



# VAPI GREEN ENVIRO LIMITED

Formerly Known as Vapi Waste & Effluent Mgt. Co. Ltd.

VIA House, Plot No. 135, Char Rata, GIDC, Vapi – 396 195, Gujarat, India

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CIN: U74210GJ1997GAP031525

## NOTICE

**NOTICE** is hereby given that the **23<sup>rd</sup> Annual General Meeting of the Members of VAPI GREEN ENVIRO LIMITED (CIN: U74210GJ1997GAP031525) (hereinafter referred to as “Company”)** will be held as scheduled below:

Date : 30<sup>th</sup> December, 2020  
Day : Wednesday  
Time : 12.00 pm  
Place : VIA Auditorium, Besides VIA House, VIA Char Rasta, GIDC, Vapi.

To transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020 and the Reports of Directors' and Auditors' thereon.

**“RESOLVED THAT** the audited financial statements including Balance Sheet as at 31<sup>st</sup> March, 2020, the statement of Income and Expenditure notes forming part thereof, the cash flow statement for the year ended, together with the Board's report and the auditor's report thereon as circulated to the members and presented to the meeting be and the same are hereby approved and adopted.”

2. To appoint a Director in place of Mr. Mahesh Pandya (DIN: 01519849), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Chetan Patel (DIN. 07282390), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Savindersingh Sarna (DIN. 00599100) who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint a Director in place of Mr. Magan Savalia (DIN: 00256855), who retires by rotation and being eligible offers himself for re-appointment.

**Date: 05.12.2020**

**On behalf of Board of Directors**

**Place: Vapi**

**Sd/-**

**Mr. Kanu Desai  
Nominee Director  
DIN No. 02935533**

**Sd/**

**Mr. Chetan Patel  
Director  
DIN No. 07282390**

**Notes:**

1. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013 are required to send to the company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf of the Annual General Meeting.
2. Relevant documents referred to in the accompanying notice and the statements shall be available for inspection by the members at the Registered office of the Company on all the working days, except Saturdays, during business hours up to the date of the Meeting.
3. Members who are desirous of seeking any information or clarifications on the Annual Accounts of the Company are requested to send written queries to the Company at least ten days before the date of the Annual General Meeting to enable management to compile the information and present it on time.
4. The Register of Members shall remain close from 23rd December,2020 to 30th December,2020 (inclusive of both the days).
5. Members are requested to bring their attendance slips along with copy of Annual Report and report 15 minutes before the fixed time for AGM at the venue for ensuring social distancing norms and taking precautions relating to COVID-19 prevention.
6. Due to Covid-19 pandemic and social distancing norms declared by government, the 23<sup>rd</sup> Annual General Meeting is arranged taking into consideration the mandatory

wearing of face masks, social distancing, provision for thermal scanning and hand wash or sanitizer.

7. Members are requested to notify change in address, if any immediately to the company. Members who have not registered their email addresses so far are requested to register their email id address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company Electronically.

# VAPI GREEN ENVIRO LIMITED

## DIRECTORS' REPORT

To,  
The Members,  
VAPI GREEN ENVIRO LIMITED  
(Formerly known as Vapi Waste and Effluent Management Company Limited)  
Vapi.

Your Directors have the pleasure in presenting the 23<sup>rd</sup> Annual Report together with the Audited Statement of Accounts of Vapi Green Enviro Limited (hereinafter also known as VGEL) for the year ended on 31st March, 2020.

### 1. FINANCIAL SUMMARY AND HIGHLIGHTS:

<b>Particulars</b>	<b>2019-2020 (Amount in Rs.)</b>	<b>2018-2019 (Amount in Rs.)</b>
Revenue from operations	57,81,58,177	53,45,35,862
Other income	5,96,09,703	5,59,77,109
<b>Total revenue</b>	<b>63,77,67,879</b>	<b>59,05,12,971</b>
<b>Expenditure</b>		
Cost of material consumed	8,58,24,477	7,29,74,474
Employee benefits expenses	7,23,68,728	6,80,92,101
Finance cost	1,11,23,262	87,03,773
Depreciation	4,38,40,032	5,32,13,246
Other expenses	24,64,79,909	25,96,83,120
<b>Total expenses</b>	<b>45,96,36,408</b>	<b>46,26,66,714</b>
Exceptional Item	--	--
<b>Surplus before tax</b>	<b>17,81,31,471</b>	<b>12,78,46,257</b>
<b>Tax expenses (current tax)</b>	<b>1,53,32,000</b>	<b>1,31,65,200</b>
<b>Net Surplus for the year</b>	<b>16,27,99,471</b>	<b>11,46,81,057</b>

### 2. APPROPRIATIONS:

During the year under review, the Opening Balance of Surplus of Income and Expenditure shown under the head "Reserves and Surplus" was **Rs.24,97,34,396/-**. The amount of **Rs.1,06,80,146/-** was transferred from income and expenditure account. The Closing Balance of Surplus of the Income and Expenditure shown under the head "Reserves and Surplus" was **Rs. 26,04,14,542/-**.

Your Directors are striving hard to increase the net worth of the company in future in the best interest of the members of the company.

### 3. COMPANY PERFORMANCE:

#### ➤ **CETP [55 MLD]**

1. During the Nationwide Lockdown due to COVID-19 Pandemic, CETP was in operation for 24x7 with a special permission obtained from The District Collector, Valsad under Essential Services.

## VAPI GREEN ENVIRO LIMITED

2. CETP is maintaining performance with continuous efforts by VGEL and member industries.
3. Installed one Additional Common Spray Dryer with capacity of 8000 Kg/hr and in operation since 01/01/2020.
4. Obtained amended Consolidated Consent & Authorization (CC&A) including 8000 Kg/hr Additional Spray Dryer.
5. Sun Drying platform (9500 SQM) in operation, completed second year with more than 15000 MT Decanter Sludge dried upto 25% of the moisture.
6. Environment Impact Assessment (EIA) presentation made before State Expert Appraisal Committee (SEAC), Gandhinagar for CETP expansion Project 55 MLD to 70 MLD.
7. 20 number floating type (15HP) Jet Mixers installed in equalization tank for proper homogenization of incoming wastewater and to avoid settlement of solids in equalization tanks.
8. 11 Numbers of Jet Aerators procured, to be installed in UASB as part of CETP expansion from 55 to 70 MLD.
9. Construction Work in Progress for 50 MT / day capacity Solar Sun Drying System at CETP.
10. Organized ETP-CETP-STP Operation & Maintenance - Certificate Training Course at CETP for a period of one month for 15 participants and trained under Green Skill Development Program (GSDP), Government of India, (MoEF &CC) – New Delhi, in co-ordination with GCPC-Gandhinagar.
11. Around 1000 number of trees planted inside and around CETP.
12. Environmental Audit Report was prepared and submitted to GPCB.

### ➤ CMEE/CSD

#### • **For CMEE: (200 KLD)**

1. The capacity utilization from feed rate has increased from 130 KLD (60-65%) to 170 KLD (80-85%) which is helping to better operation without backlog in storage tanks and receive more concentrated non-biodegradable COD wastewater.
2. The generation of concentrate has reduced up to 40-45% from 60-65%, which helps to decrease the volumetric load on Common Spray Dryer (CSD).
3. Quality of condensate has improved with less TDS value.
4. Total 47,129 KL wastewater treated at CMEE in the year.

#### • **For CSD's: (196 + 96) KLD**

1. During the Nationwide Lockdown due to COVID-19 Pandemic, both CSDs are in operation (except April-20) for more than 6 months and cleared the backlog of wastewater stocked in storage tank.
2. Total 33,045 KL wastewater treated in the year in both CSDs.
3. Total 3,789 MT Salt Generated and disposed of in TSDF Site.

#### • **For CMEE & CSD:**

1. Monthly average consumption of Coal reduced to 0.051 MT/KL (FY-2019-20) as compared to 0.071 MT/KL (FY-2018-19).
2. From Dec-19, treated 336 KLD wastewater (both CSD & CMEE) highly concentrated non-biodegradable waste water from member units, from less than 200 KLD in FY 2018-19.

• **TSDF – CSWP - Landfill**

• **Major Achievements, Performance and Operations of TSDF-CSWP site**

1. Total 6560 KL leachate from SLF Cells in a year sent to Common Multiple Effect Evaporator (CMEE) and Common Spray Dryer (CSD) for treatment and disposal.
2. 100 trees planted in the premises of TSDF Site.
3. Environment Audit conducted through GPCB recognised Schedule-I auditor and submitted to GPCB for necessary compliance.
4. 53,400 MT quantity of Hazardous waste and disposed of in SLF Cells.
5. 2,195 MT of Plastic Waste was sent to Cement Industries for co-processing.
6. 107 MT of Incinerable Hazardous waste of member industries forwarded through CSWP-VGEL Vapi to SEPPL for incineration.
7. Around 25,000 MT hazardous waste stored in Valley portion between Cell 4.1, 4.2 and Cell #1 & Cell #2.
8. CTE Amendment No: 105577 for the Leachate from SLF Cells to be sent to CMEE/CSD for further treatment through tanker with pre-printed manifest, approved by the GPCB Gandhinagar.
9. Stability Assessment for existing bunds to enhanced Capacity waste to be stored in SLF Cell 4, cell 4.1 and 4.2 is done from the Dharmsinh Desai University (DDU), Nadiad.
10. Preliminary Assessment Report for ground water quality has been done through STBS, Surat (recognized agency by GPCB) and submitted to GPCB for necessary compliance.
11. Expansion Project of SLF Cell – 01 & 02 Extension project, approved by the management of the company. Obtaining NOC / CTE from GPCB, Site Clearance work and tendering process in progress.

**COE (Center of Excellence)**

1. Following Advanced State of the art Instruments procured and installed at COE Laboratory, namely;
  - ICP
  - HPLC
  - GC-MS
  - Multi Parameter Meter
2. Air Handling Unit (AHU) in Microbiology Lab installed at COE.
3. Obtained ISO Certificate for COE Lab.
4. Obtained NABL certification
5. Extension of FDA validation period – Audit completed and getting approval in process.
6. Completed Environment Audit Report.

**Human Resource:**

1. World Environment Day was celebrated with tree plantation under CETP Premises.
2. Complete Health Check-up of Employees was conducted in addition to monthly routine health check-up of employees.

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3. Policy of Manpower Rotation across the company has also been continued for efficient utilization of Human Resource.
4. Nomination of Executives in various Seminars/Conferences /Workshop Training Programs.
5. VIP's Visit to CETP/CSWP/COE
6. Overall Manpower position/Number of regular and contractual employees has been decreased over different years.
7. Installation of CCTV Camera at CETP/CMEE/CSD.

### **4. CHANGE IN NATURE OF COMPANY BUSINESS:**

The Company is engaged in the effluent treatment service activity.

### **5. DETAILS OF DIRECTORS / KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED:**

#### **I. Directors**

The Constitution of Board of Directors, Board Committees and Top Management of the company were changed during the year under review and till the date of signing this report in the following manner.

1. Mr. Yogesh Kabaria, Nominee of Vapi Industries Association (VIA) was re-appointed as Nominee Director- VIA w.e.f. 29th May, 2019 for One Year. He was re-appointed again as Nominee Director-VIA w.e.f. 28<sup>th</sup> May, 2020 for further one-year.
2. Smt. D. Thara, (IAS) VCMD - (Gujarat Industrial Development Corporation) ceased to be the Nominee Director and chairperson of board of directors of the company w.e.f. 29th July, 2019 pursuant to her transfer from the post of VCMD-GIDC.
3. Shri M. Thennarasan (IAS) was appointed as a Nominee Director and VCMD - (Gujarat Industrial Development Corporation) w.e.f. 17<sup>th</sup> October, 2019 in place of Smt. D. Thara (IAS), VCMD- (Gujarat Industrial Development Corporation).

The term of two years of Mr. Mahesh Pandya, Mr. S.S Sarna, Mr. Chetan Patel and Mr. Magan Savalia as Non-Executive Directors ends in the ensuing Annual General Meeting so they offers themselves for re-appointment as Non-Executive Professional Directors of the Company. The Board recommends the members to appoint them as Directors for further period of One Year i.e. till AGM for the year ended 2021 due to COVID-19 crisis.

### **6. FIXED DEPOSIT:**

The Company has not invited any deposit within the meaning of Chapter V of the Companies Act, 2013 and the rules framed there under, as amended from time to time.

### **7. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS:**

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During the year under review till the date of signing of this report, there were significant and material order passed by National Green Tribunal (NGT). Present Status of the matter is as under:

- a. The Hon'ble NGT had constituted a committee, to assess the extent of damage and cost of restoration of the environment and individual accountability and liability of the CETP unit of the Company and as well as individual polluting industrial units. The erroneous report was considered during the course of hearing dated May 13, 2019 and was put to massive objections on behalf of the company. Renowned Senior Counsels were engaged to defend the Company before NGT as a lot of deviation was observed from the parameters set by GPCB. The Hon'ble NGT after due recording submissions and considerations directed the committee vide order dated May 13, 2019, to make fresh calculations and to re-assess the compensation and submit its revised report.
- b. Accordingly, the committee submitted its revised report dated August 05, 2019, before Hon'ble NGT recording fresh calculations and assessed the final compensation on account of the alleged damages caused to be Rs. 92,36,28,314/-. The said amount was towards the cost of restoring the environmental damage and alleged contamination of river Damanganga due to non-compliance of discharge norms by the CETP unit.
- c. Thereafter, the Hon'ble NGT heard the matter on August 19, 2019, and August 28, 2019, and vide order dated August 28, 2019, directed that the compensation of Rs. 92,36,28,314/- should be treated as interim compensation only and not final as assessed by the committee in its revised report.
- d. Against the order of the Hon'ble NGT dated August 28, 2019, the company filed a civil appeal before the Hon'ble Supreme Court of India. On December 04, 2019, the Hon'ble Supreme Court of India granted a stay on the proceedings before NGT as well as on the operation of impugned order as the company has challenged the very jurisdiction of NGT being a statutory Tribunal is passing such orders. The company had also preferred another Civil Appeal before the Hon'ble Supreme Court of India impugning order dated 13.05.2019 passed by NGT. Both the matters are sub-judice before the Hon'ble Supreme Court of India and as on date there is no next likely date of listing.

### **8. INTERNAL FINANCIAL CONTROLS:**

Management has made tremendous efforts to have adequate internal financial controls in the Company during the year review. The report on Internal Financial Control system as per clause (i) of subsection (3) of Section 143 of the Companies Act, 2013 is prepared.

### **9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

As required by the section 134(3)(m) of The Companies Act, 2013 read with rule 8(3) companies (accounts) rules, 2014, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:



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A) **CONSERVATION OF ENERGY:** The Company continues its policy of encouraging energy conservation measures. The regular review of energy consumption and the systems installed to control utilization of energy is undertaken.

B) **RESEARCH DEVELOPMENT ACTIVITIES:** Continuous efforts are being made to improve reliability and quality through in-house R&D efforts.

C) **TECHNOLOGY ABSORPTION:** The Company is equipped with technologies.

D) **FOREIGN EXCHANGE EARNINGS & OUTGO:**

Particular's	Current Year	Previous Year
a. Foreign Exchange Used	NIL	NIL
b. Foreign Exchange Earned	NIL	NIL

### **10. PERSONNEL:**

There was no employee drawing remuneration requiring disclosure under the Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **11. AUDITORS:**

#### **(A) STATUTORY AUDITORS**

In compliance with the Companies (Audit and Auditors) Rules, 2014, M/s. Manubhai & Shah, LLP Chartered Accountants, Registration No. 106041W/W100136 was re-appointed as Statutory Auditors of the Company till the conclusion of next Annual General Meeting for the F. Y. 2020-21, as approved by the members at their Annual General Meeting held on 28<sup>th</sup> September, 2019.

#### **(B) Cost Auditors:**

The cost audit is not applicable to the company as per section 148 of the Companies Act, 2013 so appointment of cost auditor is not required.

#### **(C) Internal Auditors:**

Board of Directors on recommendation of Audit Committee appointed M/s. Agarwal & Dhandhania Chartered Accountants as Internal Auditors of the Company for the 2020-21.

### **12. AUDITOR'S REPORT & AUDITORS QUALIFICATIONS AND DETAILS IN RESPECT TO FRAUDS REPORTED BY AUDITORS IF ANY UNDER SUB-SECTION 12 OF SEC 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO CENTRAL GOVERNMENT.**

There are following noting's made by the statutory auditors in their Independent Auditors report in section "Basis for Qualified Report" submitted to the company for the Financial Year ended 31st March, 2020. Your Directors gives following clarifications to the noting's:

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1. The exercise of obtaining confirmations under the head Trade Receivables and Contribution from Members shall be completed at the earliest.
2. The management is approaching the concerned authorities to ascertain the actual adjustment done and actual refund receivables.

### **13. DIRECTORS RESPONSIBITLY STATEMENT:**

In terms of Section 134(3)(c) of the Companies Act, 2013 in relation to the Financial statements of the company for the year ended 31<sup>st</sup> March, 2020, the Board of Directors state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) The Directors have 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 income & expenditure of the Company for that period.
- (c) The Directors have taken proper and sufficient care for the 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 fraud and other irregularities.
- (d) The Directors have prepared the annual accounts on a going concern basis.
- (e) The Directors have laid down internal financial controls as required by Explanation to Section 134(5)(e) of the Companies Act, 2013 to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- (f) The Directors have devised proper systems to ensure compliance with the provisions of applicable laws and such systems are adequate and operating effectively.

### **14. CORPORATE GOVERNANCE:**

The company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out under the applicable Statutory Acts from time to time.

### **15. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the year under report were on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company during the year which may have potential conflict with the interest of the Company. There is no material related party transactions which are not in ordinary

course of business or which are not on arm's length basis. The details of the related party transactions are provided in Form AOC-2 as an Annexure-2 to this report. Members are requested to refer the same.

**16. PARTICULARS OF LOANS / GUARANTEES / INVESTMENT:**

The Company has not given any/ guarantee or provided any Security or made any investment to any person.

**17. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Board is striving hard to implement strong Internal Controls in the company.

**18. EXTRACT OF THE ANNUAL RETURN:**

Pursuant to provision of Section 92 and 134 and other applicable provision of the Companies Act, 2013 and of Rule 12 (1) of Companies (Management and Administration) Rules, 2014 the extract of the annual return in form MGT 9 for the Financial Year ended on 31st March, 2020 is annexed as Annexure- 1 to this Report.

**19. NUMBER OF BOARD MEETINGS:**

During the year the Board of Directors met 3 times on 25.04.2019, 31.08.2019 and 21.12.2019 respectively for financial year ended 31<sup>st</sup> March, 2020.

As per the general Circular No. 11/2020 dated 24th March, 2020 issued by the Ministry of Corporate Affairs, the mandatory requirement of holding meetings of the Board of the companies within the intervals provided in section 173 of the Companies Act, 2013 (CA-13) (120 days) stands extended by a period of 60 days till next two quarters i.e., till 30th September, 2020. Accordingly, as a one- time relaxation the gap between two consecutive meetings of the Board may extend to 180 days till the next two quarters, instead of 120 days as required in the CA-13.

On account of the nationwide lockdown due to covid-19 pandemic, the Board Meeting could not be conducted in the Last Quarter of F.Y.2019-20 i.e. January-March,2020 though date was fixed. After the Board Meeting dated 21.12.2019, the next Board Meeting of the Company was conducted on 18.06.2020 taking into consideration above mentioned one time relaxation given by MCA for time gap of conducting Board Meeting within 180 days.

**20. ENVIRONMENT PROTECTION PROGRAMS:**

The company in association with “Green Society” has taken the mass tree plantation drive in and around Vapi Industrial Area.

**21.DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

In compliance with the requirements of section 135 of the Companies Act, 2013, the Company has laid down a CSR policy. The contributions in this regard have been also made to various activities as specified in CSR Policy of the Company. The company main objective to protect environment, flora and fauna and prevent water/ air pollution. The composition of the committee, contents of CSR policy and report on CSR activities carried out during the financial year ended 31st March, 2020 in the format prescribed under Rule 9 of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure-3 forming part of this Annual report.

**22. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up to redress complaints received regularly and the monitored by women supervisors who directly report to the Audit Committee Chairperson. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2019-20 and hence no complaint is outstanding as on 31.03.2020 for redressal.

**23. AUDIT COMMITTEE:**

The company is having an audit committee comprising of the following members:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. Kanu Desai	Chairperson	Nominee Director
Mr. Yogesh Kabaria	Member	Nominee Director
Mr. B.C. Warli	Member	Nominee Director
Mr. Mahesh Pandya	Member	Director
Mr. Savindersingh Sarna	Member	Director
Mr. Magan Savalia	Member	Director
Mr. Chetan Patel	Member	Director
Mr. Prakash Bhadra	Member	Nominee Director
Mr. Suresh Patel	Member	Nominee Director
Mr. R. Gnanasegaran	Member	Chief Executive Officer
Mr. Rajendra Chechani	Member	Chief Financial Officer

Audit Committee assists the Board in the effective discharge of its responsibilities for corporate governance, financial reporting and internal control. In the discharge of its functions, the Committee

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also exercise the powers and responsibilities vested on it under the Companies Act, 2013, or any re-enactment thereof. The Board will continue to have the overall responsibility in respect of all such matters.

The committee has held Three Meetings during the Financial Year 2019-20 i.e. 25.04.2019,31.08.2019 and 20.12.2019.

### **24. EXECUTIVE COMMITTEE:**

The company is having an Executive Committee comprising of the following members:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. Yogesh Kabaria	Chairperson	Nominee Director
Mr. B.C. Warli	Member	Nominee Director
Mr. Mahesh Pandya	Member	Director
Mr. Savindersingh Sarna	Member	Director
Mr. Kanu Desai	Member	Nominee Director
Mr. Magan Savalia	Member	Director
Mr. Chetan Patel	Member	Director
Mr. Prakash Bhadra	Member	Nominee Director
Mr. Suresh Patel	Member	Nominee Director
Mr. R. Gnanasegaran	Member	Chief Executive Officer
Mr. Rajendra Chechani	Member	Chief Financial Officer

The committee has held Four Meetings during the Financial Year 2019-20 i.e. 14.08.2019, 17.10.2019, 13.11.2019 and 14.12.2019.

### **25. TECHNICAL COMMITTEE:**

The company is having a Technical Committee comprising of the following members:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Dr. Anjali Khambete	Chairperson	Nominee Director
Prof. Gaurang Ban	Member	Nominee Director
Mr. Savindersingh Sarna	Member	Director
Mr. Mahesh Pandya	Member	Director
Mr. Magan Savalia	Member	Director
Mr. Chetan Patel	Member	Director
Mr. Yogesh Kabaria	Member	Nominee Director
Mr. Kanu Desai	Member	Nominee Director
Mr. Prakash Bhadra	Member	Nominee Director
Mr. Suresh Patel	Member	Nominee Director
Mr. B.C. Warli	Member	Nominee Director
Mr. R. Gnanasegaran	Member	Chief Executive Officer

The committee has held Ten Meetings during the Financial Year 2019-2020 i.e. 25.04.2019, 12.05.2019, 19.05.2019, 13.06.2019, 17.08.2019, 24.08.2019, 25.09.2019, 17.10.2019, 30.11.2019 and 14.12.2019.

**26. GOVERNING COUNCIL:**

The company is having a Governing Council comprising of the following members:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. Mahesh Pandya	Chairperson	Director
Dr. Anjali Khambete	Vice Chairperson	Nominee Director
Prof. Gaurang Ban	Member	Nominee Director
Mr. Kanu Desai	Member	Nominee Director
Mr. Yogesh Kabaria	Member	Nominee Director
Mr. Chetan Patel	Member	Director
Mr. Savindersingh Sarna	Member	Director
Mr. Magan Savalia	Member	Director
Mr. Prakash Bhadra	Member	Nominee Director
Mr. Suresh Patel	Member	Nominee Director
Mr. Rajneesh Anand	Member	Member Industry
Dr. P. K. Minocha	Member	Member Industry
Mr. Shirish Desai	Member	Member Industry
Mr. Vinod Mehra	Member	Member Industry
Mr. R. Gnanasegaran	Member	Chief Executive Officer
Mr. Rajendra Chechani	Member	Chief Financial Officer

The committee has held one Meeting during the Financial Year 2019-2020 i.e. 11.12.2019.

**27. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND DATE OF THE REPORT:**

No material changes and commitments affecting financial position of the company had occurred between end of the financial year of the company to which the financial statements relate and date of the report.

**28. HUMAN RESOURCES:**

The well-disciplined workforce which has served the company lies at the very foundation of the company's major achievements and shall well continue for the years to come. The success of the Company and good track record are largely attributable to the remarkable commitment, dedication and hard work of the employees. The Company has strongly embedded core values and all employees are trained and encouraged to use these values in their daily operations and the bases for making decisions. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance. This has helped to ensure all employees are aligned and focused on key objectives and key performance indicators critical for the Company's performance. Remuneration and performance are strongly linked together through bonus schemes and increments.

**29. RISK MANAGEMENT POLICY:**

Risk Management is done by way of systematically identifying, quantifying, and managing all risks and opportunities that can affect achievement of a corporation's strategic and financial goals. The Board is responsible for framing and monitoring the risk management plan for the company. Risk Management Policy is framed by the Board and they are reviewing the risk management policies and system periodically.

The risk mitigation is done by using the following key strategies:

- a) **Risk Avoidance:** By not performing an activity that could carry risk.
- b) **Risk Transfer:** Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.
- c) **Risk Reduction:** Employing mitigations methods/solutions that reduce the severity of the loss.
- d) **Risk Retention:** Accepting the loss when it occurs. Risk retention is done for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums are infeasible.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk.

As a matter of plan, these risks are assessed and steps as appropriate are taken to mitigate the same.

**30. APPRECIATION:**

Your Directors wish to convey their thanks to all the bankers, suppliers, customers and other persons for their continued support to the company. We also place on record our appreciation of the contributions of employees at all levels. Your Directors thanks all Ministers, Governments Departments and Statutory Authorities for their continued assistance.

Your Directors looks forward for their continued support in the future for the consistent growth of the company.

**Date: 05<sup>th</sup> December,2020**

**Place: Vapi**

**On behalf of Board of Directors**

**Sd/-  
Mr. Kanu Desai  
Nominee Director  
DIN No. 02935533**

**Sd/-  
Mr. Chetan Patel  
Director  
DIN No. 07282390**

# VAPI GREEN ENVIRO LIMITED

## Annexure 1 Form NO: MGT-9

EXTRACT OF ANNUAL RETRUNS AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020

[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	U74210GJ1997GAP031525
ii.	Registration Date	17 <sup>th</sup> January, 1997
iii.	Name of the Company	VAPI GREEN ENVIRO LIMITED (Formerly known as Vapi Waste & Effluent Management Company Limited)
iv.	Category/Sub-Category of the Company	Company limited by guarantee. Guarantee and association company
v.	Address of the Registered Office and Contact Details	VIA House, Plot No. 135, Char Rasta GIDC, Vapi, Dist. Valsad
vi.	Whether listed company	Not Listed
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable

### 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	% of turnover of the company
1	CETP	9994	83%
2	CSWP	9994	15%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Not Applicable)

Sr. No.	Name and Address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
NOT APPLICABLE					

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

(Not applicable as company is limited by Guarantee having no share Capital)



**VAPI GREEN ENVIRO LIMITED**

**V. INDEBTEDNESS:**

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

Particular's	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the Financial Year	-	-	-	-
- Addition	181,58,332	-	-	1,81,58,332
- Reduction	-	-	-	-
- Net Change	-	-	-	-
Indebtedness at the end of Financial Year	-	-	-	-
i) Principal Amount	1,81,58,332	-	-	1,81,58,332
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	-	-	-
Total (i+ii+iii)	1,81,58,332	-	-	1,81,58,332

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration of Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of Managing Director / Whole Time Director / Executive Director		Total Amount
1	Gross Salary			
a	Salary as per provisions of contained in section 17(1) of the Income Tax Act, 1961	-	-	-
b	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
c	Profits in lieu od salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of profit - Others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

**B. Remuneration to other directors: NIL**

**VAPI GREEN ENVIRO LIMITED**

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sr. No.	Particulars of Remuneration	CEO	CFO	Total Amount
1.	Gross Salary	17,02,800	15,13,596	32,16,396
	(a) Salary as per Provisions contained in section 17(1) of the Income Tax Act, 1961	8,10,000	7,20,000	15,30,000
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	8,92,800	7,93,596	16,86,396
	(c) Profit in lieu of Salary u/s. 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of profit - Others, specify	-	-	-
5	Others. Please specify	-	-	-
6	<b>Total</b>	<b>17,02,800</b>	<b>15,13,596</b>	<b>32,16,396</b>

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

Type	Section of the Companies Act,	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [ RD/NCLT/ Court]	Appeal made, if any (give details)
<b>A. Company</b>					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other officers In Default</b>					
Penalty					
Punishment					
Compounding					

**VAPI GREEN ENVIRO LIMITED**

**Annexure II**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts / arrangements / transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Kaykay Cyano Chemical Pvt. Ltd. (Mr. Mahesh Pandya-Director in above mentioned company and VGEL)
b)	Nature of contracts / arrangements / transaction	waste water treatment Charges and CC
c)	Duration of the contracts / arrangements / transaction	For the year 2019-20
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. <u>NIL</u> /- for ETP and /- for COE
e)	Date of approval by the Board	05 <sup>th</sup> December 2020
f)	Amount paid as advances, if any	-----

**VAPI GREEN ENVIRO LIMITED**

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Parishram Fab Private Ltd. (Mr. Magan Savalia- Director in above mentioned company and VGEL)
b)	Nature of contracts / arrangements / transaction	waste water treatment Charges and Solid Waste Dumping Charges
c)	Duration of the contracts / arrangements / transaction	For the year 2019-20
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 10,78,599/- for ETP Charges, COE Rs. 1,180/- and Analysis Charges Rs. 1,770/-
e)	Date of approval by the Board	05 <sup>th</sup> December 2020
f)	Amount paid as advances, if any	---

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Parmeshwar Dyeing & Printing Mill (Mr. Magan Savalia- Director in above mentioned company and VGEL)
b)	Nature of contracts / arrangements / transaction	waste water treatment Charges and Solid Waste Dumping Charges
c)	Duration of the contracts / arrangements / transaction	For the year 2019-20
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 14,22,115/- for ETP Charges, Rs. 8084.18/- for CSWP and Rs. 295/- COE.
e)	Date of approval by the Board	05 <sup>th</sup> December 2020
f)	Amount paid as advances, if any	---

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Sarna Chemical Pvt. Ltd. (Mr. Savindersingh Sarna- Director in above mentioned company and VGEL)
b)	Nature of contracts / arrangements / transaction	Waste Water Treatment Charges, Solid Waste Dumping Charges, CMEE
c)	Duration of the contracts / arrangements / transaction	For the year 2019-20
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 9,46,623.48/- for ETP charges, Rs. 54,600/- for CSWP (INC) Charges Rs. 28,21,668.20/- for Solid Waste Deposition Charges Rs. 18,87,805/- for CMEE Charges Rs. Nil/- for CMEE (CC) Rs. 2,74,822.10/- for COE, Rs. 5310/- Analysis Charges.
e)	Date of approval by the Board	05 <sup>th</sup> December 2020
f)	Amount paid as advances, if any	---

**VAPI GREEN ENVIRO LIMITED**

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	United Phosphorous Ltd (UPL) (Mr. Kanu Desai – Director- Corporate Affairs in above mentioned company and Nominee Director in VGEL)
b)	Nature of contracts / arrangements / transaction	Waste Water Treatment Charges& Testing Charges
c)	Duration of the contracts / arrangements / transaction	For the year 2019-20
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 112,57,886.1/- for ETP and Rs. 414,475/- for COE.
e)	Date of approval by the Board	05 <sup>th</sup> December 2020
f)	Amount paid as advances, if any	---

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Colourtech Industries (Mr. Chetan Patel- Partner in above mentioned entity and VGEL)
b)	Nature of contracts / arrangements / transaction	Waste Water Treatment Charges and CC
c)	Duration of the contracts / arrangements / transaction	For the year 2019-20
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 96619/- for ETP,
e)	Date of approval by the Board	05 <sup>th</sup> December 2020
f)	Amount paid as advances, if any	---

**Annexure-III  
ANNUAL REPORT ON CSR ACTIVITIES**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

In compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has framed a CSR Policy.

On recommendation of CSR Committee, the cumulative CSR Contribution to be made for last three financial years is Rs. **22,14,644/-** as against which CSR spending done by the company is total Rs.42,94,998/- in last three financial year i.e from 2017-18 to 2019-2020.

2. Average net profit/surplus of the Company for last three financial years: Rs. **16,54,22,909/-**.
3. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): **Rs. 33,08,458/-**.
4. Details of CSR spent during the financial year:
  - a) Total amount to be spent for the financial year: **Rs. 22,14,644/-**
  - b) Total amount spent during the financial year: **Rs. 15,00,000/-**
  - c) Amount unspent, if any: **Rs. 7,14,644/-**
  - d) Manner in which the amount spent during the financial year is detailed below:
    - Rs. 10 lacs given Environment related Protection Measures.
    - Rs. 5 Lacs given to Flood Disaster Management Measures.
5. The CSR Committee hereby confirm that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**On behalf of Board of Directors**

Sd/-  
**Mr. Kanu Desai**  
Chairman – CSR Committee  
DIN No. 02935533

Sd/-  
**Mr. Prakash Bhadra**  
Nominee Director & Member of CSR Committee  
DIN No. 01566946

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF VAPI GREEN ENVIRO LIMITED

#### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of **VAPI GREEN ENVIRO Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its surplus and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

- a. Balances of Rs. 8,652.78 lacs under the head Contribution from Members are subject to confirmation and effect on these balances on account of adjustment, if any, required upon such confirmation are not determinable (Refer note no. 27).
- b. We are unable to obtain sufficient appropriate audit evidence about the balance of Rs. 1,356.44 lacs of advance income tax (net of tax provision) due to non-availability of proper information from income tax department in respect of demand adjusted against income tax refund and interest thereon. (Refer note no. 27)
- c. Balances of Rs. 1,209.55 lakhs under the head Trade Receivables are subject to confirmation and effect on these balances on account of adjustment, if any, required upon such confirmation are not determinable (Refer note no. 27).
- d. The Company received grant of Rs. 990 lacs from Department of Industrial Policy and Promotion and Rs. 359 lacs from Notified Area Authority (NAA) for Road Development Project. The Company has spent amount of Rs. 2248 lacs for such projects. This amount treated as receivable from NAA and included under the head Loans and Advance in Balance sheet. The Company has not adjusted grants of Rs. 1349 lacs against the Loans and Advance of Rs 2248 lacs. We are unable to obtain sufficient appropriate evidence about realizability of net amount of Rs. 899 lacs (Rs. 2248 lacs – Rs. 1349 lacs) as balance is outstanding for long time and the confirmation of balance has not been obtained from the said party. (Refer note no. 26.2).

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

#### Emphasis of Matter

We draw attention to Note no. 30 to the financial statements in respect of matter pending before Hon'ble Supreme Court of India against National Green Tribunal Order in respect of non-compliance of discharge norms by CETP unit of the company and its probable financial effect on preparation of financial statement on going concern basis for the reasons stated in the said note.

Our opinion is not qualified in respect of above matter

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows of the Company in accordance with the AS and other accounting principles generally accepted in India. 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.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure – A**", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Income and Expenditure Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e. The matter described in the Basis for Qualified Opinion paragraph and Emphasis of matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses qualified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over Financial Reporting.

i. With respect to other matters to be included in the Auditor's Report in accordance with the requirements of Section 197 (16) of the Act, as amended:

We report that the company has not paid managerial remuneration during the year.

j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 17.1 to the financial statements;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
**ICAI Firm Reg No. – 106041W / W100136**

**Place: Ahmedabad**

**Date: December 05, 2020**

Sd/-  
**(K. B. Solanki)**  
**Partner**  
**Membership No. 110299**  
**UDIN :: 20110299AAAADY6885**

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Vapi Green Enviro Limited ('the Company')**

**1. In respect of fixed assets:**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets were not physically verified during the year.
- c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, in respect of leasehold lands, the company is in possession of license agreement and possession receipts, however lease deed for the same are pending to be executed. In respect of office and factory buildings, title deeds of the same are not available as these are self-constructed fixed assets.

**2. In respect of inventories:**

The inventories have been physically verified by the management at reasonable intervals and no material discrepancies noticed.

**3. In respect of loans granted to parties covered in the register maintained u/s 189 of the Act:**

The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liabilities Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii) [(a) to (c)] of the said Order are not applicable to the Company.

**4. In respect of compliance of section 185 and 186 of the Act:**

Based on our audit procedures and according to the information and explanation given to us, during the period under audit, the Company has complied with the provision of section 185 and 186 of the act.

**5. In respect of deposits:**

The company has not accepted any deposits.

**6. In respect of maintenance of cost records:**

The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act, for any of the activities carried out by the Company.

**7. In respect of statutory dues:**

- a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues, as applicable, with appropriate authorities except dues payable to Notified Area Authority.
- b. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, and cess were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except dues of Rs. 1281.23 lakhs payable to Notified Area Authority.

- c. According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute.

The particulars of dues of income tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates F.Y.	Rs. in Lacs
Income Tax Act, 1961	Income Tax	High Court	2005 – 06	68.46
		High Court	2006 – 07	38.04
		High Court	2007 – 08	44.18
		High Court	2009 - 10	0.39
		High Court	2010 – 11	339.91
		A. O.	2016 – 17	678.90
		A. O.	2017 – 18	1641.94

**8. In respect of dues to financial institutions / banks / debentures:**

The Company has not defaulted in the repayment of dues to the bank. The company did not borrow from financial institutions and issue debentures.

**9. In respect of money raised by way of public offer and application of term loan:**

The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and no term loans raised during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

**10. In respect of fraud:**

According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

**11. In respect of managerial remuneration in accordance with Section 197 of the Act:**

The company has not paid any managerial remuneration during the year.

**12. In respect of Nidhi company:**

In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

**13. In respect of transactions with related parties in compliance of section 177 and 188 of the Act and its disclosures:**

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

**14. In respect of preferential allotment or private placement of shares or debentures:**

This being the guarantee company, para 3 (xiv) of the order is not applicable.

**15. In respect of non-cash transactions with directors or persons:**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

**16. In respect of company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934:**

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
**ICAI Firm Reg No. – 106041W / W100136**

**Place: Ahmedabad**

**Date: December 05, 2020**

Sd/-  
**(K. B. Solanki)**  
**Partner**  
**Membership No. 110299**  
**UDIN :: 20110299AAAADY6885**

**ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Vapi Green Enviro Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the period 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 (‘ICAI’). 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.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Basis for Qualification**

According to the information and explanation given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2020.

- a. The company did not have an adequate internal control system for assertion of balances of debtors through confirmations, which could potentially result in determination of provision for bad and doubtful debt.
- b. The company did not have an adequate internal control system for assertion of balances of members' contributions through confirmations, which could potentially result in material misstatement in the members' contribution balances.
- c. The company did not have an adequate internal control system about the adjustment of old outstanding balances, such as receivables from NAA, which could potentially result in material misstatement in the old outstanding balances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020, 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"

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the financial statements of the Company.

**For, Manubhai & Shah LLP**  
**Chartered Accountants**  
**ICAI Firm Reg No. – 106041W / W100136**

Sd/-  
**(K. B. Solanki)**  
**Partner**  
**Membership No. 110299**  
**UDIN :: 20110299AAAADY6885**

**Place: Ahmedabad**

**Date: December 05, 2020**

**Vapi Green Enviro Limited**  
**CIN :: U74210GJ1997GAP031525**  
**Balance Sheet As At March 31, 2020**

(Amount in Rs.)

Particulars	Note No.	As At March 31,	
		2020	2019
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Members' Funds</b>			
a Contribution from Members	2	86 52 77 674	82 96 44 950
b Reserves & Surplus	3	80 90 77 075	64 62 77 604
		<b>167 43 54 749</b>	<b>147 59 22 554</b>
<b>2 Grant</b>	4	22 19 88 929	22 95 29 045
<b>3 Non Current Liabilities</b>			
Other Long Term Liabilities	5	28 93 166	55 60 722
		<b>28 93 166</b>	<b>55 60 722</b>
<b>4 Current Liabilities</b>			
a Short Term Borrowings	6	1 81 58 332	-
b Trade payable	7		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises small enterprises		1 88 43 375	1 10 23 450
c Other Current Liabilities	8	18 06 76 291	13 21 13 966
d Short Term Provision	9	62 30 914	56 52 344
		<b>22 39 08 912</b>	<b>14 87 89 760</b>
<b>Total Equity and Liability</b>		<b>212 31 45 755</b>	<b>185 98 02 081</b>
<b>II ASSETS</b>			
<b>1 Non Current Assets</b>			
a <b>Property, Plant and Equipments</b>	10		
i Tangible Assets		65 37 58 329	62 71 11 468
ii Capital work in progress		5 27 31 294	18 28 440
		<b>70 64 89 623</b>	<b>62 89 39 908</b>
b Other non current assets	11	51 17 96 897	46 15 98 231
<b>2 Current Assets</b>			
a Inventories	12	73 28 884	65 67 628
b Trade Receivables	13	12 09 54 837	7 63 41 871
c Cash and Bank Balances	14	74 72 62 449	65 84 77 740
d Short-term Loans and Advances	15	49 36 199	45 41 663
e Other Current Assets	16	2 43 76 865	2 33 35 041
		<b>90 48 59 234</b>	<b>76 92 63 942</b>
<b>Total Assets</b>		<b>212 31 45 755</b>	<b>185 98 02 081</b>
Significant Accounting Policies Notes on Financial Statements	1 2 to 33		

As per our audit report of even date attached

**Manubhai & Shah LLP**  
**Chartered Accountants**  
ICAI Firm Registration No. :: 106041W/W100136

Sd/-  
**K. B. Solanki**  
**Partner**  
**M. No. :: 110299**

**Place :: Ahmedabad**  
**Date :: December 05, 2020**

For and on behalf of the Board

Sd/-  
**Kanubhai Desai**  
Nominee Director  
**DIN :: 02935533**

Sd/-  
**Chetan Patel**  
Director  
**DIN :: 07282390**

Sd/-  
**R Gnanasegaran**  
Chief Executive Officer

Sd/-  
**Yogesh Kabaria**  
Nominee Director  
**DIN :: 03265992**

Sd/-  
**Prakash Bhadra**  
Nominee Director  
**DIN :: 01566946**

Sd/-  
**Rajendra Chechani**  
Chief Financial Officer

**Place :: Vapi**  
**Date :: December 05, 2020**



**Vapi Green Enviro Limited**  
**CIN :: U74210GJ1997GAP031525**  
**Income and Expenditure Account for the Year ended March 31, 2020**

(Amount in Rs.)

Particulars	Note No.	For the Year Ended March 31,	
		2020	2019
I Revenue from Operations	18	57 81 58 177	53 45 35 862
II Other Income	19	5 96 09 703	5 59 77 109
<b>III Total Revenue ( I + II )</b>		<b>63 77 67 879</b>	<b>59 05 12 971</b>
<b>IV Expenses</b>			
a Cost of Materials consumed	20	8 58 24 477	7 29 74 474
b Employee Benefits Expense	21	7 23 68 728	6 80 92 101
c Finance Cost	22	1 11 23 262	87 03 773
d Depreciation	10	4 38 40 032	5 32 13 246
e Other Expenses	23	24 64 79 909	25 96 83 120
		<b>45 96 36 408</b>	<b>46 26 66 714</b>
<b>V Surplus for the year before tax</b>		<b>17 81 31 471</b>	<b>12 78 46 257</b>
<b>VI Tax Expenses</b>			
Current Tax		1 53 32 000	1 31 65 200
<b>VII Surplus for the year</b>		<b>16 27 99 471</b>	<b>11 46 81 057</b>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 33		

As per our report of even date,

**Manubhai & Shah LLP**  
**Chartered Accountants**  
ICAI Firm Registration No. :: 106041W/W100136

Sd/-  
**K. B. Solanki**  
**Partner**  
**M. No. :: 110299**

Place :: Ahmedabad  
Date :: December 05, 2020

For and on behalf of the Board

Sd/- **Kanubhai Desai**  
Nominee Director  
**DIN :: 02935533**

Sd/- **Yogesh Kabaria**  
Nominee Director  
**DIN :: 03265992**

Sd/- **Chetan Patel**  
Director  
**DIN :: 07282390**

Sd/- **Prakash Bhadra**  
Nominee Director  
**DIN :: 01566946**

Sd/- **R Gnanasegaran**  
Chief Executive Officer

Sd/- **Rajendra Chechani**  
Chief Financial Officer

Place :: Vapi  
Date :: December 05, 2020

**Vapi Green Enviro Limited**  
**CIN :: U74210GJ1997GAP031525**  
**Cash Flow Statement for the Year ended March 31, 2020**

(Amount in Rs.)

PARTICULARS	Year Ended March 31,	
	2020	2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Surplus as per Income & Expenditure Account before tax	17 81 31 471	12 78 46 257
<b>Adjustment For :-</b>		
Depreciation	4 38 40 032	5 32 13 246
Loss/(Profit) on sale/discard of property, plant and equipments	( 5 58 534)	22 452
Interest income on Fixed deposit	(5 03 41 590)	(4 57 04 442)
Grant Income	( 75 40 116)	( 91 48 183)
<b>Operating profit before Working Capital Changes</b>	<b>16 35 31 264</b>	<b>12 62 29 330</b>
<b>Adjustment for</b>		
Inventories	( 7 61 256)	( 5 48 252)
Trade & Other Receivables	(4 46 12 966)	2 44 37 995
Loans & other assets	(3 16 47 280)	(10 68 33 142)
Trade Payables, Provisions and other liabilities	5 42 93 263	1 49 55 892
	<b>(2 27 28 239)</b>	<b>(6 79 87 507)</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>14 08 03 025</b>	<b>5 82 41 823</b>
Income Tax Paid	(3 53 19 746)	(3 30 37 979)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>10 54 83 279</b>	<b>2 52 03 843</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition in property, plant and equipments	<b>(12 17 90 377)</b>	(2 59 33 168)
Proceeds from Sale of Asset	9 59 162	50 311
Interest income on Fixed deposit	5 03 41 590	4 57 04 442
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(7 04 89 625)</b>	<b>1 98 21 585</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Members Contributions	3 56 32 724	5 47 68 455
Short term borrowings	1 81 58 332	(1 40 68 689)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>5 37 91 056</b>	<b>4 06 99 766</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>8 87 84 709</b>	<b>8 57 25 194</b>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	65 84 77 740	57 27 52 545
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>74 72 62 449</b>	<b>65 84 77 740</b>

As per our audit report of even date attached

**Manubhai & Shah LLP**  
**Chartered Accountants**  
ICAI Firm Registration No. :: 106041W/W100136

Sd/-  
**K. B. Solanki**  
**Partner**  
M. No. :: 110299

Place :: Ahmedabad  
Date :: December 05, 2020

For and on behalf of the Board

Sd/-  
**Kanubhai Desai**  
Nominee Director  
DIN :: 02935533

Sd/-  
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Nominee Director  
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DIN :: 07282390

Sd/-  
**Prakash Bhadra**  
Nominee Director  
DIN :: 01566946

Sd/-  
**R Gnanasegaran**  
Chief Executive Officer

Sd/-  
**Rajendra Chechani**  
Chief Financial Officer

Place :: Vapi  
Date :: December 05, 2020

**Vapi Green Enviro Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**Note :: 1 Statement of Significant Accounting Policies :**

**1.1 Basis of preparation**

The Company maintains its accounts on accrual basis following the historical cost convention and in accordance with generally accepted accounting principles ["GAAP"], including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013

**1.2 Use Of Estiamtes**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods

**1.3 Revenue Recognition**

Revenue is recognized to the extent that it can be reliably measured and it would not be unreasonable to expect ultimate collection.

- a Effluent treatment charges including supplementary charges:** The Revenue is recognized based on the water consumption details provided by GIDC and level of COD, TSS and NH3 contain in waste water discharged by the respective member unit.
- b CMEE / CSD including supplementary charges:** The revenue is recognized based on waste water received and level of COD, TSS and NH3 contain in waste water.
- c Depository charges:** The revenue is recognized based on the quantity and quality of hazardous waste deposited by the Member units.
- d Interest on installments:** Interest is being charged to the members wherever payments in installments facilities have been granted. The rate of interest charged under installment facility as decided by the management from time to time
- e Interest on delayed payments:** The interest is being charged to the members as decided by the management from time to time, where the payment is realized after the date it is due.
- f All other income are recognized and accounted for on accrual basis.**

**1.4 Members fund:**

All the member units are required to contribute towards the capital cost and the same are shown as Capital Contribution from Members under the head Members' Fund.

- a One part of the contribution could be paid by the member units in 32 Equal Quarterly Installments ("EQI"), along with the interest on the deferred payments starting from 01.04.1998 or as decided by the Management from time to time. However, with effect from April, 2003, those members who enrolled after this date or who have expanded their capacity and requested for additional load have been given the option to make payments in 20 (twenty) equated quarterly installments. The installments are shown as receivable from the members and included and shown as due from Members, while the interest on EQI, if any, is included as due from members on yearly basis on estimated amount, as and when due.**
- b From F.Y. 2015-16 onwards, members fund is accounted only on receipt of contribution**

**1.5 Grant**

- a Grants are accounted for where it is reasonably certain that the ultimate collection will be made.**
- b Grants related to specific project for depreciable assets are treated as deferred income which is recognized in the income and expenditure on a systematic and rational basis over the useful life of the assets.**
- c Grant related to non-depreciable assets, if require fulfillment of certain obligation, then credited to Income over same period over which the cost of meeting such obligation charged to income and other grant related to non-depreciable asset is credit to capital reserve.**
- d Grant in the form of capital subsidy is treated as Capital Reserves**

**1.6 Property, plant and equipment**

- a Property, plant and equipment are stated at the original cost including freight, duties, taxes and other incidental expenses related to acquisition and installation of fixed assets**

**Vapi Green Enviro Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**Note :: 1 Statement of Significant Accounting Policies :**

- b** Assets under construction / erection / installation of the projects are shown as work in progress

**1.7 Depreciation**

- a** Depreciation on property, plant and equipment is provided as per Straight Line Method and as per the life provided in Schedule II of the Companies Act, 2013 except for the plant and equipment where management has estimated useful lives between 3 to 10 years. For the said class of assets, based on internal assessment and technical evaluation carried out, the management believes that the useful lives as mentioned best represent the period over which management expects to use these assets. Hence the useful lives for the class of assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.
- b** Depreciation on additions / sales of the assets during current year has been provided on pro-rata basis from the date of addition / sales of assets
- c** Depreciation on secured landfill cells is provided on the basis of capacity utilized.

**1.8 Impairment**

An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the Income and Expenditure Account in the year in which, an asset is identified as impaired. The impairment loss recognised in prior accounting periods reversed, if there has been a change in the estimate of recoverable amount.

**1.9 Inventories**

Inventories are stated at lower of cost (FIFO) and net realisable value.

**1.10 Employee Benefits**

- a** Post employment benefits under defined benefit plans are recognized as an expense in the Income and Expenditure account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, at the discounting rate.
- b** Short term employee benefits and post employment benefits under defined contribution plans are recognized as an expense at the undiscounted amount in the Income and Expenditure account of the year in which the related services is rendered.
- c** Other long-term employee benefits are recognized as an expense in the Income and Expenditure account for the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the current value, using the yield on government bonds, as on the date of balance sheet, at the discounting rate.
- d** Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Income and Expenditure account.

**1.11 Provision for Current and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the Provisions of the Income tax Act, 1961. 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 in future.

**1.12 Research & Development**

- a** Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Research and development expenditure of a capital nature is added to fixed assets. Any expenditure carried forward is amortised over the period of expected future sales from the related project, not exceeding ten years.
- b** The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

**1.13 Provision, Contingent Liabilities and Contingent Assets**

Provision involving substantial degree of estimation in measurement is recognised when there is a present obligation as a result of past events

**Vapi Green Enviro Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**Note :: 1 Statement of Significant Accounting Policies :**

and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**1.14 Borrowing Cost**

Borrowing costs attributable to the acquisition and construction of assets are capitalized as part of the cost of such assets up to the date when such asset is ready for its intended use. Other borrowing costs are treated as revenue expenditure.

**1.15 Events after reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

**1.16 General**

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

**Vapi Green Enviro Limited**  
CIN :: U74210GJ1997GAP031525

**Notes to the Financial Statements for the year ended March 31, 2020**

(Amount in Rs.)

Note No.	Particulars	As At March 31,	
		2020	2019
<b>2</b>	<b>Contribution from Members</b>		
	Membership Fees	1 94 72 000	1 94 42 000
	Capital Contribution	84 58 05 674	81 02 02 950
	<b>Total</b>	<b>86 52 77 674</b>	<b>82 96 44 950</b>
	(Note: Company is limited by gurantees, hence disclosure requirements related to Share Capital are not applicable)		
<b>3</b>	<b>Reserve and Surplus</b>		
	<b>Reserve for Disposal and maintenance of SLF sites</b>		
	Balance as per last year Financial Statement	24 97 34 396	23 84 98 266
	Transferred from Income & Expenditure Account	1 06 80 146	1 12 36 130
	Closing Balance	<b>26 04 14 542</b>	<b>24 97 34 396</b>
	Company has created reserve for disposal and maintenance of secured land fill site. As decided by the management, Rs. 200/- per MT is to be transferred from Income and Expenditure Account on the quantity deposited during the year. Amount transferred from Income and Expenditure account is given hereunder:		
	Quantity deposited in MT during the year	53 401	56 181
	Amount transferred @ Rs. 200/- per MT	1 06 80 146	1 12 36 130
	<b>Total amount transferred from Income and Expenditure Account</b>	<b>1 06 80 146</b>	<b>1 12 36 130</b>
	<b>Income &amp; Expenditure Account</b>		
	Balance as per last year Financial Statement	19 81 54 693	9 47 09 766
	Surplus for the year	16 27 99 471	11 46 81 057
		36 09 54 164	20 93 90 823
	Transferred to Reserves for Disposal and Maintenance of SLF sites	1 06 80 146	1 12 36 130
		<b>35 02 74 018</b>	<b>19 81 54 693</b>
	<b>Capital Reserves</b>		
	Balance as per last year Financial Statement	19 83 88 515	19 83 88 515
	<b>Total</b>	<b>80 90 77 075</b>	<b>64 62 77 604</b>
<b>4</b>	<b>Grant</b>		
	<b>Grant from Government of India</b>		
	Balance as per last year Financial Statement	17 27 56 732	17 80 34 918
	Less : Adjusted for Depreciation	36 59 517	52 78 186
		<b>16 90 97 215</b>	<b>17 27 56 732</b>
	<b>Grant from Notified Area Authority</b>	3 59 00 000	3 59 00 000
	<b>Grant from Government under ASIDE Scheme</b>		
	Balance as per last year Financial Statement	2 08 72 313	2 47 42 310
	Less: Adjusted for Depreciation	38 80 599	38 69 997
		<b>1 69 91 714</b>	<b>2 08 72 313</b>
	<b>Total</b>	<b>22 19 88 929</b>	<b>22 95 29 045</b>
<b>5</b>	<b>Other Long term Liabilities</b>		
	Others	28 93 166	55 60 722
	<b>Total</b>	<b>28 93 166</b>	<b>55 60 722</b>
<b>6</b>	<b>Short Term Borrowings</b>		

**Vapi Green Enviro Limited**  
CIN :: U74210GJ1997GAP031525

**Notes to the Financial Statements for the year ended March 31, 2020**

(Amount in Rs.)

Note No.	Particulars	As At March 31,	
		2020	2019
	Overdraft facilities from banks - Secured against bank fixed deposits.	1 81 58 332	-
	<b>Total</b>	<b>1 81 58 332</b>	<b>-</b>
<b>7</b>	<b>Trade Payables</b>		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises small enterprises	1 88 43 375	1 10 23 450
	<b>Total</b>	<b>1 88 43 375</b>	<b>1 10 23 450</b>
<b>7.1</b>	<b>Disclosure in respect of micro enterprises and small enterprises</b>		
A	Principal amount remaining unpaid to any supplier as at the reporting	---	---
B	Interest due there on	---	---
C	Amount of interest paid by the Company in terms of Section 16 of MSMED, along with the amount of payment made to the suppliers beyond the appointed day during the reporting period	---	---
D	Amount of interest due and payable for the reporting period of delay in making payment (Which have been paid but beyond the appointed day during the period) but without adding the interest specified under the	---	---
E	Amount of interest accrued and remaining unpaid at the end of the accounting period	---	---
F	Amount of further interest remaining due and payable in succeeding years.	---	---
	The above information has been compiled in respect of parties to the extent to which they could be identified as Micro Enterprise and Small Enterprise on the basis of information available with the Company.		
<b>8</b>	<b>Other current liabilities</b>		
	Advance from non members (Refer Note no. 8.1)	8 33 488	8 33 488
	Advance from members	1 10 11 689	50 88 398
	Other Liabilities		
	- Deposits	54 01 219	30 78 774
	- Statutory Dues	14 71 05 177	12 82 01 704
	- Payable for Fixed Asset	1 62 52 109	-
	- Others	72 609	
	<b>Total</b>	<b>18 06 76 291</b>	<b>13 72 02 364</b>
<b>8.1</b>	Advance from non-members is towards capital contribution. As the approval from Gujarat Pollution Control Board in respect of expansion from 55 MLD to 70MLD is still awaited, membership has not been issued to those members.		
<b>9</b>	<b>Short Tem Provisions</b>		
	Employee Benefits	62 30 914	56 52 344
	<b>Total</b>	<b>62 30 914</b>	<b>56 52 344</b>

Vapi Green Enviro Limited

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Notes to the Financial Statements for the year ended March 31, 2020

Note No. :: 10

Property, Plant and Equipment

( Amount in Rs.)

Block	Gross Block					Accumulated Depreciation					Net Block	
	April 1, 2019	Addition	Deductions	Transferred to Assets Fully Depreciated	March 31, 2020	April 1, 2019	Depreciation / Impairment	Deductions / Adjustments	Transferred to Assets Fully Depreciated	March 31, 2020	March 31, 2020	March 31, 2019
Leasehold Land	35 34 65 609				35 34 65 609						35 34 65 609	35 34 65 609
Office Building	3 27 60 609				3 27 60 609	67 80 640	7 03 622			74 84 263	2 52 76 346	2 59 79 969
Factory Building	35 67 51 897	90 00 000		11 46 32 428	25 11 19 469	18 95 90 944	1 44 01 533		11 46 32 425	8 93 60 051	16 17 59 418	16 71 60 953
Road	1 56 87 984			12 20 519	1 44 67 465	16 99 627	10 34 105		12 20 518	15 13 214	1 29 54 251	1 39 88 358
Plant & Equipments	15 27 57 766	5 08 49 262		2 21 68 353	18 14 38 675	10 15 99 827	2 38 87 059		2 21 68 313	10 33 18 572	7 81 20 102	5 11 57 939
Electrical Installation	85 42 300	68 56 238		39 61 891	1 14 36 647	49 01 774	9 26 586		39 61 846	18 66 514	95 70 133	36 40 526
Computers	4 34 077	3 94 112		1 54 940	6 73 249	2 17 342	2 26 287		1 54 934	2 88 695	3 84 554	2 16 735
Lab Equipments	1 24 32 284	2 81 200		5 29 294	1 21 84 190	56 20 033	13 40 547		5 29 287	64 31 293	57 52 897	68 12 250
Office Equipment	14 40 610	2 28 052		4 27 360	12 41 302	7 34 841	2 79 623		4 27 336	5 87 128	6 54 174	7 05 769
Vehicles	59 02 941	32 40 235	30 17 394	47 200	60 78 582	30 62 377	7 30 696	26 16 765	47 199	11 29 109	49 49 473	28 40 564
Furniture and Fixtures	29 87 916	38 424		5 14 278	25 12 062	18 46 625	3 09 974		5 14 217	16 42 382	8 69 680	11 41 291
<b>Total</b>	<b>94 31 63 993</b>	<b>7 08 87 523</b>	<b>30 17 394</b>	<b>14 36 56 262</b>	<b>86 73 77 860</b>	<b>31 60 54 029</b>	<b>4 38 40 033</b>	<b>26 16 765</b>	<b>14 36 56 074</b>	<b>21 36 21 223</b>	<b>65 37 56 633</b>	<b>62 71 09 960</b>
<b>Assets Fully Depreciated</b>	<b>58 21 60 294</b>		<b>39 44 753</b>	<b>14 36 56 262</b>	<b>72 18 71 803</b>	<b>58 21 58 784</b>		<b>39 44 751</b>	<b>14 36 56 074</b>	<b>72 18 70 107</b>	<b>1 696</b>	<b>1508</b>
<b>Capital Work In Progress</b>		<b>5 27 31 294</b>			<b>5 27 31 294</b>						<b>5 27 31 294</b>	<b>18 28 440</b>
<b>Grand Total</b>	<b>152 53 24 287</b>	<b>12 36 18 817</b>	<b>69 62 147</b>	<b>14 36 56 262</b>	<b>164 19 80 957</b>	<b>89 82 12 813</b>	<b>4 38 40 033</b>	<b>65 61 516</b>	<b>14 36 56 074</b>	<b>93 54 91 330</b>	<b>70 64 89 623</b>	<b>62 89 39 908</b>
<b>Previous Year</b>	<b>150 15 17 492</b>	<b>2 59 33 168</b>	<b>2 97 933</b>	<b>4 29 15 384</b>	<b>152 71 52 727</b>	<b>84 52 24 734</b>	<b>5 32 13 246</b>	<b>2 25 170</b>	<b>4 29 15 227</b>	<b>89 82 12 813</b>	<b>62 89 39 908</b>	



**Vapi Green Enviro Limited**  
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**Notes to the Financial Statements for the year ended March 31, 2020**

(Amount in Rs.)

Note No.	Particulars	As At March 31,	
		2020	2019
<b>11</b>	<b>Other Non Current Assets</b>		
	Deposits	12 11 43 502	12 11 41 802
	Advance Income Tax (Net of Provisions)	13 56 43 633	11 56 55 886
	Other Assets	22 48 00 542	22 48 00 542
	Earmarked balances with bank (Refer note no. 11.1)		
	In Current Account	7 355	-
	In Fixed Term Deposit Account including accrued interest	3 02 01 865	-
		<b>3 02 09 220</b>	<b>-</b>
	<b>Total</b>	<b>51 17 96 897</b>	<b>46 15 98 231</b>
<b>11.1</b>	As per the requirement of provisions of Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016 and Environment (Protection) Act, 1986, the company has to create separate escrow fund for an amount equivalent to 5% of the annual turnover of the secured landfill facility.		
	In this regard, separate escrow account has been created by opening of fixed deposits accounts with the Bank of Baroda.		
	The amount deposited is equivalent to 5% of the annual turnover till March 31, 2019 of the secured landfill site.		
<b>12</b>	<b>Inventories</b>		
	Consumable	73 28 884	65 67 628
	<b>Total</b>	<b>73 28 884</b>	<b>65 67 628</b>
<b>13</b>	<b>Trade Receivables - Unsecured</b>		
	For a period more than Six Months (Considered Doubtful)	7 74 56 553	12 89 89 975
	Others (Considered Good)	12 09 54 837	8 14 30 269
		<b>19 84 11 390</b>	<b>21 04 20 243</b>
	Less : Provision for Doubtful Debt	7 74 56 553	12 89 89 975
	<b>Total</b>	<b>12 09 54 837</b>	<b>8 14 30 269</b>
<b>14</b>	<b>Cash &amp; Bank Balances</b>		
	Cash on Hand	85 820	52 892
	Balance with Bank		
	In Current Account	44 88 330	2 99 33 437
	In Fixed Term Deposit Account	69 90 00 014	62 84 91 412
	FD with banks to the extent held as security against the borrowings	4 36 88 285	-
		<b>74 71 76 629</b>	<b>65 84 24 849</b>
	<b>Total</b>	<b>74 72 62 449</b>	<b>65 84 77 740</b>
<b>15</b>	<b>Short term Loans &amp; Advance</b>		
	Balance with Tax Authority	23 19 806	15 69 543
	Advance recoverable in cash or in kind or for value to be received	26 16 393	29 72 119
	<b>Total</b>	<b>49 36 199</b>	<b>45 41 663</b>
<b>16</b>	<b>Other Current Assets</b>		
	Gratuity Plan Assets	13 33 195	6 19 897

**Vapi Green Enviro Limited**  
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**Notes to the Financial Statements for the year ended March 31, 2020**

(Amount in Rs.)

Note No.	Particulars	As At March 31,	
		2020	2019
	Interest Accrued on Bank Fixed Deposit and Security Deposit	2 30 43 670	2 27 15 144
	<b>Total</b>	<b>2 43 76 865</b>	<b>2 33 35 041</b>
<b>17</b>	<b>Contingent Liabilities and Commitments</b>		
<b>17.1</b>	<b>Contingent Liabilities</b>		
<b>a</b>	Income Tax Matters in dispute	39 44 01 232	65 22 12 959
<b>b</b>	<b>Claims against the company not acknowledge as debts: -</b>		
	Compensation determined by the Committee formed by National Green Tribunal (NGT) towards cost of restoration of environmental damage to river Damanganga due to non-compliance of discharge norms by CETP unit. (refer note no. 30)	92 36 28 314	92 36 28 314
	Matter pending at Labour Court	3 25 83 450	3 25 83 450
	Dispute with DGVCL in respect of change in tariff	63 81 457	63 81 457
<b>17.2</b>	<b>Capital commitments</b>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for including taxes	8 81 56 641	6 83 64 000

**Vapi Green Enviro Limited**  
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**Notes to the Financial Statements for the year ended March 31, 2020**

( Amount in Rs.)

Note No.	Particulars	For the Year Ended March 31,	
		2020	2019
<b>18</b>	<b>Revenue from Operations</b>		
<b>18.1</b>	<b>Operating Revenue</b>		
	Effluent Treatment Charges	36 95 56 213	35 55 25 695
	CMEE /CSD Treatment Charges	12 03 33 737	10 39 00 654
	Depository Charges	4 30 67 923	5 45 97 892
	Testing & Other Charges	1 45 49 115	1 23 32 177
	Charges Received from Non-Members	27 80 086	9 48 624
	Interest Charges	12 91 991	39 42 447
	Site Other Income	11 63 876	32 88 375
		<b>55 27 42 942</b>	<b>53 45 35 862</b>
<b>18.2</b>	<b>Other operating revenue</b>		
	Bad-debt provision no longer required	2 54 15 235	-
		<b>2 54 15 235</b>	-
	<b>Total</b>	<b>57 81 58 177</b>	<b>53 45 35 862</b>
<b>18.3</b>	Due to Covid - 19 pandemic, GIDC has provided combined data of water consumption by member industries for the months of March and April 2020. As water consumption data for the month of March 2020 are not separately available with the company, effluent treatment charges for the month of March 2020 is recognised equivalent to the effluent treatment charges recognised for the month of February 2020.		
<b>19</b>	<b>Other Income</b>		
	<b>Interest Income</b>		
	Interest from Bank Fixed Deposits	5 03 41 590	4 57 04 442
	Interest on Security Deposit with DGVCL	11 69 463	11 24 484
		<b>5 15 11 053</b>	<b>4 68 28 926</b>
	Grant Income	75 40 116	91 48 183
	Profit on Sale of Property, Plant and Equipment	5 58 534	-
	<b>Total</b>	<b>5 96 09 703</b>	<b>5 59 77 109</b>
<b>20</b>	<b>Cost of Material Consumed</b>		
	Cost of Material Consumed	8 58 24 477	7 29 74 474
	<b>Total</b>	<b>8 58 24 477</b>	<b>7 29 74 474</b>
<b>21</b>	<b>Employee Benefit Expenses</b>		
	Salary and Wages	6 69 31 809	6 25 18 567
	Contribution to PF and ESI	31 80 244	31 86 436
	Staff & Labour Welfare Expenses	22 56 675	23 87 098
	<b>Total</b>	<b>7 23 68 728</b>	<b>6 80 92 101</b>

**Vapi Green Enviro Limited**  
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**Notes to the Financial Statements for the year ended March 31, 2020**

( Amount in Rs.)

Note No.	Particulars	For the Year Ended March 31,	
		2020	2019
<b>21.1</b>	<b>The Disclosures Required under Accounting Standard 15 - "Employee Benefits" notified in the Companies (Accounting Standard) Rules, 2006 are given hereunder:</b>		
	<b>Defined Contribution Plans</b>		
	<b>a Contribution to Defined Contribution Plans, recognised as expense for the year is as under:</b>		
	Employer's Contribution to Provident Fund and ESI	31 80 244	31 86 436
	<b>b. Defined Benefit Plans</b>		
	<b>i. Changes in Present Value of Obligations</b>		
	<b>Present Value of Obligations at the beginning of the year</b>	<b>88 54 106</b>	<b>71 02 797</b>
	Interest Cost	6 64 058	6 63 340
	Current Service Cost	8 70 130	5 68 224
	Actuarial (Gain)/Loss on Obligations	( 3 54 971)	13 76 476
	Benefits Paid	( 3 35 480)	( 8 56 731)
	<b>Closing defined benefit obligation</b>	<b>96 97 843</b>	<b>88 54 106</b>
	<b>ii Changes in the Fair Value of Plan Assets</b>		
	<b>Opening fair value of plan assets</b>	<b>94 74 003</b>	<b>79 75 547</b>
	Expected return on plan assets	8 00 258	6 96 980
	Actuarial (gains) / losses on plan assets	-	-
	Contributions by the employer	10 92 257	16 58 207
	Benefits paid	( 3 35 480)	( 8 56 731)
	<b>Closing fair value of plan assets</b>	<b>1 10 31 038</b>	<b>94 74 003</b>
	<b>iii The amount recognized in the Balance Sheet</b>		
	Present Value of Obligations as at the end of the year	96 97 843	88 54 106
	Fair value of plan Assets as at the end of the year	1 10 31 038	94 74 003
	<b>Net (Asset) / Liability recognized in Balance sheet</b>	<b>( 13 33 195)</b>	<b>( 6 19 897)</b>
	<b>Experience adjustments</b>		
	On plan assets (Loss) / Gain	-	-
	On plan liabilities (Gain) / Loss	( 3 54 971)	13 76 476
	<b>iv The amount recognized in the Statement of Profit &amp; Loss</b>		
	Current Service Cost	8 70 130	5 68 224
	Interest Cost	6 64 058	6 63 340
	Expected Return on Plan Assets	( 8 00 258)	( 6 96 980)
	Net actuarial (gain)/ Loss recognized in the year	( 3 54 971)	13 76 476
	<b>Expenses recognized in the statement of Profit &amp; Loss</b>	<b>3 78 959</b>	<b>19 11 060</b>
	<b>v Investment Details</b>		
	Insurance Policy	100%	100%
	<b>vi The principal actuarial assumptions used as at the balance sheet date for gratuity liability are as under:</b>		
	Discount Rate	7.25%	7.50%
	Rate of Increase in Compensation	7.00%	7.00%
<b>22</b>	<b>Finance Cost</b>		
	Interest to Banks	1 44 626	2 17 249

Vapi Green Enviro Limited

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Notes to the Financial Statements for the year ended March 31, 2020

( Amount in Rs.)

Note No.	Particulars	For the Year Ended March 31,	
		2020	2019
	Interest to Others	1 09 78 636	84 86 524
	<b>Total</b>	<b>1 11 23 262</b>	<b>87 03 773</b>
<b>23</b>	<b>Other Expenses</b>		
	Power & Fuel Charges	12 69 10 384	12 36 95 444
	Repairs & Maintenance		
	Building	47 61 130	63 64 923
	Plant & Equipments	2 47 99 578	1 78 63 613
	Others	44 32 502	37 02 221
		<b>3 39 93 211</b>	<b>2 79 30 758</b>
	Insurance Charges	12 65 886	12 97 983
	Rates & taxes	1 16 83 465	1 21 24 271
	Rent	17 81 000	13 61 331
	Analysis Charges	28 42 301	6 41 103
	Hire charges for Solid Waste	1 99 10 909	81 77 190
	Sludge Handling Exp.	1 11 60 826	1 73 66 790
	Capping Expenses (Cell 1 to 4 )	6 34 965	3 41 689
	Legal & Professional Expenses	2 01 45 240	1 24 26 187
	Donation	5 00 000	11 27 598
	Loss on Sale of Property, Plant and Equipment	-	22 452
	Provision for Bad and Doubtful Debts		4 43 16 245
	CSR Expense	10 00 000	-
	Miscellaneous Expenses	1 46 51 723	88 54 079
	<b>Total</b>	<b>24 64 79 909</b>	<b>25 96 83 120</b>
<b>23.1</b>	<b>Payment to Auditor ::</b>		
	Audit Fees	7 50 000	7 00 000
	For Taxation matters	3 40 000	4 00 000
		<b>10 90 000</b>	<b>11 00 000</b>
<b>24</b>	<b>Other notes related to Income &amp; Expenditure Account</b>		
	Value of Imported goods on CIF basis - Raw Material	-	-
	Value of Imported goods on CIF basis - Capital Goods	-	-
	Expenditure in foreign currency	-	-
	Earning in foreign currency	-	-

**Vapi Green Enviro Limited**  
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**Notes to the Financial Statements for the year ended March 31, 2020**

**25 Segment Information:**

The Company has identified 3 reportable segments viz. CETP, CSWP and COE. Segments have been identified and reported taking into account nature of services, the differing risks and returns and internal business reporting systems. The accounting policies for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.

- a. Revenue & Expenditure have been identified to a segment on the basis of relationship to operating activities of the segment. Expenses which relate to enterprise as a whole and are not allocated to a segment on reasonable basis have been disclosed as "Unallocable".
- b. Segment assets & segment liabilities represent assets & liabilities in respective segments. Liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "unallocable".

(Amount in Rs.)							
Sr. No.	Particulars	CETP	CSWP	COE	Unallocable	Elimination	Total
<b>(A)</b>	<b>Segment Revenue</b>						
	Sales & Other Income - External	53 97 30 698 ( 50 83 77 728)	5 69 88 597 ( 6 69 90 906)	1 58 18 760 ( 1 51 44 335)			<b>61 25 38 055</b> <b>( 59 05 12 970)</b>
	Sales & Other Income - Inter segment		2 45 05 190 ( 1 62 07 520)	82 28 100 ( 50 12 150)		3 27 33 290 ( 2 12 19 670)	- -
	<b>Total (A)</b>	<b>53 97 30 698</b> <b>( 50 83 77 728)</b>	<b>8 14 93 787</b> <b>( 8 31 98 426)</b>	<b>2 40 46 860</b> <b>( 2 01 56 485)</b>		<b>3 27 33 290</b> <b>( 2 12 19 670)</b>	<b>61 25 38 055</b> <b>( 59 05 12 970)</b>
<b>(B)</b>	<b>Segment Results</b>						
	Operating profit before interest & tax	17 89 99 087 ( 9 38 31 213)	1 74 54 864 ( 4 59 92 259)	- 66 99 218 (- 21 45 846)	- 5 00 000 (- 11 27 598)		<b>18 92 54 734</b> <b>( 13 65 50 029)</b>
	<b>Less:</b>						
	Interest Expenses				1 11 23 262 ( 87 03 773)		<b>1 11 23 262</b> <b>( 87 03 773)</b>
	Provision for Income Tax				1 53 32 000 ( 1 31 65 200)		<b>1 53 32 000</b> <b>( 1 31 65 200)</b>
	<b>Segment result after tax</b>	<b>17 89 99 087</b> <b>( 9 38 31 213)</b>	<b>1 74 54 864</b> <b>( 4 59 92 259)</b>	<b>- 66 99 218</b> <b>(- 21 45 846)</b>	<b>- 2 69 55 262</b> <b>(- 2 29 96 571)</b>		<b>16 27 99 471</b> <b>( 11 46 81 056)</b>
<b>(C)</b>	<b>Other Information</b>						
	Segment Assets	114 22 34 335 ( 93 71 08 254)	53 18 11 770 ( 50 17 43 938)	8 86 55 473 ( 8 04 93 460)	36 04 44 176 ( 34 04 56 429)		<b>212 31 45 755</b> <b>( 1 85 98 02 081)</b>
	Segment Liabilities including grant	20 08 87 454 ( 13 61 18 096)	8 48 64 899 ( 5 91 17 885)	2 81 38 653 ( 5 37 43 546)	13 49 00 000 ( 13 49 00 000)		<b>44 87 91 006</b> <b>( 38 38 79 527)</b>
	Depreciation	3 39 97 757 ( 3 47 71 690)	69 35 709 ( 1 43 31 640)	29 06 566 ( 41 09 916)			<b>4 38 40 032</b> <b>( 5 32 13 246)</b>
	Non-cash expenditure	- ( 4 43 16 245)					- <b>( 4 43 16 245)</b>
	Capital expenditure	7 06 74 686 ( 2 37 04 051)	40 572 ( 1 46 228)	1 72 265 ( 20 82 889)			<b>7 08 87 523</b> <b>( 2 59 33 168)</b>

Note:- Figures in brackets represent previous year's amount

**Geographical segment:** As all services are being rendered in Vapi area, disclosure for geographical segment is not required to be given.

**Vapi Green Enviro Limited**

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**Notes to the Financial Statements for the year ended March 31, 2020**

**26** The Company incorporated pursuant to the suggestion of Hon'ble Gujarat High Court to manage the Common Effluent Treatment Plant and other environment related activities. Accordingly, the Company took over the Common Effluent Treatment Plant (CETP) built by Gujarat Industrial Development Corporation ("GIDC") for the year ended on March 31, 1998. Industrial Effluents and pollutant water discharged by the member units situated in Vapi GIDC Estate are being treated by CETP. All the member units are required to contribute towards the capital cost, running, repairs & maintenance and upgradation of the plant, based on their self estimated consumption in form of License Fees, after obtaining the membership of CETP.

**26.1 Cluster Projects:**

The Ministry of Commerce & Industries, Government of India, through Department of Industries Policy & Promotion (DIPP) approved the Vapi Chemical Cluster Project Cost at Rs. 54.31 crore under the Industrial Infrastructure Upgradation (IIUS) Scheme of 2003 and the Government of India has sanctioned a Grant – in-aid of Rs. 40.49 crore against this project. The Company has implemented these projects.

**26.2 Road Upgradation Project:**

The Road Upgradation Project is one of the Project components under Industrial Infrastructure Upgradation (IIUS) Scheme, which was undertaken by the Company on behalf of Notified Area Authority, Vapi (NAA). The company had received grant in aid of Rs. 990 lacs from Government of India and Rs. 359 Lacs from NAA. The company had incurred Rs. 2248 Lacs expenses on road up-gradation project. Amount of Rs. 899 lacs spent over and above the grant received. The company has shown entire amount of expenses of Rs. 2248 lacs incurred on road up-gradation project under the head advances recoverable in cash or in kind or for value to be received. The excess amount spent over the grant received on road up-gradation project is subject to confirmation by the NAA.

**27** Balances of debtors and loans & advances and member contribution are subject to confirmations by the parties. Balance of advance income tax (Net of tax provision) subject to adjustment on receipt of proper information from income tax department in respect of demand adjusted against income tax refund and interest thereon.

**28 Related parties Transactions:**

Related party disclosures as required under the Accounting Standard AS – 18 on "Related Party Disclosures" notified under Companies (Accounting Standards) Rules, 2006 are given below:

**28.1 List of related parties and relationships:**

**a Key Managerial Personnel:**

Name of the Related Party	Relationship
R Gnanasegaran	Chief Executive Officer

**b Transactions during the year with related parties**

( Amount in Rs. )

Nature of transactions	Key Managerial Personnel	
	2019-20	2018-19
<b>Expenditure - Remuneration including reimbursement</b>		
R Gnanasegaran	17 02 800	15 99 503

**29** The Company is working on mutuality concept and engaged in treatment of pollutant water, industrial effluents and deposition of solid waste of the member units. Non-applicability of income tax on receipts from members for such activities was challenged before Income Tax Tribunal by the Income Tax Department and company has received judgment in its favour. However, the Department has filed application before Honorable Gujarat High Court against said decision.

**30** Hon'ble NGT passed order on January 11, 2019 regarding discharge of untreated / partially treated effluent by industrial units in Vapi Industrial cluster into tidal zone of river Damanganga due to which river carries all the pollution load to the sea near Daman. As per the direction of the Hon'ble NGT, the company deposited Rs. 10,00,00,000/-, as interim deposit, with Central Pollution Control Board in February 2019.

Hon'ble NGT constituted an expert committee, vide above order, to assess the extent of damage and cost of restoration of the environment and individual accountability and liability of CETP unit of the Company and polluting industrial units.

In this regard, the company represented its case before the committee. Post hearing, the committee prepared report titled - "Report on damage assessment of river Damanganga, cost of restoration, accountability and liability of industries and CETP, Vapi, Gujarat and submitted report to Hon'ble NGT on May 09, 2019.

The report was considered for hearing on May 13, 2019 before Hon'ble NGT and the Company objected the report. After due submissions and considerations, Hon'ble NGT directed vide order dated May 13, 2019 to make fresh calculations and to assess the compensation and give its revised report.

The committee submitted its revised report dated August 05, 2019 to Hon'ble NGT considering fresh calculation and assessed the compensation of Rs. 92,36,28,314/- towards cost of restoration of environmental damage to river Damanganga due to non-compliance of discharge norms by CETP unit.

Thereafter, the Hon'ble NGT heard the matter on August 19, 2019 and August 28, 2019 and issued the order on August 28, 2019 by confirming the interim compensation as assessed by the committee in its revised report.

Against the order of the Hon'ble NGT dated August 28, 2019, the company filed civil appeal before the Hon'ble Supreme Court of India. On December 04, 2019, the Hon'ble Supreme Court of India granted stay on the impugned order. The matter is still pending before the Hon'ble Supreme Court of India.

Based on the legal advice, the Company is confident that the matter before Hon'ble Supreme Court will be concluded in its favour. However, in case, if matter will be concluded against the company, the said compensation amount will be recovered as per the decision of the Board. Having regard to this, the management is of the opinion that this does not pose threat to going concern assumption followed in preparation of these financial statements.

- 31 Gujarat Pollution Control Board (GPCB) officials visited the Company on April 11, 2019 and April 29, 2019 and observed that company was in non-compliance of the Consolidated Consent and Authorisation granted under the provisions of the Environmental Acts / Rules.

On observing non-compliance, GPCB issued directions u/s 33A of the Water (Prevention and Control of Pollution) Act - 1974 on May 24, 2019 and gave 15 days time to comply. Non-compliance of such directions will result into closure of the CETP operations.

The closure directions issued on May 24, 2019 were revoked on June 25, 2019 by GPCB and thereafter periodically revoked said directions. Due to COVID - 19, GPCB issued the general circular on March 30, 2020 for revocation of the said directions till June 30, 2020 to those industries whose revocation were to be completed after March 01, 2020. Based on compliance report submitted by company on September 23, 2020, GPCB further revoked closure directions for three months vide order dated October, 29, 2020.

The company paid Rs. 25,00,000/- towards penalty as per GPCB Notice of Directions dated May 24, 2019 to comply NGT Order in OA-95/2018 and also submitted performance bank guarantee of Rs. 50,00,000/-.

- 32 **Details of Loan given, Investments made and Guarantee given covered under section 186 (4) of the Companies Act, 2013**

There are no loan and guarantee given as well as investment made by the company.

- 33 Previous year's figures have been regrouped / reclassified wherever necessary to confirm the current year's presentation.

**As per our audit report of even date attached**

**Manubhai & Shah LLP**  
**Chartered Accountants**  
ICAI Firm Registration No. :: 106041W/W100136

**Sd/-**  
**K. B. Solanki**  
**Partner**  
M. No. :: 110299

**Place :: Ahmedabad**  
**Date :: December 05, 2020**

**For and on behalf of the Board**

**Sd/-**  
**Kanubhai Desai**  
Nominee Director  
**DIN :: 02935533**

**Sd/-**  
**Chetan Patel**  
Director  
**DIN :: 07282390**

**Sd/-**  
**R Gnanasegaran**  
Chief Executive Officer

**Sd/-**  
**Yogesh Kabaria**  
Nominee Director  
**DIN :: 03265992**

**Sd/-**  
**Prakash Bhadra**  
Nominee Director  
**DIN :: 01566946**

**Sd/-**  
**Rajendra Chechani**  
Chief Financial Officer

**Place :: Vapi**  
**Date :: December 05, 2020**





# VAPI GREEN ENVIRO LIMITED

Formerly Known as Vapi Waste & Effluent Mgt. Co. Ltd.

VIA House, Plot No. 135, Char Rata, GIDC, Vapi – 396 195, Gujarat, India  
Tel.: (0260) 2428950, Telefax: (0260) 2429950 | email: admin@vwemcl.com | website: www.vwemcl.com | www.coevapi.com  
CIN: U74210GJ1997GAP031525

## ATTENDANCE SLIP

**23<sup>rd</sup> Annual General Meeting: 30<sup>th</sup> December 2020.**

(Please fill in the Attendance Slip and hand it over at the entrance of the meeting hall)

<b>Date:</b>	30 <sup>th</sup> December, 2020
<b>Time:</b>	12:00 pm
<b>Place:</b>	VAPI

Name and Signature of the Member/ Representative present	
Membership No.	

----- ✂ ----- ✂ -----

Members are requested to produce the above attendance slip, duly signed in accordance with their specimen signatures registered with the Company for admission to the venue. Members / Authorized Representatives may note that the admission to the meeting will be subject to verification / checks, as may be deemed necessary and they are advised to carry valid proof of identity viz., Voters ID Card / Employer Identity Card / Pan Card / Passport / Driving license etc. **UNDER NO CIRCUMSTANCES, ANY DUPLICATE ATTENDANCE SLIP WILL BE ISSUED AT THE VENUE.**

**ROUTE MAP FOR THE 23rd AGM DATED 30TH DECEMBER,2020  
VIA AUDITORIUM, GIDC, VAPI**

