

VAPI ENTERPRISE LIMITED

(Formerly Known as Vapi Paper Mills Limited)

42 TH ANNUAL REPORT

F.Y. 2015-16



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

CIN : L21010MH1974PLC032457

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

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 42nd 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 2016, at 9.30 am at 117 Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), MUMBAI 400053 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016, 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 Laxmiben J. Patel (DIN No. 00510582), who retires by rotation, and being eligible offers herself for reappointment.
3. RATIFICATION OF STATUTORY AUDITORS : To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139,142 and other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Chirag N. Shah and Associates, Chartered Accountants (Firm Registration No. 118215/W), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-2017 on such remuneration plus applicable tax and reimbursement of expenses as may be determined by the Board of Directors and the Statutory Auditors."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution for Regularisation of Additional Director, Mr. Himanshu Harish Ruia (DIN No. 07572617) :-
"RESOLVED THAT Mr. Himanshu Harish Ruia, who was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."
5. APPOINTMENT OF INDEPENDENT DIRECTOR : To appoint Mr. Himanshu Harish Ruia (DIN No. 07572617 as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Himanshu Harish Ruia (holding DIN: 07572617), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as Independent Director of the Company, for 5 (five) consecutive years with effect from 30th September, 2016 and whose office shall not be liable to determination by retirement of directors by rotation.

"RESOLVED FURTHER THAT pursuant to the provisions of Section 149 and 197 of the Companies Act, 2013 read with Schedule IV of thereof (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Himanshu Harish Ruia, Independent Director of the Company be paid, annually, an amount within the limits prescribed under the Act and Rules thereunder and as approved by the Board of Directors of the Company, for attending the meeting(s) of the Board or any Committee thereof and reimbursement of any expenses for participation in the Board and other Meetings."

6. REAPPOINTMENT OF MANAGING DIRECTOR

Re-appointment of Mr. Manoj Ramanbhai Patel (DIN 00485197), Managing Director of the Company. Consider and if thought fit, to pass with or without modification(s) , the following resolution as Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 152, 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of Mr. Manoj R. Patel (DIN: 00485197) as a Managing Director of the Company, for a period of 5 (five) years with effect from September 30th , 2016, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Part II of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof .

RESOLVED FURTHER THAT the said remuneration and perquisites except commission on net profit, be payable as minimum remuneration, notwithstanding that in any financial year of the Company during the term of his office as a Managing Director, the Company may make no profits or the profits made are inadequate.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary proper or expedient to give effect to this Resolution.”

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

By Order of the Board

Manoj R. Patel
SD/-
(Managing Director)
Din No. 00485197
September 6th, 2016

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 2015-16 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, 2016 to September 30th, 2016 (both days inclusive) for the purpose of 42nd Annual General Meeting (AGM) of the Company to be held on September 30, 2016
11. 1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 42nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL) :

The instructions for e-voting are as under :

A. In case of members receiving e-mail:

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

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

(iv) Now Enter your User ID

(a) For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. In case of members receiving the physical copy:

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

(ii) The voting period begins on 28th September, 2016 (10:00 a.m.) and ends on 29th September, 2016 (6:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

(Formerly Known as Vapi Paper Mills Limited)

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

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

5. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vapienterprise.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE and NSE.

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

By Order of the Board

Manoj R. Patel
SD/
(Managing Director)
Din No. 00485197
September 6th, 2016

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

Item No. 4&5

The Board of Directors of the Company had appointed Mr. Himanshu Harish Ruia as an Additional Director with effect from February 11th, 2016 pursuant to provisions of Section 161 of the Companies Act, 2013, who shall hold the office of Director up to the date of the ensuing Annual General Meeting. The Company has received from Mr. Himanshu Harish Ruia, a consent in writing to act as Director in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013. Further, the provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into force with effect from April 1, 2014 which requires every Public Company fulfilling the prescribed criteria as laid down in Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 to appoint an Independent Director on its Board and the Independent Director shall not be included in the total number of directors for retirement by rotation. Accordingly, in terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors of the Company had appointed (subject to the approval of the members at the ensuing General Meeting), Mr. Himanshu Harish Ruia as an Independent Director of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 for a term of 5 consecutive years commencing from October 1st, 2016.

Mr. Ruia a Bachelors of Commerce Graduate from Mumbai University is a well regarded and experienced trader in all kinds of Paper and Paper Board. His intrinsic business acumen and understanding of the company will be an incredible asset to the company as it looks at opportunities for growth and stakeholder value.

The Company has received a notice in writing from shareholders along with the requisite deposit pursuant to Section 160 of the Act, proposing the candidature of Mr. Himanshu Harish Ruia for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act. In the opinion of the Board, Mr Himanshu Harish Ruia, who is proposed to be appointed as an Independent Director of the Company with effect from October 1st, 2016 for a period of 5 years, fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and is Independent of the management. Copy of the draft letter for appointment of Mr. Himanshu Harish Ruia as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Further, as the roles and responsibilities of Independent Directors have undergone significant changes demanding greater involvement in the supervision of the Company, it is proposed that Mr. Himanshu Harish Ruia be paid annually, Independent Director of the Company be paid, annually, an amount within the limits prescribed under the Act and Rules thereunder and as approved by the Board of Directors of the Company, for attending the meeting(s) of the Board or any Committee thereof and reimbursement of any expenses for participation in the Board and other Meetings."

Except Mr. Himanshu Harish Ruia, the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution. The resolutions as set out in Item no. 4 and 5 of this Notice are accordingly recommended for your approval.

Item No. 6

The Board of Directors of the Company at its meeting held on 12th August, 2016, subject to the approval of Members, re-appointed Mr. Manoj R. Patel as a Managing Director for a further period of 5 years with effect for 30th September, 2016. The approval of the members is being

sought to the terms, conditions and stipulations for the re-appointment of Mr. Manoj R. Patel as a Managing Director and the remuneration payable to him. Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Manoj R. Patel as a Managing Director, are as under:

1. Salary up to Rs. 1,00,000/- (Rs. One Lacs only) per month as consolidated.

2. Commission In addition, to the salary, Mr. Manoj R. Patel shall be entitled to receive commission on net profits. The commission payable to him will be determined by the Board and/or the Nomination and Remuneration Committee of the Board for each financial year. The overall remuneration including commission to him shall not exceed 5% of the net profits of the Company for each financial year or part thereof to be computed in the manner referred to under Section 197 of the Act and other applicable provisions thereof, or any statutory modification(s) or re-enactment thereof.

3. Perquisites & Allowances

I. House Rent Allowance in accordance with the rules of the Company.

II. Medical Reimbursement:: Reimbursement of Medical Expenses incurred by him for self and family subject to the ceiling of Rs. 1,00,000/- (Rs. One Lac Only) in a year.

III. Leave Travel Allowance : Leave Travel Allowance for him and his family, once in a year up to a sum of Rs. 40,000/-(Rs. Forty Thousand only) per year, incurred in accordance with the rules of the Company.

IV. Car and Telephones: Provision of car for use on Company's business and telephone, mobile and communication facilities like Internet shall not be considered as perquisites. Reimbursement of other business related expenses not to be considered as perquisites.

V. Period: Three years commencing from 1st October 2016.

4. General: (i) The Managing Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the directions given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board and his functions will be under the overall authority of the Board of Directors. (ii) The Managing Director shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management personnel. (iii) Mr. Manoj R. Patel satisfy all the conditions set out in Part-I of Schedule V to the Act for being eligible for the re-appointment.

Mr. Manoj R. Patel, the appointee, Mr. Rajeev R. Patel and Mrs. Laxmiben J. Patel are related parties and hence should be considered as interested parties in the proposed resolution. The resolutions as set out in Item no. 6 of this Notice are accordingly recommended for your approval.

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 42nd Annual General Meeting of the company, to be held on the 30th day of September, 2016 at 9.30 a.m. at 117 Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai 400053 of the company and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2016		
2.	Appointment of Mrs. Laxmiben J. Patel as Director		
3.	Ratification of M/S Chirag N. Shah and Associates, Chartered Accountants as Statutory Auditors & fixing their remuneration		
4.	Regularization of Mr. Himanshu Ruia as Additional Director		
5.	Appointment of Mr. Himanshu Ruia as Independent Director		
6.	Appointment of Mr. Manoj R. Patel as Managing Director and approving the terms of his appointment		

* Applicable for investors holding shares in Electronic form.

Signed this ____ day of ____ 20 ____

Signature of Shareholder Signature of Proxy holder

Signature of the Shareholder
across Revenue Stamp

Affix Revenue
Stamps

Note:

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

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

LETTER HEAD

ATTENDANCE SLIP

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

42nd 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 42nd Annual General Meeting of the Vapi Enterprise Ltd. at 117 Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai 400053 on Friday, the 30th September 2016

(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.

ANNEXURE TO ITEMS 2,4,5,6 OF THE NOTICE

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

Name of the Director	Mrs. Laxmiben J. Patel	Mr. Manoj R. Patel (Managing Director)	Mr. Himanshu Ruia (Independent Director)
Director Identification Number (DIN)	00510582	00485197	07572617
Date of Birth	12/10/1938	04/08/1970	10/04/1973
Nationality	Indian	Indian	Indian
Date of Appointment on Board	25/05/2004	04/08/1970	10/04/1973
Qualification	HIGH SCHOOL	Master of Science	B. Com
Shareholding in Vapi Enterprise Limited	94,700(4.15%)	112,055 (4.91%)	NIL
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	NONE	NONE	NONE
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	N/A	N/A	N/A

To,

The Members,

Your Directors have pleasure in presenting their 42nd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

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

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

(Rs. In Lacs)

Particulars	2015-2016	2014-2015
Gross Income	354.85	301.91
Profit Before Interest and Depreciation	69.02	60.69
Finance Charges	8.19	6.78
Gross Profit	60.83	53.91
Provision for Depreciation	27.59	28.06
Net Profit Before Tax	33.24	25.85
Provision for Tax	-	-
Net Profit After Tax	33.24	25.85
Balance of Profit brought forward	(1564.97)	(1590.82)
Balance available for appropriation	(1531.73)	(1564.97)
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	(1531.73)	(1564.97)

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 69.02 lacks from 60.69 lacks in the previous year. Net Profit grew to 33.24 lacks from 25.85 lacks in the previous year.

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. Laxmiben J. Patel , Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for her reappointment. Mr. Manoj R. Patel, Managing Director is also reappointed as per terms and conditions as specified in the notice. The Board recommends to the members to confirm their reappointments at the forthcoming Annual General Meeting.

5. Particulars of Employees

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

6. Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year six (6) 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 Board has appointed Mr. Himanshu Ruia on 12/02/2016 as additional Director and recommend to the members to confirm his appointment at the Annual General Meeting as Independent Director.

8. Auditors:

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

M/s Chirag N. Shah & Associates, Chartered Accountants, have confirmed their eligibility to act as the Auditors of the Company in accordance with Section 141 of the Companies Act, 2013. Accordingly, Directors seek your ratification for the appointment of M/s Chirag N. Shah & Associates as the Statutory Auditors for the financial year 2015-16.

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

Place : Mumbai
Date : 06-09-2016

SD/-

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

ANNEXURE INDEX

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

(Formerly Known as Vapi Paper Mills Limited)

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

FormNo.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31-03-2016

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Paper and Paper Products	21091	76%
2	Renting/Warehousing	99721121	24%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i. Category-wise Share Holding

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

VAPI ENTERPRISE LIMITED

Annual Report 2015-16

(Formerly Known as Vapi Paper Mills Limited)

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

CIN : L21010MH1974PLC032457

2) Foreign									
g) NRIs-Individuals	NIL	235000	235000	10.30%	NIL	235000	235000	10.30%	NIL
h) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
j) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
k) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total(A)(2):-	392197	492850	885047	38.79%	392197	492850	885047	38.79%	NIL
B. Public Shareholding									
1. Institutions									
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) FIIs	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
	NIL	200	200	0.01%	NIL	200	200	0.01%	NIL
Sub-total(B)(1)									
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	16284	500	16784	0.74%	15040	500	15540	0.68%	-0.06%
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	354994	646005	1000999	43.88%	373550	708505	1082055	47.43%	+3.55%
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	208859	62700	271559	11.90%	192697	0	192697	8.44%	-3.46%
c) Others(NRI)	91861	12000	103861	4.55%	91861	12000	103861	4.55%	NIL
d) Clearing Members	3000	0	3000	0.13%	2050	0	2050	0.08%	-0.05%
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)	1067195	1214255	2281450	100%	1067195	1214255	2281450	100%	NIL

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

Annual Report 2015-16

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

ii.Share holding of Promoters

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

VAPI ENTERPRISE LIMITED

Annual Report 2015-16

(Formerly Known as Vapi Paper Mills Limited)

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

CIN : L21010MH1974PLC032457

34.	NALINIBEN MANUBHAI PATEL	7800	0.34	0	7800	0.34	0	NIL
35.	MITESH MANOOBHAI PATEL	6000	0.26	0	6000	0.26	0	NIL
36.	JAYSHREE MANOOBHAI PATEL	6000	0.26	0	6000	0.26	0	NIL
37.	DARSHNA MANOOBHAI PATEL	5800	0.25	0	5800	0.25	0	NIL
38.	PUSHPABEN N PATEL	5300	0.23	0	5300	0.23	0	NIL
39.	PARESH RAMUBHAI PATEL	5000	0.22	0	5000	0.22	0	NIL
40.	NATVERBHAI LALLUBHAI PATEL	5000	0.22	0	5000	0.22	0	NIL
41.	NEELABEN NATVARBHAI PATEL	5000	0.22	0	5000	0.22	0	NIL
42.	NARESH RAMUBHAI PATEL	5000	0.22	0	5000	0.22	0	NIL
43.	PATEL SANJAY ARUNBHAI	5000	0.22	0	5000	0.22	0	NIL
44.	BIPIN C PATEL	5000	0.22	0	5000	0.22	0	NIL
45.	JAGDISHBHAI LALLUBHAI PATEL	5000	0.22	0	5000	0.22	0	NIL
46.	BHANUBEN S PATEL	4800	0.21	0	4800	0.21	0	NIL
47.	PUSPABEN NAGINBHAI PATEL	4000	0.18	0	4000	0.18	0	NIL
48.	ARUN RAMBHAI PATEL	3950	0.17	0	3950	0.17	0	NIL
49.	ANIL RAMBHAI PATEL	3600	0.16	0	3600	0.16	0	NIL
50.	CHUNILAL M PATEL	3000	0.13	0	3000	0.13	0	NIL
51.	PATEL GANGABEN LALLUBHAI	3000	0.13	0	3000	0.13	0	NIL
52.	ARUNBHAI RAMBHAI PATEL	3000	0.13	0	3000	0.13	0	NIL
53.	PATEL BHANUBEN SHANTILAL	3000	0.13	0	3000	0.13	0	NIL
54.	JAYESHKUMAR I PATEL	3000	0.13	0	3000	0.13	0	NIL
55.	MAHESH MANUBHAI PATEL	3000	0.13	0	3000	0.13	0	NIL
56.	PATEL SHANTILAL LALLUBHAI	3000	0.13	0	3000	0.13	0	NIL
57.	RAJENDRA MANUBHAI PATEL	3000	0.13	0	3000	0.13	0	NIL
58.	MANOOBHAI JIVANBHAI PATEL	2800	0.12	0	2800	0.12	0	NIL
59.	BHULABHAI RAMABHAI PATEL	2600	0.11	0	2600	0.11	0	NIL
60.	MAHENDRABHAI C PATEL	2000	0.09	0	2000	0.09	0	NIL
61.	LAJ INVESTMENTS PVT LTD	1550	0.07	0	1550	0.07	0	NIL
62.	RAMBHAI HIRABHAI PATEL	1000	0.04	0	1000	0.04	0	NIL
63.	PATEL ANIL RAMBHAI	500	0.02	0	500	0.02	0	NIL
64.	SHANTILAL L PATEL	400	0.02	0	400	0.02	0	NIL
65.	JAYSHREE MANOOBHAI PATEL	150	0.01	0	150	0.01	0	NIL
66.	SHANTILAL L PATEL	100	0.00	0	100	0.00	0	NIL
	Total	885047	38.79%	0	885047	38.79%	0	NIL

(Formerly Known as Vapi Paper Mills Limited)

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

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	8,07,65,392	NIL	8,07,65,392
i) Principal Amount	NIL	8,07,65,392	NIL	8,07,65,392
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not	NIL	NIL	NIL	NIL
Total(i+ii+iii)	NIL	8,07,65,392	NIL	8,07,65,392
Change in Indebtedness during the financial year				
- Addition	NIL	0	NIL	0
- Reduction	NIL	8,00,000	NIL	-800,000
Net Change	NIL	-8,00,000	NIL	-8,00,000
Indebtedness at the end of the financial year	NIL	8,07,65,392	NIL	8,07,65,392
i) Principal Amount	NIL	8,07,65,392	NIL	8,07,65,392
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	8,07,65,392	NIL	8,07,65,392

(Formerly Known as Vapi Paper Mills Limited)

Regd. Address : 213 UDYOG MANDIR, PITAMBER LANE, MAHIM (WEST), MUMBAI 400016**CIN :** L21010MH1974PLC032457VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNELA. 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 section17(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 undersection17(3)Income- taxAct,1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
6.	Total(A)	4,80,000	4,80,000
	Ceiling as per the Act	N/A	N/A

C. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> - Fee for attending board committee meetings - Commission - Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total(1)					
	<u>Other Non-Executive Directors</u> - Fee for attending board committee meetings - Commission - Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total(2)	NIL	NIL	NIL	NIL	NIL
	Total(B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Over all Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s17(2)Income-taxAct,1961 (c)Profits in lieu of salary under section 17(3)Income-taxAct,1961	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
2.	Stock Option	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
3.	Sweat Equity	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
4.	Commission - as %of profit -others, specify...	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
5.	Others, please specify	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>
6.	Total	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>

VII. PENALTIES/PUNISHMENT/COMPOUNDINGOFFENCES:

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

ANJANA MANSETA & CO.

COMPANY SECRETARIES

ANNEXURE II

Form No. MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by VAPI ENTERPRISE LIMITED ("The Company") for the year ended on 31st March, 2016 according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and Companies Act, 1956 (to the extent applicable) (The Act) and the Rules made there under;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

ANJANA MANSETA & CO.

COMPANY SECRETARIES

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

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

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

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

ANJANA MANSETA & CO.

COMPANY SECRETARIES

VI. Other Laws Applicable Specifically to the Company namely:

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

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

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

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

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

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The 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. The Company has appointed Mr. Himanshu Harish Ruia on 12th February, 2016 as an Additional Director of the Company and recommend to the Members to confirm his appointment as an Independent Director of the Company at the Annual General Meeting to be held on 30th September, 2016.

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

ANJANA MANSETA & CO.

COMPANY SECRETARIES

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: 06/09/2016

Anjana Manseta & Co.
Company secretaries
SD/-

Anjana Manseta
(Proprietor)
ACS No. : 29605
CP No. : 10668

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

ANJANA MANSETA & CO.

COMPANY SECRETARIES

Annexure A

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

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

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

Place: Mumbai
Date: 06-09-16

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, 2016, 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.3,798,239/- of long term trade payables is subject to confirmation and adjustment, if any, required upon such confirmations are not determinable.
- c. Balance of Rs.1,775,000/- of Long term trade deposits and Rs. 44,553/- of interest accrued and due is subject to confirmation and adjustment, if any, required upon such confirmations are not determinable.

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *subject to the possible effects of the matter described in the Basis for Qualified Opinion paragraph*), the 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, 2016, its profit and its cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to the note no. 24 in the financial statement which indicates that Company's net worth is negative as on March 31, 2016. 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as director in terms of the Section 164(2) of the Act.
- 6) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A
- 7) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014.

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.10,00,000/-
- 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 : 06-09-2016

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Vapi Enterprise Limited (Formerly Known as "Vapi Paper Mills Limited"), as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the

assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2016.

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

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

SD/-
Hetal C. Shah
Partner
Membership No: 111610
Place: Mumbai
Date:06-09-2016

VAPI ENTERPRISE LIMITED
(Formerly known as Vapi Paper Mills Limited)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2016

NO.	PARTICULARS	NOTE	FOR THE YEAR ENDED ON MARCH 31, 2016	FOR THE YEAR ENDED ON MARCH 31, 2015
I	Revenue from Operations	16	270,10,162	232,43,776
II	Other Income	17	84,75,370	69,47,459
III	Total Revenue (I + II)		354,85,532	301,91,235
IV	Expenses:			
	Employee Benefit Expenses	18	149,31,254	121,34,828
	Finance Costs	19	8,19,528	6,78,089
	Depreciation and Amortization Expense	10	27,59,224	28,05,772
	Other Expenses	20	133,94,579	115,05,355
	Total Expenses		319,04,584	271,24,044
V	Profit (Loss) Before Exceptional Items and Tax (III - IV)		35,80,948	30,67,192
VI	Exceptional Items	21	2,56,058	4,81,965
VII	Profit /(Loss) Before Tax (V - VI)		33,24,889	25,85,226
VIII	Tax Expense:			
	Current Tax		-	-
	Short/Excess Provision of Earlier Year		-	-
IX	Profit/(Loss) for the period (VII - VIII)		33,24,889	25,85,226
X	Earning per Equity Share of face Value of Rs.10 each			
	(1) Basic		1.46	1.13
	(2) Diluted		1.46	1.13
	Significant Accounting Policies	1		
	Notes to the Financial Statements	2-37		

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

SD/-
Hetal Shah
Partner
Membership No. 111610
Place: Mumbai
Date: 29-06-2016

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

SD/-
Manoj R. Patel
Director
DIN: 00485197
Place: Mumbai
Date: 29-06-2016

SD/-
Rajeev R. Patel
Director
DIN: 00510532
Place: Mumbai
Date: 29-06-2016

VAPI ENTERPRISE LIMITED
(Formerly known as Vapi Paper Mills Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH,2016

	PARTICULARS	2015-16	2014-15
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Profit and Loss Account	33,24,889	25,85,226
	Adjusted for:		
	Prior period Adjustments		
	Depreciation and Amortisation Expenses	27,59,224	28,05,772
	Transfer to Reserves	-	(14,25,289)
	Amounts Written off/(Back)	(1,18,480)	(11,223)
	Finance Costs	8,19,528	6,78,089
	Dividend Income	(22,000)	(23,750)
	Interest Income	(1,27,003)	(1,62,427)
	Operating Profit before Working Capital Changes	33,11,269	18,61,173
	Adjusted for:		
	Trade and Other Receivables	(21,52,088)	(4,54,505)
	Inventories	-	-
	Short/Excess Provision of Earlier Year	-	-
	Amounts Written off/Back	1,18,480	11,223
	Trade and Other Payables	(2,76,489)	(4,39,003)
	Other Current Liability & Short Term Provision	1,13,628	(22,46,126)
	Long Term Loans and Advances	(13,46,353)	(1,31,196)
	Short term loan and advance	(1,58,746)	(1,77,475)
	Cash Generated from Operations	29,34,590	10,09,317
	Taxes Paid		-
	Net Cash from Operating Activities	29,34,590	10,09,317
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(21,77,705)	(34,14,852)
	Adjustments related to Fixed Assets	-	14,25,289
	Interest Income	1,27,003	1,62,427
	Dividend Income	22,000	23,750
	Net Cash (used in) Investing Activities	(20,28,702)	(18,03,386)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Short Term Borrowings(Net)	(38,97,267)	37,76,511
	Other long term liability	45,89,346	(19,21,677)
	Repayment from Long-term Borrowings	(8,00,000)	(1,59,162)
	Interest Paid	(8,19,528)	(6,78,089)
	Net Cash (used in) / from Financing Activities	(9,27,449)	10,17,583
	Net Increase in Cash and cash Equivalents (A + B + C)	(21,560)	2,23,515
	Opening Balance of Cash and Cash Equivalents	4,49,639	2,26,125
	Closing Balance of Cash and Cash Equivalents	4,28,078	4,49,639

The notes are integral part of these financial statements.

As per our report of even date

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

SD/-

Partner

Membership No. 111610

Place: Mumbai

Date: 29-06-2016

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.

NOTES TO FINANCIAL STATEMENTS

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.

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.

NOTES TO FINANCIAL STATEMENTS

- 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.

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

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
2 SHARE CAPITAL		
2.1 Authorised Share Capital		
3,000,000 Equity Shares of Rs.10 each (P.Y 3,000,000/- of Rs.10 each)	300,00,000	300,00,000
20,000 12 % Redeemable Cumulative Preference Shares of Rs. 100/- each redeemable at par at any time (P.Y 20,000 of Rs.100 each)	20,00,000	20,00,000
	320,00,000	320,00,000
2.2 Issued, Subscribed and Paid up		
2,281,450 Equity shares of Rs.10 each fully paid up (P.Y 2,281,450 of Rs.10each)	228,14,500	228,14,500
Total	228,14,500	228,14,500
2.3 Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:		
	Number of shares	Number of shares
Number of shares outstanding at the beginning of the year	22,81,450	22,81,450
Add: Changes during the year	Nil	Nil
Number of shares outstanding at the end of the year	22,81,450	22,81,450
2.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:		
There are no shareholders which holds more than 5% of the aggregate shares in the company		
3 RESERVES AND SURPLUS		
Securities Premium		
As per last Balance sheet	434,06,480	434,06,480
General Reserve		
As per last Balance sheet	239,87,567	239,87,567
Surplus in statement of Profit and Loss		
Balance as at beginning of the year	(1579,22,771)	(1590,82,708)
Add: Profit/(Loss) during the year	33,24,889	25,85,226
Adjustment relating to fixed Assets(Refer Note No.10)	-	(14,25,289)
Balance as at end of the year	(1545,97,883)	(1579,22,771)
Total	(872,03,835)	(905,28,724)

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

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
4 LONG TERM BORROWINGS		
Unsecured		
Term Loans-From Directors	760,17,317	768,17,317
Term Loans-Inter Corporates	47,48,076	47,48,076
	807,65,393	815,65,393
4.1 Maturity Profile		
The Loans are repayable on demand. Therefore, Maturity Pattern is not certain.		
4.2 Disclosure regarding defaults in repayment of term loans		
The Loans are interest-free and are repayable on demand.		
During the year Rs. 800,000/- has been repaid to the directors		
5 OTHER LONG TERM LIABILITIES		
Trade Payables (other than micro small and medium enterprises refer note no 26(b))	40,59,427	42,33,752
Rent Deposit from Tenant	105,08,237	75,33,237
Advance from customers	1,36,916	1,24,034
Trade Deposits	51,69,966	38,00,000
Interest accrued and due	1,43,443	6,950
statutory dues	3,14,500	45,170
	203,32,489	157,43,143
6 SHORT TERM BORROWINGS		
Unsecured Loan		
From Banks	-	337301
Trade Deposits	-	35,59,966
	-	38,97,267
Loan from banks are secured under personal guarantee of Managing Director		
7 TRADE PAYABLES		
Others	3,91,699	6,68,188
Small and Medium Enterprises.[Refer note. 26(b)]	-	-
	3,91,699	6,68,188
8 OTHER CURRENT LIABILITIES		
Advance from customers	3,65,978	47,212
Interest Accrued and Due	2,51,522	1,77,067
Outstanding Liability for Expenses	1,54,923	1,33,730
Statutory Dues	57,174	65,788
Trade payables for capital goods	3,35,708	1,08,765
	11,65,305	5,32,562

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

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
9 SHORT TERM PROVISIONS		
Employee Benefits Payable	10,23,939	15,43,054
	10,23,939	15,43,054
10 Fixed assets		
separate sheet attached		
11 NON CURRENT INVESTMENTS		
(Long Term Investments)		
(Valued at cost)		
Quoted Investment in Trust Securities (Long Term at cost)	1,00,000	1,00,000
Unit Trust of India		
*10,000 Units of Rs. 10 each fully paid up		
(Previous year 10,000 units of Rs. 10 each fully paid up)		
*5000 units is been held by a company which was merged		
with Vapi Enterprise Limited in earlier years		
Unquoted Investment in Shares (Long Term at Cost)		
The Zoroasterian Co-op Bank Ltd.		
4,000 Equity Shares of Rs 25 each fully paid up	1,00,000	1,00,000
(Previous year 4,000 Equity Shares of Rs 25 each fully paid up)		
	2,00,000	2,00,000
Aggregate Values		
1.Aggregate amount of quoted investments	1,00,000	1,00,000
2.Market Value of quoted investments	7,84,573	7,84,571
3.Aggregate amount of unquoted investments	1,00,000	1,00,000
12 LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Security Deposits	12,21,959	8,82,032
Advances Recoverable Cash or for kind or value to be received	35,12,360	34,82,360
Balances with government authorities	9,39,176	-
Loan to Staff	37,250	-
	57,10,745	43,64,392
13 TRADE RECEIVABLES		
Unsecured, considered doubtful)		
Bad debts	4,97,688	6,87,719
Less: Provisions for bad and doubtful debts	(4,97,688)	(687,719)
Net balance	-	-
(Unsecured considered good)		
Outstanding for a period exceeding six months	2,50,067	2,30,582
Others	35,47,125	14,14,523
	37,97,192	16,45,105

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

PARTICULARS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
14 CASH AND BANK BALANCES		
Cash and Cash Equivalent:		
Cash on hand	82,503	77,689
Bank Balances:		
Balance with Scheduled Banks - in Current account	3,45,574	3,71,955
	4,28,078	4,49,639
15 SHORT TERM LOANS AND ADVANCES		
(Unsecured and Considered good)		
Balance with Government	18,028	9,81,304
Taxes paid (net of provisions)	34,42,426	21,82,713
Loan to staff	1,50,000	3,87,000
Advances from Creditors	1,99,162	98,816
Advance Recoverable in Cash or In Kind or for Value to be received	5,963	7,000
	38,15,579	36,56,833

VAPI ENTERPRISE LIMITED
(Formerly known as Vapi Paper Mills Limited)
NOTE 10 ON FIXED ASSETS (FY 2015-2016)

Discription	Gross Block			Depreciation/Amortisation				Net Block		
	As at 01.04.2015	Additions/Adj ustments	Deducti ons/Adj ustmen ts	As at 31.03.2016	As at 01.04.2015	For the year	Deductions/Adju stments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Leased Assets:										
Lease hold land	3,79,998	-		3,79,998	-	-	-	-	3,79,998	3,79,998
Own Assets:										
Factory Building	108,81,097	-	-	108,81,097	103,37,042	-		103,37,042	5,44,055	5,44,055
Office & Godown	318,73,846	21,29,725	-	340,03,571	69,40,798	27,25,576	-	96,66,373	243,37,197	249,33,048
Plant & Machinery	42,15,859	-	-	42,15,859	42,05,977	-	-	42,05,977	9,882	9,882
Furnitures & Fixtures	7,66,164	-	-	7,66,164	7,48,317	-	-	7,48,317	17,848	17,848
Office Equipments	15,35,856	47,980	-	15,83,836	15,01,271	33,649	-	15,34,920	48,916	34,584
Total	496,52,820	21,77,705	-	518,30,525	237,33,404	27,59,224	-	264,92,629	253,37,896	259,19,415

NOTE 10 ON FIXED ASSETS (FY 2014-2015)

Discription	Gross Block			Depreciation/Amortisation				Net Block		
	As at 01.04.2014	Additions/Adj ustments	Deducti ons/Adj ustmen ts	As at 31.03.2015	As at 01.04.2014	For the year	Deductions/Adju stments	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Leased Assets:										
Lease hold land	3,79,998			3,79,998	-	-	-	-	3,79,998	3,79,998
Own Assets:										
Factory Building	108,81,097	-	-	108,81,097	92,59,682	-	10,77,360	103,37,042	5,44,055	16,21,415
Office & Godown	284,58,994	34,14,852	-	318,73,846	37,87,097	28,05,772	3,47,929	69,40,798	249,33,048	246,71,897
Plant & Machinery	42,15,859	-	-	42,15,859	42,05,977	-	-	42,05,977	9,882	9,882
Furnitures & Fixtures	7,66,164	-	-	7,66,164	7,48,315	-	-	7,48,315	17,850	17,850
Office Equipments	15,35,856	-	-	15,35,856	15,01,272	-	-	15,01,272	34,583	34,583
Total	462,37,968	34,14,852	-	496,52,820	195,02,343	28,05,772	14,25,289	237,33,404	259,19,416	267,35,625

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. 14,25,289/-.

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

PARTICULARS	FOR THE YEAR ENDED ON MARCH 31, 2016	FOR THE YEAR ENDED ON MARCH 31, 2015
16 REVENUE FROM OPERATIONS		
Job Work	261,23,308	187,46,083
Management Charges	8,86,854	44,97,693
	270,10,162	232,43,776
17 OTHER INCOME		
Rent Income	82,07,887	67,50,060
Interest Income	1,27,003	1,62,427
Dividend Income from Long Term Investment	22,000	23,750
Other Miscellaneous Balances Written Off	1,18,480	11,223
	84,75,370	69,47,459
18 EMPLOYEE BENEFITS EXPENSE		
Salary, Allowances, Bonus	136,56,701	110,37,443
Gratuity Expenses	1,45,041	33,706
Contribution to Provident and other funds	5,08,056	4,57,210
Staff Welfare Expenses	46,184	34,334
LTA / Medical Allowance-Paid	57,390	51,456
PL Encashment	37,882	40,679
Directors Remuneration: Managing Director	4,80,000	4,80,000
	149,31,254	121,34,828
18 (a) The company is accounting the gratuity payable on payment basis.		
19 FINANCE COSTS		
Interest Paid on Trade Deposits	6,03,521	4,73,677
Interest Paid to Statutory Authority	2,16,007	2,04,412
	8,19,528	6,78,089

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

PARTICULARS	FOR THE YEAR ENDED ON MARCH 31, 2016	FOR THE YEAR ENDED ON MARCH 31, 2015
20 OTHER EXPENSES		
Power and Fuel	79,98,107	77,60,354
Repairs to Godown	14,24,744	3,24,475
Legal and Consultancy Expenses	8,15,300	4,50,080
Commission Charges	5,15,500	3,59,000
Rates and Taxes and Fees	5,12,964	6,38,096
Security Expenses	4,54,224	3,63,012
Water Charges	2,02,915	1,60,736
Rent	4,03,000	-
Travelling Expenses	2,20,564	1,63,720
Miscellaneous Expenses	2,47,601	4,43,412
Telephone Expenses/Internet Expenses	2,34,980	2,41,491
Vehicle Expenses	1,98,991	2,03,317
Office Expenses	84,365	3,19,009
Auditor Remuneration:		
Statutory Audit Fees	40,250	39,326
Tax Audit Fees	28,750	28,090
Other Services	12,325	11,236
	133,94,579	115,05,355
21 EXCEPTIONAL ITEMS		
Prior Period Expenses	1,10,967	4,81,965.00
Prior period income	(1,04,309)	-
ESIC Asst Dues 2010-2012	2,49,400	-
	2,56,058.00	4,81,965.00

NOTES TO FINANCIAL STATEMENTS

- 22. Contingent Liabilities:** Rs.10,00,000/- (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 Nil)
- 24.** The Company's net worth is negative as on March 31, 2016. 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; Gratuity will be accounted on payment basis.

NOTES TO FINANCIAL STATEMENTS

28. Disclosure for operating leases under Accounting Standard 19 – “Leases”

- (i) Disclosure in respect of the assets given on leave and license agreement under operating lease is as under:

SR No	Particulars	2015-2016	2014-2015
1.	Lease income recognized in the Statement of Profit and Loss for the year	Rs.82,07,887/-	Rs.6,750,060/-
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)

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

NOTES TO FINANCIAL STATEMENTS

II. Transaction with related parties:

Sr. No.	Particulars	Key Management Personnel		Associate Companies	
		2015-16	2014-15	2015-16	2014-15
A.	Transaction during the year				
I	Remuneration	480,000	480,000	NIL	NIL
II	Loan Taken	NIL	2,190,000	NIL	NIL
III	Loan repaid	8,00,000	2,349,162	NIL	NIL
IV	Interest	NIL	NIL	NIL	NIL
B	Outstanding balances at the year end:				
I	Loan	76,017,316	76,817,317	4,748,076	4,748,076
II	Remuneration	NIL	NIL	NIL	NIL

34. In view of the uncertainty of avilment of tax benefit on accumulated business losses and unabsorbed depreciation, the company has not considered any deferred tax assets as required to be disclosed under Accounting Standard 22 "Accounting for Taxes on Income"

35. Earnings per Share

Particulars	2015-16	2014-15
Profit / (Loss) in Rupees	33,24,889	2,585,226
Weighted average number of equity shares outstanding	2,281,450	2,281,450
Basic and diluted Profit / (Loss) per share in Rupees	1.46	1.13

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.

NOTES TO FINANCIAL STATEMENTS

37. Previous years figures have been regrouped and /or rearranged whenever necessary.

The notes are integral part of these financial statements.

As per our Audit Report of even date attached

For VAPI ENTERPRISE LIMITED

For Chirag N Shah & Associates,

Chartered Accountants

Registration No: 118215W

SD/-

Hetal Shah

Partner

Membership No: 111610

Mumbai

Date: 29-06-2016

SD/-

Manoj R. Patel

Director

DIN:00485197

Mumbai

Date:29-06-2016

SD/-

Rajeev R. Patel

Director

DIN: 00510532

Mumbai

Date: 29-06-2016