



CIN No: L24110MH1988PLC049683

Date: - 15<sup>th</sup> September 2014

To,  
The Bombay Stock Exchange Ltd.  
Department of Corporate Services,  
Phiroze Jeejeebhoy Tower,  
Dalal Street,  
Mumbai – 400 001.

Sub: Submission of 25<sup>th</sup> Annual report F.Y. 2013-14  
Ref No: - BSE CODE 507486

Dear Sir,

We hereby inform that the 25<sup>th</sup> Annual General Meeting of the Company will be held at registered office on 29<sup>th</sup> September, 2014 at 10.00 a.m.

We are forwarding herewith copy of the Annual Report, for the year 2013-2014.

Please take a note of same.

Thanking you.  
Yours faithfully,

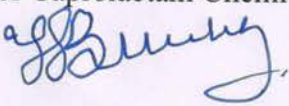
For Caprolactam chemical Ltd.



Siddharth S Bhanushali  
(Director)

**CIN No. U24110MH1988PLC049683**

Form B

Format of covering letter of the annual report to be filed with the stock exchange

1	Name of the Company	<b>Caprolactam Chemicals Limited</b>
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3	Type of Audit observation	1. The Company has an adequate internal audit system, which in my opinion is commensurate with the size of the Company and the nature of its business <i>however the company does not have a formal internal audit system.</i> 2. <i>The company has accumulated losses as at 31st March 2014 and has incurred cash losses during the financial year ended on that date but not in the immediately preceding financial year.</i>
4	Frequency of observation	1. Appearing for first time 2. Repetitive
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	-
6	Additional comments from the board / audit committee chair	1. As regards Point 7 of the annexure to the Auditors report, the directors are looking after the day-to-day business of the Company and expenditure on formal internal audit system is not warranted. 2. As regards Point 10 of the annexure to the Auditors report, The Company has incurred cash losses during the year mainly due to prevailing uncertain economic environment and liquidity shortage, lower absorption of fixed overheads etc.
7	For Caprolactam Chemicals Limited  Zaver Bhanushali Managing Director	

  
  
JATIN V. SHAH  
261,263  
Dt. D. N. Road,  
MUMBAI-400 001.  
M. No. 103858  
CHARTERED ACCOUNTANT



# Caprolactam Chemicals Limited

25<sup>th</sup> Annual Report  
31-03-2014

**BOARD OF DIRECTORS**

Mrs. Z.S. Bhanushali	-	Chairperson & Managing Director
Mr. S. S. Bhanushali	-	Executive Director
Mr. V. P. Adagale	-	Non Executive Independent Director
Mr. R. P. Mange	-	Non Executive Independent Director
Mr. V. L. Mange	-	Non Executive Independent Director

**AUDITORS**

M/s. Jatin Shah  
Chartered Accountant

**BANKERS**

Bank of India

**SHARE TRANSFER AGENT****Purva Sharegistry (India) Pvt. Ltd.**

Unit no.9,  
Shiv Shakti Industrial Estate  
J.R.Boricha marg  
Opp. Kasturba Hospital Lane  
Lower Parel (E)  
Mumbai 400 011

**REGISTERED OFFICE & WORKS**

B/31, MIDC, Mahad,  
Dist. Raigad - 402 302,  
Maharashtra.  
02145-233427.

**EMAIL ID FOR MEMBERS**

[caprolactam@gmail.com](mailto:caprolactam@gmail.com)  
[caprolactamcl@gmail.com](mailto:caprolactamcl@gmail.com)

**NOTICE**

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of Caprolactam Chemicals Limited will be held on Monday, the 29<sup>th</sup> September 2014 at 10.00 a.m. at the Registered Office of the Company at B/31, MIDC, Mahad, Dist. Raigad 402302 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2014, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vikram P. Adagale, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. R. P. Mange, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY**
2. The instrument appointing proxy must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting.
3. Members desirous of seeking any further information of the Company clarifications in respect of accounts and operations of the Company are requested to send their queries in writing so as to reach the Registered Office of the Company at least seven days before the meeting to enable the Company to provide information at the meeting.
4. The Register of Members and Share Transfer Books will remain closed from Monday, 22<sup>nd</sup> September, 2014 to Monday, the 29<sup>th</sup> September, 2014 (both days inclusive).
5. Members are requested to bring their copies of the Annual Report at the Annual General Meeting.
6. Information required pursuant to the Clause 49(VI) of the Listing Agreement is annexed herewith and forming part of the Notice.

Mahad, 30<sup>th</sup> May, 2014

Registered Office:

B/31 MIDC, Mahad,

Dist. Raigad 402302.

By Order of the Board of Directors

(Mrs. Zaver S, Bhanushali)

Chairperson & Managing Director

**ANNEXURE TO NOTICE FURNISHING THE INFORMATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT.**

1. Equity Shares of the Company have been listed on Bombay Stock Exchange. The listing fee has been paid for the year 2014-2015
2. Details of the Directors seeking re-appointment at the 25<sup>th</sup> Annual General Meeting to be held on 29<sup>th</sup> September, 2014.

Name of Director	Mr. Vikram P. Adagale	Mr. Rajesh P. Mange
Date of Birth	10/04/1984	18/03/1957
Date of Appointment	14-8-2008	30-09-2009
Experience in specific functional areas.	Technical Knowledge in Plant Engineering, Designing.	Expert in the field of Administration & Human Resources
Qualification	D.E.(Chemical)	2 <sup>nd</sup> Year BSC
List of directorships in other companies.	--	1
Chairman/Member of the Committees of the Board of directors of the Company	--	Director
Chairman/Member of the Committees of Director of other Companies in which he is a Director	--	Pavithra Aqua Pvt. Ltd.

Mahad, 30<sup>th</sup> May, 2014

Registered Office:

B/31 MIDC, Mahad,

Dist. Raigad 402302.

By Order of the Board of Directors

(Mrs. Zaver S, Bhanushali)

Chairperson & Managing Director

**DIRECTOR'S REPORT**

To,  
The Members,  
Your Directors have pleasure in presenting their 25<sup>th</sup> Annual Report together with the Audited Accounts for the year ended on 31<sup>st</sup> March, 2014.

**FINANCIAL HIGHLIGHTS**

Particulars	31 <sup>st</sup> March,2014	31 <sup>st</sup> March,2013
Profits /Loss (before interest ,depreciation and taxation)	-9,81,813	72,01,116
Less : Interest	7,904	25,978
Depreciation	18,70,613	21,86,826
Profit /Loss before Tax	-28,60,329	49,88,312
Less :Provision for Taxation	0	9,65,330
Add : Deferred Tax Benefit	1,55,988	1,81,457
Profit/Loss after tax	-27,04,341	42,04,439

The Company's operation remained confined mainly to job work. Your Directors are taking various initiatives for improving the condition of the Company.

**DIVIDEND**

In order to conserve the financial resources of the Company, your Directors deem fit not to recommend any dividend for the year under review.

**BIFR**

Your company was registered as sick company by the Board of Industrial and Finance Reconstruction (BIFR) in the year 2001. The net worth of the company as per balance sheet of the year ending 31-12-2006 has turned positive which has been considered by the (BIFR) bench and the Bench allowed the MA and therefore, your company has been de-registered (Case No.36/2001) from the purview of SICA/BIFR. The case of the winding up of order of the Bombay High Court is still pending for the hearing.

**DIRECTORS**

In accordance with the provision of the Companies Act, 1956, Mr. Vikram P Adagale and Mr. Rajesh P Mange retire by rotation and being eligible offer themselves for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company confirms that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The directors had prepared the annual accounts on a going concern basis.
5. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate were operating effectively.
6. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**RELATED PARTY TRANSACTIONS**

In accordance with the Accounting Standard 18 prescribed by the Institute of Chartered Accountants of India, transactions with related parties have been disclosed separately and form a part of this report.

**CORPORATE GOVERNANCE**

A report on Corporate Governance along with Auditors' certificate regarding compliance of conditions of corporate governance as stipulated in Clause 49 of Listing Agreement and Management Discussion and Analysis Report are annexed to this Report.

**LISTING FEE PAYMENT**

The Company's securities are listed on the Bombay Stock Exchange Limited and the Company has paid Annual Listing fee for the financial year 2014-15.

**PARTICULARS OF EMPLOYEES**

There were no employees drawing remuneration in excess of the limit prescribed under Section 217 (2A) of the Companies Act, 1956.

**FIXED DEPOSITS:**

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.**

The information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2014 is annexed and forms a part of this Report.

**INDEPENDENT DIRECTORS:**

The Independent Directors of the Company had submitted their declaration in the First Board meetings of the directors that they meet the criteria of the Independence as provided in sub-section 6 of section 149 of companies Act 2013.

**VIGIL MECHANISM:**

In pursuant to the provisions of section 177 (9) & (10) of the companies Act, 2013 a vigil mechanism for directors and employees to report the genuine concerns has been established.

**AUDITORS:**

Mr. Jatin Shah, Chartered Accountant, Auditor of the Company, retires at the forthcoming Annual General Meeting and being eligible offer himself for reappointment. The Board recommends appointment of Mr. Jatin. Shah as the statutory auditor of the Company for the next year.

**COMPLIANCE CERTIFICATE**

In accordance with Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a Certificate from a Secretary in whole time practice confirming that the Company has complied with all the provisions of the Companies Act, 1956 during the financial year under review and a copy of such certificate is annexed to this Report.

**ACKNOWLEDGEMENT:**

Yours Directors record their appreciation for the valuable cooperation extended by Banks and concerned Government and other authorities. Your Directors acknowledge the contribution made by the Company's personnel at all levels.

PLACE: Mahad

DATE: 30<sup>th</sup> May, 2014

*For and on behalf of the Board of Directors*

(Mrs. Zaver S. Bhanushali)

Chairperson and Managing Director

**MANAGEMENT'S DISCUSSION AND ANALYSIS****1. Industry Structure and Development**

Our products being the intermediate for Perfumes Industries, Soap and Detergent, Agarbattis and also in food colours.

**2. Opportunities & Threats**

There are no branded products owned by the Company for sale in direct market. The Company is undertaking job works activities of other units who after using intermediate products, sale in domestic as well as export their final products. The Company's future depends upon the export demands. Considering the present trends in the Market, the Company's production facilities will be fully utilized and the Company will be able to produce the satisfactory result. The Company will be able to combat competition from China as the product base of the Company is of good quality.

**3. Product wise Performance**

Your Company is engaged in undertaking the job works and hence the question of products and its sale does not arise.

**4. Outlook**

The Company's business prospect are closely linked to the economic environment prevailing locally and globally and the development of its customer industries. Substantial improvement in the current market conditions is not expected in the near

future. Given, the challenging market environment, stiff competition and unstable geo –political condition, it is difficult to make an optimistic prediction for business prospect in the coming year.

The Company however, continues to evaluate ways and means for sales growth and remains competitive in the challenging environment.

#### 5. Risk and Concerns

The price fluctuation in global market and local market affect profitability of the Company in getting volume of job works.

#### 6. Internal Control System

Your Company has in place adequate internal control systems. The Management Team takes the corrective actions immediately to address any inconsistent development.

#### 7. Discussion on financial performance with respect to operational performance

Turnover has increased from 338.28 Lacs from previous year (2012-2013) to Rs. 392.43 Lacs in current year. (2013-2014).

#### 8. Human Resources/Industrial Relations

The relation with the employees at all levels was cordial throughout the year.

#### Cautionary Statement

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectation may be "forward looking statement" within the meaning of applicable laws and regulation. Actual results might differ materially from those either expressed or implied.

Place: Mahad

Date: 30<sup>th</sup> May, 2014

By Order of the Board of Directors  
(Mrs.Zaver S. Bhanushali)  
Chairperson & Managing Director

#### REPORT ON CORPORATE GOVERNANCE

##### 1) Corporate Governance Philosophy

The Company's philosophy on corporate governance is to conduct its business in a transparent manner, comply with all the statutory and regulatory requirements relating to corporate governance.

##### 2) Board of Directors

a. The Composition of the Board of Directors and related information as on 31<sup>st</sup> March, 2014 is as follows:

Name of the Director & Designation	Executive / Non-Executive / Independent	No. of Board Meetings attended	Whether last AGM* attended	Number of Directorship in other Public Limited Companies
Mr. Zaver S. Bhanushali	Managing Director (Promoter )	4	Yes	Nil
Mr. Siddharth S. Bhanushali	Executive Director (Promoter)	4	Yes	Nil
Mr. Vikram P. Adagale	Non Executive and Independent Director	4	Yes	Nil
Mr. Vasant Mange	Non Executive and Independent Director	4	Yes	Nil
Mr. Rajesh Mange	Non Executive and Independent Director	4	Yes	Nil

- Last Annual General Meeting ("AGM") held on 27<sup>th</sup> September, 2013.
- None of the Directors on the Board holds the office of Director in more than 15 companies or Memberships of Committees of the Board in more than 10 Committees or Chairmanship of more than 5 Committees across all Companies.

##### b. Board Meetings held during the Year

During the year 4 Board meetings were held on 30/05/2013, 30/07/2013, 30/10/2013, 30/01/2014.

##### c. Details of Directors being re-appointed

Mr. Vikram P Adagale and Mr. Rajesh P Mange retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-election.

##### 3) Audit Committee

The Audit Committee of the Board comprises three directors, namely Mr. Vikram . P. Adagale, Mr. Vasant. L. Mange, Mr. Rajesh. P. Mange. The composition of Audit Committee meets the requirement of Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement.

During the year 4 Audit Committee meetings were held on 30/05/2013, 30/07/2013, 30/10/2013, 30/01/2014. The attendance of each Member of the Committee is given below:



Names of the Committee Members	No. of Meetings Attended	% of total Meeting attended during the tenure as a Director
Mr. Vikram . P. Adagale	4	100
Mr. Vasant. L. Mange	4	100
Mr. Rajesh. P. Mange	4	100

4) **Nomination and Remuneration Committee**

The Remuneration Committee has been constituted to recommend the remuneration package of the Managing Director based on the performance. The Company has not issued any stock options to any of its Directors and employees. The Committee comprises of Mr. Vikram .P. Adagale (Independent Director) Mr. Vasant L. Mange (Independent Director) and Mr. Rajesh P. Mange (Independent Director).

a. **Details of remuneration paid to the Directors for the year ended 31st March, 2014.**

I. The total remuneration paid to the Managing Director and Director during the year ended 31<sup>st</sup> March,2014 was as under

Name	Remuneration (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Contribution to Provident Fund
Mrs. Zaver. S. Bhanushali	6,04,000/-	NIL	NIL	NIL
Mr. Siddharth. S. Bhanushali	5,52,000/-	NIL	NIL	NIL

II. The Non-Executive Directors is not entitled to any remuneration except payment of sitting fees for attending the meetings of Board of Directors .During the year 2013-14, the Company has paid total sitting fee of Rs. 22,000 to Non-executive directors.

5) **Stakeholder's Relationship Committee**

Investors Committee comprises three members chaired by Mrs. Zaver .S Bhanushali, (Managing Director and Promoter Group) and two independent Directors.

There were no complaints received by the Company from shareholders. The Board has designated Mr. Siddharth S. Bhanushali, as Compliance Officer.

6) **General Body Meetings**

The date, time and venue of the last 3 General Body Meeting of the Company are given below:

Financial Year Ended	Date	Time	Venue
31 <sup>st</sup> March,2011	29.09.2011	10.00 a.m.	B-31,MIDC,Mahad,Dist:-Raigad 402302
31 <sup>st</sup> March,2012	28.09.2012	10.00 a.m.	B-31,MIDC,Mahad,Dist:-Raigad 402302
31 <sup>st</sup> March,2013	27.09.2013	10.00 a.m.	B-31,MIDC,Mahad,Dist:-Raigad 402302

None of the items at the said meetings were required to be passed by postal ballot. At the forthcoming Annual General Meeting there are no items on the agenda requiring to be passed by postal ballot.

7) **Disclosures**

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with the promoters, directors, management and subsidiaries that had a potential conflict with the interest of the Company at large.

8) **Compliances**

There have been no instances of non-compliance on any matter with the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.

9) **Pecuniary Relation**

There were no transactions of material nature with the Directors or the management or their relatives.

10) **Means of Communication**

Quarterly Results	No.
Newspapers in which results are normally published	Normally it is published in the Free Press Journal in English and Navshakti in Marathi.
Website where displayed.	<a href="http://www.caprolactam.in">www.caprolactam.in</a>
Whether it also displays official news releases	No
Presentation to institutional investors or analysts	Yes
Whether Management Discussion and Analysis is a part of the Annual Report	Yes

The Company has not made any presentation to institutional investor or equity analysts.

**11) General Shareholder Information**

The 25<sup>th</sup> Annual General Meeting of the shareholders will be held on Monday, the 29<sup>th</sup> September, 2014 at 10.00 a.m.

Venue: B-31, MIDC, Mahad Dist: - Raigar-402302, Maharashtra

**i. Financial Calendar**

Financial Year:	1 <sup>st</sup> April to	31 <sup>st</sup> March Consideration of Financial Results (tentative)
a. First Quarter	(unaudited )	last week of July
b. Second Quarter	(unaudited )	last week of October
c. Third Quarter	(unaudited )	last week of January
d. Fourth Quarter	(unaudited )	last week of April
e. Annual	(audited )	last week of May

ii. **Book closure:** 22<sup>nd</sup> September 2014 to 29<sup>th</sup> September 2014 (both days inclusive)

iii. **Listing of shares:** - The Bombay Stock Exchange Ltd.

**Stock Code:** - 507 486

**ISIN:** - INE 470N01010.

iv. **Plant Location:** - B-31, MIDC, Mahad, Dist: - Raigad -402302, Maharashtra.

**v. Name and Address of the Registrar and Share Transfer Agents**

Purva Sharegistry (India) Pvt. Ltd.: - Unit No. 9, Shiv Shakti Ind. Estate. J.R. Boricha marg, Opp. Kasturba Hospital, Lower Parel (E), Mumbai 400011

**vi. Share Transfer System**

Share transfer are registered normally within 15 days from the date of receipt, if the documents are clear in all respects.

**vii. Stock Data****1. Distribution of Share Holding as on 31<sup>st</sup> March 2014**

Shareholding of Nominal Value		Shareholders		Share Amount	
From	To	Number	% of Total	Rupees	% of Total
Upto	5000	7207	91.18	12479860	27.13
5001	10000	425	5.39	3635840	7.90
10001	20000	162	2.05	2403000	5.22
20001	30000	44	0.54	1083150	2.35
30001	40000	20	0.24	702150	1.53
40001	50000	13	0.16	616000	1.34
50001	100000	12	0.15	858000	1.87
100001	And above	21	0.27	24222000	52.66
<b>TOTAL</b>		<b>7915</b>	<b>100</b>	<b>46000000</b>	<b>100.00</b>

**2. Distribution of shareholding according to categories of shareholders as on 31<sup>st</sup> March, 2014**

Sr. No	Categories Code	Description	Shares	% of the Capital	No. of Holders	% of the holders
1	0	Resident Individual	2080909	49.87	7703	97.57
2	31	Bodies Corporate	181490	3.93	23	0.3
3	41	Directors	852860	18.54	4	0.05
4	42	Director's Relative	1193940	25.96	7	0.09
5	94	N.R.I (Non –Repat)	53900	1.17	151	1.91
6	95	N.R.I.(Repat)	10000	0.22	2	0.03
7	98	HUF	13800	0.3	4	0.05
	Total		4600000	100	7915	100.00

**3. Investor Correspondence:**

Purva Sharegistry (India) Pvt Ltd  
Unit no.9, Shiv Shakti Ind. Estt.  
J.R.Boricha Marg, Opp. Kasturba Hospital  
Lower Parel (E)  
Mumbai 400011

Place: Mahad

Date : 30<sup>th</sup> May, 2014

Caprolactam Chemicals Ltd.  
B/31, MIDC, Mahad,  
Dist .Raigad -402302  
Maharashtra.

On behalf of the Board of Directors  
Caprolactum Chemicals Ltd  
(Mrs. Zaver S. Bhanushali)  
Chairperson & Managing Director

**Declaration by the Managing Director to the Compliance of Code of Conduct in pursuance of Clause 49(D)(ii) of the Listing Agreement**

It is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed to the Board of Directors, their compliance with the Code of Conduct of the Company pursuant to Clause 49(D) (ii) of the Listing Agreement.

Place: Mahad  
Date: 30<sup>th</sup> May, 2014

(Mrs. Zaver S. Bhanushali)  
Chairperson & Managing Director

**ANNEXURE TO THE DIRECTOR'S REPORT**

Information u/s 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report.

**FORM- A**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY POWER AND FUEL CONSUMPTION ON ACCOUNT OF MAINLY JOB WORK AND HENCE SAME IS NOT REPORTED.**

**FORM -B**

**FORM FOR DISCLOSURE OF PARTICULAR WITH RESPECT TO ABSORPTION OF RESEARCH AND DEVELOPMENT (R&D)**

**A. RESEARCH AND DEVELOPMENT (R&D)**

- 1) Specific area in which R&D carried out by the Company Development activities of the Company are directed towards energy conservation, Separation Technology, process and plant engineering.
- 2) Benefits derived as a result of the above R & D Reduction in production cost, improvement in specific consumption of energy in process plant on account of energy saving scheme, quality improvement and reduction in cost of plant maintenance
- 3) Future Plan of action to continue R&D work on the above cases.
- 4) Expenditure on R & D the Development work in continuously undertaken by the technical department, no separate records of the expenditure incurred on R & D as such is maintained.
- 5) Technology absorption, adaption & innovations
- 6) Effort in brief & benefit derived The Company has acquired technology know how to manufacture Ethyl Acetate. Continuous efforts are made to check the material balances on the actual performance against design. These measures have helped in increasing the productivity and reduction in overall energy consumption.
- 7) Detailed of technology imported derived in the past 5 years.
- 8) Technology imported } no technology has been
- 9) Year of import } imported during the past
- 10) Has technology been fully absorbed? N.A
- 11) If not fully absorbed, area where } N.A  
This has not taken place.
- 12) FOREIGN EXCHANGE EARNING AND OUTGO
- 13) Activities relating to Exports : Nil
- 14) Total Foreign Exchange used and earned : Nil

On behalf of Board of Directors  
Sd/-

(Mrs. Zaver S. Bhanushali)  
Chairperson & Managing Director

Place: Mahad  
Date: 30<sup>th</sup> May, 2014

**CEO/CFO Certification**

We have reviewed financial statements and the Cash Flow statement for the year and that to the best of our knowledge and belief:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and comply with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee:

1. Significant changes in internal control during the year;
2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place: Mahad

For Caprolactam Chemicals Ltd  
Sd/-

Date: 30<sup>th</sup> May, 2014

Mrs. Zaver S Bhanushali  
Chairperson & Managing Director

**Compliance Certificate**

To,

The Members,

**CAPROLACTAM CHEMICALS LIMITED.**

(Corporate Identification Number – L24110MH1988PLC049683)

B/31, MIDC, Mahad,

Dist. Raigad- 402 302.

We have examined the registers, records, books and papers of Caprolactam Chemicals Limited (“the Company”) as required to be maintained under the Companies Act, 1956. (“the Act”) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March 2014. In our opinion and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in **Annexure ‘A’** to this certificate, as per the provisions of the Act and the rules made there under and entries therein have been recorded.
2. The Company has filed the forms and returns as stated in **Annexure ‘B’** to this certificate with the Registrar of Companies, Maharashtra, Mumbai, Regional Director, Central Government, Company Law Board or other authorities under the Act and the rules made there under.
3. The Company, being a Public Limited Company, comments are not required.
4. The Board of Directors met Four (4) times respectively on 30/05/2013, 30/07/2013, 30/10/2013 and 30/01/2014 respectively and the proceedings were recorded and signed in the Minutes Book maintained in loose leaf form for the purpose. The Company has not passed any resolution by circulation.
5. The Company has closed its Register of Members from 20<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013. (Both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the year ended 31<sup>st</sup> March, 2013 was held on 27<sup>th</sup> September, 2013, after giving notice to the members of the Company and resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose in loose leaf form.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act during the financial year.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. No entries have been made in the Register maintained under section 301 of the Act, as there was no relevant transaction.
11. During the year, the Company has not appointed any person holding office or place of profit falling within the purview of Section 314 of the Act.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company
  - (i) Has delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act. There was no allotment /transmission of securities during the financial year.
  - (ii) Has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) Was not required to post warrants to any members of the Company as no dividend was declared during the financial year.
  - (iv) was not required to transfer any amount to Investor Education and Protection Fund, since there was no amount, on account of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, lying with the Company, and which was required to be transferred to the said fund.
  - (v) Has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors and alternate directors to fill casual vacancy during the financial year.
15. The re-appointment of Managing director has been made in compliance with the provisions of the Act during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. As per the information provided by the management of the company, the Company has taken in principal approval from Bombay Stock Exchange for trading and company was not required to obtain any approvals of Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors of the Company have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any redeemable preference shares/debentures and hence the question of redemption does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Companies Act, 1956, during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. As per the information given by the management, no prosecution has been initiated against or show cause notices has been received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted its own Provident fund for its employees and therefore the provisions of Section 418 of the Act are not applicable to the Company.

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014

For Teena Dedhia & Associates  
(Company Secretaries)  
(CS Teena Dedhia)  
Proprietor  
C.P.No.9214

#### Annexure-A

##### Registers as maintained by the Company

1. Register of Charges u/s 143 of the Act.
2. Register of Directors', Managing Director, Manager and Secretary u/s 303 of the Act.
3. Register of Directors Shareholdings u/s.307 of the Act.
4. Register of Members u/s 150 of the Act is being maintained by the Registrar and Share Transfer Agents of the Company.
5. Register of Transfer u/s 108 of the Act is being maintained by the Registrar and Share Transfer Agents of the Company.
6. Minutes Books of Board of Directors u/s.193 (1) of the Act.
7. Minutes Books of the proceedings of General Meeting u/s 193(1), 196(1) of the Act.

#### Annexure-B

Forms and Returns as filed by the Company with following authorities, during the financial year ended 31<sup>st</sup> March, 2013.

i) **With Registrar of Companies.**

Sr. No.	Forms	Purpose	Whether filed within Prescribed time Yes/ No	If delay in filing whether requisite additional fees paid Yes/No
1.	Annual Accounts (Form 23AC XBRL and 23ACA XBRL)	U/s.220 of the Companies Act, 1956 as on 31 <sup>st</sup> March, 2013 was filed on 14 <sup>th</sup> November, 2013	Yes	N.A
2.	Annual Return (Form 20B)	U/s.159 of the Companies Act, 1956 as on 27 <sup>th</sup> September, 2013 was filed on 16 <sup>th</sup> November, 2013	Yes	N.A
3.	Compliance Certificate (Form 66)	U/s. 383A of the Companies Act, 1956 as on 31 <sup>st</sup> March 2013 was filed on 22 <sup>nd</sup> October, 2013.	Yes	N.A

ii) **With Regional Director.** Not Applicable

iii) **With Central Government or other authorities.** Not Applicable

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014

For Teena Dedhia & Associates  
(Company Secretaries)  
(CS Teena Dedhia)  
Proprietor  
C.P.No.9214

**AUDITOR'S REPORT:****TO THE MEMBERS OF CAPROLACTAM CHEMICALS LIMITED****Report on the Financial Statements**

I have audited the accompanying Financial Statements of Caprolactam Chemicals Limited ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014.
- a) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- b) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies [Auditors report] Order 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, I give in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order

2. As required by Section 227(3) of the Act, I report that:

- a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit ;
- b) In my opinion, proper books of account as required by law have been kept by the Company, so far as it appears from my examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In my opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Act.
- e) On the basis of written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Place: Mahad  
Date: 30<sup>th</sup> May, 2014

JATIN SHAH  
(CHARTERED ACCOUNTANT)  
MEMBERSHIP NO. 103858

**Annexure to Independent Auditor's Report**

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory requirements" of my report of even date

(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) As explained to me, these fixed assets have been physically verified by the management in a phased periodical manner. In my opinion the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.

(2) In respect of its Inventories;

- (a) As explained to me, inventories have been physically verified by management at reasonable intervals during the year. In my opinion, the frequency of such verification is reasonable.
- (b) In my opinion and according to the information and explanations given to me, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory and discrepancies noticed on physical verification as compared to the book records have been properly dealt with in the books of accounts.

(3) In respect of the Loans, secured or unsecured, granted or taken by the Company to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956;

- (a) According to the information and explanation given to me, the Company has not granted any loans, secured or unsecured to company, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.
- (b) The Company has taken unsecured loans from one party whose name is to be covered in the register maintained under section 301 of the Act. The Maximum amount involved during the year was Rs. 23,16,965/- and the balance outstanding as on 31st March, 2014 was 8,66,965/-.
- (c) The rate of interest and other terms and conditions of the loan are not prima facie prejudicial to the interest of the Company.
- (d) The Company has been regular in repaying principal amount wherever stipulated and the Company is also regular in payment of interest wherever applicable.

(4) There is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of the inventory and fixed assets and for the sale of goods & services. During the course of my audit, I have not observed any continuing failure to correct major weaknesses in the internal control system.

(5) In respect of contracts or arrangements referred to in section 301 of the Companies act, 1956;

- (a) According to the information and explanation provided by the management, I am of the opinion that all the particulars of contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Act have been so entered.
- (b) According to the information and explanation provided by the management, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956. and exceeding the value of Rs. Five Lacs in respect of each party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(6) In my opinion and according to the information and explanations given to me, the Company has not accepted any deposits from the public.

(7) The Company has an adequate internal audit system, which in my opinion is commensurate with the size of the Company and the nature of its business however the company does not have a formal internal audit system.

(8) According to information/explanation given to me, the rules made by Central Government under clause (c) of Sub-section (1) of section 209 of the Companies Act 1956, are not applicable to the company.

(9) In respect of Statutory dues;

- (a) According to the information & explanation given to me and the records of the company examined by me, In my opinion, the company is generally regular in depositing undisputed statutory dues including Provident fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty Excise Duty, Cess & other statutory dues as applicable with appropriate authorities. According to the information & explanation given to me, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2014 for a period of more than six months from the date they becoming payable.
- (b) According to the information & explanation given to me there are no disputed amount of statutory dues towards Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty Excise Duty, Cess that have not been paid to concerned authorities.
- (10) The company has accumulated losses as at 31st March 2014 and has incurred cash losses during the financial year ended on that date but not in the immediately preceding financial year.
- (11) According to the records of the company examined by me and information & explanation given to me and based on the audit procedure applied by me, the company has not defaulted in repayment of its dues to any financial institution or bank, as at the Balance Sheet date.
- (12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit/ societies are not applicable to the company.
- (14) In my opinion and according to the information and explanations given to me, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (15) According to information & explanation given to me, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (16) According to information & explanation given to me, on an overall basis, prima facie, term loans were applied for the purpose for which the loans were obtained.
- (17) According to the information & explanation given to me, and based on the examination of Balance Sheet of the Company, prima facie, the funds raised on short term basis have not been used for long term investment.
- (18) According to the information and explanations given to me, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (19) The company has not issued any secured debentures during the year, and accordingly, no securities were required to be created.
- (20) The company has not raised any funds by way of a public issue during the year.
- (21) During the course of my examination of the books of the accounts and records of the company and according to the information & explanation given to me, no material fraud on or by the Company, has been noticed or reported during the year.

Place: Mahad  
Date: 30<sup>th</sup> May, 2014

JATIN SHAH  
(CHARTERED ACCOUNTANT)  
MEMBERSHIP NO. 103858



**Note 1: BALANCE SHEET AS AT 31ST MARCH 2012**

	Note No.	As at 31/03/2014	As at 31/03/2013
<b>EQUITY AND LIABILITIES</b>			
Shareholder's Funds			
Share Capital	3	45,903,000	45,903,000
Reserves and surplus	4	-3,07,83,373	-2,80,79,032
		<u>1,51,19,627</u>	<u>1,78,23,968</u>
<b>Share Application Money Pending Allotment</b>		-	-
<b>Non- current liabilities</b>			
Long-term borrowings	5	0	0
Deferred Tax Liabilities (Net)	6	24,37,257	25,93,245
		<u>24,37,257</u>	<u>25,93,245</u>
<b>Current liabilities</b>			
Short-term borrowings	7	8,66,965	0
Trade Payables	8	10,45,120	12,99,685
Other current liabilities	9	17,37,233	2,56,069
		<u>36,49,318</u>	<u>15,55,754</u>
<b>TOTAL</b>		<u><u>2,12,06,202</u></u>	<u><u>2,19,72,967</u></u>
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	10	1,19,19,212	1,37,89,824
Intangible assets		0	0
<b>Long term loans and advances</b>	11	18,79,988	8,27,970
		<u>1,37,99,200</u>	<u>1,46,17,794</u>
<b>Current Assets</b>			
Inventories	12	24,13,802	13,97,613
Trade receivables	13	27,30,304	30,07,026
Cash and cash equivalents	14	16,30,136	22,23,974
Short-term loans and advances	15	6,32,760	7,26,560
		<u>74,07,002</u>	<u>73,55,173</u>
<b>TOTAL</b>		<u><u>2,12,06,202</u></u>	<u><u>2,19,72,967</u></u>

## Summary of Significant Accounting Policies

Notes on Financial Statements

1 to 37

As per my Report of even Date

Jatin Shah

Chartered Accountant

For and On behalf of the Board

Mrs. Z. S. Bhanushali

Managing Director

Mr. S. S. Bhanushali

Director

Date :- 30/05/2014

Place :- Mahad

## Note 2: STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note No.	For the year ended 31/03/2014	For the year ended 31/03/2013
<b>Income</b>			
Revenue from operations	16	3,92,42,671	3,38,28,213
Other Income	17	1,19,767	4,69,278
<b>Total Revenue</b>		<b>3,93,62,438</b>	<b>3,42,97,491</b>
<b>Expenditure</b>			
Cost of materials consumed	18	83,47,384	14,05,280
Purchases of Stock-in-Trade		19,782	0
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-41,941	10,000
Employee benefit expenses	19	74,05,696	41,72,881
Financial costs	20	7,904	25,978
Depreciation and amortization expense		18,70,613	21,86,826
Manufacturing Expenses	21	2,10,57,114	1,77,34,220
Administration Expenses	22	35,56,216	37,73,994
<b>Total Expenses</b>		<b>4,22,22,767</b>	<b>2,93,09,179</b>
Profit Before Tax		-28,60,329	49,88,312
<b>Tax expenses</b>			
Less : Current Tax		0	9,65,330
Add : Deferred Tax Benefit		1,55,988	1,81,457
Profit for the year		-27,04,341	42,04,439
XVI. Earnings per equity share [nominal value of share of Rs.10/- (as at 31.03.13- Rs. 10/-)]			
Basic and Diluted (in Rs.)		-0.59	0.91
Summary of Significant Accounting Policies Notes on Financial Statements	1 to 37		
As per my Report of even Date Jatin Shah Chartered Accountant Date :- 30/05/2014 Place :- Mahad		For and On behalf of the Board Mrs. Z. S. Bhanushali Managing Director	Mr. S. S. Bhanushali Director

**CAPROLACTAM CHEMICALS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

Note - 10

**FIXED ASSETS**

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 31/03/13	Additions	Deductions	As on 31/03/14	As on 31/03/13	For the year	As on 31/03/14	As on 31/03/13
<b>Tangible Assets</b>								
<b>A. LAND</b>								
1. Leasehold	3,99,089	-		3,99,089	-	-	3,99,089	3,99,089
<b>B. BUILDINGS</b>								
1. Factory Building	71,62,007	-		71,62,007	62,74,897	88,711	63,63,608	7,98,399
2. Administration Bldg.	5,58,415	-		5,58,415	4,63,421	9,499	4,72,920	85,495
<b>C. PLANT &amp; MACHINERY</b>								
1. Glycol Ether Plant	2,02,51,978	-		2,02,51,978	1,69,07,136	4,65,268	1,73,72,404	28,79,574
2. Vinyl Sulphone Plant	2,07,97,813	-		2,07,97,813	1,85,41,901	3,13,797	1,88,56,698	19,42,115
3. Ethyl Acetate Plant	3,63,41,631	-		3,63,41,631	3,06,79,511	7,87,601	3,14,67,112	48,74,519
4. E.O. Storage Plant	14,13,362	-		14,13,362	13,10,812	14,285	13,25,077	88,285
5. E.T.P.	59,54,720	-		59,54,720	54,42,234	71,287	55,13,521	4,41,199
6. Steel Tank	1,61,400	-		1,61,400	1,33,373	3,899	1,37,272	24,128
<b>D. OFFICE EQUIPMENTS</b>								
1. Electronic Calculator	6,040	-		6,040	5,785	35	5,820	220
3. Fax Machine	47,795	-		47,795	43,908	541	44,449	3,346
4. EPABX	1,02,900	-		1,02,900	95,842	982	96,824	6,076
5. Air Conditioners	2,37,638	-		2,37,638	2,05,131	4,522	2,09,653	27,985
6. Pagers & Mobile Phone	62,233	-		62,233	57,894	604	58,498	3,735
7. Xerox Machine	58,831	-		58,831	54,294	631	54,925	3,906
8. Software Program	50,000	-		50,000	40,373	1,339	41,712	8,288
<b>E. FURNITURE &amp; FITTINGS</b>								
1. Furniture & Fixtures	7,46,374	-		7,46,374	7,00,595	8,286	7,08,881	37,493
2. Electrical Installation	15,98,111	-		15,98,111	15,47,074	9,238	15,56,312	41,799
<b>F. VEHICLES</b>								
1. Motor & Motor Cycle	20,33,925	-		20,33,925	17,01,281	86,122	17,87,403	2,46,522
2. Cycle	800	-		800	800	-	800	-
3. Truck	10,85,585	-		10,85,585	10,81,363	1,267	10,82,630	2,955
1. Computers	6,80,811	-		6,80,811	6,74,008	2,721	6,76,729	4,082
<b>TOTAL (Rs.)</b>	<b>99,751,458</b>	<b>-</b>	<b>-</b>	<b>99,751,458</b>	<b>85,916,633</b>	<b>18,70,613</b>	<b>8,78,32,246</b>	<b>1,19,19,212</b>
<b>PREVIOUS YEAR (Rs.)</b>	<b>99,751,458</b>		<b>-</b>	<b>99,751,458</b>	<b>83,74,807</b>	<b>21,86,826</b>	<b>8,59,61,633</b>	<b>1,37,89,826</b>
							<b>8,59,61,633</b>	<b>1,37,89,825</b>
								<b>1,59,76,651</b>

**Note 3**

	As at 31/03/2014	As at 31/03/2013
<b>Share Capital</b>		
Authorized Share Capital :		
Equity Shares		
5,000,000 (Previous Year 5,000,000) of Rs.10/- each	5,00,00,000	5,00,00,000
<b>TOTAL</b>	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subscribed and Paid-up:		
46,00,000 (Previous Year 46,00,000) Equity Shares	4,60,00,000	4,60,00,000
of Rs. 10/- each fully paid-up.		
Less : Calls in arrears - by others	<u>97,000</u>	<u>97,000</u>
<b>TOTAL</b>	<u>4,59,03,000</u>	<u>4,59,03,000</u>

## A. Reconciliation of the Shares Outstanding at the beginning and at the end of the reporting period

Particulars	No. of Shares	As at 31/03/2014	No. of Shares	As at 31/03/2013
At the beginning of the period	46,00,000	4,60,00,000	46,00,000	4,60,00,000
Outstanding at the end of the period	46,00,000	4,60,00,000	46,00,000	4,60,00,000

## B. Terms/Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of Rs 10/- per share. Each holder of Equity shares is entitled one vote per share. In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportion to the number of Equity Shares held by shareholders.

## C. The company has neither bought back nor forfeited any shares.

## D. Details of Shareholders holding more than 5% shares in the Company

Name of the Shareholder	No. of Shares	As at 31/03/2014		As at 31/03/2013
		% of holding	No. of Shares	% of holding
Siddharth Bhanushali	7,02,850	15%	7,02,850	15%
Shankar G. Bhanushali (HUF)	4,10,200	9%	4,10,200	9%
Shankar G. Bhanushali	3,82,320	8%	3,82,320	8%
Sheetal Bhanushali	2,38,130	5%	2,38,130	5%

**Note 4:****Reserves and Surplus**

Surplus/ (deficit) in the statement of profit and loss	-2,80,79,033	-
As per Last Balance sheet		3,22,83,472
Add: Profit for the year	-27,04,341	42,04,439
Net Surplus/(deficit) in the statement of profit and loss	<u>-3,07,83,373</u>	<u>-2,80,79,033</u>
<b>Total Reserves and Surplus</b>	<u>-3,07,83,373</u>	<u>-2,80,79,033</u>

**Note 5:****Long Term Borrowings****Secured Loans**

Car Loan	0	0
	<u>0</u>	<u>0</u>

A. Car Loan is secured by way of hypothecation of Car

**Note 6:****Deferred Tax Liability**

related to Depreciation/amortisation	24,37,256	25,93,245
	<u>24,37,256</u>	<u>25,93,245</u>

**Note 7:****Short Term Borrowings****Unsecured Loans**

Loan from Directors	8,66,965	0
	<u>8,66,965</u>	<u>0</u>

**Note 8:****Trade Payables**

Micro Small and Medium Enterprises	0	0
Others	10,45,120	12,99,685
	<u>10,45,120</u>	<u>12,99,685</u>

**Note 9:****Other Current Liabilities**

Current Maturities of Long Term Borrowing	0	1,52,666
Interest Accrued But Not Due On Borrowings	1,097	1,097
Creditors for Fixed Assets	17,33,830	0
Security Deposit	0	1,00,000
Provident Fund Contribution	2,306	2,306
	<u>17,37,233</u>	<u>2,56,069</u>

**Note 11:****Long Term Loans and Advances**

Deposits	7,92,853	5,41,653
Advance Income Tax (Net of provisions)	8,69,680	41,573
Other Loans and Advances	2,17,455	2,44,744
	<u>18,79,988</u>	<u>8,27,970</u>

**Note 12:****Inventories**

For Inventory Valuation refer note 2  
(As Certified by the Management )

Raw material	30,278	4,23,883
Finished goods	2,53,549	2,11,608
Stores and spares	16,57,241	2,26,273
Other		
- Packing materials	93,613	1,23,733
- Utility	55,671	28,015
- Fuel	3,23,450	3,84,101
<b>Total</b>	<u>24,13,802</u>	<u>13,97,613</u>

**Note 13:****Trade Receivables**

Unsecured and Considered good unless stated otherwise  
Outstanding for a period exceeding six months from the-  
date, they are due for payment

	0	0
Others	27,30,304	30,07,026
	<u>27,30,304</u>	<u>30,07,026</u>

**Note 14:****Cash and Cash Equivalents**

Balances with Bank

-In Current Accounts

-In Deposit Accounts

Cash on Hand

5,71,555

8,55,541

2,03,040

16,30,136

7,04,355

14,50,097

69,523

22,23,974**Note 15:****Short Term Loans and Advances**

Balance with Tax Authorities

Prepaid Expenses

5,52,035

80,725

6,32,760

6,71,579

54,981

7,26,560**Note 16:****Revenue from operations**

Sale of products

Job Work Charges

Traded Goods

1,24,69,894

2,69,79,462

23,100

3,94,72,456

26,51,319

3,14,68,552

0

3,41,19,871

Less: Excise duty

-2,29,785-2,91,658

Total

3,92,42,6713,38,28,213**Note 17:****Other Income**

Interest Income

Sundry Balances W. Back

88,767

0

97,278

0

**Other non-operating income**

Rent

31,000

3,72,000

Total

1,19,7674,69,278**Note 18:****Cost of materials consumed**

A) Raw Material Consumed

Opening Stock

Add: Purchases

Less: Closing Stock

10,62,272

93,21,633

1,03,83,905

-20,66,641

6,96,774

17,66,873

24,63,647

-10,62,272

	83,17,264	14,01,375
B) Packing Materials		
Opening Stock	1,23,733	1,27,638
Add: Purchases	0	0
	1,23,733	1,27,638
Less: Closing Stock	-93,613	-1,23,733
(B)	30,120	3,905
Total (A+B)	<u>83,47,384</u>	<u>14,05,280</u>
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
Opening Stock		
I. Finished Goods	2,21,608	2,21,607
Less: Closing Stock		
II. Finished Goods	2,53,549	2,11,608
TOTAL (I)-(II)	<u>-41,941</u>	<u>10,000</u>
<b>Note 19:</b>		
Employee Cost	53,92,000	38,49,500
Salary and other perquisites	14,712	14,712
Contribution to Provident Fund and Other Funds	3,99,771	3,08,669
Staff Welfare Expenses	15,99,213	0
Total	<u>74,05,696</u>	<u>41,72,881</u>
<b>Note 20:</b>		
<b>Financial costs</b>		
Interest on Car Loan	7,904	25,978
Total	<u>7,904</u>	<u>25,978</u>
<b>Note 21:</b>		
<b>Manufacturing Expenses:</b>		
Power and Fuel	1,16,94,765	1,21,33,867
Stores, Spares and other consumables	59,54,703	25,21,014
Utility Expenses	2,97,365	1,67,747
Water Cess	522	1,561
Labour Charges	12,63,858	11,50,985
Water Charges	3,92,558	3,88,125
Weighing Charges	18,490	16,040
Repairs & Maintenance - Machinery	11,62,049	10,62,093
Lab Expenses	1,77,625	1,98,974
Testing Charges	5,320	8,950
Freight	89,860	84,865
Total	<u>2,10,57,114</u>	<u>1,77,34,220</u>

**Note 22:****Administration Expenses:**

Audit Fees	28,090	28,090
Courier Charges	27,451	32,808
Diesel & Petrol Charges	82,416	1,15,698
Factory Insurance	1,04,255	65,731
Gardening & Maintenance	7,582	1,06,050
General Expenses	4,20,319	1,20,420
Bank Charges	6,705	6,227
Conveyance	75,752	68,269
Gram Panchayat Tax	43,633	26,676
Inspection Charges	0	13,300
Insurance	27,240	28,079
Insurance Workman Compensation	1,11,800	30,731
Professional fees	98,663	3,67,828
Motor Car Expenses	98,551	1,02,805
Insurance Public Liability	0	11,160
Professional Tax (company)	2,500	2,500
Telephone Charges	71,165	83,010
License Renewal Fees	1,53,990	72,282
License Fees	41,199	27,717
Listing Fees	23,033	4,87,371
Loading & Unloading	1,09,135	2,47,415
Medical Expenses	0	29,907
Meeting Fees	22,000	24,000
Packing & Forwarding	6,298	1,43,785
Postage & Telegram	34,123	34,248
Printing & Stationary	43,043	35,276
Repairs & Maintenance- Others	12,69,700	10,18,198
ROC Fees	2,556	1,531
Sundry Bal. w/off	0	3,05,313
Service Tax	54,977	44,343
Security Charges	1,65,928	0
Subscription Charges	5,000	5,000
Rent	3,60,000	0
Advertising Expenses	59,112	88,225
Total	35,56,215	37,73,993



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014****1. Corporate Information**

Caprolactam Chemicals Limited is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The company is engaged in manufacturing and does Job Work in Chemicals.

**2. Summary of significant accounting policies****A. Basis of Preparation:**

The financial statements of the company are prepared under historical cost convention on an accrual basis in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standards) Rules, 2006, and the relevant provisions of the Companies Act, 1956.

**B. USE OF ESTIMATES:**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual result could differ from these estimates and differences between the actual results and estimates are recognised in the period in which the results are known/ materialised.

**C. Fixed Assets:**

Fixed Assets are stated at cost including incidental and pre-operative expenses less depreciation.

**D. Depreciation:**

The Company provides depreciation on written down value method at the rates Specified in the Schedule XIV of the Companies Act, 1956.

Depreciation on additions to / deductions from assets is calculated pro-rata from the date the assets are put to use /till the date the assets are sold/ disposed off.

**E. Inventories:**

- I. Stock in trade comprise of raw materials valued at cost or market value which ever is less.
- II. Finished stock is valued at cost.

**F. REVENUE RECOGNITION:**

- i) Revenue from sale of goods and job work is recognised on dispatch, which coincides with transfer of significant risk and rewards to customer. Further, sales revenues are net of VAT, excise duties, sales returns and discounts.
- ii) Income on term deposits is accounted on accrual basis.

**G. EMPLOYEE BENEFIT:**

- (a) Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

- (b) Long term benefits:

- (i) Defined Contribution Plan:

Provident Fund:

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to Regional Provident fund Commissioner. Provident Fund is classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution. The Company's contributions to Defined Contribution Plan are charged to profit and loss account as incurred.

- (ii) Defined Benefit Plan:

Gratuity:

Gratuity payable under the Payment of Gratuity Act, 1972 and liability if any, will be accounted on payment basis.

**H. TAXATION:**

Provision for taxation comprises of Current Tax and Deferred Tax. Current Tax Provision has been made on the basis of relief and deductions available under the Income Tax Act, 1961.

The deferred tax for timing difference between the book profit and tax profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date.

**I. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions are recognised for when the company has at present legal or contractual obligation as a result of past events and there is probability of outflow of resources and the amount is capable of being estimated reliably. Contingent liability is disclosed by way of note when the said conditions are not met. Contingent assets are not recognised /disclosed.

**J. PRIOR PERIOD ITEMS:**

Significant items of Income and Expenditure, which relate to prior accounting period, are accounted in the Profit and Loss account under the head "Prior Period Adjustments" other than those arising due to events occurring after the close of the year and which are treated as relating to the current year.

23. In the opinion of Board of Directors, the current assets, loans and advances have realisable value at least equal to the amount at which they are stated.

24. According to information provided by the management no dues are payable to Micro, small and medium enterprises.

25. Details of payment to Auditors (excluding Service Tax) (Amount in Rs.)

	<u>2013-14</u>	<u>2012-13</u>
For Audit work	15,000	15,000
For Tax audit	5,000	5,000
For Taxation matter	5,000	5,000

26. Deferred Tax Liability

	<u>2013-14</u>	<u>2012-13</u>
On Account of Depreciation	24,37,257	25,93,245

27. EARNINGS PER SHARE

Basic and Diluted Earnings per share has been computed as under:-

Particulars	2013-14	2012-13
Net Profit/(Loss) after tax and Prior period items	(2704341)	4204439
Weighted Average Number of Equity Shares		
Basic	46,00,000	46,00,000
Add: Effect of Dilutive Shares	0	0
Diluted	46,00,000	46,00,000
Earnings Per Share (in Rs.)		
Basic	(0.59)	0.91
Diluted earning per share	(0.59)	0.91

28. Related party disclosures as required by AS 18 :-

Key Management Personnel

Zaver S. Bhanushali - Managing director

Siddharth S. Bhanushali - Director

Relatives of Key Management Personnel – Please give names of relatives

Shankarlal Gopalji Bhanushali

Ashmi Tanmay Ganacharya

Shital Siddharth Bhanushali

Entities over which Key Management personnel exercise significant influence –

Adhiraj Chemindustries P.Ltd.

Vamotech Organics Ltd

Transactions with Related Parties: (Amount in Rs.)

**Expenditure**

	<u>2013-14</u>	<u>2012-13</u>
Remuneration		
Zaver S. Bhanushali	6,04,000	4,92,000
Siddharth S. Bhanushali	5,52,000	4,80,000

**Unsecured Loans Taken**

Zaver S. Bhanushali	70,40,000	19,23,407
Siddharth S. Bhanushali	0	12,120

**Unsecured Loans repaid**

Zaver S. Bhanushali	61,73,035	69,33,407
Siddharth S. Bhanushali	0	12,120

**Unsecured Loans Balance**

Zaver S. Bhanushali	8,66,965	0
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29. Value of Import on CIF Basis	NIL	NIL
30. Expenditure in foreign Currency	NIL	NIL
31. Earnings in Foreign Exchange	NIL	NIL
32. Details of Imported and indigenous Consumption		

Particulars	Year ended 31-03-2014		Year ended 31-03-2013	
	Amount	%	Amount	%
Raw Materials and Stores				
Imported	0	0	0	0
Indigenous	83,17,264	100	14,01,375	100

33. The company's activities falls under only one segment namely Chemicals.  
 34. The figure of the previous year are regrouped or reclassified as wherever necessary.  
 35. The closing stock of raw material and finished stock is taken as ascertained, valued and certified by the Management.  
 36. Balance of debtors and creditors are subject to confirmation and reconciliation.  
 37. Calls unpaid on account of share capital Rs. 97,000 are Subject to Reconciliation.

As per my report of even date

For and on behalf of the Board

JATIN SHAH  
 CHARTERED ACCOUNTANT  
 Date : 30/05/2014  
 Place : Mahad

MRS. Z. S. BHANUSHALI    S. S. BHANUSHALI  
 Managing Director        Director

The information relating to the Balance Sheet abstracted and the Company's general business profit as per Part IV to Schedule VI TO THE companies Act, 1956 is as under:

I Registration Details

Registration No. CIN NO. U24110mh1988plc049683 State Code: 11 Balance Sheet Date: 31-03-2014.

II Capital raised during the year

Public Issue Nil Right Issue Nil  
 Bonus Issue Nil Private Issue Nil

III Position of Mobilization and Deployment of Funds

Total Liabilities	2,12,06,202	Total Assets	2,12,06,202
Sources of Funds			
Paid-up Capital	4,59,03,000	Reserves and Surplus	-2,80,79,032
Secured Loans	Nil	Unsecured Loans	8,66,965
Deferred Tax	24,37,257		
Application of Funds			
Net Fixed Assets	1,19,19,212	Investment	Nil
Net Current Assets	37,57,684	Misc. Expenditure (P&L a/c)	Nil

IV Performance of Company

Turnover	3,92,42,671	Total Expenditure	4,22,22,767
Profit / Loss before tax	-28,60,329	Profit / Loss after tax	-27,04,341
Earning Per Share Rs.	-0.59	Dividend Rate %	Nil

V Generic Names of Three Principal Products of Company (as per monetary terms)

1. Item Code No. ( ITC Code ) NA

As per my report of even date

For and on behalf of the Board

JATIN SHAH  
 CHARTERED ACCOUNTANT  
 Place : Mahad  
 Date : 30/05/2014

MRS. Z. S. BHANUSHALI    S. S. BHANUSHALI  
 Managing Director        Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	For the Year Ended	
	31/03/2014	31/03/2013
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit before Tax</b>	<b>(28,60,329)</b>	<b>49,88,312</b>
Adjustments for :-		
Depreciation/Amortisation	18,70,613	21,86,826
Finance charges	7,904	25,978
<b>Operating Profit Before Working Capital Changes</b>	<b>(9,81,813)</b>	<b>72,01,116</b>
Adjustments for changes in Working Capital		
(Increase)/Decrease in Sundry Debtors	2,76,722	9,63,461
(Increase)/Decrease in Inventories	(10,16,190)	(3,51,594)
(Increase)/Decrease in Loans and advances	(1,30,111)	(5,95,216)
Increase/(Decrease) in Current Liabilities	13,79,265	(11,25,742)
<b>Cash Generated from Operations</b>	<b>(4,72,127)</b>	<b>60,92,025</b>
Taxes paid (Including TDS)	(8,28,107)	(4,25,516)
<b>Net Cash from Operating Activities – A</b>	<b>(13,00,234)</b>	<b>56,66,509</b>
<b>B. Cash Flow from Investing activities</b>		
Purchase of Fixed Assets (Net)	0	0
<b>Net Cash used in Investing activities – B</b>	<b>0</b>	<b>0</b>
<b>C. Cash Flow From Financing Activities</b>		
Finance Charges	(7,904)	(25,978)
Increase in Short Term / Long Term Borrowings	7,14,299	(51,75,516)
<b>Net Cash from Financing Activities – C</b>	<b>7,06,395</b>	<b>(52,01,494)</b>
<b>Net Increase/ Decrease (+/-) in Cash &amp; Cash Equivalents</b>	<b>(5,93,838)</b>	<b>4,65,015</b>
Cash and Cash Equivalents at the commencement of the year	22,23,974	17,58,959
Cash and Cash Equivalents at the end of the year	16,30,136	22,23,974
Summary of Significant Accounting Policies		
Notes on Financial Statements	1 to 37	
<b>As per my Report of even Date</b>		For and On behalf of the Board
Jatin Shah		Mrs. Z. S. Bhanushali
Chartered Accountant		Managing Director
Date :- 30/05/2014		
Place :- Mahad		

**CAPROLACTAM CHEMICALS LIMITED**

Plant & Regd. Office : B-31, M.I.D.C., Mahad, Dist - Raigad - 402 302, Maharashtra.

**ATTENDANCE SLIP**

I hereby record my presence at the Annual General Meeting of the Company being held on 29<sup>th</sup> September 2014 at 10.00 a.m. at B-3 1, MIDC, Mahad, Dist. Raigad - 402 302, Maharashtra.

Signature of Shareholder or proxy

Note: - Name of proxy to be written in Block Letters below the signature if the proxy attends. Please bring the Attendance Slip to the meeting Hall and hand it over at the entrance.

Please cut here .....

**PROXY FORM**

CAPROLACTAM CHEMICALS LIMITED

B-31, M.I.D.C., Mahad, Dist - Raigad - 402 302, Maharashtra

Folio No.: \_\_\_\_\_ Sr. No. \_\_\_\_\_ Number of Shares \_\_\_\_\_

I/We \_\_\_\_\_

being a Member / Members of the above named Company hereby appoint \_\_\_\_\_ Of \_\_\_\_\_

Or failing him \_\_\_\_\_

Of \_\_\_\_\_

As my / our Proxy to VOTE for me / us on my / our behalf at the Annual General Meeting of the Company on 29<sup>th</sup> September 2014 at 10.00 a.m. at B-31, MIDC, Mahad, Dist. Raigad - 402 302, Maharashtra.

Signed this \_\_\_\_\_ days of \_\_\_\_\_ 2014.

REVENUE STAMP
------------------

**Signature**

Note: - The Proxy form must be deposited at the Registered Office of the Company not less 48 hours before holding the aforesaid mating.

BOOK POST

IF Undelivered please return to:

**CAPROLACTAM CHEMICALS LIMITED**

B-31, M.I.D.C., Mahad,

Dist-Riagad-402302, Maharashtra.

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