



Caprolactam Chemicals Limited

CIN NO: - U24110MH1988PLC049683

28th Annual Report
31-03-2017

COMPANY INFORMATION**BOARD OF DIRECTORS**

Mrs. Z.S. Bhanushali

Mr. S. S. Bhanushali

Mr. V. P. Adagale

Mr. R. P. Mange

Mr. V. L. Mange

- Chairperson & Managing Director
- Whole-time Director & CFO
- Non Executive Independent Director
- Non Executive Independent Director
- Non Executive Independent Director

AUDITORS

M/s. L. J. Kothari & Co.

Chartered Accountant

BANKERS

Bank of India (Mumbai)

Bank of India (Mahad)

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.

Ph No: - 02145-233427.

caprolactamcl@gmail.com**CONTENTS**

CONTENTS	
NOTICE	1
DIRECTOR'S REPORT	5
REPORT ON CORPORATE GOVERNANCE	5
SECRETARIAL AUDIT REPORT	9
INDEPENDENT AUDITOR'S REPORT	22
BALANCE SHEET	27
NOTES TO FINANCIAL STATEMENTS	36

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of **Caprolactam Chemicals Limited** will be held on Friday the 29th Day of September, 2017 at the Registered Office of the Company at B/31, MIDC, Mahad, Distt. – Raigad - 402302 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Accounts for the financial year ended 31st March, 2017 along with the Reports of the Directors and Auditors thereon.
2. To appoint Auditors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 (2) and 142(1) of the Companies Act, 2013 the reappointment of the statutory auditors of company M/s. L. J. Kothari & Co., Chartered Accountants, Mumbai (FRN 105313W), be and is hereby ratified by the members of the company for the financial year 2017-2018 at such remuneration as may be determined by the Board of Directors of the Company."

Registered Office:**B/31, MIDC, Mahad,****Distt. – Raigad - 402302****CIN: L24110MH1988PLC049683****Date: 12th August, 2017****Place: Mahad****For and on behalf of the Board****Sd/-****Zaver S Bhanushali****Managing Director****DIN - 00663374**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy or any other person or shareholder.
2. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2017 to 29th September, 2017 (Both days inclusive).
4. Members/Proxies should bring duly filled attendance slips to attend the meeting.
5. Members whose shareholding is in electronic mode are requested to direct change of address notification to their respective Depository Participants.
6. The Register of Directors' Shareholding Register of Proxies and Statutory Auditors' would be available for inspection by the Members, at the Meeting. All documents referred to in the accompanying Notice and Explanatory Statement are also open for inspection by the Members at the Registered Office of the Company on any day between 10.00 a.m. to 12.00 p.m. except Saturday, Sunday and Public Holiday up to the date of Annual General Meeting.
7. Electronic copy of the Annual Report for 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 is being sent in the permitted mode.
8. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2017 is uploaded on the Company's website www.caprolactam.co.in and may be accessed by the members.
9. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL). The detailed procedure to be followed in this regard has been given in Annexure to the notice. The members are requested to go through them carefully.
10. A Route map showing directions to reach the venue of the 28th Annual General Meeting is given along with attendance slip of this annual report as per the requirement of the Secretarial Standards -2 on "General Meeting".

Important Communication to members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that the service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address, so far, are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants. We are sure, that as a responsible citizen, you will whole-heartedly support this initiative and will co-operate with the Company in implementing the same.

Annexure - Instructions for the voting through electronic means:

- i. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- ii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- iii. The remote e-voting period commences on **26th September, 2017 (9:00 am)** and ends on **28th September, 2017 (5:00 pm)**. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **23rd September, 2017**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- iv. The shareholders should log on to the e-voting website www.evotingindia.com.
- v. Click on Shareholders / Members
- vi. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vii. Next enter the Image Verification as displayed and Click on Login.
- viii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- ix. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (vi).

- x. After entering these details appropriately, click on "SUBMIT" tab.
- xi. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xiii. Click on the relevant EVSN of **Caprolactam Chemicals Ltd.** on which you choose to vote.
- xiv. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- xvi. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xviii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xix. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xx. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xxi. **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xxii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- xxiii. The Board of Directors has appointed Mr. Bhavin N. Gajra, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
- xxiv. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" / "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- xxv. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- xxvi. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL e-Voting immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

DIRECTOR'S REPORT**To the Members of the Company,**

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March 2017. The financial results of the Company are summarized below:

FINANCIAL HIGHLIGHTS AND OPERATIONS:

Particulars	(in 'INR')	
	31 st March, 2017	31 st March, 2016
Profit /Loss (before interest, depreciation and tax)	4,780,825	12,272,133
Less: Interest	1,226,719	1,046,817
Less: Depreciation	4,707,145	51,05,361
Profit /Loss before Tax	(1,153,040)	61,19,955
Less: Loss on obsolescence/damage to Plant/assets	Nil	41,735
Less: Current Tax	Nil	960,617
Add: Deferred Tax Benefit	Nil	85,438
Profit /Loss After Tax	(1,153,040)	5,203,041

The financial performance of the Company was not satisfactory and operation remained confined mainly to job work and decrease in sales volume due to market conditions. The Company continues to focus on its initiatives to improve profitability through productivity improvement and cost optimization.

DIVIDEND:

Your Directors do not recommend payment of any dividend during financial the year.

CORPORATE GOVERNANCE REPORT:

The compliance with the Corporate Governance provisions as specified in regulations 17 to 27 and Clause (b) to (i) of Sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is not applicable to your Company as the paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore as on the last day of the previous financial year. Accordingly, the information required under said clauses are not furnished hereafter. However, the Board of Directors at Company level has enforced complete adherence to the Corporate Governance norms.

Provided that where the provisions of the regulations specified in above said regulation becomes applicable to the Company at a later date, the Company shall comply with the requirements of those regulations within six months from the date on which the provisions became applicable to the Company.

DIRECTORS:

During the financial year under review, there is no change in the Board of Directors of the Company. The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulations 16 (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

As per provisions of Section 152 of the Companies Act, 2013, one third of the total strength of directors is required to retire by rotation at every Annual General Meeting and they can offer themselves for reappointment, if eligible. At present the total strength of Board of Directors of the Company is five directors out of which three are Independent Director and two are executive director.

Since the Independent directors are not required to be calculated for the purpose of determining the directors liable to retire by rotation and the executive directors are appointed for a particular period as per the terms of employment, no directors are retiring by rotation at the forth coming Annual General Meeting.

COMMITTEES OF THE BOARD: The Board has constituted the following committees of Directors:

- I) Audit Committee
- II) Nomination and Remuneration Committee
- III) Shareholders's Grievance Committee

I. AUDIT COMMITTEE:**a. Composition:**

The Audit Committee comprises of three Directors, namely

Names of Directors	Category
Mr. Vikram P. Adagale	Chairman
Mr. Vasant L. Mange	Member
Mr. Rajesh P. Mange	Member

b. Terms of reference:

Apart from all the matters provided in clause 49 of the listing agreement and section 177 of the Companies Act 2013, the Audit committee also

- (a) Review of the Company's financial reporting process and financial statements.
- (b) Review of accounting and financial policies and practices.
- (c) Review of Internal control systems.
- (d) Discussion with Statutory/Internal Auditors on any significant findings and follow-up thereon.
- (e) Reviewing the Company's financial and risk management policies.

c. Audit committee Meetings and Attendance:

The Committee has met 4 times during the financial year ended 31st March 2017 i.e. on 30th May, 2016, 13th August, 2016, 11th November, 2016 and 13th February, 2017. Details of attendance of each Director at the Audit Committee Meetings are given below:-

Name of the Director	Position	Meeting attendance
Mr. Vikram P. Adagale	Chairman	4
Mr. Vasant L. Mange	Member	4
Mr. Rajesh P. Mange	Member	4

II. NOMINATION AND REMUNERATION COMMITTEE:**a. Composition and attendance :**

The Remuneration Committee comprised of three Non-Executive Directors, namely Mr. Rajesh P. Mange (Chairman of the Committee), Mr. Vikram P. Adagale and Mr. Vasant L. Mange as members of the Committee.

- During the financial year, committee did not have any meeting as there were no issues concerning the remuneration of whole-time/executive Directors.

b. Terms of Reference:

The broad terms of reference of the committee are to appraise the performance of Managing Director and whole time directors, determine and recommend to the Board compensation payable to Managing Director and whole time directors. The remuneration policy of the Company is based on review of achievements. The remuneration policy is in consonance with the existing industry practice.

c. Remuneration Policy:

Subject to the approval of the Board of Directors and subsequent approval by the members at the General Meeting and such authorities as the case may be, remuneration of Managing Director and Whole time Directors, is fixed by the Remuneration Committee. The remuneration is decided by the Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc.,

d. Remuneration to Directors:

The details of remuneration for the year ended March 31, 2017 to the Executive / Non-Executive Directors are as follows:

Name	Designation	Remuneration
Mrs. Zaver S. Bhanushali	Chairman & Managing Director	INR 840,000.00
Mr. Siddharth S. Bhanushali	Whole-time Director	INR 720,000.00

The Company has paid sitting fees of Rs.2,000/- per meeting to Non-Executive Directors during the financial year 2016-17.

III. SHAREHOLDERS' / INVESTORS GRIEVANCE COMMITTEE:

a) Composition and attendance:

The present Shareholders Grievance Committee comprised of One Executive and One Non Executive Directors, namely Mrs. Zaver S. Bhanushali (Chairman of the Committee), Mr. Vikram P. Adagale, Mr. Rajesh P Mange and Mr. Siddharth S. Bhanushali as a members of the Committee.

The Committee has been empowered to look into all shareholders grievances periodically and take necessary actions.

Further, there were no complaints pending for redressal during the year under review.

b) Terms of Reference:

The Company has a Shareholders/Investors Grievance Committee to look into redress of Investors Complaints and requests such as delay in transfer of shares, non receipt of Dividend, Annual Report, revalidation of Dividend warrants etc.,

The committee deals with various matters relating to:

- Transfer / transmission of shares
- Issue of Share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced certificates.
- Consolidation / splitting of folios
- Review of shares dematerialized and all other related matters.
- Investors grievance and redressal mechanism and recommend measures to improve the level of investors services.

e) Meeting of Independent Directors

During the year, meeting of Independent Directors was held on 11th November, 2016 to review the performance of the Board as a whole and Chairman on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013 with respect to Directors' Responsibilities Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 or loss of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors have prepared the accounts for the financial year ended 31st March, 2017 on a 'going concern' basis.
- (v) that the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (i) that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

FIXED DEPOSIT:

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

NUMBER OF MEETINGS OF THE BOARD:

The Board met 4 (Four) times during the financial year and the intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013. The dates on which the meetings were held are 30th May, 2016, 13th August, 2016, 11th November, 2016 and 13th February, 2017.

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 genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.caprolactam.in

RISK MANAGEMENT POLICY:

Your Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing/ mitigating the same. Your Company has institutionalized the policy/process for identifying, minimizing and mitigating risk which is reviewed. The key risks and mitigation actions are placed before the Audit Committee.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of the specific duties obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company does not have any obligation to fulfill under corporate social responsibility as none of the criteria are applicable to the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT:

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report.

CHANGE IN THE NATURE OF BUSINESS

During the year under review there is no change in the nature of Business of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and

independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

RELATED PARTY TRANSACTIONS:

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

SUBSIDIARY COMPANIES:

The Company does not have any subsidiary / associate company.

AUDITOR'S REPORT/ SECRETARIAL AUDIT REPORT:

The observation/comment made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report. Certain observations made in the report with regard to non filing of some forms were mainly due to ambiguity and uncertainty of the applicability of the same for the relevant period. However, the company would ensure in future that all the provisions are complied to the fullest extent. Further the Company is in process of appointing suitable candidate for the key position of Whole time Company Secretary in terms of Section 203 of the Companies Act, 2013 and rules made thereunder.

AUDITORS:

In accordance with provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. L J Kothari & Co., Chartered Accountants, Mumbai (FRN 105313W) have been appointed as statutory auditors of the Company at the Annual General Meeting held on 28.09.2015 for a period of 5 years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure A".

SECRETARIAL AUDIT:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s. Nitesh Jain & Co., Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure B"

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

PREVENTION OF INSIDER TRADING:

In January 2015, SEBI notified the SEBI (Prohibition of insider trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a new Code for Prevention of Insider Trading.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading insecurities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading

Window is closed. The Board is responsible for implementation of the Code.

All Directors and the designated employees have confirmed compliance with the Code.

INFORMATION PURSUANT TO RULE 5 (2) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The Company has not appointed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The related information is provided in "Annexure C", which is attached to this report.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Reporting under the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013, is not required as the Company has not employed any women at work place.

ACKNOWLEDGEMENT:

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

Place: Mahad

Dated: 30th May, 2017

For and behalf of the Board of Directors

Sd/-
Zaver Bhanushali
Managing Director
DIN – 00663374

Sd/-
Siddharth Bhanushali
Whole-time Director
DIN - 01721586

MANAGEMENT ANALYSIS & DISCUSSION REPORT**1) Industry structure & developments.**

The earlier trend of smaller companies being marginalized has continued in the year under review. Our products being the intermediate for perfume industries, antioxidant and also in foods.

2) Opportunities and threats.

Though the overall scenario for the smaller companies is extremely competitive, there are some niche areas where there are some opportunities for growth. The management is exploring these areas to consider entering these areas and develop expertise in such areas.

3) Outlook

The management is doing its best to form relations with other companies and take the company forward. However, the outlook of the management is cautious in view of the competitive nature of the market.

4) Risk and concerns

Your Company is engaged in undertaking the job works and the price fluctuations in global and local market affect profitability of the Company in getting volume of job works.

5) Internal control systems and adequacy

The Company is endeavoring to place all the controlling systems to have proper control and accountability on the operations at each level.

6) Discussion on financial performance with respect to operational performance.

Profit before tax of the Company has increased to 6,119,955/- as compare to previous year of Rs. 15,03,876/-. The Company, however, continues to evaluate ways and means for sales growth and remains competitive in the challenging environment.

7) Human Resources/Industrial relation

The Company believes and recognizes that its employees are a vital resource in its growth and to give competitive edge in the present business scenario. The Board of Directors wishes to place on record its appreciation for the hard work and dedication of its employees at all levels.

**Annexure A – Extract of Annual Return as on the financial year ended on 31.03.2017
Form No. MGT-9**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24110MH1988PLC049683
2.	Registration Date	18-11-1988
3.	Name of the Company	Caprolactam Chemicals Limited
4.	Category/Sub-category of the Company	Company limited by shares
5.	Address of the Registered office & contact details	B/31, MIDC, Mahad, Distt. – Raigad – 402302 Tel: 02145-233427 E-mail: caprolactamcl@gmail.com
6.	Whether listed company	Yes (Listed in BSE)
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry (I) Pvt. Ltd. No-9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai - 400 011 Tel. : 022-2301 6761 / 2301 8261 Fax : 022-2301 2517

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Chemicals	20119	100

III. Particulars of holding, subsidiary and associate companies

Particulars	CIN /GLN	Holding / subsidiary /associate	% of holding as at March 31, 2017	Applicable Section
NOT APPLICABLE				

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

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	2046800	2046800	44.50	0	2046800	2046800	44.50	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total A (1)	0	2046800	2046800	44.50	0	2046800	2046800	44.50	0
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub Total A(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	0	2046800	2046800	44.50	0	2046800	2046800	44.50	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0

Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4964	177700	182664	3.96	3910	177700	181610	3.96	(0.01)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lacs	121635	2046300	2167935	47.13	159089	2009600	2168689	47.15	0.02
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lacs	0	125100	125100	2.72	0	125100	125100	2.72	0
c) Others (specify)									
Non Resident Indians	0	63700	63700	1.38	0	63500	63500	1.38	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	100	0	100	0	400	0	400	0.01	0.01
Trusts / HUF	13701	0	13701	0.30	13901	0	13901	0.30	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	140400	2412800	2553200	55.50	177300	2375900	2553200	55.50	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	140400	2412800	2553200	55.50	177300	2375900	2553200	55.50	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	140400	4459600	4600000	100	177300	4422700	4600000	100	0

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Siddharth S. Bhaushali	702850	15.28	0	702850	15.28	0	0
2	Zaver S. Bhanushali	150010	3.26	0	150010	3.26	0	0
3	Shanker G. Bhanushali	382320	8.31	0	382320	8.31	0	0
4	Shital S Bhanushali	238130	5.18	0	238130	5.18	0	0
5	Ashmi S. Bhanushali	163290	3.55	0	163290	3.55	0	0
6	Shanker G. Bhanushali (HUF)	410200	8.92	0	410200	8.92	0	0
	Total	2046800	44.50	0	2046800	44.50	0	0

C) Change in Promoters' Shareholding –None

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ornate Traders Limited	153400	3.33	153400	3.33
2	Ramesh K Parikh	67100	1.46	67100	1.46
3	Harendra Kantil Gosalia	33500	0.73	33500	0.73
4	Dipika Gandhi	24500	0.53	24500	0.53
5	Mohan Jeram	17700	0.38	17700	0.38
6	Archana Jain	16300	0.35	16300	0.35
7	Anita Bansal	15300	0.33	15300	0.33
8	Mahendra K Parekh	13900	0.30	13900	0.30
9	Varsha R Parikh	13800	0.30	13800	0.30
10	R M Shah (HUF)	11400	0.25	11400	0.25

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mrs. Zaver S. Bhanushali, Managing Director				
	At the beginning of the year	150010	3.26	150010	3.26
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	150010	3.26	150010	3.26
2.	Mr. Siddharth S. Bhaushali, Whole-time Director & CFO				
	At the beginning of the year	702850	15.28	702850	15.28
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	702850	15.28	702850	15.28

F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	9,500,000	NIL	9,500,000
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	9,500,000	NIL	9,500,000
Change in Indebtedness during the financial year				
* Addition	NIL	15,813,930	NIL	15,813,930
* Reduction	NIL	11,573,450	NIL	11,573,450
Net Change	NIL	4,240,480	NIL	4,240,480
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	13,740,480	NIL	13,740,480
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	13,740,480	NIL	13,740,480

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- (In Rs.)**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Mrs. Zaver S. Bhanushali	Mr. Siddharth S. Bhanushali	
1. Gross Salary			
i). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	840,000.00	720,000.00	1,560,000.00
ii). Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
iii). Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2. Stock Option	Nil	Nil	Nil
3. Sweat Equity	Nil	Nil	Nil
4. Commission - as % of profit - others, specify...	Nil	Nil	Nil
5. Others, please specify	Nil	Nil	Nil

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Vikram P. Adagale	Mr. Rajesh P Mange	Mr. Vasant L Mange	
1	Independent Directors				
	Fee for attending board / committee meetings	8000.00	8000.00	8000.00	24000.00
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	8000.00	8000.00	8000.00	24000.00
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	Not Applicable			
	Commission				
	Others, please specify				
	Total (2)	24,000.00			
	Total (B)=(1+2)	24,000.00			
	Total Managerial Remuneration (A+B)	1,584,000.00			

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD – N.A.

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: There were no penalties / punishment / compounding of offences for the year ending March 31, 2017.

Annexure 'B' - SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Caprolactam Chemicals Limited
CIN: L24110MH1988PLC049683

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Caprolactam Chemicals Limited** (hereinafter called **the Company**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board – processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provision of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period) ;
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);
 - g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period) ;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period);
 - i) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the audit period);
- vi. I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company. The list of major head/ groups of other Acts as applicable to the Company is as under -

- a) Factories Act, 1948
- b) The Indian Boiler Act, 1923
- c) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, provident fund, compensation etc.;
- d) Acts prescribed under prevention and control of pollution;
- e) Acts prescribed under Environmental protection;
- f) Acts as prescribed under Shop and Establishment Act of various local authorities.

Further, the management has confirmed that there are no sector specific laws applicable to the Company during the Audit Period.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges in India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- *The Company is yet to appoint whole time Company Secretary in terms of Section 203 of the Companies Act, 2013 and rules made thereunder.*
- *The Company has not filed the resolution in Form MGT-14 with the Registrar of Company in respect of appointment of internal auditors and Secretarial auditor as required under the provisions of the Section 179(3) of the Companies Act, 2013.*
- *Delay in publication of board meeting notices and financial results in few instances as required in terms of provisions of SEBI (LODR) Regulations 2015.*
- *Non Submission of Limited Review Reports along with un-audited quarterly financial results as required in terms of provisions of SEBI (LODR) Regulations 2015.*

I further report that -

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

During the audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's affairs

Nitesh Jain

For Nitesh Jain & Co.

Company Secretaries

M. No. - FCS 6069

CP No. - 8582

Place: Mumbai

Date: 12th August, 2017

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE I' and forms an integral part of this report.

To,
The Members,
Caprolactam Chemicals Limited
CIN: L24110MH1988PLC049683

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

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

Nitesh Jain

For Nitesh Jain & Co.
Company Secretaries
M. No. - FCS 6069
CP No. - 8582

Place: Mumbai
Date: 12th August, 2017

Annexure C - Conservation of energy, Technology absorption and Foreign exchange earnings and outgo

[Pursuant to Sub-section (3) (m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014,]

I. CONSERVATION OF ENERGY

- a). Steps taken or impact on conservation of energy - Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimise use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.
- b). Steps taken by the company for utilising alternate sources of energy – N.A.
- c). Capital investment on energy conservation equipment's - NIL

II TECHNOLOGY ABSORPTION

- a). Efforts made in technology absorption – The Company has acquired technology know how to manufacture Ethyl Acetate. Continuous efforts are made to check the material balances on the actual on the actual performance against designs.
- b). the benefits derived like product improvement, cost reduction, product development or import substitution - These measures have helped in increasing the productivity and reduction in overall energy consumption.
- c). in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – N.A.
- d). the expenditure incurred on Research and Development – N.A

III. Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows – NIL

**Independent Auditor's Report
To the Members of Caprolactam Chemical Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Caprolactam Chemical Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit And Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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 internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

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, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

CA. Latit J Kothari

[Proprietor]

Membership No 030917

Date :- 30/05/2017

Place :- Mahad

As per my report of even date attached

For L J Kothari & Co.

Chartered Accountant

FRN: 105313W

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) The Company has a regular programme of physical verification of its fixed assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) 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 us, 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.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to company, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph (iii) (a), (b) (c) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any loan, guarantee or security in favour of its directors or to any other person in whom the director is interested neither made any loans and investment. Therefore Sec185 and 186 of the Act, is not applicable.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanation given to us and the records of the company examined by us, 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 us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2017 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, Cess that have not been paid to concerned authorities.

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

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

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act

(xii) 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.

(xiii) 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.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) 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.

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

CA. Latit J Kothari
[Proprietor]
Membership No 030917
Date :- 30/05/2017
Place :- Mahad

As per my report of even date attached
For L J Kothari & Co.
Chartered Accountant
FRN: 105313W

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Caprolactam Chemical Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on

Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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.

CA. Latit J Kothari
[Proprietor]
Membership No 030917
Date :- 30/05/2017
Place :- Mahad

As per my report of even date attached
For L J Kothari & Co.
Chartered Accountant
FRN: 105313W

CAPROLACTAM CHEMICALS LIMITED			
BALANCE SHEET AS AT 31ST MARCH 2017			
Particulars	Note No.	Amount in Rs	
		As at 31/03/2017	As at 31/03/2016
I) EQUITY AND LIABILITIES			
1) SHAREHOLDER'S FUND			
a) Share Capital	3	45,903,000	45,903,000
b) Reserves and surplus	4	(27,286,714)	(26,133,673)
		<u>18,616,286</u>	<u>19,769,327</u>
2) Share Application Money Pending Allotment		-	-
3) NON CURRENT LIABILITIES			
a) Long-term borrowings		-	-
b) Deferred Tax Liabilities (Net)	5	2,351,819	2,351,819
		<u>2,351,819</u>	<u>2,351,819</u>
4) CURRENT LIABILITIES			
a) Short-term borrowings	6	13,740,480	9,500,000
b) Trade Payables	7	8,278,094	5,044,868
c) Other current liabilities	8	226,944	2,388,912
		<u>22,245,518</u>	<u>16,933,780</u>
TOTAL		<u>43,213,623</u>	<u>39,054,926</u>
II) ASSETS			
1) NON CURRENT ASSETS			
i) Fixed Assets			
a) Tangible assets	9	33,782,523	29,607,077
		<u>33,782,523</u>	<u>29,607,077</u>
ii) Long term loans and advances	10	1,141,993	568,453
		<u>1,141,993</u>	<u>568,453</u>
2) Current Assets			
a) Inventories	11	2,694,168	757,513
b) Trade receivables	12	3,585,345	5,188,404
c) Cash and cash equivalents	13	1,125,057	1,598,928
d) Short-term loans and advances	14	884,539	1,334,551
		<u>8,289,107</u>	<u>8,879,396</u>
TOTAL		<u>43,213,623</u>	<u>39,054,926</u>

The accompanying notes form an integral part of the financial statement

As per my report of even date attached

For L J Kothari & Co.

Chartered Accountant

FRN: 105313W

CA. Latit J Kothari

[Proprietor]

Membership No 030917

Date :- 30/05/2017

Place :- Mahad

For and on behalf of the Board of Directors of Caprolactam Chemicals Limited

Mrs. Z. S. Bhanushali
Managing Director

Mr. S. S. Bhanushali
Director

CAPROLACTAM CHEMICALS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note No.	For the year ended 31/03/2017	For the year ended 31/03/2016
I) Revenue from operations	15	32,426,185	48,756,587
II) Other Income	16	<u>98,811</u>	<u>3,994,909</u>
III) Total Income (I+II)		<u>32,524,996</u>	<u>52,751,496</u>
IV) Expenses			
Cost of materials consumed	17	(1,936,655)	1,141,417
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	-	-
Employee benefit expenses	19	1,595,698	1,555,001
Financial costs	20	1,226,719	1,046,817
Depreciation and amortization expenses	9	4,707,145	5,105,361
Manufacturing Expenses	21	23,599,696	31,402,793
Administration Expenses	22	<u>4,485,432</u>	<u>6,380,152</u>
Total Expenses (IV)		<u>33,678,036</u>	<u>46,631,541</u>
V) Profit before exceptional items and tax (III-IV)		(1,153,040)	6,119,955
VI) Less : Loss on obsolescence of plant		-	41,735
VII) Profit before Tax (V-VI)		<u>(1,153,040)</u>	<u>6,078,220</u>
VIII) Tax expenses			
Less : Current Tax		-	960,617
Add : Deferred Tax Benefit		<u>-</u>	<u>85,438</u>
Profit for the year (VII-VIII)		<u>(1,153,040)</u>	<u>5,203,041</u>
XVI. Earnings per equity share [nominal value of share of Rs.10/- (as at 31.03.14- Rs. 10/-)]			
Basic and Diluted (in Rs.)		(0.25)	1.13

The accompanying notes form an integral part of the financial statement

As per my report of even date attached
For L J Kothari & Co.
Chartered Accountant
FRN: 105313W

For and on behalf of the Board of Directors of Caprolactam Chemicals Limited

CA. Latit J Kothari
[Proprietor]
Membership No 030917
Date :- 30/05/2017
Place :- Mahad

Mrs. Z. S. Bhanushali
Managing Director

Mr. S. S. Bhanushali
Director

CAPROLACTAM CHEMICALS LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017		
	For the Year Ended 31/03/2017	For the Year Ended 31/03/2016
A. Cash Flow from Operating Activities		
Profit before Tax	(1,153,040)	6,078,220
Adjustments for :-		
Depreciation/Amortisation	4,707,145	5,105,361
Finance charges	1,226,719	1,046,817
Loss on obsolescence/damage to assets	-	41,735
Operating Profit Before Working Capital Changes	4,780,825	12,272,133
Adjustments for changes in Working Capital		
(Increase)/Decrease in Sundry Debtors	1,603,059	(5,074,994)
(Increase)/Decrease in Inventories	(1,936,655)	1,141,417
(Increase)/Decrease in Loans and advances	(123,528)	9,402
Increase/(Decrease) in Current Liabilities	1,071,258	(1,585,027)
Cash Generated from Operations	5,394,959	6,762,931
Taxes paid (Including TDS)	-	(960,616)
Net Cash from Operating Activities - A	5,394,959	5,802,315
B. Cash Flow from Investing activities		
Purchase of Fixed Assets (Net)	(8,882,592)	(5,566,982)
Sale of Fixed Assets	-	(41,735)
Net Cash used in Investing activities - B	(8,882,592)	(5,566,982)
C. Cash Flow From Financing Activities		
Finance Charges	(1,226,719)	(1,046,817)
Increase in Short Term / Long Term Borrowings	4,240,480	1,270,000
Net Cash from Financing Activities - C	3,013,761	223,183
Net Increase/ Decrease (+/-) in Cash & Cash Equivalents	(473,871)	458,517
Cash and Cash Equivalents at the commencement of the year	1,598,928	1,140,412
Cash and Cash Equivalents at the end of the year	1,125,057	1,598,928
The accompanying notes form an integral part of the financial statement		
As per my report of even date attached		
For L J Kothari & Co.	and on behalf of the Board of Directors of Caprolactam Chemicals Limited	
Chartered Accountant		
FRN: 105313W		
CA. Latit J Kothari	Mrs. Z. S. Bhanushali	Mr. S. S. Bhanushali
[Proprietor]	Managing Director	Director
Membership No 030917		
Date :- 30/05/2017		
Place :- Mahad		

CAPROLACTAM CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 3:	As at 31/03/2017	As at 31/03/2016		
Share Capital				
Authorised Share Capital :				
Equity Shares				
5,000,000 (Previous Year 5,000,000) of Rs.10/- each	50,000,000	50,000,000		
TOTAL	50,000,000	50,000,000		
Issued, Subscribed and Paid-up:				
46,00,000 (Previous Year 46,00,000) Equity Shares	46,000,000	46,000,000		
of Rs. 10/- each fully paid-up.				
Less : Call in Arrears	97,000	97,000		
TOTAL	45,903,000	45,903,000		
A. Reconciliation of the Shares Outstanding at the beginning and at the end of the reporting period				
Particulars	No. of Shares	As at 31/03/2017	As at 31/03/2016	
		No. of Shares		
At the beginning of the period	4,600,000	46,000,000	46,000,000	
Less : shares forfeited		4,600,000	46,000,000	
Outstanding at the end of the period	4,600,000	46,000,000	46,000,000	
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 to 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 as at March 31st, 2017 and March 31, 2016 are set out below :				
Name of the Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% held	No. of Shares	% held
Siddharth S. Bhanushali	702,850	15.28%	702,850	15.28%
Shankar G. Bhanushali (HUF)	410,200	8.91%	410,200	8.91%
Shankar G. Bhanushali	382,320	8.31%	382,320	8.31%
Sheetal Bhanushali	238,130	5.17%	238,130	5.17%
Note 4:Reserves and Surplus				
Particulars	As at March 31st 2017		As at March 31st 2016	
Surplus/ (deficit) in the statement of profit and loss				
As per Last Balance sheet		(26,133,673)		(31,336,714)
Add: Profit for the year		(1,153,040)		5,203,041
Net Surplus/(deficit) in the statement of profit and loss		(27,286,714)		(26,133,673)
Total Reserves and Surplus		(27,286,714)		(26,133,673)

CAPROLACTAM CHEMICALS LIMITED		
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017		
Note 5: Deferred Tax Liability		
Particulars	As at March 31st 2017	As at March 31st 2016
Related to Depreciation/amortisation	2,351,819	2,351,819
	<u>2,351,819</u>	<u>2,351,819</u>
Note 6: Short Term Borrowings		
Particulars	As at March 31st 2017	As at March 31st 2016
Unsecured Loans		
Loan from Directors	13,740,480	9,500,000
	<u>13,740,480</u>	<u>9,500,000</u>
Note 7: Trade Payables		
Particulars	As at March 31st 2017	As at March 31st 2016
Micro Small and Medium Enterprises		
Trade Payable	8,278,094	5,044,868
	<u>8,278,094</u>	<u>5,044,868</u>
Note 8: Other Current Liabilities		
Particulars	As at March 31st 2017	As at March 31st 2016
Other Current Liabilities		
Audit fees payable	25,000	25,000
Security Deposit	245,000	1,400,000
Provident Fund Contribution	2,160	1,080
TDS Paybal	55,227	-
Provision for Tax	(100,443)	962,832
	<u>226,944</u>	<u>2,388,912</u>
Note 10: Long Term Loans and Advances		
Particulars	As at March 31st 2017	As at March 31st 2016
Deposits	766,453	568,453
Prepaid Expenses	319,490	-
Other Loans and Advances	56,050	-
	<u>1,141,993</u>	<u>568,453</u>
Note 11: Inventories		
Particulars	As at March 31st 2017	As at March 31st 2016
Inventories		
For Inventory Valuation Refer note 2 (As Certified by the Management)		
Finished goods	41,934	41,934
Raw Material		
Stores and spares	710,385	130,385
Lab Material	65,975	8,500
Packing materials	82,693	82,693
Utility	20,691	89,507
Fuel	1,772,489	404,494
Total	<u>2,694,168</u>	<u>757,513</u>

CAPROLACTAM CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March 2017

Note - 9**FIXED ASSETS**

	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on	Additions	Deductions	As on	As on	For the	Depreciation	As on	As on	As on
	01/04/16			31/03/17	01/04/16	year	Deduction	31/03/17	31/03/17	01/04/16
Tangible Assets										
A. LAND										
1. Leasehold	399,089	-	-	399,089	-	-	-	-	399,089	399,089
B. BUILDINGS										
1. Factory Building	7,162,007	-	-	7,162,007	6,481,521	54,335	-	6,535,856	626,151	680,486
2. Administration Bldg.	558,415	-	-	558,415	485,546	5,819	-	491,365	67,050	72,869
C. PLANT & MACHINERY										
1. Glycol Ether Plant	22,736,623			22,736,623	12,700,257	1,630,289	-	14,330,546	8,406,077	10,036,366
2. Vinyl Sulphone Plant	25,638,042	8,882,592	-	34,520,634	9,748,758	2,584,629	-	12,333,387	22,187,247	15,889,284
3. Ethyl Acetate Plant	19,403,057	-	-	19,403,057	16,935,996	390,159	-	17,326,155	2,076,902	2,467,062
4. E.T.P.	5,954,720	-	-	5,954,720	5,949,787	4,933	-	5,954,720	-	4,937
5. Steel Tank	161,400	-	-	161,400	147,084	3,706	-	150,790	10,610	14,316
D. OFFICE EQUIPMENTS										
1. Air Conditioners	23,538	-	-	23,538	22,881	657	-	23,538	-	657
E. VEHICLES										
1. Motor & Motor Cycle	620,222	-	-	620,222	578,209	32,618	-	610,827	9,395	42,013
TOTAL (Rs.)	82,657,113	8,882,592	-	91,539,705	53,050,039	4,707,145	-	57,757,184	33,782,523	29,607,077
PREVIOUS YEAR (Rs.)	77,131,866	5,566,982	41,735	82,657,113	47,944,677	5,105,361	-	53,050,039	29,607,077	29,187,188

CAPROLACTAM CHEMICALS LIMITED		
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017		
Note 12: Trade Receivables		
Particulars	As at March 31st 2017	As at March 31st 2016
Trade Receivables		
Unsecured and Considered good unless stated otherwise Outstanding for a period exceeding six months from the- date, they are due for payment	-	-
Others	3,585,345	5,188,404
	<u>3,585,345</u>	<u>5,188,404</u>
Note 13: Cash and Cash Equivalents		
Particulars	As at March 31st 2017	As at March 31st 2016
Cash and Cash Equivalents		
Balances with Bank		
-In Current Accounts	35,004	541,533
-In Deposit Accounts	1,029,081	955,351
Cash on Hand	60,971	102,045
	<u>1,125,057</u>	<u>1,598,928</u>
Note 14: Short Term Loans and Advances		
Particulars	As at March 31st 2017	As at March 31st 2016
Short Term Loans and Advances		
Balance with Tax Authorities	884,539	1,289,746
Prepaid Expenses	-	41,405
Others	-	3,400
	<u>884,539</u>	<u>1,334,551</u>
Note 15: Revenue from operations		
Particulars	As at March 31st 2017	As at March 31st 2015
Sale of products	-	-
Job Work Charges	32,169,905	48,756,587
Traded Goods	32,169,905	48,756,587
Other Operation Income	256,280	-
Less: Excise duty	-	-
Total	<u>32,426,185</u>	<u>48,756,587</u>
Note 16: Other Income		
Particulars	As at March 31st 2017	As at March 31st 2016
Other Income		
Interest Income	93,811	151,040
Discount	5,000	28,003
Miscellaneous Income	-	3,815,865
Total	<u>98,811</u>	<u>3,994,909</u>

CAPROLACTAM CHEMICALS LIMITED		
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017		
Note 17: Cost of materials consumed		
Particulars	As at March 31st 2017	As at March 31st 2016
Cost of materials consumed		
A) Raw Material Consumed		
Opening Stock	632,886	1,774,303
Add: Purchases	-	-
	632,886	1,774,303
Less: Closing Stock	2,569,541	632,886
Total	<u>(1,936,655)</u>	<u>1,141,417</u>
B) Packing Materials		
Opening Stock	82,693	82,693
Add: Purchases	-	-
	82,693	82,693
Less: Closing Stock	82,693	82,693
(B) Packing Material	-	-
Total (A+B)	<u>(1,936,655)</u>	<u>1,141,417</u>
Note 18 : Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
Particulars	As at March 31st 2017	As at March 31st 2016
Opening Stock of Finished goods	41,934	41,934
Less: Closing Stock	41,934	41,934
Total	<u>-</u>	<u>-</u>
Note 19: Employee Cost		
Particulars	As at March 31st 2017	As at March 31st 2016
Employee Cost		
Salary and other perquisites	1,025,200	954,200
Contribution to Provident Fund and Other Funds	15,280	13,486
Staff Welfare Expenses	362,936	499,325
Other Employee related expenses	192,282	87,990
Total	<u>1,595,698</u>	<u>1,555,001</u>
Note 20: Financial costs		
Particulars	As at March 31st 2017	As at March 31st 2016
Financial costs		
Interest on Loan	1,226,693	1,046,817
Bank Interest	26	-
Total	<u>1,226,719</u>	<u>1,046,817</u>

Note 21: Manufacturing Expenses:

Particulars	As at March 31st 2017	As at March 31st 2016
Power and Fuel	17,559,571	18,836,514
Stores, Spares and other consumables	883,839	3,112,711
Income Tax	107,871	-
Utility Expenses	841,690	617,601
Water Cess	-	347
Labour Charges	3,138,658	7,347,117
Water Charges	421,927	496,924
Weighing Charges	27,260	32,800
Repairs & Maintenance - Machinery	425,334	627,070
Lab Expenses	89,245	71,118
Testing Charges	2,540	4,207
Freight	101,762	256,385
Total	23,599,696	31,402,793

CAPROLACTAM CHEMICALS LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****Note 22: Administration Expenses:**

Particulars	As at March 31st 2017	As at March 31st 2016
Audit Fees	25,000	25,000
Courier Charges	36,944	36,515
Desiel & Petrol Charges	203,216	284,652
Directors Remuneration	1,560,000	1,248,000
Insurance Factory	97,250	147,888
General Expenses	305,040	266,551
Bank Charges	5,100	3,872
Conveyance	77,676	110,571
Inspection Charges	-	1,300
Insurance	9,124	10,534
Insurance Workman Composition	113,811	122,012
Professional fees	177,661	175,387
Motor Car Expenses	149,777	126,981
Professional Tax (company)	2,500	2,500
Professional Tax Directors	5,000	-
Telephone Charges	68,775	74,515
License Fees	114,176	40,968
Listing Fees	229,000	224,720
Loading & Unloading	54,693	79,993
Meeting Fees	24,000	27,321
Packing & Forwarding	9,850	14,280
Postage & Telegram	60,908	61,793
Printing & Stationary	53,606	53,453
Repairs & Maintenance	521,755	2,060,295
ROC Fees	600	8,414
Service Tax	116,520	-
Security Charges	327,408	436,398
Subscription Charges	1,550	1,700
Donetion	51,000	-
Rent	-	400,000
Other Expenses	24,771	83,114
Sales Promotion	-	229,730
Advertising Expenses	58,721	21,696
Total	4,485,432	6,380,151

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016**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 contract manufacturing of chemicals and does Job Work in Chemicals.

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

The Financial Statement is prepared to comply with the generally accepted accounting principles in India (Indian GAAP), including accounting standards notified under relevant provisions of Companies Act, 2013/Companies Act 1956, as applicable.

The financial statements of the company are prepared under historical cost convention on an accrual basis.

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 recognized in the period in which the results are known/ materialized.

C. Fixed Assets:

Fixed Assets are stated at cost including incidental and pre-operative expenses less accumulated depreciation. When parts of an item of plant have different useful lives they are accounted for as separate items of plant and equipment.

D. Depreciation:

The Company provides depreciation on written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. 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 comprises of raw materials valued at cost or market value whichever is less.

II. Finished stock is valued at cost.

F. Revenue Recognition:

i) Revenue from sale of goods and job work is recognized 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 recognized 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 recognized 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 recognized /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 relatable to the current year.

23. In the opinion of Board of Directors, the current assets, loans and advances have realizable 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.)	(Amount in Rs.)
		2016-17	2015-16
	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		
		2016-17	2015-16
	On Account of Depreciation	47,07,145	51,05,361

27. Earnings Per Share

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

Particulars	2016-17	2015-16
Net Profit/(Loss) after tax and Prior period items	(11,53,040)	52,03,041
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	(0.25)	1.13
Diluted earning per share	(0.25)	1.13

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.

Transactions with Related Parties:	(Amount in Rs.)	(Amount in Rs.)
	<u>2016-17</u>	<u>2015-16</u>
Expenditure		
Remuneration		
Zaver S. Bhanushali	8,40,000	6,60,000
Siddharth S. Bhanushali	7,20,000	5,88,000
Interest on Loan		
Zaver S. Bhanushali	12,26.693	10,45,806
Unsecured Loans Taken		
Zaver S. Bhanushali	1,58,13,930	2,06,65,000
Unsecured Loans repaid		
Zaver S. Bhanushali	1,15,73,450	1,93,95,000
Unsecured Loans Balance		
Zaver S. Bhanushali	1,37,40,480	95,00,000
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 31-03-2017		Year ended 31-03-2016	
	Amount	%	Amount	%
Imported	0	0	0	0
Indigenous	(19,36,655)	100	11,41,417	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.

As per my report of even date attached

For L J Kothari & Co.

Chartered Accountant

FRN: 105313W

For and on behalf of the Board of Directors

CA. Latit J Kothari

[Proprietor]

Membership No 030917

Date :- 30/05/2017

Place :- Mahad

Mrs. Z. S. Bhanushali

Managing Director

Mr. S. S. Bhanushali

Director

ABSTRACT OF THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2017

The information relating to the Balance Sheet abstracted and the Company's general business profit as per Part IV to Schedule III to The Companies Act, 2013 is as under:

I.Registration Details

Registration No. CIN NO. U24110MH1988PLC049683 State Code: 11
Balance Sheet Date: 31-03-2017.

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	4,32,13,623	Total Assets	4,32,13,623
-------------------	-------------	--------------	-------------

Sources of Funds

Paid-up Capital	4,59,03,000	Reserves and Surplus	(2,61,33,673)
Secured Loans	Nil	Unsecured Loans	95,00,000
Deferred Tax	23,51,819		

Application of Funds

Net Fixed Assets	3,37,82,523	Investment	Nil
Net Current Assets	(1,39,56,411)	Misc. Expenditure (P&L a/c)	Nil

IV.Performance of Company

Turnover	3,24,26,185	Total Expenditure	3,36,78,036
Profit / Loss before tax	(11,53,040)	Profit / Loss after tax	(11,53,040)
Earning Per Share Rs.	(0.25)	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 attached

For L J Kothari & Co.

Chartered Accountant

FRN: 105313W

For and on behalf of the Board of Directors

CA. Latit J Kothari

[Proprietor]

Membership No 030917

Date :- 30/05/2017

Place :- Mahad

Mrs. Z. S. Bhanushali

Managing Director

Mr. S. S. Bhanushali

Director

CAPROLACTAM CHEMICALS LIMITED**(CIN: L24110MH1988PLC049683)****Regd. Office: B/31, MIDC, Mahad, Distt. – Raigad - 402302****E-mail: caprolactamcl@gmail.com, website: www.caprolactam.co.in****Telfax: 02145-233427****PROXY FORM****[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Members(s)

Registered Address

DPID:CLID:Reg. Folio No. :

No. of Shares:.....

I / We, being the member(s) ofshares of the above named Company, hereby appoint:

1. Name :of.....having an E-mail ID:....., failing him/her;

2. Name :of.....having an E-mail ID:....., failing him/her;

3. Name :of.....having an E-mail ID:....., failing him/her;

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 28th Annual General Meeting of the Company, to be held on Friday, September 29, 2017, at 10.00 a.m. at B/31, MIDC, Mahad, Distt. – Raigad - 402302 and at any adjournment thereof in respect of such resolution as are indicated below:

Sr. No.	Resolution(s)	Vote	
		For	Against
1	Adoption of Audited Financial Statements, Auditors Report & Directors Report along with their annexures for the year ended 31st March, 2017.		
2	Re-appointment of statutory auditors of Company M/s. L. J. Kothari & Co., Chartered Accountants, Mumbai (FRN 105313W), be and is hereby ratified by the members of the company for the financial year 2016-2017 at such remuneration as may be determined by the Board of Directors of the Company.		

Signed thisday of2017

Signature of shareholder

Signature of first proxy

Notes :

- This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of meeting.
- This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

CAPROLACTAM CHEMICALS LIMITED

(CIN: L24110MH1988PLC049683)

Regd. Office: B/31, MIDC, Mahad, Distt. – Raigad - 402302

E-mail: caprolactamcl@gmail.com, website: www.caprolactam.co.in

Telfax: 02145-233427

ATTENDANCE SLIP

28th Annual General Meeting – Friday, September 29, 2017 at 10.00 a.m.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Joint Shareholders may obtain additional Slips on request.

I hereby record my presence at the **28th ANNUAL GENERAL MEETING** of the Company held at B/31, MIDC, Mahad, Distt. – Raigad - 402302 on Friday, September 29, 2017 at 10.00 a.m.

Full Name of the Member (in BLOCK LETTERS) _____

Regd. Folio No. _____ No. of Shares held _____

DP ID No. _____ Client ID No. _____

Full name of the Proxy (in BLOCK LETTERS) _____

Member's / Proxy's Signature _____



