

**VAPI ENTERPRISE LIMITED**

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

**41 TH ANNUAL REPORT**

**F.Y. 2014-2015**



## VAPI ENTERPRISE LTD.

(Formerly known as Vapi Paper Mills Limited)

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

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

CIN : L21010MH1974PLC032457

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**DIRECTORS** : **Shri Manoj R. Patel - Managing Director**  
**DIN : 00485197**

**Shri Rajeev R. Patel - Wholetime Director**  
**DIN : 00510532**

**Smt. Laxmiben J. Patel - Director**  
**DIN : 00510582**

**COMPANY SECRETARY** **Shri Prakash V. Kotak**

**AUDITORS** **Messrs, Chirag N. Shah & Associates**  
**Chartered Accountants**  
**Mumbai**

**REGISTERED OFFICE** **213, Udhyog Mandir No.1,2<sup>nd</sup> Floor**  
**7/C, Pitamber Lane, Mahim ( West ),**  
**Mumbai -400 016.**

**COMPANY E-MAIL** **vapipaper@gmail.com**

**PLANT** **298-299, GIDC Industrial Area**  
**Vapi 396 195**  
**Dist. Valsad ( Gujarat )**

**REGISTRARS AND** **M/s BIGSHARE SERVICES PVT. LTD.**  
**TRANSFER AGENTS** **E-2/3, Ansa Industrial Estate,**  
**Saki Vihar Road, Andheri (E)**  
**Mumbai- 400 072**

## **NOTICE TO THE MEMBERS**

**NOTICE** is hereby given that the 41st Annual General Meeting of the Members of VAPI ENTERPRISE LIMITED (Formerly known as Vapi Paper Mills Ltd.) will be held on 30th September day of 2015, at **3 pm** at the registered office of the company at 213 Udyog Mandir No. 1, 7/C Pitamber Lane, Mahim (West), Mumbai 400016 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2015, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Rajeev R. Patel, who retires by rotation, and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Chirag N. Shah and Associates, Chartered Accountants (Firm Registration No. 118215/W), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2015-2016 on such remuneration as may be determined by the Board of Directors.”

**Registered Office:**  
213 Udyog Mandir No. 1  
7/C Pitamber Lane  
Mahim (West)  
**Mumbai 400016**

By Order of the Board

**SD/-**  
**Manoj R. Patel**  
**Managing Director**  
**Din No. 00485197**  
**September 8th, 2015**

### **NOTES**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

2. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
4. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting. The members are requested to get their shares dematerialized. The company's ISIN Code **INE464D01014** pursuant to change in face value.
7. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following:

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

The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
9. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants.

10. The Register of Members & Share Transfer Books of the Company will remain closed from September 23rd, 2015 to September 30th, 2015 (both days inclusive) for the purpose of 41<sup>st</sup> Annual General Meeting (AGM) of the Company to be held on September 30, 2015

Registered Office: 213 Udyog Mandir No. 1, 7/C Pitamber Lane, Mahim(W), Mumbai 400 016

By Order of the Board

SD/-

**Manoj R. Patel**  
**Managing Director**  
**Din No. 00485197**  
**September 8<sup>th</sup>, 2015**

**ANNEXURE TO ITEMS 2 OF THE NOTICE**

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

|  |  |
|--|--|
| Name of the Director   | <b>Rajeev R. Patel</b>   |
| Director Identification Number (DIN)   | <b>00510532</b>  |
| Date of Birth  | <b>15/10/1974</b>  |
| Nationality  | <b>Indian</b>  |
| Date of Appointment on Board   | <b>25/05/2004</b>  |
| Qualification  | <b>B.E. (Mechanical Engineering)</b>   |
| Shareholding in Vapi Enterprise Limited  | <b>78,687(3.45%)</b>   |
| List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)     | <b>M/s POLYCONE PAPER LTD.<br/>M/s APPILED ELECTROSTATICS<br/>M/s CONTROLS PVT. LTD.</b> |
| Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies | <b>N/A</b>   |

**Form No. MGT-11**  
**Proxy form**

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

Name of the Member(s)

Registered Address

E-mail Id Folio No /Client ID DP ID

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby appoint

Name : E-mail Id:

Address:

Signature , or failing him

Name : E-mail Id:

Address:

Signature , or failing him

Name : E-mail Id:

Address:

Signature , or failing him

As my/ our proxy to attend and vote( on a poll) for me/us and on my/our behalf at the 41<sup>st</sup> Annual General Meeting of the company, to be held on the 30th day of September, 2015 at 3 p.m. at the registered office of the company and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

| Sl. No. | Resolution(S)   | Vote |         |
|---------|---|------|---------|
|         |   | For  | Against |
| 1.      | Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2015 |      |         |
| 2.      | Appointment of Mr. Rajeev R. Patel as Director  |      |         |
| 3.      | Re-appointment of M/S Chirag N. Shah and Associates, Chartered Accountants as Statutory Auditors & fixing their remuneration      |      |         |

\* Applicable for investors holding shares in Electronic form.

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

Affix  
Revenue  
Stamps

Signature of Shareholder      Signature of Proxy holder

Signature of the Shareholder  
across Revenue Stamp

Note:

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

**LETTER HEAD**

**ATTENDANCE SLIP**

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

**41<sup>st</sup> Annual General Meeting on Vapi Enterprise Ltd.**

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

(In block capitals)

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

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

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

I hereby record my presence at the 41st Annual General Meeting of the Vapi Enterprise Ltd. , 213 Udyog Mandir No. 1, Pitamber Lane, Mahim(West), Mumbai 400016 , on Wednesday, the 30<sup>th</sup> September 2015

(Member's /Proxy's Signature)

**Note:**

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

## DIRECTOR'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting their 41<sup>st</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

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

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

(Rs. In Lacs)

| Particulars                             | 2014-2015 | 2013-14   |
|---|-----------|-----------|
| Gross Income                            | 301.91    | 108.37    |
| Profit Before Interest and Depreciation | 60.69     | 52.36     |
| Finance Charges                         | 6.78      | 4.91      |
| Gross Profit                            | 53.91     | 47.45     |
| Provision for Depreciation              | 28.06     | 14.85     |
| Net Profit Before Tax                   | 25.85     | 32.60     |
| Provision for Tax                       | -         | 2.20      |
| Net Profit After Tax                    | 25.85     | 30.40     |
| Balance of Profit brought forward       | (1590.82) | (1621.22) |
| Balance available for appropriation     | (1564.97) | (1590.82) |
| Proposed Dividend on Equity Shares      | -         | -         |
| Tax on proposed Dividend                | -         | -         |
| Transfer to General Reserve             | -         | -         |
| Surplus carried to Balance Sheet        | (1564.97) | (1590.82) |

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

The company has continued to improve on its financial condition. Gross profit grew to 53.91 lacks from 47.45 lacks in the previous year. However due to higher provision for depreciation of Rs 28.06 lacks from 14.85 lacks in the previous year as per requirements of the new Companies Act, the net profit of the company declined to Rs 25.85 lacks from 30.40 lacks.

### 3. Dividend

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

### 4. Directors and Key Managerial Personnel

Smt. Rajeev R. Patel, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for his reappointment.



5. **Particulars of Employees**

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

6. **Meetings**

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

7. **Declaration by an Independent Director(s) and re- appointment, if any**

The company has not identified and appointed an appropriate Independent Director. The company is in the process for appointment of an independent Director and shall be intimated shortly to all the members.

8. **Auditors:**

The Auditors, M/s Chirag N. Shah & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment for a period of one year from the conclusion of this Annual General Meeting [AGM] till the conclusion of next AGM.

9. **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.

10. **Cost Auditors**

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

11. **Nomination And Remuneration Committee**

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

12. **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.

13. **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.

14. **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.

15. **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.

16. **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**.

17. **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.

18. **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.

19. **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.

20. **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

**SD/-**

**Manoj R. Patel**  
**Managing Director**

**Din No. 00485197**

Place: Mumbai

Date: September 8<sup>th</sup>. 2015

**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   |



|  |                          |                         |                           |                          |                          |                         |                           |                          |                       |
|--|--------------------------|-------------------------|---------------------------|--------------------------|--------------------------|-------------------------|---------------------------|--------------------------|-----------------------|
| j) Banks / FI  | NIL                      | NIL                     | NIL                       | NIL                      | NIL                      | NIL                     | NIL                       | NIL                      | NIL                   |
| k) Any Other...  | NIL                      | NIL                     | NIL                       | NIL                      | NIL                      | NIL                     | NIL                       | NIL                      | NIL                   |
| Sub-total(A)(2):-  | 392197                   | 492850                  | 885047                    | 38.79%                   | 392197                   | 492850                  | 885047                    | 38.79%                   | NIL                   |
| <b>B. Public Shareholding</b>  |                          |                         |                           |                          |                          |                         |                           |                          |                       |
| <b>1. Institutions</b>   |                          |                         |                           |                          |                          |                         |                           |                          |                       |
| 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                   |
| <b>2. Non Institutions</b>   |                          |                         |                           |                          |                          |                         |                           |                          |                       |
| a) Bodies Corp.<br>(i) Indian<br>(ii) Overseas   | 16674                    | 500                     | 17174                     | 0.75%                    | 16284                    | 500                     | 16784                     | 0.74%                    | -0.01%                |
| b) Individuals<br><br>(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh<br><br>(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 354504<br><br><br>208859 | 646105<br><br><br>62700 | 1000609<br><br><br>271559 | 43.85%<br><br><br>11.90% | 354994<br><br><br>208859 | 646005<br><br><br>62700 | 1000999<br><br><br>271559 | 43.88%<br><br><br>11.90% | +0.03%<br><br><br>NIL |
| c) Others(NRI)   | 91861                    | 12000                   | 103861                    | 4.55%                    | 91861                    | 12000                   | 103861                    | 4.55%                    | NIL                   |
| d) Clearing Members  | 3000                     | 0                       | 3000                      | 0.13%                    | 3000                     | 0                       | 3000                      | 0.13%                    | NIL                   |
| Sub-total(B)(2)  | 674998                   | 721205                  | 1396203                   | 61.20%                   | 674998                   | 721205                  | 1396203                   | 61.20%                   | NIL                   |
| Total Public Shareholding (B)=(B)(1)+ (B)(2)   | 674998                   | 721405                  | 1396403                   | 61.21%                   | 674998                   | 721405                  | 1396403                   | 61.21%                   | NIL                   |
| C. Shares held by Custodian for GDRs & ADRs  | NIL                      | NIL                     | NIL                       | NIL                      | NIL                      | NIL                     | NIL                       | NIL                      | NIL                   |
| Grand Total (A+B+C)  | 1067095                  | 1214355                 | 2281450                   | 100%                     | 1067195                  | 1214255                 | 2281450                   | 100%                     | NIL                   |

ii. 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  | NL                                       |
| 2.     | LAXMIBEN J PATEL               | 94700                                     | 4.15                             | 0  | 94700                               | 4.15                             | 0  | NL                                       |
| 3.     | RAJEEV R PATEL                 | 78687                                     | 3.45                             | 0  | 78687                               | 3.45                             | 0  | NL                                       |
| 4.     | DEVIBEN R PATEL                | 68952                                     | 3.02                             | 0  | 68952                               | 3.02                             | 0  | NL                                       |
| 5.     | LAJ INVESTMENTS PRIVATE LTD    | 37803                                     | 1.66                             | 0  | 37803                               | 1.66                             | 0  | NL                                       |
| 6.     | BHULA RAMJI PATEL              | 29000                                     | 1.27                             | 0  | 29000                               | 1.27                             | 0  | NL                                       |
| 7.     | NEETA PATEL                    | 29000                                     | 1.27                             | 0  | 29000                               | 1.27                             | 0  | NL                                       |
| 8.     | INDUBEN RAMESHBHAI PATEL       | 22500                                     | 0.99                             | 0  | 22500                               | 0.99                             | 0  | NL                                       |
| 9.     | PATEL RANCHHODDBHAI KALYANBHAI | 18300                                     | 0.80                             | 0  | 18300                               | 0.80                             | 0  | NL                                       |
| 10.    | PATEL KANTILAL R               | 14500                                     | 0.64                             | 0  | 14500                               | 0.64                             | 0  | NL                                       |
| 11.    | RAMESHCHANDRA JIVANJEE PATEL   | 14500                                     | 0.64                             | 0  | 14500                               | 0.64                             | 0  | NL                                       |
| 12.    | MITESH MANOO PATEL             | 14500                                     | 0.64                             | 0  | 14500                               | 0.64                             | 0  | NL                                       |
| 13.    | HEMANT KUMAR PATEL             | 14500                                     | 0.64                             | 0  | 14500                               | 0.64                             | 0  | NL                                       |
| 14.    | RUPAL A PATEL                  | 14000                                     | 0.61                             | 0  | 14000                               | 0.61                             | 0  | NL                                       |
| 15.    | SANJAY A PATEL                 | 14000                                     | 0.61                             | 0  | 14000                               | 0.61                             | 0  | NL                                       |
| 16.    | NAGINBHAI LALLUBHAI PATEL      | 12900                                     | 0.57                             | 0  | 12900                               | 0.57                             | 0  | NL                                       |
| 17.    | ATUL BHULABHAI PATEL           | 12600                                     | 0.55                             | 0  | 12600                               | 0.55                             | 0  | NL                                       |
| 18.    | HARISH BHULABHAI PATEL         | 12200                                     | 0.53                             | 0  | 12200                               | 0.53                             | 0  | NL                                       |
| 19.    | PADMESH PATEL                  | 12000                                     | 0.53                             | 0  | 12000                               | 0.53                             | 0  | NL                                       |
| 20.    | NALINIBEN KANTUBHAI PATEL      | 11800                                     | 0.52                             | 0  | 11800                               | 0.52                             | 0  | NL                                       |
| 21.    | KANTUBHAI RANCHHODDBHAI PATEL  | 11800                                     | 0.52                             | 0  | 11800                               | 0.52                             | 0  | NL                                       |
| 22.    | PREETY NAGINBHAI PATEL         | 10200                                     | 0.45                             | 0  | 10200                               | 0.45                             | 0  | NL                                       |
| 23.    | JASODABEN BHULABHAI PATEL      | 10050                                     | 0.44                             | 0  | 10050                               | 0.44                             | 0  | NL                                       |
| 24.    | HEMANT RANCHHODDBHAI PATEL     | 10000                                     | 0.44                             | 0  | 10000                               | 0.44                             | 0  | NL                                       |
| 25.    | HEMU HEMANTBHAI PATEL          | 10000                                     | 0.44                             | 0  | 10000                               | 0.44                             | 0  | NL                                       |
| 26.    | GUNWANTBHAI G PATEL            | 10000                                     | 0.44                             | 0  | 10000                               | 0.44                             | 0  | NL                                       |
| 27.    | NARESHBHAI GOVINDBHAI PATEL    | 10000                                     | 0.44                             | 0  | 10000                               | 0.44                             | 0  | NL                                       |
| 28.    | MOHANLAL LALLUBHAI PATEL       | 10000                                     | 0.44                             | 0  | 10000                               | 0.44                             | 0  | NL                                       |
| 29.    | NAGINBHAI GOVINBHAI PATEL      | 10000                                     | 0.44                             | 0  | 10000                               | 0.44                             | 0  | NL                                       |
| 30.    | NANUBHAI S PATEL               | 10000                                     | 0.44                             | 0  | 10000                               | 0.44                             | 0  | NL                                       |
| 31.    | PAEL LALLUBHAI BHANABHAI       | 9900                                      | 0.43                             | 0  | 9900                                | 0.43                             | 0  | NL                                       |
| 32.    | JASODABEN B PATEL              | 9350                                      | 0.41                             | 0  | 9350                                | 0.41                             | 0  | NL                                       |
| 33.    | SUKHADA ARUN PATEL             | 7900                                      | 0.35                             | 0  | 7900                                | 0.35                             | 0  | NL                                       |
| 34.    | NALINIBEN MANUBHAI PATEL       | 7800                                      | 0.34                             | 0  | 7800                                | 0.34                             | 0  | NL                                       |
| 35.    | MITESH MANOOBHAI PATEL         | 6000                                      | 0.26                             | 0  | 6000                                | 0.26                             | 0  | NL                                       |
| 36.    | JAYSHREE MANOOBHAI PATEL       | 6000                                      | 0.26                             | 0  | 6000                                | 0.26                             | 0  | NL                                       |

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

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

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

## V. INDEBTEDNESS

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

|   | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | NIL                              | 8,17,24,555     | NIL      | 8,17,24,555        |
| i) Principal Amount                                 | NIL                              | 8,17,24,555     | NIL      | 8,17,24,555        |
| ii) Interest due but not paid                       | NIL                              | NIL             | NIL      | NIL                |
| iii) Interest accrued but not                       | NIL                              | NIL             | NIL      | NIL                |
| Total (i+ii+iii)                                    | NIL                              | 817,24,555      | NIL      | 817,24,555         |
| Change in Indebtedness during the financial year    |                                  |                 |          |                    |
| - Addition  | NIL                              | 21,90,000       | NIL      | 21,90,000          |
| - Reduction   | NIL                              | 23,49,162       | NIL      | 23,49,162          |
| Net Change  | NIL                              | -1,59,162       | NIL      | -1,59,162          |
| Indebtedness at the end of the financial year       | NIL                              | 8,15,65,393     | NIL      | 8,15,65,393        |
| i) Principal Amount                                 | NIL                              | 8,15,65,393     | NIL      | 8,15,65,393        |
| 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                              | 8,15,65,393     | NIL      | 8,15,65,393        |

## VI. 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  | 4,80,000                          | 4,80,000     |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | NIL                               | NIL          |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | NIL                               | NIL          |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | NIL                               | NIL          |
| 2.      | Stock Option  | NIL                               | NIL          |
| 3.      | Sweat Equity  | NIL                               | NIL          |
| 4.      | Commission<br>- as % of profit<br>- others, specify...                              | NIL                               | NIL          |
| 5.      | Others, please specify  | NIL                               | NIL          |
| 6.      | Total (A)   | 4,80,000                          | 4,80,000     |
|         | Ceiling as per the Act  | N/A                               | N/A          |

### B. Remuneration to other directors:

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



|  |  |     |     |     |     |     |
|--|--|-----|-----|-----|-----|-----|
|  | - Fee for attending board committee meetings<br>- Commission<br>- Others, please specify |     |     |     |     |     |
|  | Total(2)   | NIL | NIL | NIL | NIL | NIL |
|  | Total(B)=(1+2)   | NIL | NIL | NIL | NIL | NIL |
|  | Total Managerial Remuneration  | NIL | NIL | NIL | NIL | NIL |
|  | Overall Ceiling as per the Act   | NIL | NIL | NIL | NIL | NIL |

**C. 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<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br><br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br><br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL                      | NIL               | NIL | NIL   |
| 2.      | Stock Option   | NIL                      | NIL               | NIL | NIL   |
| 3.      | Sweat Equity   | NIL                      | NIL               | NIL | NIL   |
| 4.      | Commission<br>- as % of profit<br>- others, specify...   | NIL                      | NIL               | NIL | NIL   |
| 5.      | Others, please specify   | NIL                      | NIL               | NIL | NIL   |
| 6.      | Total  | NIL                      | NIL               | NIL | NIL   |

**VII. 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                                |

## ANNEXURE II

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[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,  
2<sup>nd</sup> Floor 87-C,  
Pitamber Lane, Mahim (West)  
Mumbai 400016  
Maharashtra

I, Anjana Manseta & Co., Practicing Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VAPI ENTERPRISE LIMITED (Formerly Known as Vapi Paper Mills Limited)** (L21010MH1974PLC032457) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31<sup>st</sup> March, 2015 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, 2015 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 thereunder;

- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

***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);**
  - 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);
  - 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);**
  - 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);** and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period);**

**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.

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

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

**I further report that,**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors while Company does not have any Independent Directors in its Board. The Board has informed that the appointment of Independent Director as per the applicable provisions of The Companies Act, 2013 is in process and it will be intimated shortly to the ROC departments, BSE and to the all shareholders/members of the Company. And there was no changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**I further report that,**

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

**I further report that,**

During the audit period there were no instances of:

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

**Place : Mumbai**

**Date : 08<sup>th</sup> September 2015**

**For Anjana Manseta & Co.**

**Company secretaries**

**SD/-**

**Anjana Manseta**

**(Proprietor)**

**ACS No. : 29605**

**CP No. : 10668**

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

## Annexure A

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

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

2. 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.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance.
4. 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.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
7. 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.
8. 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 : 08<sup>th</sup> September 2015**

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

**SD/-**

**Anjana Manseta  
( Proprietor)**

**ACS No. : 29605**

**CP No. : 10668**

## **Independent Auditors' Report**

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

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

We have audited the accompanying financial statements of Vapi Enterprise Limited (Formerly Known as "Vapi Paper Mills Limited"), which comprise the Balance Sheet as at March 31, 2015, the Profit and Loss Statement and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for

our audit opinion on the financial statements.

### **Basis for Qualified Opinion**

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

1. *Accounting Standard (AS-15) on "Employee Benefits"; regarding non provisioning of employee benefits*
2. *Accounting Standard (AS-24) on "Discontinuing Operations"*
3. *Accounting Standard (AS-22) on "Deferred 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. 4,748,076/- is Long term borrowings from inter corporate which is subject to confirmations.*
- b. *Balance of Rs. 599,737/- of long term trade payables is subject to confirmation and adjustment, if any, required upon such confirmations are not determinable.*
- c. *Balance of Rs. 625,000/- of Long term trade deposits borrowings from others and Rs. 6,950/- of interest accrued and due is subject to confirmation and adjustment, if any, required upon such confirmations are not determinable.*
- d. *Balance of Rs. 200,000/- of Long term loans and advances to staff is considered as irrecoverable.*

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

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *subject to the possible effects of the matter described in the Basis for Qualified Opinion paragraph*), the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

### **Emphasis of Matter:**

We draw attention to the note no. 25 in the financial statement which indicates that Company's net worth is negative as on March 31, 2015. Going concern assumption for the Company is dependent upon the surplus that may be generated out of present activity as well as promoters bringing in funds to finance losses.

Our opinion is not qualified on this matter.

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

As required by the Companies (Auditor's Report) Order, 2015("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 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:

- 1) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 2) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- 3) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- 4) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 *except those mentioned in the basis for qualified opinion*;
- 5) On the basis of the written representations received from directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as director in terms of the Section 164(2) of the Act.
- 6) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014. In our opinion and to the best of our information and according to the explanations given to us:
  - The company has disclosed the impact of pending litigations on its financial position in its financial statements as referred in the Note No.22 of Rs.3,482,360/-
  - The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were been no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

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

SD/-

Hetal C. Shah  
Partner  
Membership No: 111610  
Place: Mumbai  
Date: September 8<sup>th</sup>, 2015





**VAPI ENTERPRISE LIMITED**  
**( Formerly known as Vapi Paper Mills Limited )**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2015**

(Amt in Rs.)

|          | PARTICULARS  | 2014-15            | 2013-14            |
|----------|--|--------------------|--------------------|
| <b>A</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                   |                    |                    |
|          | Net Profit before tax as per Profit and Loss Account         | 25,85,226          | 32,59,009          |
|          | Adjusted for:  |                    |                    |
|          | Prior period Adjustments                                     | -                  | -                  |
|          | Depreciation and Amortisation Expenses                       | 28,05,772          | 14,85,361          |
|          | Amounts Written off/(Back)                                   | (11,223)           | 1,95,805           |
|          | Finance Costs  | 6,78,089           | 4,91,331           |
|          | Dividend Income  | (23,750)           | (22,271)           |
|          | Interest Income  | (1,62,427)         | (1,54,268)         |
|          |  | <b>32,86,461</b>   | <b>19,95,958</b>   |
|          | <b>Operating Profit before Working Capital Changes</b>       | <b>58,71,687</b>   | <b>52,54,967</b>   |
|          | Adjusted for:  |                    |                    |
|          | Trade and Other Receivables                                  | (4,54,504)         | 2,69,047           |
|          | Inventories  | -                  | 10,226             |
|          | Short/Excess Provision of Earlier Year                       | -                  | (2,19,700)         |
|          | Amounts Written off/Back                                     | 11,223             | (1,95,805)         |
|          | Trade and Other Payables                                     | (4,39,003)         | (4,70,375)         |
|          | Other Current Liability & Short Term Provision               | (22,46,126)        | (13,19,945)        |
|          | Long Term Loans and Advances                                 | 68,804             | (33,63,505)        |
|          | Short term loan and advance                                  | (3,77,475)         | 10,14,159          |
|          | <b>Cash Generated from Operations</b>                        | <b>24,34,605</b>   | <b>9,79,069</b>    |
|          | Taxes Paid   | -                  | -                  |
|          | <b>Net Cash from Operating Activities</b>                    | <b>24,34,605</b>   | <b>9,79,069</b>    |
| <b>B</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                   |                    |                    |
|          | Purchase of Fixed Assets                                     | (34,14,852)        | (15,36,084)        |
|          | Interest Income  | 1,62,427           | 1,54,268           |
|          | Dividend Income  | 23,750             | 22,271             |
|          | Net Cash (used in ) Investing Activities                     | <b>(32,28,675)</b> | <b>(13,59,546)</b> |
| <b>C</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                   |                    |                    |
|          | Proceeds from Long-term Borrowings                           | -                  | -                  |
|          | Short Term Borrowings(Net)                                   | 37,76,511          | (1,74,250)         |
|          | Other long term liability                                    | (19,21,677)        | 25,41,995          |
|          | Repayment from Long-term Borrowings                          | (1,59,162)         | (15,83,412)        |
|          | Interest Paid  | (6,78,089)         | (4,91,331)         |
|          | <b>Net Cash (used in ) / from Financing Activities</b>       | <b>10,17,583</b>   | <b>2,93,002</b>    |
|          | <b>Net Increase in Cash and cash Equivalents (A + B + C)</b> | <b>2,23,514</b>    | <b>(87,478)</b>    |
|          | Opening Balance of Cash and Cash Equivalents                 | 2,26,125           | 3,13,599           |
|          | <b>Closing Balance of Cash and Cash Equivalents</b>          | <b>4,49,639</b>    | <b>2,26,125</b>    |

The notes are integral part of these financial statements.

As per our report of even date

For and on behalf of the board

**For Chirag N Shah & Associates**  
**Chartered Accountants**  
FRN No: 118215W

**Vapi Enterprise Limited**

SD/-  
**Partner**  
Membership No. 111610  
Place: Mumbai  
Date: September 8th, 2015

SD/-                      SD/-  
**Manoj R. Patel**                      **Rajeev R. Patel**  
Director                      Director  
Place: Mumbai  
Date: September 8th, 2015

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE NO: 1

#### SIGNIFICANT ACCOUNTING POLICIES

##### A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013

The financial statements are prepared on accrual basis under the historical cost conversion. The financial statements are presented in Indian rupees.

##### B. USE OF ESTIMATES

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

##### C. REVENUE RECOGNITION

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

##### D. FIXED ASSETS

###### Tangible Assets

- a. Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any.
- b. 'Cost' for the purpose of valuing tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

##### E. DEPRECIATION, AMORTISATION AND DEPLETION

###### Tangible Assets

Depreciation on fixed assets is provided to the extent of depreciable amount on the written down value (WDV) method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to Companies Act, 2013.

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

##### F. IMPAIRMENT

- a) Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of Company's fixed assets. If any indication exists an assets recoverable amount is estimated, an impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.
- b) 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.

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

## NOTES TO FINANCIAL STATEMENTS

### G. INVESTMENTS

Noncurrent 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.

### H. 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.

### I. FOREIGN CURRENCY TRANSACTIONS

- a) Foreign Currency Transactions are recorded on the basis of the exchange rate prevailing on the date of transaction.
- b) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- c) Monetary items which are denominated in foreign currency are restated at the exchange rates prevailing at the Balance Sheet date.
- d) Profit/ loss on translation thereon is credited or charged to the Profit and Loss Account except in case of long term liabilities, where they relate to acquisition of Fixed Assets, in which case they are adjusted to carrying cost of such assets.

### J. EMPLOYEE BENEFITS

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

### K. BORROWING COSTS

Borrowing costs that are attributable to the acquisition / construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

### L. TAXATION

- a) Tax expense comprise of current and deferred taxes.
- b) Current tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act.
- c) Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized.
- d) Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the period and available case law to re-assess realization/ liabilities.

### M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- a) A provision is recognized when there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.
- b) A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent liabilities are not recognized but are disclosed in the notes.
- c) Contingent Assets are neither recognized nor disclosed in the financial statements.
- d) Provisions, contingent asset and contingent liabilities are reviewed at each balance sheet date.

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

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### **NOTES TO FINANCIAL STATEMENTS**

#### **N. GENERAL:**

Accounting Policies not specifically referred to are consistent with generally accepted accounting practice.

#### **O. LEASES**

##### **As a Lessee**

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

##### **As a Lessor**

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

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

( AMT IN RS.)

| PARTICULARS  | AS AT<br>MARCH 31, 2015 | AS AT<br>MARCH 31, 2014 |
|--|-------------------------|-------------------------|
| <b>2 SHARE CAPITAL</b>   |                         |                         |
| <b>2.1 Authorised Share Capital</b>  |                         |                         |
| 30,00,000 Equity Shares of Rs.10 each<br>(300,00,000)  | 300,00,000              | 300,00,000              |
| 20,000 12 % Tax Free Redeemable Cumulative Preference Shares of Rs. 100/-<br>each redeemable at par at any time<br>(20,00,000) | 20,00,000               | 20,00,000               |
|  | <b>320,00,000</b>       | <b>320,00,000</b>       |
| <b>2.2 Issued, Subscribed and Paid up</b>  |                         |                         |
| 22,81,450 Equity shares of Rs.10 each fully paid up<br>(22,81,4500)  | 228,14,500              | 228,14,500              |
| <b>Total</b>   | <b>228,14,500</b>       | <b>228,14,500</b>       |
| <b>2.3 Reconciliation of number of equity shares outstanding at the beginning<br/>and at the end of the year:</b>              |                         |                         |
|  | <b>Number of shares</b> | <b>Number of shares</b> |
| Number of shares outstanding at the beginning of the year  | 22,81,450               | 22,81,450               |
| Add: Changes during the year   | Nil                     | Nil                     |
| Number of shares outstanding at the end of the year  | <b>22,81,450</b>        | <b>22,81,450</b>        |
| <b>2.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:</b>                 |                         |                         |
| There are no shareholders holding more than 5% of the aggregate shares in the company  |                         |                         |
| <b>3 RESERVES AND SURPLUS</b>  |                         |                         |
| <b>Securities Premium</b>  |                         |                         |
| As per last Balance sheet  | <b>434,06,480</b>       | <b>434,06,480</b>       |
| <b>General Reserve</b>   |                         |                         |
| As per last Balance sheet  | <b>239,87,567</b>       | <b>239,87,567</b>       |
| <b>Surplus in statement of Profit and Loss</b>   |                         |                         |
| Balance as at beginning of the year  | (1590,82,708)           | (1621,22,016)           |
| Add: Profit/( Loss) during the year  | 25,85,226               | 30,39,309               |
| Adjustment relating to fixed Assets(Refer Note No.11)  | (14,25,289)             | -                       |
| Balance as at end of the year  | <b>(1579,22,771)</b>    | <b>(1590,82,708)</b>    |
| <b>Total</b>   | <b>(905,28,724)</b>     | <b>(916,88,661)</b>     |



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

( AMT IN RS.)

| PARTICULARS  | AS AT<br>MARCH 31, 2015   | AS AT<br>MARCH 31, 2014 |
|--|---|-------------------------|
| <b>4 LONG TERM BORROWINGS</b>  |   |                         |
| <b>Unsecured</b>   |   |                         |
| Term Loans-From Directors  | 768,17,317  | 817,24,555              |
| Term Loans-Inter Corporates  | 47,48,076   |                         |
|  | <b>815,65,393</b>   | <b>817,24,555</b>       |
| <b>4.1 Maturity Profile</b>  |   |                         |
| The Loans are repayable on demand. Therefore, Maturity Pattern is not certain. |   |                         |
| <b>4.2 Disclosure regarding defaults in repayment of term loans</b>            |   |                         |
| The Loans are interest-free and are repayable on demand.                       |   |                         |
| During the year Rs. 23,49,162/- has been repaid to the directors               |   |                         |
| <b>5 OTHER LONG TERM LIABILITIES</b>   |   |                         |
| Trade Payables   | 42,33,752   | 31,09,647               |
| Rent Deposit from Tenant   | 75,33,237   | 87,44,237               |
| Advance from Customers   | 1,24,034  | 1,17,692                |
| Long Term Trade Deposits   | 38,00,000   | 54,75,000               |
| Interest Accrued and Due   | 6,950   | 2,18,244                |
| Statutory Dues   | 45,170  | -                       |
|  | <b>157,43,143</b>   | <b>176,64,820</b>       |
| <b>6 SHORT TERM BORROWINGS</b>   |   |                         |
| <b>Unsecured Loan</b>  |   |                         |
| From Banks   | 3,37,301  | 1,20,756                |
| Trade Deposits   | 35,59,966   | -                       |
|  | <b>38,97,267</b>  | <b>1,20,756</b>         |
| <b>6.1</b>   | Loan from banks are secured under personal guarantee of Managing Director |                         |
| <b>7 TRADE PAYABLES</b>  |   |                         |
| Others   | 6,68,188  | 11,07,191               |
| Small and Medium   | -   | -                       |
|  | <b>6,68,188</b>   | <b>11,07,191</b>        |

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

( AMT IN RS.)

| PARTICULARS  | AS AT<br>MARCH 31, 2015 | AS AT<br>MARCH 31, 2014 |
|--|-------------------------|-------------------------|
| <b>8 OTHER CURRENT LIABILITIES</b>   |                         |                         |
| Trade Payables for Capital Goods   | 1,08,765                | 12,38,042               |
| Advance from Customers   | 47,212                  | 30,590                  |
| Statutory Dues   | 65,788                  | 3,48,599                |
| Interest Accrued and Due   | 1,77,067                | 3,12,365                |
| Other Payables#  | 1,33,730                | 93,159                  |
|  | <b>5,32,562</b>         | <b>20,22,755</b>        |
| # Includes Outstanding Liabilities of Expenses                               |                         |                         |
| <b>9 SHORT TERM PROVISIONS</b>   |                         |                         |
| Provision for Employee Benefits  | 15,43,054               | 22,98,987               |
|  | <b>15,43,054</b>        | <b>22,98,987</b>        |
| <b>11 NON CURRENT INVESTMENTS</b>  |                         |                         |
| <b>(Long Term Investments)</b>   |                         |                         |
| <b>(Valued at cost less other than temporary diminution in value,if any)</b> |                         |                         |
| <b>Investment in Trust Securities (Long Term at cost)</b>                    |                         |                         |
| Quoted   |                         |                         |
| Unit Trust of India  |                         |                         |
| 10,000 Units of Rs. 10 each fully paid up                                    | 1,00,000                | 1,00,000                |
| (Previous year 10,000 units of Rs. 10 each fully paid up)                    |                         |                         |
| <b>Investment in Shares (Long Term at Cost)</b>                              |                         |                         |
| Unquoted   |                         |                         |
| The Zoroasterian Co-op Bank Ltd.   |                         |                         |
| 4,000 Equity Shares of Rs 25 each fully paid up                              | 1,00,000                | 1,00,000                |
| (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   | 2,52,200                | 2,52,200                |
| 3.Aggregate amount of unquoted investments                                   | 1,00,000                | 1,00,000                |
| <b>12 LONG TERM LOANS AND ADVANCES</b>                                       |                         |                         |
| <b>(Unsecured, Considered Good)</b>  |                         |                         |
| Security Deposits  | 8,82,032                | 43,69,392               |
| Advances Recoverable Cash or for kind or value to be received                | 34,82,360               | 63,804                  |
|  | <b>43,64,392</b>        | <b>44,33,196</b>        |

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

( AMT IN RS.)

| PARTICULARS  | AS AT<br>MARCH 31, 2015 | AS AT<br>MARCH 31, 2014 |
|--|-------------------------|-------------------------|
| <b>13 TRADE RECEIVABLES</b>  |                         |                         |
| (Unsecured Considered Doubtful)                                    |                         |                         |
| Bad debts  | 6,82,601                | -                       |
| (Unsecured considered good)  |                         |                         |
| Outstanding for a period exceeding six months                      | 2,35,700                | 23,20,676               |
| Others   | 14,14,523               | 18,35,876               |
| Less:Provision for bad and doubtful debts                          | (6,87,719)              | (29,65,952)             |
|  | <b>16,45,105</b>        | <b>11,90,600</b>        |
| <b>14 CASH AND BANK BALANCES</b>                                   |                         |                         |
| <b>Cash and Cash Equivalent:</b>                                   |                         |                         |
| Cash on hand   | 77,684                  | 1,87,758                |
| <b>Bank Balances:</b>  |                         |                         |
| Balance with Scheduled Banks - in Current account                  | 3,71,955                | 38,367                  |
|  | <b>4,49,639</b>         | <b>2,26,125</b>         |
| <b>15 SHORT TERM LOANS AND ADVANCES</b>                            |                         |                         |
| (Unsecured and Considered good)                                    |                         |                         |
| Balance with statutory authority                                   | 9,81,304                | 9,58,766                |
| Taxes Paid (Net off Provisions)                                    | 21,82,713               | 19,43,411               |
| Prepaid Expense  | -                       | 3,656                   |
| Loan to Staff  | 3,87,000                | 2,54,250                |
| Advances from Creditors  | 98,816                  | 5,664                   |
| Advance Recoverable in Cash or In Kind or for Value to be received | 7,000                   | 7,000                   |
| Capital Advances   | -                       | 1,06,611                |
|  | <b>36,56,833</b>        | <b>32,79,358</b>        |

# The Excise Department has preferred an appeal against the company. However the advance in PLA a/c is carried at the book value till conclusion of the assessment.

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

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2015**

Note No.10

( AMT IN RS.)

| Description of Assets  | Gross Block       |                       |                        |                   | Depreciation/Amortisation/Depletion |                  |                        |                   | Net Block         |                   |
|------------------------|-------------------|-----------------------|------------------------|-------------------|-------------------------------------|------------------|------------------------|-------------------|-------------------|-------------------|
|                        | As at 01.04.2014  | Additions/Adjustments | Deductions/Adjustments | As at 31.03.2015  | As at 01.04.2014                    | For the year     | Deductions/Adjustments | As at 31.03.2015  | As at 31.03.2015  | As at 31.03.2014  |
| <b>11.FIXED ASSETS</b> |                   |                       |                        |                   |                                     |                  |                        |                   |                   |                   |
| <b>Leased Assets:</b>  |                   |                       |                        |                   |                                     |                  |                        |                   |                   |                   |
| Lease hold land        | 3,79,998          |                       |                        | <b>3,79,998</b>   | -                                   | -                | -                      | -                 | <b>3,79,998</b>   | 3,79,998          |
| <b>Own Assets:</b>     |                   |                       |                        |                   |                                     |                  |                        |                   |                   |                   |
| Factory Building       | 108,81,097        | -                     | 103,37,042             | <b>5,44,055</b>   | 92,59,682                           | -                | 92,59,682              | -                 | <b>5,44,055</b>   | 16,21,415         |
| Office & Godown        | 284,58,994        | 34,14,852             | 9,16,655               | <b>309,57,191</b> | 37,87,097                           | 28,05,772        | 5,68,726               | <b>60,24,143</b>  | <b>249,33,047</b> | 246,71,896        |
| Plant & Machinery      | 42,15,859         | -                     | -                      | <b>42,15,859</b>  | 42,05,977                           | -                | -                      | <b>42,05,977</b>  | <b>9,882</b>      | 9,882             |
| Furnitures & Fixtures  | 7,66,164          | -                     | -                      | <b>7,66,164</b>   | 7,48,315                            | -                | -                      | <b>7,48,315</b>   | <b>17,849</b>     | 17,849            |
| Office Equipments      | 15,35,856         | -                     | -                      | <b>15,35,856</b>  | 15,01,271                           | -                | -                      | <b>15,01,271</b>  | <b>34,584</b>     | 34,584            |
|                        |                   |                       |                        |                   |                                     |                  |                        |                   |                   |                   |
| <b>Total</b>           | <b>462,37,968</b> | <b>34,14,852</b>      | <b>112,53,697</b>      | <b>383,99,122</b> | <b>195,02,343</b>                   | <b>28,05,772</b> | <b>98,28,408</b>       | <b>124,79,706</b> | <b>259,19,415</b> | <b>267,35,624</b> |

Previous Year 2013-2014

( AMT IN RS.)

| Description of Assets  | GROSS BLOCK       |                       |                        |                   | Depreciation/Amortisation/Depletion |                  |                        |                   | NET BLOCK         |                   |
|------------------------|-------------------|-----------------------|------------------------|-------------------|-------------------------------------|------------------|------------------------|-------------------|-------------------|-------------------|
|                        | As at 01.04.2013  | Additions/Adjustments | Deductions/Adjustments | As at 31.03.2014  | As at 01.04.2013                    | For the Year     | Deductions/Adjustments | As at 31.03.2014  | As at 31.03.2014  | As at 31.03.2013  |
| <b>TANGIBLE ASSETS</b> |                   |                       |                        |                   |                                     |                  |                        |                   |                   |                   |
| Leasehold Land         | 3,79,998          | -                     | -                      | <b>3,79,998</b>   | -                                   | -                | -                      | -                 | <b>3,79,998</b>   | 3,79,998          |
| Factory Building       | 108,81,097        | -                     | -                      | <b>108,81,097</b> | 90,79,525                           | 1,80,157         | -                      | <b>92,59,682</b>  | <b>16,21,415</b>  | 18,01,572         |
| Office & Godown        | 269,22,909        | 15,36,084             | -                      | <b>284,58,993</b> | 25,33,883                           | 12,53,214        | -                      | <b>37,87,097</b>  | <b>246,71,896</b> | 243,89,026        |
| Plant & Machinery      | 42,15,859         | -                     | -                      | <b>42,15,859</b>  | 41,68,030                           | 37,947           | -                      | <b>42,05,977</b>  | <b>9,882</b>      | 47,829            |
| Fur. & Fixtures        | 7,66,164          | -                     | -                      | <b>7,66,164</b>   | 7,44,441                            | 3,874            | -                      | <b>7,48,315</b>   | <b>17,849</b>     | 21,723            |
| Office Equipments      | 15,35,856         | -                     | -                      | <b>15,35,856</b>  | 14,91,103                           | 10,169           | -                      | <b>15,01,272</b>  | <b>34,584</b>     | 44,753            |
| <b>GRAND TOTAL</b>     | <b>447,01,883</b> | <b>15,36,084</b>      | -                      | <b>462,37,967</b> | <b>180,16,982</b>                   | <b>14,85,361</b> | -                      | <b>195,02,343</b> | <b>267,35,624</b> | <b>266,84,901</b> |

Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and Depletion. Accordingly, the unamortised carrying value is being depreciated/amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to Rs. 1,425,289

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

( AMT IN RS.)

| PARTICULARS  | FOR THE YEAR ENDED<br>ON MARCH 31, 2015 | FOR THE YEAR ENDED<br>ON MARCH 31, 2014 |
|--|---|---|
| <b>16 REVENUE FROM OPERATIONS</b>  |   |   |
| Job Work   | 187,46,083                              | -                                       |
| Management Charges   | 44,97,693                               | -                                       |
|  | <b>232,43,776</b>                       | -                                       |
| <b>17 OTHER INCOME</b>   |   |   |
| Rent Income  | 67,50,060                               | 106,60,288                              |
| Interest Income  | 1,62,427                                | 1,54,268                                |
| Dividend Income from Long Term Investment  | 23,750                                  | 22,271                                  |
| Other Miscellaneous Balances Written Off   | 11,223                                  | -                                       |
|  | <b>69,47,459</b>                        | <b>108,36,826</b>                       |
| <b>18 EMPLOYEE BENEFITS EXPENSES</b>   |   |   |
| Salary, Allowances, Bonus  | 110,37,443                              | 8,75,818                                |
| Gratuity Expenses  | 33,706                                  | 30,000                                  |
| Contribution to Provident and other funds  | 4,57,210                                | 33,496                                  |
| Staff Welfare Expenses   | 34,334                                  | 36,464                                  |
| LTA / Medical Allowance-Paid   | 51,456                                  | -                                       |
| PL Encashment  | 40,679                                  | -                                       |
| Directors Remuneration: Managing Director  | 4,80,000                                | -                                       |
|  | <b>121,34,828</b>                       | <b>9,75,778</b>                         |
| 19 (a) The company is accounting the gratuity payable to the directors on payment basis. |   |   |
| <b>19 FINANCE COSTS</b>  |   |   |
| Interest Paid to Statutory Authority   | 2,04,412                                | 4,91,331                                |
| Interest Paid on Trade Deposits  | 4,73,677                                | -                                       |
|  | <b>6,78,089</b>                         | <b>4,91,331</b>                         |

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

( AMT IN RS.)

| PARTICULARS                            | FOR THE YEAR ENDED<br>ON MARCH 31, 2015 | FOR THE YEAR ENDED<br>ON MARCH 31, 2014 |
|--|---|---|
| <b>20 OTHER EXPENSES</b>               |   |   |
| Water Charges and Electricity Expenses | 79,21,090                               | 8,60,797                                |
| Repairs to Godown                      | 3,24,475                                | 6,83,121                                |
| Rates and Taxes and Fees               | 6,38,096                                | 5,25,736                                |
| Auditor Remuneration:                  |   |   |
| Statutory Audit Fees                   | 39,326                                  | 39,326                                  |
| Tax Audit Fees                         | 28,090                                  | 28,090                                  |
| Other Services                         | 11,236                                  | 11,236                                  |
| Legal and Consultancy Expenses         | 4,50,080                                | 3,44,347                                |
| Security Expenses                      | 3,63,012                                | 1,07,634                                |
| Office Expenses                        | 3,19,009                                | 2,01,898                                |
| Vehicle Expenses                       | 2,03,317                                | 2,50,961                                |
| Commission Charges                     | 3,59,000                                | 2,73,000                                |
| Travelling Expenses                    | 1,63,720                                | 1,04,964                                |
| Miscellaneous Expenses                 | 4,26,533                                | 2,55,507                                |
| Telephone Expenses/Internet Expenses   | 2,41,491                                | 2,10,539                                |
| Interest on Others                     | 16,879                                  | 23,985                                  |
| Stores and Spares Consumed             | -                                       | 10,226                                  |
| Balances Written Off                   | -                                       | 1,95,805                                |
|  | <b>115,05,355</b>                       | <b>41,27,172</b>                        |
| <b>21 EXCEPTIONAL ITEMS</b>            |   |   |
| Prior Period Expenses                  | 4,81,965                                | 4,98,174                                |
|  | <b>4,81,965</b>                         | <b>4,98,174</b>                         |

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

## NOTES TO FINANCIAL STATEMENTS

22. **Contingent Liabilities** Rs.34,82,360/- (Previous Year Rs. Nil)
23. **Capital Commitment:**  
Estimated amount of contracts remaining to be executed on capital account is Nil (Net of advances) (Previous Year Rs. 106,611)
24. The Company is carrying on business on Job work Basis. The company is leasing its premises on rent. The Company's net worth is negative as on March 31, 2015. 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.
25. 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.
26. a) Balance of Trade Payables, Trade Deposits, Advance from Customers, Trade Receivables, Non Current and Current Loans and Advances are subject to confirmation by the parties.
- b) There are no 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.
27. The Company has setup Gratuity Fund for future payment of retirement gratuities of employees. The company has not ascertained the amount of accrued liability for the year and has not made any contribution to gratuity fund.
28. Disclosure for operating leases under Accounting Standard 19 – "Leases"  
(i) Disclosure in respect of the assets given on lease and license agreement under operating lease is as under:

| SR No | Particulars  | 2014-2015      | 2013-2014       |
|-------|--|----------------|-----------------|
| 1.    | Lease income recognized in the Statement of Profit and Loss for the year               | Rs.67,50,060/- | Rs.106,60,288/- |
| 2.    | Future minimum receipt under the agreements, which are non cancellable are as follows: |                |                 |
|       | i) Not later than one year   | Rs. Nil        | Rs. Nil         |
|       | ii) Later than one year and not later than five years                                  | Rs. Nil        | Rs. Nil         |

29. Expenditure in foreign currency during the year on account of Travelling expenses Rs. Nil (Previous Year Rs Nil )
30. CIF Value of Imports of Raw Materials and Capital goods Rs. Nil (Previous Year Rs. Nil )

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

### NOTES TO FINANCIAL STATEMENTS

31. Remittance in Foreign Currency on account of Dividend Rs. Nil (Previous Year Rs. Nil)
32. Earnings in foreign exchange and expenditure in foreign currency Rs. Nil (Previous Year Rs. Nil)
33. Related party disclosures:

**I. LIST OF RELATED PARTIES:**

**A) Key Management Personnel:**

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

**B) Other Related Parties:**

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

**II. Transaction with related parties:**

| Sr. No.   | Particulars                                  | Key Management Personnel |             | Associate Companies |           |
|-----------|--|--------------------------|-------------|---------------------|-----------|
|           |  | 2014-15                  | 2013-14     | 2014-15             | 2013-14   |
| <b>A.</b> | <b>Transaction during the year</b>           |                          |             |                     |           |
| I         | Remuneration                                 | 4,80,000                 | 4,80,000    | NIL                 | NIL       |
| II        | Loan Taken                                   | 21,90,000                | 15,75,000   | NIL                 | NIL       |
| III       | Loan repaid                                  | 23,49,162                | 5,83,412    | NIL                 | NIL       |
| IV        | Interest                                     | NIL                      | NIL         | NIL                 | NIL       |
| <b>B</b>  | <b>Outstanding balances at the year end:</b> |                          |             |                     |           |
| I         | Loan   | 7,68,17,317              | 7,69,76,479 | 47,48,076           | 47,48,076 |
| II        | Remuneration                                 | NIL                      | 21,42,240   | NIL                 | NIL       |

34. 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 Accounting Standard 22 "Accounting for Taxes on Income"
35. **Earnings per Share**

| Particulars  | 2014-15   | 2013-14   |
|--|-----------|-----------|
| Profit / (Loss) in Rupees                              | 25,85,226 | 30,39,309 |
| Weighted average number of equity shares outstanding   | 22,81,450 | 22,81,450 |
| Basic and diluted Profit / (Loss ) per share in Rupees | 1.13      | 1.33      |



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

**NOTES TO FINANCIAL STATEMENTS**

36. Company has closed down engineering and paper manufacturing division during the year 2011-12. However, the required information as per Accounting Standard – 24 has not been disclosed.
37. Previous years figures have been regrouped and /or rearranged whenever necessary.

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

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

**For Chirag N Shah & Associates,**

**Chartered Accountants**

Registration No: 118215W

**For VAPI ENTERPRISE LIMITED**

SD/-

**Hetal Shah**

Partner

Membership No: 111610

Place : Mumbai

Date : September 8<sup>th</sup>, 2015

SD/-

**Manoj R. Patel**

Director

Place : Mumbai

Date : September 8<sup>th</sup>, 2015

SD/-

**Rajeev R. Patel**

Director