sup> September 2024.

As required under the provisions of section 139(1) of the Companies Act, 2013, the Company has received a written consent from M/s Chirag N. Shah & Associates, Chartered Accountants, to their appointment and a Certificate, to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed there under and that they satisfy the criteria provided in section 141 of the Companies Act, 2013.

### 17. **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.

### 18. **Cost Auditors**

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

**19. 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.

**20. 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.

**21. Nomination and Remuneration Committee and Stakeholders Relationship 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.

As per Section 178(5) of Companies Act, the Board of Directors of a company has constituted a Stakeholder Relationship Committee consisting of a Chairperson and such other members as may be decided by the Board. The Committee has been constituted to strengthen the investor relations and to inter-alia, look into issues relating to shareholders grievances pertaining to transfer of shares, non- receipt of declared dividends, non-receipt of Annual Report, issues concerning de-materialization etc.

**22. 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.

**23. Internal financial control systems and their adequacy**

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

**24. 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

**25. 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.

**26. 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.

**27. Disclosure Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013**

The Company has in place a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

28. **Acknowledgements**

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

For and on behalf of the Board of Directors

**Place : Mumbai**  
**Date : 30-06-2020**

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

**ANNEXURE INDEX**

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





a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	200	200	0.01%	NIL	200	200	0.01%	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(B)(1)	NIL	200	200	0.01%	NIL	200	200	0.01%	NIL
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	334622	698355	1032977	45.27%	290395	697255	987650	43.29%	-1.98%
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	243855	0	243855	10.68%	286774	NIL	286774	12.57%	1.89%
c) Others(NRI)	91761	12000	103761	4.54%	91761	12000	103761	4.54%	NIL
d) Clearing Members	2350	0	2350	0.10%	17518	500	18018	0.79%	0.69%
Sub-total(B)(2)	685348	710855	1396203	61.20%	686448	709755	1396203	61.20%	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>684798</b>	<b>711405</b>	<b>1396403</b>	<b>61.21%</b>	<b>685348</b>	<b>711055</b>	<b>1396403</b>	<b>61.21%</b>	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.  
iii.Shareholding 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 RANCHHODHBHAI KALYANBHAI	18300	0.80	0	18300	0.80	0	NIL

10.	PATEL KANTILAL R	14500	0.64	0	14500	0.64	0	NIL
11.	RAMESHCHANDRA JIVANJEE PATEL	14500	0.64	0	14500	0.64	0	NIL
12.	MITESH MANOO PATEL	14500	0.64	0	14500	0.64	0	NIL
13.	HEMANT KUMAR PATEL	14500	0.64	0	14500	0.64	0	NIL
14.	RUPAL A PATEL	14000	0.61	0	14000	0.61	0	NIL
15.	SANJAY A PATEL	14000	0.61	0	14000	0.61	0	NIL
16.	NAGINBHAI LALLUBHAI PATEL	12900	0.57	0	12900	0.57	0	NIL
17.	ATUL BHULABHAI PATEL	12600	0.55	0	12600	0.55	0	NIL
18.	HARISH BHULABHAI PATEL	12200	0.53	0	12200	0.53	0	NIL
19.	PADMESH PATEL	12000	0.53	0	12000	0.53	0	NIL
20.	NALINIBEN KANTUBHAI PATEL	11800	0.52	0	11800	0.52	0	NIL
21.	KANTUBHAI RANCHODBHAI PATEL	11800	0.52	0	11800	0.52	0	NIL
22.	PREETY NAGINBHAI PATEL	10200	0.45	0	10200	0.45	0	NIL
23.	JASODABEN BHULABHAI PATEL	10050	0.44	0	10050	0.44	0	NIL
24.	HEMANT 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 PATEL	10000	0.44	0	10000	0.44	0	NIL
28.	MOHANLAL LALLUBHAI PATEL	10000	0.44	0	10000	0.44	0	NIL
29.	NAGINBHAI GOVINBHAI PATEL	10000	0.44	0	10000	0.44	0	NIL
30.	NANUBHAI S PATEL	10000	0.44	0	10000	0.44	0	NIL
31.	PAEL LALLUBHAI BHANABHAI	9900	0.43	0	9900	0.43	0	NIL
32.	JASODABEN B PATEL	9350	0.41	0	9350	0.41	0	NIL
33.	SUKHADA ARUN PATEL	7900	0.35	0	7900	0.35	0	NIL
34.	NALINIBEN MANUBHAI PATEL	7800	0.34	0	7800	0.34	0	NIL
35.	MITESH MANOOBHAI PATEL	6000	0.26	0	6000	0.26	0	NIL
36.	JAYSHREE MANOOBHAI PATEL	6000	0.26	0	6000	0.26	0	NIL
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

iv. 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 Shareholding 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	7,80,42,720	NIL	7,80,42,720
i) Principal Amount	NIL	7,80,42,720	NIL	7,80,42,720
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not	NIL	NIL	NIL	NIL
Total(i+ii+iii)	NIL	7,80,42,720	NIL	7,80,42,720
Change in Indebtedness during the financial year				
- Addition	NIL	NIL	NIL	NIL
- Reduction	NIL	7,50,000	NIL	7,50,000
Net Change	NIL	7,50,000	NIL	7,50,000
Indebtedness at the end of the financial year	NIL	7,72,92,720	NIL	7,72,92,720
i) Principal Amount	NIL	7,72,92,720	NIL	7,72,92,720
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	7,72,92,720	NIL	7,72,92,720

#### 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	9,00,000 NIL NIL NIL	9,00,000 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)	9,00,000	9,00,000
	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 · Commission · Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total(2)	NIL	NIL	NIL	NIL	NIL
	Total(B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	2,76,000	NIL	NIL
		NIL	NIL	NIL	NIL
		NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
6.	Total	NIL	2,76,000	NIL	NIL

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

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

# ANJANA MANSETA & CO.

## COMPANY SECRETARIES

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### ANNEXURE II

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2020

[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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **VAPI ENTERPRISE LIMITED** ("The Company") for the year ended on 31<sup>st</sup> March, 2020 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);

# ANJANA MANSETA & CO.

## COMPANY SECRETARIES

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

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

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period under review);**
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;**(Not Applicable to the Company during the Audit Period under review);**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not Applicable to the Company during the Audit Period under review);**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period under review);** and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period under review);**

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.

# ANJANA MANSETA & CO.

## COMPANY SECRETARIES

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**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,**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
2. 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.
3. Majority decisions of the Board and committee thereof were carried out with requisite majority and are recorded as part of the minutes.

**I further report that,**

Based on review of compliance mechanism established by the Company and on the basis of the information given by the CS and CFO, we are of the opinion 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.



# ANJANA MANSETA & CO.

## COMPANY SECRETARIES

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(iii) Merger / amalgamation / reconstruction, etc.

(v) Foreign technical collaborations.

I further report that during the audit period the details of specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above are as follows:

1. *The Company is under the process of selling/transfer / dispose of its Immovable Property / Land Situated at Plot No. 298/299 GIDC Vapi, Gujarat 396195 ("Undertaking"), and regarding that company has already requested for members consent during the Annual General Meeting held on 30 September, 2019. All related compliances are done and documents have been filed with respective departments.*

**Place: Mumbai**  
**Date: 30/06/2020**

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

**SD/-**

**Anjana Manseta**  
**(Proprietor)**  
**FCS No. : 10078**  
**CP No. : 10668**  
**UDIN: F010078B000423524**

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

# **ANJANA MANSETA & CO.**

## **COMPANY SECRETARIES**

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### **Annexure A**

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance.
3. About the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: Mumbai**  
**Date: 30/06/2020**

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

**SD/-**  
**Anjana Manseta**  
**(Proprietor)**  
**FCS No.: 10078**  
**CP No.: 10668**

## **INDEPENDENT AUDITOR'S REPORT**

**To the members of Vapi Enterprise Limited (Formerly known as Vapi Paper Mills Limited)**

**Report on the Audit of the Standalone Financial Statements**

### **Qualified Opinion**

We have audited the financial statements of Vapi Enterprise Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2020, and the statement of Profit and Loss, statement of changes in equity 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.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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<sup>st</sup>, 2020 and profit/loss, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Basis for Qualified Opinion**

- i. *In our opinion, the following accounting standards are not complied by the company:*
  - a. *Indian Accounting Standard (Ind AS-19) on “Employee Benefits”; regarding non-provisioning of employee benefits*
  - b. *Indian Accounting Standard (Ind AS-105) on “Non-current Assets Held for Sale and Discontinued Operations”*
  - c. *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.10,59,605/- of long-term trade payables are subject to confirmation and adjustment, if any, required upon such confirmations are not determinable.*
  - c. *Balance of Rs. 68,586/- of Advance to creditor is subject to confirmation and adjustment, if any, required upon such confirmations are not determinable.*
  - d. *Balance of Rs.10,00,412/- of long-term Trade receivables are subject to confirmation and adjustment, if any, required upon such confirmations are not determinable.*

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide

a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

<b><u>Key Audit Matters- Going Concern Assumption and financial planning</u></b>	<b><u>How our audit addressed the key audit matter</u></b>
<p>The availability of sufficient funding and the testing of whether the company will be able to continue meeting its obligations are important for the going concern assumption and, as such, are significant aspects of our audit. This test or assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows, forecasted results and margins from operations. Estimates are based on assumptions, including expectations regarding future developments in the economy and the market.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• We have specifically devoted attention to the assumptions made with respect to future operability by verifying revenue generating agreements entered into by the company with various parties.</li> <li>• We have inquired and have also been provided written representations from the management regarding not having any future plan for closure of the business or sale of major assets.</li> <li>• We have performed review analytical procedures with respect to revenue accrued after the reporting date in order to ascertain viability of the business in the near future.</li> </ul>

### **Responsibilities of Management and Those Charged with Governance 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key

audit matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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.
- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 – 24 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 no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
- h. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:  
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For Chirag N Shah & Associates**  
**Chartered Accountants (118215W)**

**SD/-**

**Chirag Shah**

**Partner**

**Membership No. 105145**

**Place of Signature: Mumbai**

**Date: 30/06/2020**

**“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, 2020 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. According to the information and explanation given to us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company. In respect of immovable properties taken on lease, the agreements are 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. According to the information and explanations given to us, the company has not granted any secured or unsecured loan to a firm, company, limited liability Partnerships or other parties covered in the section 189 of the Companies Act during the year. 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. In our opinion and according to the 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 information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/ accrued in the books of accounts in respect of 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 *generally* been regularly deposited with the appropriate authorities, except for professional tax payable amounting to Rs. 5,000 for FY 2018-19 and 2019-20 which is outstanding as at March 31, 2020 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, 2020 on account of disputes except below:

<b>Type of Tax payment</b>	<b>Forum under which case is pending</b>	<b>Year</b>	<b>Amount Details</b>
Sales Tax	Appellate Tribunal	2010-2011	Demanded Rs 256503 Paid Rs 185417 Payable Rs 71086 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. In our opinion and according to the information and explanations given to us, 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. To the best of our knowledge and 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. According to the information and explanations given to us, in our opinion, the company is not Nidhi Company as prescribed under section 406 of the Act. Accordingly, paragraph 3(xii) of the order is not applicable to the company.

- xiii. According to the information and explanations given to us and based on the examination of the records of the company, all the transactions with related parties are in compliance with section 188 and 177 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on the examination of the records of the company, 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. According to the information and explanations given to us and based on the examination of the records of the company, 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 to the company.
- xvi. According to the information and explanations given to us, the company is not required to be registered under section 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/-**

**Chirag Shah**

**Partner**

**Membership No: 105145**

**Place: Mumbai**

**Date: 30/06/2020**

**“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”)

**Qualified Opinion**

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, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, 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

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, 2020.

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.

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

The Company’s management and the board of directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on the internal control. 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 the 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 judgement, including the standalone 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 with reference to standalone financial statements.

### **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**

Due to 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.

**For Chirag N Shah & Associates**

**Chartered Accountants**

**FRN: 118215W**

**SD/-**

**Chirag Shah**

**Partner**

**Membership No: 105145**

**Place: Mumbai**

**Date: 30/06/2020**



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

Balance Sheet as at 31st March 2020

Sr.No.	Particulars	Note No.	As at March 31,2020	As at March 31,2019
<b>A</b>	<b><u>ASSETS</u></b>			
<b>(1)</b>	<b><u>Non-current assets</u></b>			
	(a) Property, Plant and Equipment	2	1,97,82,194	1,97,75,042
	(b) Capital Work in progress		-	7,69,639
	(C) Financial Assets			
	(i) Investments	3	2,00,000	2,00,000
	(ii) Trade Receivables	4	10,00,412	9,74,825
	(iii) Loans	5	22,630	30,000
	(d) Other Non Current Assets	6	56,89,040	57,19,881
<b>(2)</b>	<b><u>Current assets</u></b>			
	(a) Financial Assets			
	(i) Trade receivables	7	27,91,838	27,99,553
	(ii) Cash and cash equivalents	8	38,94,591	10,78,107
	(iii) Loans	9	1,95,401	99,300
	(b) Other current assets	10	13,62,937	12,13,752
	<b>Total Assets</b>		<b>3,49,39,043</b>	<b>3,26,60,100</b>
<b>B</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>(1)</b>	<b><u>Equity</u></b>			
	(a) Equity Share capital	11	2,28,14,500	2,28,14,500
	(b) Other Equity	12	(7,87,78,892)	(8,39,17,390)
<b>(2)</b>	<b><u>LIABILITIES</u></b>			
<b>(a)</b>	<b><u>Non-current liabilities</u></b>			
	Financial Liabilities			
	(i) Borrowings	13	7,72,92,720	7,80,42,721
	(ii) Trade payables	14	10,59,605	9,61,349
	(iii) Other	15	62,52,280	1,14,35,333
<b>(b)</b>	<b><u>Current liabilities</u></b>			
	(i) Financial Liabilities			
	- Trade payables	16	9,67,478	5,29,488
	(ii) Other current liabilities	17	53,31,351	27,94,099
	<b>Total Equity and Liabilities</b>		<b>3,49,39,043</b>	<b>3,26,60,100</b>
	<b>Significant accounting polices</b>	1		
	<b>Notes to the financial statements</b>	24-41		

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/-  
**Chirag Shah**  
**Partner**  
Membership No. 105145  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Manoj R. Patel**  
Managing Director  
DIN: 00485197  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Rajeev R. Patel**  
Director (CFO)  
DIN: 00510532  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Laxmiben Patel**  
Director  
DIN: 00510582  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Priyanka Kunwar**  
Company Secretary  
Membership No.:A59197  
Place: Mumbai  
Date: 30/06/2020

**VAPI ENTERPRISE LIMITED**  
**( Formerly known as Vapi Paper Mills Limited )**  
**Statement of Profit and Loss for the period ended 31st March 2020**

Sr.NO	Particulars	Note No.	As at March 31,2020	As at March 31,2019
I	Revenue From Operations	18	2,50,17,055	2,10,81,921
s	Other Income	19	75,44,604	78,27,848
III	<b>Total Income (I + II + IV)</b>		<b>3,25,61,659</b>	<b>2,89,09,769</b>
IV	EXPENSES			
	Employee benefits expense	20	1,02,89,200	1,28,45,432
	Finance costs	21	1,23,779	3,92,271
	Depreciation and amortization expense	2	13,37,299	20,95,303
	Other expenses	22	1,45,39,582	1,31,92,798
	<b>Total expenses (VI)</b>		<b>2,62,89,860</b>	<b>2,85,25,804</b>
V	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>62,71,799</b>	<b>3,83,965</b>
VI	Exceptional Items	23	11,33,301	6,50,329
VII	<b>Profit/(loss) before tax(V-VI)</b>		<b>51,38,498</b>	<b>(2,66,364)</b>
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	<b>Profit/(loss) for the period (XI+XIV)</b>		<b>51,38,498</b>	<b>(2,66,364)</b>
X	Earnings per equity share (basic/diluted)		2.25	(0.12)
	<b>Significant accounting polices</b>	1		
	<b>Notes to the financial statements</b>	24-41		

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/-  
**Chirag Shah**  
**Partner**  
Membership No. 105145  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Manoj R. Patel**  
Managing Director  
DIN: 00485197  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Rajeev R. Patel**  
Director (CFO)  
DIN: 00510532  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Laxmiben Patel**  
Director  
DIN: 00510582  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Priyanka Kunwar**  
Company Secretary  
Membership No.:A59197  
Place: Mumbai  
Date: 30/06/2020

**VAPI ENTERPRISE LIMITED**

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

**Statement of Changes in Equity for the period ended 31st March 2020**

**A. Equity Share Capital**

	No of shares	Amount
As at 1 April 2018	22,81,450	2,28,14,500
Issued during the year	-	-
Bought back during the year	-	-
<b>As at 31 March 2019</b>	<b>22,81,450</b>	<b>2,28,14,500</b>
Issued during the year	-	-
Bought back during the year	-	-
<b>As at 31 March 2020</b>	<b>22,81,450</b>	<b>2,28,14,500</b>

**B. Other Equity**

	Revaluation Surplus				Total
	Capital Reserve	Securities Premium Reserve	General reserve	Retained Earnings	
As at 1st April 2018		4,34,06,480	2,39,87,567	(15,10,45,073)	(8,36,51,026)
Profit of FY 18-19				(2,66,364)	(2,66,364)
As at 31st March 2019		4,34,06,480	2,39,87,567	(15,13,11,437)	(8,39,17,390)
Profit of FY 19-20	-	-	-	51,38,498	51,38,498
As at 31st March 2020	-	4,34,06,480	2,39,87,567	(14,61,72,939)	(7,87,78,892)

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/-  
**Chirag Shah**  
**Partner**  
Membership No. 105145  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Manoj R. Patel**  
Managing Director  
DIN: 00485197  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Rajeev R. Patel**  
Director (CFO)  
DIN: 00510532  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Laxmiben Patel**  
Director  
DIN: 00510582  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Priyanka Kunwar**  
Company Secretary  
Membership No.:A59197  
Place: Mumbai  
Date: 30/06/2020

<b>VAPI ENTERPRISE LIMITED</b> <b>( Formerly known as Vapi Paper Mills Limited )</b> <b>CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020</b>			
	<b>PARTICULARS</b>	<b>Year ended 31st March, 2020</b>	<b>Year ended 31st March, 2019</b>
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit before tax as per Profit and Loss Account</b>	51,38,498	(2,66,364)
	Adjusted for:		
	Depreciation and Amortisation Expenses	13,37,299	20,95,303
	Amounts Written off/(Back)	(1,08,298)	115
	Finance Costs	1,23,779	3,92,271
	Dividend Income	(25,281)	(26,609)
	Interest Income	(1,95,197)	(1,94,788)
		<b>11,32,301</b>	<b>22,66,291</b>
	<b>Operating Profit before Working Capital Changes</b>	<b>62,70,799</b>	<b>19,99,927</b>
	Adjusted for:		
	Trade and Other Receivables	(1,36,216)	37,40,152
	Amounts Written off/Back	1,08,298	(115)
	Trade and Other Payables	(21,09,555)	(53,89,112)
	Long Term Loans and Advances(Receivable)	7,370	77,200
	Short term loan and advance(Receivable)	(96,101)	-
	<b>Cash Generated from Operations</b>	<b>40,44,596</b>	<b>4,28,052</b>
	Taxes Paid		
	<b>Net Cash from Operating Activities</b>	<b>40,44,596</b>	<b>4,28,052</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(13,44,450)	(85,799)
	Capital WIP	7,69,639	(7,69,639)
	Interest Income	1,95,197	1,94,788
	Dividend Income	25,281	26,609
	Net Cash (used in ) Investing Activities	<b>(3,54,333)</b>	<b>(6,34,041)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Other long term liability	-	-
	Repayment from Long-term Borrowings	(7,50,001)	(11,45,497)
	Interest Paid	(1,23,779)	(3,92,271)
	<b>Net Cash (used in ) / from Financing Activities</b>	<b>(8,73,779)</b>	<b>(15,37,768)</b>
	<b>Net Increase in Cash and cash Equivalents (A + B + C )</b>	<b>28,16,484</b>	<b>(17,43,756)</b>
	Opening Balance of Cash and Cash Equivalents	10,78,107	28,21,863
	<b>Closing Balance of Cash and Cash Equivalents</b>	<b>38,94,591</b>	<b>10,78,107</b>
The notes are integral part of these financial statements.			

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

SD/-  
**Chirag Shah**  
**Partner**  
Membership No. 105145  
Place: Mumbai  
Date: 30/06/2020

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

SD/-  
**Manoj R. Patel**  
Managing Director  
DIN: 00485197  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Rajeev R. Patel**  
Director (CFO)  
DIN: 00510532  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Laxmiben Patel**  
Director  
DIN: 00510582  
Place: Mumbai  
Date: 30/06/2020

SD/-  
**Priyanka Kunwar**  
Company Secretary  
Membership No.:A59197  
Place: Mumbai  
Date: 30/06/2020

**E VAPI ENTERPRISE LIMITED**  
**(Formerly known as Vapi Paper Mills Limited)**  
**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2020**

**Note 1: Significant accounting policies**

**a. Corporate Information**

Vapi Enterprise Limited (Formerly known as Vapi Paper Mills Limited) provides services of lease rental and job work services with many businesses. The company have been in the business for the last 45 years.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is 213, Udhyog Mandir No.1,2nd Floor, 7/C, Pitamber Lane, Mahim- West, Mumbai -400 016.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2020 and approved on June 30, 2020.

**b. Basis of preparation**

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**c. Estimates and Judgements**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

*Estimation of uncertainties relating to the global health pandemic from COVID-19*

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, revenues and investment. The Company, as at the date of approval of these financial statements have used internal and external sources of information including credit reports and economic forecasts. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**d. Foreign Currency Transactions**

- i. Foreign Currency Transactions are recorded on the basis of the exchange rate prevailing on the date of transaction.
- ii. 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.
- iii. Monetary items which are denominated in foreign currency are restated at the exchange rates prevailing at the Balance Sheet date.
- iv. 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.

**e. Revenue recognition**

The company's contract with the customers includes providing of premises on operating lease and manufacturing of products on job work basis. Hence the company recognises its revenue based on terms of the contract.

The dividend income is recognised based on establishment of the right to receive such income. The interest income is recognised on accrual basis

**f. Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

Depreciation methods, estimated useful lives and residual value

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The Depreciation is calculated on written down value (WDV) method to allocate their cost, net of their residual values, over their estimated useful lives. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to Companies Act, 2013.

Impairment

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Reversal of impairment loss recognised in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

**g. Income Taxes**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity.

- i. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.
- ii. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized

**h. 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.

**i. 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.

**j. Employee Benefits**

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

**k. Borrowing Cost**

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.

**l. Provisions and Contingencies**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that

reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

**m. Leases**

*The Company as a lessee*

The Company's lease asset classes primarily consist of leases for land. 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.

*The Company as a lessor*

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.



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

**Note 2 : Property, Plant and Equipment (As at 31st March 2020)**

Description	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2019	Additions/Adjustments	Deductions/Adjustments	As at 31.03.2020	As at 01.04.2020	For the year	Deductions/Adjustments	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
<b>Leased Assets:</b>										
Lease hold land	3,79,998			3,79,998	-			-	3,79,998	3,79,998
<b>Own Assets:</b>										
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	3,53,93,270	12,99,132		3,66,92,402	1,66,06,994	13,24,221		1,79,31,215	1,87,61,187	1,87,86,276
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	45,318		16,29,154	15,46,852	13,078		15,59,930	69,223	36,983
<b>Total</b>	<b>5,32,20,224</b>	<b>13,44,450</b>	<b>-</b>	<b>5,45,64,675</b>	<b>3,34,45,182</b>	<b>13,37,299</b>		<b>3,47,82,481</b>	<b>1,97,82,194</b>	<b>1,97,75,042</b>

**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 01.04.2019	For the year	Deductions/Adjustments	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
<b>Leased Assets:</b>										
Lease hold land	3,79,998			3,79,998	-			-	3,79,998	3,79,998
<b>Own Assets:</b>										
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
<b>Total</b>	<b>5,31,34,426</b>	<b>85,799</b>	<b>-</b>	<b>5,32,20,224</b>	<b>3,13,49,879</b>	<b>20,95,303</b>		<b>3,34,45,182</b>	<b>1,97,75,042</b>	<b>2,17,84,547</b>

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

**Note3: (Non Current Investments)**

	As at 31.03.20	As at 31.03.19
<b>(Valued at cost)</b>		
<b>Quoted Investment in Trust Securities (Long Term at cost)</b>		
Unit Trust of India		
*10,000 Units of Rs. 10 each fully paid up	1,00,000	1,00,000
<b>Unquoted Investment in Equity Shares (Long Term at Cost)</b>		
The Zoroasterian Co-op Bank Ltd.	1,00,000	1,00,000
4,000 Equity Shares of Rs 25 each fully paid up (Previous year 4,000 Equity Shares of Rs 25 each fully paid up)		
	<b>2,00,000</b>	<b>2,00,000</b>
<b>Aggregate Values</b>		
1.Aggregate amount of quoted investments	1,00,000	1,00,000
2.Market Value of quoted investments	8,60,602	10,64,700
3.Aggregate amount of unquoted investments	1,00,000	1,00,000

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

	As at 31.03.20	As at 31.03.19
<b>Unsecured &amp; considered good</b>		
From others	10,00,412	9,74,825
<b>Doubtful</b>		
From others	2,11,575	-
<b>Total</b>	<b>12,11,987</b>	<b>9,74,825</b>
<b>Less: Allowance for doubtful debts</b>	-	-
<b>Total trade receivables</b>	<b>10,00,412</b>	<b>9,74,825</b>

**Note 5 : Loans (Unsecured)**

	As at 31.03.20	As at 31.03.19
<b>Loans</b>		
To Employees	22,630	30,000
<b>Considered Good</b>	<b>22,630</b>	<b>30,000</b>

**Note 6 : Others Non-Current assets**

	As at 31.03.20	As at 31.03.19
<b>Security Deposits</b>		
With Government	11,72,415	11,73,959
With others	3,000	3,000
<b>Others</b>		
Deposit against Appeal	34,82,360	34,82,360
Balances with Revenue Authorities	10,31,265	10,60,562
<b>Total</b>	<b>56,89,040</b>	<b>57,19,881</b>

**Note 7 : Current-trade receivable**

	As at 31.03.20	As at 31.03.19
<b>Unsecured and considered good</b>		
From Others	27,91,838	27,99,553
<b>Total</b>	<b>27,91,838</b>	<b>27,99,553</b>

**Note 8 : Cash and Cash Equivalent**

	As at 31.03.20	As at 31.03.19
Balances with banks-In current account	38,79,108	10,60,678
Cash on hand	15,482	17,430
<b>Total</b>	<b>38,94,591</b>	<b>10,78,108</b>

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

**Note 9 : Current Loan**

	As at 31.03.20	As at 31.03.19
<b>Loans</b>		
To Employees	1,95,401	99,300
<b>Total</b>	<b>1,95,401</b>	<b>99,300</b>
<b>Note:</b>		
Considered Good	1,95,401	99,300

**Note 10 : Other current asset**

	As at 31.03.20	As at 31.03.19
<b>Advances other than capital advances</b>		
Interest receivable on Electricity Deposit	68,586	77,412
<b>Others</b>		
Balance with Revenue Authorities	12,86,457	11,35,806
Prepaid expenses	7,894	534
<b>Total</b>	<b>13,62,937</b>	<b>12,13,752</b>

**Note 11 : SHARE CAPITAL**

<b>Note 11.1 : Authorised Share Capital</b>	As at 31.03.20	As at 31.03.19
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
<b>Total</b>	<b>3,20,00,000</b>	<b>3,20,00,000</b>

<b>Note 11.2 : Issued, Subscribed and Paid up</b>	As at 31.03.20	As at 31.03.19
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
<b>Total</b>	<b>2,28,14,500</b>	<b>2,28,14,500</b>

<b>Note 11.3 : Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:</b>	As at 31.03.20	As at 31.03.19
Number of shares outstanding at the beginning of the year	22,81,450	22,81,450
Add: Changes during the year	Nil	Nil
<b>Number of shares outstanding at the end of the year</b>	<b>22,81,450</b>	<b>22,81,450</b>

<b>Note 11.4 :Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:</b>	As at 31.03.20		As at 31.03.19	
	No of Shares	% of Holding	No of Shares	% of Holding
<b>Equity Shares</b>				
Madhav Haridas Asher	1,65,551	7.26%	1,44,860	6.35%

**Note 12 : Other equity**

	As at 31.03.20	As at 31.03.19
<b>(i) Securities Premium</b>		
As per last Balance sheet	4,34,06,480	4,34,06,480
<b>(ii) General Reserve</b>		
As per last Balance sheet	2,39,87,567	2,39,87,567
<b>(iii) Retained Earnings</b>		
Balance as at beginning of the year	(15,13,11,437)	(15,10,45,073)
Add: Profit/( Loss) during the year	51,38,498	(2,66,364)
Balance as at end of the year	<b>(14,61,72,939)</b>	<b>(15,13,11,437)</b>
<b>Total</b>	<b>(7,87,78,892)</b>	<b>(8,39,17,389)</b>

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

**Note 13 : Long term borrowing**

	As at 31.03.20	As at 31.03.19
<b>Unsecured</b>		
Term Loans-From Directors	7,25,44,644	7,32,94,645
Term Loans-Inter Corporates	47,48,076	47,48,076
<b>Total</b>	<b>7,72,92,720</b>	<b>7,80,42,721</b>

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

The Loans are interest-free and are repayable on demand.  
During the year Rs. 7,50,000/- has been repaid to the directors

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

	As at 31.03.20	As at 31.03.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,59,605	9,61,349
Total outstanding dues of micro enterprises and small enterprises	-	-
<b>Total</b>	<b>10,59,605</b>	<b>9,61,349</b>

**Note 15 : Other Liabilities**

	As at 31.03.20	As at 31.03.19
<b>Others</b>		
Rent Deposit from Tenant	62,52,280	86,87,237
Trade Deposits	-	25,85,000
Advance from customer	-	98,969
ESIC Penalty Payable	-	64,127
<b>Total</b>	<b>62,52,280</b>	<b>1,14,35,333</b>

**Note 16 : Current Trade Payables**

	As at 31.03.20	As at 31.03.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,67,478	5,29,488
Total outstanding dues of micro enterprises and small enterprises	-	-
<b>Total</b>	<b>9,67,478</b>	<b>5,29,488</b>

**Note 17 : Other current liability**

	As at 31.03.20	As at 31.03.19
<b>Advances Received From Customers</b>	768	-
<b>Other Payables</b>		
Rent deposit	38,56,800	11,95,000
Employee Benefits Payable	7,74,100	9,16,858
Statutory Dues	4,41,471	4,59,091
Outstanding Liability for Expenses	2,58,212	2,23,150
<b>Total</b>	<b>53,31,351</b>	<b>27,94,099</b>

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

**Note 18 : Revenue From Operations**

	As at 31.03.20	As at 31.03.19
Job Work	2,50,17,055	2,32,89,753
Less: Sales return	-	(22,07,832)
<b>Total</b>	<b>2,50,17,055</b>	<b>2,10,81,921</b>

**Note 19 : Other Income**

	As at 31.03.20	As at 31.03.19
Rent Income	73,23,234	76,06,451
Interest Income	1,95,197	1,94,788
Dividend Income From Long Term Investment	25,281	26,609
Discount	892	-
<b>Total</b>	<b>75,44,604</b>	<b>78,27,848</b>

**Note 20 : Employee Benefits Expense**

	As at 31.03.20	As at 31.03.19
Salary, Allowances, Bonus	86,99,757	1,11,69,112
Directors Remuneration: Managing Director	9,00,000	8,40,000
Contribution To Provident And Other Funds	6,37,925	7,73,427
Staff Welfare Expenses	51,518	62,893
<b>Total</b>	<b>1,02,89,200</b>	<b>1,28,45,432</b>

**Note 21 : Finance Costs**

	As at 31.03.20	As at 31.03.19
Interest Paid On Trade Deposits	1,17,995	3,87,750
Interest Paid To Statutory Authority	5,784	100
Interest Paid To Bank On Overdraft	-	4,421
<b>Total</b>	<b>1,23,779</b>	<b>3,92,271</b>

**Note 22 : Other Expenses**

	As at 31.03.20	As at 31.03.19
Power And Fuel	72,02,966	69,44,776
Legal And Consultancy Expenses	32,29,696	9,96,864
Rates And Taxes And Fees	13,67,502	6,47,902
Security Expenses	5,10,404	5,01,764
Water Charges	4,80,746	3,26,683
Repairs To Godown	4,00,311	23,15,207
Rent	2,62,499	2,00,000
Travelling Expenses	2,19,367	2,40,261
Provision for Bad Debts	2,11,575	-
Office Expenses	1,71,977	2,16,312
Telephone Expenses/Internet Expenses	94,391	1,11,023
Vehicle Expenses	93,946	1,50,995
Miscellaneous Expenses	61,635	86,547
Commission Charges	50,000	3,02,200
GIDC NA Charges Expenses	47,404	47,404
Conveyance Expenses	40,164	31,061
<b>Auditor Remuneration:</b>		
Statutory Audit Fees	45,000	32,800
Tax Audit Fees	35,000	28,700
Other Services	15,000	12,300
<b>Total</b>	<b>1,45,39,582</b>	<b>1,31,92,798</b>

**Note 23 : Exceptional Items**

	As at 31.03.20	As at 31.03.19
Prior Period Expenses	6,63,980	5,95,866
Penalty	5,77,620	-
Short /excess Provision for Expenses of Earlier Year	(1,08,298)	54,463
<b>Total</b>	<b>11,33,301</b>	<b>6,50,329</b>

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

**NOTES TO FINANCIAL STATEMENTS**

- 24. Contingent Liabilities:** Rs.10,71,086/- (Previous Year Rs.34,82,360/- )
- 25. Capital Commitment:** Estimated amounts of contracts remaining to be executed on capital account is Nil (Net of advances) (Previous Year 7,69,639).
- 26. Going Concern Assumption:** The Company's net worth is negative as on March 31, 2020. 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.
- 27. Current Assets, Loans and Advances:** 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.
- 28. Trade and Other Receivables:** 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. In case of doubts regarding recoverability of receivables the provision for bad debt have been provided accordingly.
- 29. MSME Trade Payables:** 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":**  
Disclosure in respect of the assets given on leave and license agreement under operating lease is as under:

SR No	Particulars	2019-20	2018-19
1.	Lease income recognized in the Statement of Profit and Loss for the year	Rs.73,23,234/-	Rs.76,06,451/-

SR No	Particulars	2019-20	2018-19
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. Expenditure in foreign currency:** during the year on account of Travelling expenses Rs. Nil (Previous Year Rs Nil )

**32. CIF Value of Imports of Raw Materials and Capital goods:** Rs. Nil (Previous Year Rs. Nil )

**33. Remittance in Foreign Currency on account of Dividend:** Rs. Nil (Previous Year Rs. Nil)

**34. Earnings in foreign exchange and expenditure in foreign currency:** Rs. Nil (Previous Year Rs. Nil)

**35. Related Party Disclosures:**

**A. List of Related Parties**

**a. Key Management Personnel:**

- i. Shri Manoj R. Patel (Managing Director)
- ii. Shri Rajeev R. Patel (Whole Time Director)
- iii. Smt. Laxmiben J. Patel (Director)

**b. Other Related Parties:**

- i. M/s Poly Cone Paper Limited (Company with common director)
- ii. Laj Investments Private Limited (Company with common director)

**B. Transactions with Related Parties:**

Sr. No.	Particulars	Key Management Personnel		Associate Companies	
		2019-20	2018-19	2019-20	2018-19
A.	<b>Transaction during the year</b>				
I	Remuneration	9,00,000	8,40,000	NIL	NIL
II	Unsecured Loan Taken	NIL	NIL	NIL	NIL
III	Unsecured Loan repaid	7,50,000	11,45,497	NIL	NIL
IV	Interest	NIL	NIL	NIL	NIL
B	<b>Outstanding balances at the year end:</b>				
I	Unsecured Loan	7,25,44,645	7,32,94,645	47,48,076	47,48,076
II	Remuneration	NIL	NIL	NIL	NIL

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

**36. Accounting of income taxes:** 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".

**37. Earnings per Share:**

Particulars	2019-20	2018-19
Profit / (Loss) in Rupees	51,38,498	(2,66,364)
Weighted average number of equity shares outstanding	22,81,450	22,81,450
Basic and diluted Profit / (Loss) per share in Rupees	2.25	(0.12)

**38. Accounting of Discontinued Operations:** 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.



**39.** COVID as an important event occurring after balance sheet date, we expect rental income to reduce around 10% and job work income to reduce around 20% for FY. 20-21.

**40. Impairment of Assets:** 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.

**41. Other Points:** Previous year's figures have been regrouped and /or rearranged whenever necessary.

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The notes are integral part of these financial statements.

As per our Audit Report of even date attached

**For Chirag N Shah & Associates,**

**Chartered Accountants**

Registration No: 118215W

**For VAPI ENTERPRISE LIMITED**

SD/-

**Chirag Shah**

(Partner)

(M No. 105145)

Date: 30/06/2020

SD/-

**Manoj R. Patel**

(Managing Director)

DIN : 00485197

Date: 30/06/2020

SD/-

**Rajeev R. Patel**

(Director/CFO)

DIN : 00510532

Date: 30/06/2020

SD/-

**Laxmiben Patel**

(Director)

DIN : 00510582

Date: 30/06/2020

SD/-

**Priyanka Kunwar**

(Company Secretary)

Membership No.A59197

Date: 30/06/2020