



Caprolactam Chemicals Limited

CIN NO: - L24110MH1988PLC049683

29th Annual Report

31-03-2018

COMPANY INFORMATION**BOARD OF DIRECTORS**

Mrs. Z.S. Bhanushali
 Mr. S. S. Bhanushali
 Mr. V. P. Adagale
 Mr. R. P. Mange
 Mrs. P. B. Bhanushali

- 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 (Ghatkopar East, 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.

Website : [www. Caprolactam.co.in](http://www.Caprolactam.co.in)

Ph No: - 02145-233427.

caprolactamcl@gmail.com

caprolactam@gmail.com

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NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of **Caprolactam Chemicals Limited** will be held on Saturday the 29th Day of September, 2018 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, 2018 along with the Reports of the Directors and Auditors thereon.

SPECIAL BUSINESS:

2. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof Mrs. Poonam Bhavin Bhanushali (DIN: 08107562), who was appointed as an Additional Director (Independent) of the Company with effect from 21st April, 2018 under Section 161 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term up-to five consecutive years commencing from 21st April, 2018.”

3. To consider and if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution:
 - (a) “RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Rajesh Purshottam Mange (DIN NO: 01389705), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024”.
 - (b) “RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Vikram Papat Adagale (DIN No: 02085562), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024”.
4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) & 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; the consent of the Company be and is hereby accorded to the Board of

Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores) [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immovable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves."

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

Registered Office:

B/31, MIDC, Mahad,

Distt. – Raigad - 402302

CIN: L24110MH1988PLC049683

Date: 30/05/2018

Place: Mahad

For and on behalf of the Board

Zaver S Bhanushali

Managing Director

DIN – 00663374

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF/HERSELF AND PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.
A person can act as a proxy on behalf of members not exceeding fifty and holding in 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. The instrument 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 . 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, 2018 to 29th September, 2018 (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. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meeting (SS-2) of ICSI in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the Notice of the AGM. Requisite declarations have been received from the Directors for seeking appointment re-

appointment.

8. Electronic copy of the Annual Report for 2017-18 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 2017-18 is being sent in the permitted mode.
Electronic copy of the Notice of the 29th AGM of the Company, inter alia, indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email addresses 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 Notice of the 29th AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
9. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2018 is uploaded on the Company's website www.caprolactam.co.in and may be accessed by the members.
10. 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.
11. An Explanatory Statement pursuant to Section 102 of the Act in respect of Item nos.2; 3 and 4 of the Notice set out above, is annexed hereto

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, 2018 (9:00 am) and ends on 28th September, 2018 (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 21st September, 2018 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. If you are a first time user follow the steps given below

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the 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)	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. 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).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. 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.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the relevant EVSN of Caprolactam Chemicals Ltd. on which you choose to vote.
- xiii. 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.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. 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.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. 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.
- xix. 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.
- xx. *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.
- xxi. 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.
- xxii. The Board of Directors has appointed Mr. Vinay P Yogi, 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.
- xxiii. 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.
- xxiv. 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.
- xxv. The Results declared along with 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.

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

ITEM No. 2

The Board of Directors of the Company have appointed Mrs. Poonam Bhavin Bhanushali (DIN: 08107562) as an Additional Director (Independent) to hold the office till the ensuing Annual General Meeting.

As an Additional Director, Mrs. Poonam Bhavin Bhanushali (DIN: 08107562) holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the “Act”) together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Mrs. Poonam Bhavin Bhanushali as an Independent Director of the Company. The Company has also received a declaration from Mrs. Poonam Bhavin Bhanushali confirming that she meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Mrs. Poonam Bhavin Bhanushali is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

In the opinion of the Board, Mrs. Poonam Bhavin Bhanushali fulfils the conditions for her appointment as an Independent Director as specified in since inception. A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company www.caprolactam.co.in Mrs. Poonam Bhavin Bhanushali is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Mrs. Poonam Bhavin Bhanushali and her relatives, are in any way, concerned or interested in the said resolution. The resolution as set out in item No. 2 of this Notice is accordingly commended for your approval.

ITEM No. 3 (a)

Mr. Rajesh Purshottam Mange (DIN:01389705) is an Independent Non-Executive Director of the Company. He joined the Board of Directors of the Company in September, 2009. Pursuant to the Act, Mr. Rajesh Purshottam Mange, was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term up to 31st March, 2019, by the Members of the Company in the 25th AGM held on 29th September, 2014. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Rajesh Purshottam Mange, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for another term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

In the opinion of the Board, Mr. Rajesh Purshottam Mange fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Rajesh Purshottam Mange as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, up to and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rajesh Purshottam Mange as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. Rajesh Purshottam Mange as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3(a) of the accompanying Notice of the AGM. Mr. Rajesh Purshottam Mange is not related to any Director of the Company.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

ITEM No. 3 (b)

Mr. Vikram Popat Adagale (DIN: 01389705) is an Independent Non-Executive Director of the Company. He joined the Board of Directors of the Company in April, 2008. Pursuant to the Act, Mr. Vikram Popat Adagale, was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term upto 31st March, 2019, by the Members of the Company in the 25th AGM held on 29th September, 2014. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Vikram Popat Adagale, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for another term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

In the opinion of the Board, Mr. Vikram Popat Adagale fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for her re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Vikram Popat Adagale as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, up to and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Vikram Popat Adagale as an Independent Director. Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. Vikram Popat Adagale as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 (b) of the accompanying Notice of the AGM. Mr. Vikram Popat Adagale is not related to any Director of the Company.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item 4.

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto Rs. 10,00,00,000 (Rupees Ten Crores only). Pursuant to Section 180(1)(a) & (c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution.

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

Your Directors have pleasure in presenting the 29th Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March 2018. The financial results of the Company are summarized below:

FINANCIAL HIGHLIGHTS AND OPERATIONS:

Particulars	(in 'INR')	
	31 st March, 2018	31 st March, 2017
Profit /Loss (before interest, depreciation and tax)	9,641,901	4,780,825
Less: Interest	1,890,298	1,226,719
Less: Depreciation	5,715,147	4,707,145
Profit /Loss before Tax	2,036,456	(1,153,040)
Less: Loss on obsolescence/damage to Plant/assets Less:	14,201	Nil
Current Tax	4,00,000	Nil
Add: Deferred Tax Benefit	96,611	Nil
Profit /Loss After Tax	1,718,866	(1,153,040)

The financial performance of the Company was satisfactory and 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 for the financial year 2017-18.

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 2017-18, Mr. Vasant Laxmidas Mange (DIN: 02685522) resigned from the Board with effect from 13th February, 2018.

After the close of the financial year 2017-18, Mrs. Poonam Bhavin Bhanushali (DIN:08107562) was appointed as Additional Director (Independent), with effect from 21st April, 2018. As an Additional Director, Mrs. Poonam Bhavin Bhanushali (DIN: 08107562) holds office till the date of the AGM and is eligible for being reappointed as an Independent Director and accordingly the Board recommends for the approval of the Members through an Ordinary Resolution in the ensuing Annual General Meeting for re-appointment of Mrs. Poonam Bhavin Bhanushali as such.

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. As on the date of this report the total strength of Board of Directors of the Company is five directors out of which three are Independent Directors and two are executive directors.

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 director is liable to retire by rotation at the forthcoming Annual General Meeting.

Pursuant to the provisions of the Companies Act, 2013 ("Act"), Mr. Rajesh Purshottam Mange (DIN: 01389705) and Mr. Vikram Popat Adagale (DIN: 02085562) was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term up to 31st March, 2019 by the Members of the Company in the 25th Annual General Meeting held on 29th September, 2014. Mr. Rajesh Purshottam Mange (DIN:01389705) and Mr. Vikram Popat Adagale (DIN: 02085562) are eligible for re-appointment as the Independent Non-Executive Directors for another term of five consecutive years. Pursuant to the provisions of the Act and based on the recommendation of the Nomination and Remuneration Committee, the Board recommends for the approval of the Members through Special Resolutions in the 29th Annual General Meeting for re-appointment of Mr. Rajesh Purshottam Mange (DIN:01389705) and Mr. Vikram Popat Adagale (DIN: 02085562) as Independent Non-Executive Directors for another term of five consecutive years effective from 1st April, 2019 up to 31st March, 2024.

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

- I) Audit Committee
- II) Nomination and Remuneration Committee
- III) Stakeholders' Relationship Committee

I. AUDIT COMMITTEE:

a. Composition:

The Audit Committee comprises of three Directors namely:

Name of the Director	Category
Mr. Vikram P. Adagale	Chairman
Mr. Vasant L. Mange (Resigned on 13th February, 2018)	Member
Mr. Rajesh P. Mange	Member
Mrs. Poonam Bhavin Bhanushali (Appointed on 21st April, 2018)	Member

b. Terms of reference:

Apart from all the matters provided in SEBI Listing Regulations and section 177 of the Companies Act 2013, the Audit committee shall also perform the following functions:

- (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 and Management discussion and analysis of financial condition.

- (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 2018 i.e. on 30th May, 2017, 12th August, 2017, 14th November, 2017 and 13th February, 2018. 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

*(Resigned on 13th February, 2018)

II. NOMINATION AND REMUNERATION COMMITTEE: As on the date of this report

a. Composition and attendance:

As on the date of this report Nomination and Remuneration Committee comprised of three Non-Executive Directors, namely Mr. Rajesh P. Mange (Chairman of the Committee), Mrs. Poonam Bhavin Bhanushali and Mr. Vikram P. Adagale as members of the Committee.

- During the financial year, the 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 the 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 Nomination & Remuneration Committee. The remuneration is decided by the Nomination & 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, 2018 paid to the Executive / Non-Executive Directors are as follows:

	Designation	Remuneration
Mrs. Zaver S. Bhanushali	Chairman & Managing Director	INR 8,40,000.00
Mr. Siddharth S. Bhanushali	Whole-time Director	INR 7,20,000.00

The Company has paid sitting fees of Rs. 2,000/- per meeting to Non-Executive Directors during the financial year 2017-18.

III. STAKEHOLDERS RELATIONSHIP COMMITTEE:**a) Composition and attendance:**

The present Stakeholders Relationship Committee comprised of Executive and 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 shareholder's 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 Stakeholders Relationship 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.

c) Meeting of Independent Directors

During the year under review, meeting of Independent Directors was held on 12th August, 2017 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:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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
- that the Directors have prepared the accounts for the financial year ended 31st March, 2018 on a 'going concern' basis.
- 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.
- 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.

INFORMATION REGARDING EMPLOYEES AND RELATED DISCLOSURES:

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

The statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), is required to be the part of this Board's Report and to be sent to the Members of the Company along with the Board Report. However, same is not mentioned in this report

and would be available for inspection by the Members, at the Meeting and report referred above is 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.

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, 2017; 12th August, 2017; 14th November, 2017 and 13th February, 2018.

The names of members of the Board and their attendance at the Board Meetings are as under:

Name of Directors	Number of Meetings attended/Total Meetings held during the F.Y. 2017-18
Zaver S. Bhanushali	4/4
Siddharth S. Bhanushali	4/4
Vikram P. Adagale	4/4
*Vasant L. Mange	4/4
Rajesh P. Mange	4/4

_____* (Resigned on 13th February, 2018)

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 also Appointed Abhishek Ruia & Co. as an Internal Auditor of the Company.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an 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 the related parties and/or Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

SUBSIDIARY AND ASSOCIATES COMPANIES:

The Company does not have any subsidiary or 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 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Ms. Alpi Nehra, Practicing Company Secretary to undertake the Secretarial Audit of the Company and has obtained a secretarial audit report. 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 and the Company would ensure in future that all the provisions are compiled to the fullest extent.

The Secretarial Audit report is annexed herewith as "Annexure B"

AUDITORS:

In accordance with the 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.

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".

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 in securities 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.

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

For and behalf of the Board of Directors Dated: 30/05/2018

Zaver S. Bhanushali
Managing Director
DIN – 00663374

Siddharth S. Bhanushali
Whole-time Director
DIN - 01721586

MANAGEMENT DISCUSSION & ANALYSIS 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 food colors.

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 Rs. 2,036,456/- as compare to previous year losses of Rs. 1,153,040/-. 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 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

Form No. MGT -8

[Pursuant to Section 92(2) of the Companies Act, 2013 and rule 11(2) of the Companies (Management and Administration) Rules, 2014]

CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

We have examined the registers, records, books and papers of **M/s. Caprolactam Chemicals Limited, having CIN-L24110MH1988PLC049683** (the Company) as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder for the financial year ended on 31st March, 2018. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents. We certify that:

	The Annual Return states the fact as at the close of the aforesaid financial year correctly and adequately.
	During the aforesaid financial year -
	The Company has complied with the provisions of the Act & Rules made thereunder in respect of its status under the Act;
	The Company has complied with the provisions of the Act & Rules made thereunder in respect of maintenance of registers/records and making entries therein within the time prescribed therefor;
	The Company has complied with the provisions of the Act & Rules made thereunder in respect of filing of forms and returns as stated in the Annual Return with the Registrar of Companies, Regional Director, Central Government, the Tribunal, Court or other authorities within the prescribed time except – i). <i>The Company is yet to appoint a whole time Company Secretary in terms of Section 203 of the Companies Act, 2013 and rules made thereunder ii) Chairman of Stakeholders Relationship Committee is an Executive Director.</i>
	The Company has complied with the provisions of the Act & Rules made thereunder in respect of calling/ convening/ holding meetings of Board of Directors and the meetings of the members of the Company on due dates as stated in the Annual Return in respect of which meetings, proper notices were given and the proceedings have been properly recorded in the Minute Book/registers maintained for the purpose and the same have been signed. Further no instances of passing of resolution through circulation and postal ballot were occurred;
	The Company has complied with the provisions of the Act & Rules made thereunder in respect of closure of Register of Members.
	The Company has not given any advances or loans to its directors and / or persons or firms or companies referred in Section 185 of the Act;
	As informed and explained by the management, all the contracts/arrangements/ transactions entered by the Company with related parties was in ordinary course of business and on arm's length basis; therefore, the provisions of the Section 188 of the Companies Act, 2013 were not attracted.

	The Company has complied with the provisions of the Act & Rules made thereunder in respect of transfer or transmission of securities. Further there were no instances of issue or allotment or buy back of securities or redemption of preference shares or debentures or reduction of share capital or conversion of shares/securities.
	The Company was not required to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act;
	The Company has not declared and paid any dividend. Further, there are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
	The Board has signed audited financial statement as per the provisions of section 134 of the Act and report of directors is as per sub - sections (3), (4) and (5) thereof;
	The Company has complied with the provisions of the Act & Rules made thereunder in respect of Constitution / appointment / re-appointment / retirement / filing up casual vacancies/disclosures of the Directors, Key Managerial Persons and the remuneration paid to them; <i>except appointment of whole time Company Secretary in terms of Section 203 of the Companies Act, 2013 and rules made thereunder.</i>
	The Company has complied with the provisions of the Act & Rules made thereunder in respect of appointment/ reappointment/ filling up casual vacancies of auditors as per the provisions of section 139 of the Act;
	As informed, the Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
	As informed, the Company has not invited, renewed or accepted any deposits;
	The Company has complied with the provisions of the Act & Rules made thereunder in respect of borrowings from its directors. Further, the company has not borrowed any amounts from its members, public financial institutions and banks.
	The Company has not made any loans and investment or given guarantees or provided securities to other bodies corporate or persons attracting the provisions of Section 186 Companies Act, 2013.
	The Company has not altered the provisions of the Memorandum and / or Articles of Association of the Company.

Alpi Nehra
Practising Company Secretary
Membership No. 38011
CoP No. 14202

Place: Mumbai
Date:30th May, 2018

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN/LLPIN	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
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%
2	-	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF		20,46,800	20,46,800	44.50%		20,46,800	20,46,800	44.50%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.			-	0.00%			-	0.00%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)		20,46,800	20,46,800	44.50%		20,46,800	20,46,800	44.50%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)			-	0.00%			-	0.00%	0.00%
TOTAL (A)		20,46,800	20,46,800	44.50%		20,46,800	20,46,800	44.50%	0.00%
B. Public Shareholding									
1. Institutions									

a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3,910	1,77,700	1,81,610	3.95%	3,525	1,77,700	1,81,225	3.94%	-0.01%
ii) Overseas	-	-	-	0.00%	0	0	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,18,481	19,36,900	20,55,381	44.68%	148621	1906100	20,54,721	44.67%	-0.01%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	40,608	1,97,800	2,38,408	5.18%	145114	92000	2,37,114	5.15%	-0.03%
c) Others (specify)							-	0.00%	0.00%
Non Resident Indians		63,500	63,500	1.38%		63500	63,500	1.38%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
LLP			-	0.00%	205	-	205	0.00%	0.00%
Hindu Undivided Family	13,901	-	13,901	0.30%	14,081	-	14,081	0.31%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members	400	-	400	0.01%	2354	0	2,354	0.05%	0.04%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	1,77,300	23,75,900	25,53,200	55.50%	3,13,900	22,39,300	25,53,200	55.50%	0.00%
Total Public (B)	1,77,300	23,75,900	25,53,200	55.50%	3,13,900	22,39,300	25,53,200	55.50%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	1,77,300	44,22,700	46,00,000	100.00%	3,13,900	42,86,100	46,00,000	100.00%	0.00%

(ii) 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. Bhanushali	7,02,850	15.28%		7,02,850	15.28%		0.00%
2	Zaver Bhanushali	1,50,010	3.26%		1,50,010	3.26%		0.00%
3	Shanker Bhanushali	3,82,320	8.31%		3,82,320	8.31%		0.00%
4	Shital S. Bhanushali	2,38,130	5.18%		2,38,130	5.18%		0.00%
5	Ashmi S. Bhanushali	1,63,290	3.55%		1,63,290	3.55%		0.00%
6	Shanker G. Bhanushali (HUF)	4,10,200	8.92%		4,10,200	8.92%		0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year	Cumulative Shareholding during the year
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				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

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

SL No.	ShareHolder's Name	ShareHolding at the beginning of the year		Cumulative ShareHolding at the end of the year		Type		
		31-03-2017	% of Total Shares of the Company	31-03-2018	% change in share holding during the year			
1	ORNATE TRADERS LIMITED	153400	3.33					
	31-03-2018			153400	3.33			
2	RAMESH K PARIKH	67100	1.46					
	12-07-2017	-67000	-1.46	100	0.00	Sell		
	31-03-2018			100	0.00			
3	GOSALIA	33500	0.73					
	31-03-2018			33500	0.73			
4	DIPIKA GANDHI	24500	0.53					
	31-03-2018			24500	0.53			
5	MOHAN JERAM	17700	0.38					
	31-03-2018			17700	0.38			
6	ARCHANA JAIN	16300	0.35					
	31-03-2018			16300	0.35			
7	ANITA ANIL BANSAL	15300	0.33					
	31-03-2018			15300	0.33			
8	LAXMIDAS V. BHANUSHALI	13914	0.30					
	31-03-2018			13914	0.30			
9	MAHENDRA K PAREKH	13900	0.30					
	12-07-2017	-13900	-0.30	0	0.00	Sell		
	31-03-2018			0	0.00			
10	VARSHA R PARIKH	13800	0.30					
	12-07-2017	-13300	-0.29	500	0.01	Sell		
	31-03-2018			500	0.01			
11	RAMESH K PARIKH	0	0.00					
	21-07-2017	85300	1.85	85300	1.85	Buy		
	31-03-2018			85300	1.85			
12	PAREKH	0	0.00					
	28-07-2017	17300	0.38	17300	0.38	Buy		
	31-03-2018			17300	0.38			
13	VARSHA R PARIKH	0	0.00					
	21-07-2017	13300	0.29	13300	0.29	Buy		
	31-03-2018			13300	0.29			

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name		Siddharth S. Bhanushali				
	At the beginning of the year			7,02,850	15.28%	7,02,850	15.28%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			7,02,850	15.28%	7,02,850	15.28%
SN		Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	

	Shareholding of each Directors and each Key Managerial Personnel			No. of shares	% of total shares	No. of shares	% of total shares
2	Name		Zaver Bhanushali				
	At the beginning of the year			1,50,010	3.26%	1,50,010	3.26%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1,50,010	3.26%	1,50,010	3.26%

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	1,37,40,480.00	-	1,37,40,480.00
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	-	1,37,40,480.00	-	1,37,40,480.00
Change in Indebtedness during the financial year				
* Addition	-	75,00,000	-	75,00,000
* Reduction	-	(23,02,234)	-	(23,02,234)
Net Change	-	51,97,766	-	51,97,766
Indebtedness at the end of the financial year				
i) Principal Amount	-	1,89,38,246	-	1,89,38,246.26
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	-	1,89,38,246	-	1,89,38,246.26

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)
		Name		
	Designation	Director	Director	
1	Gross salary	8,40,000.00	7,20,000.00	15,60,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
1	Independent Directors				
	Fee for attending board committee				-
	Commission				-
	Others, please specify				-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	Fee for attending board committee				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-

Total (B)=(1+2)	-	-	-	-
Total Managerial Remuneration				
Overall Ceiling as per the Act				

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Name Designation	CEO	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission - as % of profit - others, specify				-
5	Others, please specify				-
	Total		-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

ZAVAR SHANKARLAL BHANUSHALI

DIRECTOR
DIN: 00663374

SIDDHARTH SHANKARLAL BHANUSHALI

DIRECTOR
DIN: 01721586

DATE: 30/05/2018

PLACE: MUMBAI

Annexure 'B' - SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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, 2018, 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, 2018 according to the provisions 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 and Overseas Direct Investment if any;
- 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, 2015;
 - 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 (Share Based Employee Benefits) Regulation, 2014 (Not applicable to the Company during the audit period);
- vi. I have relied on the representations 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 Exchange 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 a whole time Company Secretary in terms of Section 203 of the Companies Act, 2013 and rules made thereunder.
- Chairman of Stakeholders Relationship Committee is an Executive Director.

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

Alpi Nehra
Practising Company Secretary.
M. No. - ACS 38011
CP No. - 14202
Place: Mumbai
Date: 30th May, 2018

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.

ANNEXURE I

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.

Alpi Nehra
Practising Company Secretary.
M. No. - ACS 38011
CP No. - 14202
Place: Mumbai
Date: 30th May, 2018

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

Report on the Financial Statements

We have audited the accompanying financial statements of Caprolactam Chemicals Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, 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 2018 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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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.

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 :- 30/05/2018
Place :- Mahad

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 2018, 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, Goods and Services Tax (GST), 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 2018 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, Goods and Services Tax (GST), 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 given 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.

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 :- 30/05/2018

Place :- Mahad

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 Chemicals Limited ("the Company") as of 31 March 2018 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 2018, 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.

Place : Mahad

Date : 30th May 2018

Chartered Accountant

Lalit J. Kothari

Membership No 030937

CAPROLACTAM CHEMICALS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2018

Amount in Rs

Particulars	Note No.	As at 31/03/2018	As at 31/03/2017
I) EQUITY AND LIABILITIES			
1) SHAREHOLDER'S FUND			
a) Share Capital	3	45,903,000	45,903,000
b) Reserves and surplus	4	(25,567,849)	(27,286,714)
		<u>20,335,151</u>	<u>18,616,286</u>
2) Share Application Money Pending Allotment		-	-
3) NON CURRENT LIABILITIES			
a) Long-term borrowings		-	-
b) Deferred Tax Liabilities (Net)	5	2,255,207	2,351,819
		<u>2,255,207</u>	<u>2,351,819</u>
4) CURRENT LIABILITIES			
a) Short-term borrowings	6	18,938,246	13,740,480
b) Trade Payables	7	8,475,202	8,278,094
c) Other current liabilities	8	12,689,762	226,944
		<u>40,103,210</u>	<u>22,245,518</u>
TOTAL		<u>62,693,568</u>	<u>43,213,623</u>
II) ASSETS			
1) NON CURRENT ASSETS			
i) Fixed Assets			
a) Tangible assets	9	35,589,140	33,782,523
		<u>35,589,140</u>	<u>33,782,523</u>
ii) Long term loans and advances	10	5,021,236	1,141,993
		<u>5,021,236</u>	<u>1,141,993</u>
2) Current Assets			
a) Inventories	11	3,026,670	2,694,168
b) Trade receivables	12	7,701,924	3,585,345
c) Cash and cash equivalents	13	7,912,230	1,125,057
d) Short-term loans and advances	14	3,442,369	884,539
		<u>22,083,193</u>	<u>8,289,107</u>
TOTAL		<u>62,693,568</u>	<u>43,213,623</u>

The accompanying notes form an integral part
of the financial statement

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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 :- 30/05/2018
Place :- Mahad

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 2018

Particulars	Note No.	For the year ended 31/03/2018	For the year ended 31/03/2017
I) Revenue from operations	15	40,699,873	32,426,185
II) Other Income	16	701,096	98,811
III) Total Income (I+II)		41,400,970	32,524,996
IV) Expenses			
Cost of materials consumed	17	4,913,200	(1,936,655)
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	(1,208,273)	-
Employee benefit expenses	19	1,790,777	1,595,698
Financial costs	20	1,890,298	1,226,719
Depreciation and amortization expenses	9	5,715,147	4,707,145
Manufacturing Expenses	21	21,328,829	23,599,696
Administration Expenses	22	4,934,536	4,485,432
Total Expenses (IV)		39,364,514	33,678,036
V) Profit before exceptional items and tax (III-IV)		2,036,456	(1,153,040)
VI) Less : Loss on obsolescence of plant		14,201	-
VII) Profit before Tax (V-VI)		2,022,255	(1,153,040)
VIII) Tax expenses			
Less : Current Tax		400,000	-
Add : Deferred Tax Benefit		96,611	-
Profit for the year (VII-VIII)		1,718,866	(1,153,040)
XVI. Earnings per equity share [nominal value of share of Rs.10/- (as at 31.03.14- Rs. 10/-)]			
Basic and Diluted (in Rs.)		0.37	(0.25)

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 :- 30/05/2018
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 2018		
	For the Year Ended 31/03/2018	For the Year Ended 31/03/2017
A. Cash Flow from Operating Activities		
Profit before Tax	2,022,255	(1,153,040)
Adjustments for :-		
Depreciation/Amortisation	5,715,147	4,707,145
Finance charges	1,890,298	1,226,719
Loss on obsolescence/damage to assets	14,201	-
Operating Profit Before Working Capital Changes	9,641,901	4,780,825
Adjustments for changes in Working Capital		
(Increase)/Decrease in Sundry Debtors	(4,116,579)	1,603,059
(Increase)/Decrease in Inventories	(332,502)	(1,936,655)
(Increase)/Decrease in Loans and advances	(6,437,073)	(123,528)
Increase/(Decrease) in Current Liabilities	12,659,926	1,071,258
Cash Generated from Operations	11,415,672	5,394,959
Taxes paid (Including TDS)	400,000	-
Net Cash from Operating Activities - A	11,015,672	5,394,959
B. Cash Flow from Investing activities		
Purchase of Fixed Assets (Net)	(7,550,167)	(8,882,592)
Sale of Fixed Assets	14,201	-
Net Cash used in Investing activities - B	(7,535,966)	(8,882,592)
C. Cash Flow From Financing Activities		
Finance Charges	(1,890,298)	(1,226,719)
Increase in Short Term / Long Term Borrowings	5,197,766	4,240,480
Net Cash from Financing Activities - C	3,307,468	3,013,761
Net Increase/ Decrease (+/-) in Cash & Cash Equivalents	6,787,174	(473,871)
Cash and Cash Equivalents at the commencement of the year	1,125,057	1,598,928
Cash and Cash Equivalents at the end of the year	7,912,231	1,125,057
The accompanying notes form an integral part of the financial statement	(0)	0
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 :- 30/05/2018 Place :- Mahad	Mrs. Z. S. Bhanushali Managing Director	Mr. S. S. Bhanushali Director

CAPROLACTAM CHEMICALS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 3:	As at 31/03/2018	As at 31/03/2017
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 of Rs. 10/- each fully paid-up.	46,000,000	46,000,000
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 31/03/2018	No. of Shares	As at 31/03/2017
At the beginning of the period	4,600,000	46,000,000	4,600,000	46,000,000
Less : shares forfeited				
Outstanding at the end of the period	4,600,000	46,000,000	4,600,000	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, 2018 and March 31, 2017 are set out below :

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	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 2018	As at March 31st 2017
Surplus/ (deficit) in the statement of profit and loss		
As per Last Balance sheet	(27,286,714)	(26,133,673)
Add: Profit for the year	1,718,866	(1,153,040)
Net Surplus/(deficit) in the statement of profit and loss	(25,567,849)	(27,286,714)
Total Reserves and Surplus	(25,567,849)	(27,286,714)

CAPROLACTAM CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 5: Deferred Tax Liability

Particulars	As at	As at
	March 31st 2018	March 31st 2017
Related to Depreciation/amortisation	2,255,207	2,351,819
	<u>2,255,207</u>	<u>2,351,819</u>

Note 6: Short Term Borrowings

Particulars	As at	As at
	March 31st 2018	March 31st 2017
Unsecured Loans		
Loan from Directors	11,438,246	13,740,480
Loan from Others	7,500,000	-
	<u>18,938,246</u>	<u>13,740,480</u>

Note 7: Trade Payables

Particulars	As at	As at
	March 31st 2018	March 31st 2017
Micro Small and Medium Enterprises Trade Payable	8,475,202	8,278,094
	<u>8,475,202</u>	<u>8,278,094</u>

Note 8: Other Current Liabilities

Particulars	As at	As at
	March 31st 2018	March 31st 2017
Other Current Liabilities		
Audit fees payable	25,000	25,000
Security Deposit	10,000,000	245,000
Provident Fund Contribution	2,160	2,160
TDS Paybal	82,756	55,227
GST Paybal	2,179,846	
Provision for Tax	400,000	(100,443)
	<u>12,689,762</u>	<u>226,944</u>

Note 10: Long Term Loans and Advances

Particulars	As at	As at
	March 31st 2018	March 31st 2017
Deposits	733,453	766,453
Prepaid Expenses	526,075	319,490
Other Loans and Advances	3,761,708	56,050
	<u>5,021,236</u>	<u>1,141,993</u>

Note 11: Inventories

Particulars	As at	As at
	March 31st 2018	March 31st 2017
Inventories		
For Inventory Valuation Refer note 2 (As Certified by the Management)		
Finished goods	1,250,207	41,934
Raw Material		
Raw Material	708,610	
Stores and spares	556,097	710,385
Lab Material	16,348	65,975
Packing materials	221,973	82,693
Utility	63,174	20,691
Fuel	210,261	1,772,489
Total	<u>3,026,670</u>	<u>2,694,168</u>

CAPROLACTAM CHEMICALS LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March 2018****Note - 9****FIXED ASSETS**

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31/03/17	Additions	Deductions	As on 31/03/18	As on 31/03/17	For the year	Depreciation Deduction	As on 31/03/18	As on 31/03/18	As on 31/03/17
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	6,535,856	51,364	-	6,587,220	574,787	626,151
2. Administration Bldg.	558,415	-	-	558,415	491,365	5,500	-	496,865	61,550	67,050
C. PLANT & MACHINERY										
1. Glycol Ether Plant	22,736,623			22,736,623	14,330,546	1,402,126	-	15,732,672	7,003,951	8,406,077
2. Vinyl Sulphone Plant	34,520,634	7,405,636	14,201	41,912,070	12,333,387	3,842,428	14,201	16,190,016	25,722,054	22,187,247
3. Ethyl Acetate Plant	19,403,057	-	-	19,403,057	17,326,155	374,618	-	17,700,773	1,702,285	2,076,902
4. E.T.P.	5,954,720	-	-	5,954,720	5,954,720	-	-	5,954,720	5	0
5. Steel Tank	161,400	-	-	161,400	150,790	2,529	-	153,318	8,082	10,610
D. OFFICE EQUIPMENTS										
1. Air Conditioners	23,538	144,531	-	168,069	23,538	27,657	-	51,195	116,874	0
E. VEHICLES										
1. Motor & Motor Cycle	620,222	-	-	620,222	610,827	8,925	-	619,751	471	9,395
TOTAL (Rs.)	91,539,705	7,550,167	14,201	99,075,671	57,757,184	5,715,147	14,201	63,486,531	35,589,140	33,782,523
PREVIOUS YEAR (Rs.)	82,657,113	8,882,592	-	91,539,705	53,050,039	4,707,145	-	57,757,184	33,782,524	29,607,077

CAPROLACTAM CHEMICALS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 12: Trade Receivables

Particulars	As at March 31st 2018	As at March 31st 2017
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	7,701,924	3,585,345
	<u>7,701,924</u>	<u>3,585,345</u>

Note 13: Cash and Cash Equivalents

Particulars	As at March 31st 2018	As at March 31st 2017
Cash and Cash Equivalents		
Balances with Bank		
-In Current Accounts	6,621,919	35,004
-In Deposit Accounts	1,286,983	1,029,081
Cash on Hand	3,328	60,971
	<u>7,912,230</u>	<u>1,125,057</u>

Note 14: Short Term Loans and Advances

Particulars	As at March 31st 2018	As at March 31st 2017
Short Term Loans and Advances		
Balance with Tax Authorities	3,442,369	884,539
Prepaid Expenses	-	-
Others	-	-
	<u>3,442,369</u>	<u>884,539</u>

Note 15: Revenue from operations

Particulars	As at March 31st 2018	As at March 31st 2015
Sale of products	-	-
Job Work Charges	38,428,814	32,169,905
Sale of products	2,271,060	
Traded Goods	40,699,873	32,169,905
Other Operation Income	-	256,280
Less: Excise duty	-	-
Total	<u>40,699,873</u>	<u>32,426,185</u>

Note 16: Other Income

Particulars	As at March 31st 2018	As at March 31st 2017
Other Income		
Interest Income	121,882	93,811
Discount	579,215	5,000
Miscellaneous Income	-	-
Total	<u>701,096</u>	<u>98,811</u>

CAPROLACTAM CHEMICALS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 17: Cost of materials consumed

Particulars	As at	As at
	March 31st 2018	March 31st 2017
Cost of materials consumed		
A) Raw Material Consumed		
Opening Stock	2,569,541	632,886
Add: Purchases	3,786,549	-
	6,356,090	632,886
Less: Closing Stock	1,554,489	2,569,541
Total	4,801,600	(1,936,655)
B) Packing Materials		
Opening Stock	82,693	82,693
Add: Purchases	250,880	-
	333,573	82,693
Less: Closing Stock	221,973	82,693
Total	111,600	-
Total (A+B)	4,913,200	(1,936,655)

Note 18 : Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Particulars	As at	As at
	March 31st 2018	March 31st 2017
Opening Stock of Finished goods	41,934	41,934
Less: Closing Stock	1,250,207	41,934
Total	(1,208,273)	-

Note 19: Employee Cost

Particulars	As at	As at
	March 31st 2018	March 31st 2017
Employee Cost		
Salary and other perquisites	1,108,800	1,025,200
Contribution to Provident Fund and Other Funds	18,496	15,280
Staff Welfare Expenses	385,549	362,936
Other Employee related expenses	277,932	192,282
Total	1,790,777	1,595,698

Note 20: Financial costs

Particulars	As at	As at
	March 31st 2018	March 31st 2017
Financial costs		
Interest on Loan	1,890,298	1,226,693
Bank Interest	-	26
Total	1,890,298	1,226,719

Note 21: Manufacturing Expenses:

Particulars	As at	As at
	March 31st 2018	March 31st 2017
Power and Fuel	9,660,263	17,559,571
Stores, Spares and other consumables	791,291	883,839
Income Tax	-	107,871
Utility Expenses	1,175,522	841,690
Water Cess	-	-
Labour Charges	7,664,981	3,138,658
Water Charges	448,067	421,927
Weighing Charges	40,480	27,260
Repairs & Maintenance - Machinery	1,413,288	425,334
Lab Expenses	35,327	89,245
Testing Charges	-	2,540
Freight	99,610	101,762
Total	21,328,829	23,599,696

CAPROLACTAM CHEMICALS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 22: Administration Expenses:

Particulars	As at	As at
	March 31st 2018	March 31st 2017
Advertising Expenses	31,248	58,721
Audit Fees	25,000	25,000
Bank Charges	17,257	5,100
Conveyance	53,677	77,676
Courier Charges	37,308	36,944
Desiel & Petrol Charges	255,654	203,216
Directors Remuneration	1,560,000	1,560,000
Donetion	-	51,000
Grampanchayt Tax	46,752	-
General Expenses	199,268	305,040
Insurance Factory	109,168	97,250
Insurance	10,057	9,124
Insurance Workman Compuision	68,089	113,811
Inspection Charges	10,000	-
License Fees	112,919	114,176
Listing Fees	323,083	229,000
Loading & Unloading	37,570	54,693
Meeting Fees	24,000	24,000
Motor Car Expenses	154,110	149,777
Other Expenses	11,899	24,771
Packing & Forwarding	9,470	9,850
Postage & Telegram	61,573	60,908
Printing & Stationary	66,821	53,606
Professional fees	231,951	177,661
Professional Tax (company)	2,500	2,500
Professional Tax Directors	5,000	5,000
Rent	140,000	-
Repairs & Maintenance	758,976	521,755
ROC Fees	21,000	600
Security Charges	357,089	327,408
Service Tax	28,481	116,520
Subscription Charges	2,100	1,550
Telephone Charges	19,473	68,775
Treatment Charges	42,600	-
Income Tax earlier year	100,443	-
Total	4,934,536	4,485,432

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**1. Corporate Information**

Caprolactam Chemicals Limited ('the Company') is engaged in manufacturing of chemicals and provides Job Work services as per customers requirement.

The Company is a Public Limited Company incorporated and domiciled in India has registered office in Raigad, Maharashtra, India.

2. Summary of Significant Accounting Policies**A. Basis of Preparation Financial Statements:**

The accompanying Standalone Financial Statements for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act. These financial statements have been prepared under the historical cost convention. The Management has assessed its liquidity position and its possible sources of funds. The Board of Directors is confident of the Company's ability to meet its obligations as and when they arise in the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on a going concern basis. The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- (ii) Held primarily for the purpose of trading,
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- (i) it is expected to be settled in normal operating cycle,
- (ii) it is held primarily for the purpose of trading,
- (iii) it is due to be settled within twelve months after the reporting period

All other liabilities are classified as non-current.

B. Use of Estimates and Judgments

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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods

C. Revenue recognition:

Revenue from sale of Goods and Job Work is recognised to the extent the Company has delivered goods or rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is measured at the fair value of the consideration received; further, revenues are accounted net of net of taxes, sales returns and discounts.

Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets, interest income is recognized using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

D. Useful life of Property, Plant & Equipment

The useful life used to amortize/depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgment of the period over which economic benefit will be derived from the asset.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

E. 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.

F. 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.

G. Inventories

Inventories held in form of raw materials, consumables and spares have been valued at cost or net realizable value whichever is lower. Finished Goods are valued at Cost. Cost comprises all cost of purchase, non-creditable taxes and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is estimated selling price in the ordinary course of business less estimated cost necessary to make the sale

H. Borrowing Cost

Borrowing costs incurred for directly attributable to the acquisition, construction or production of qualifying asset, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

I. Income Tax

Income tax expense represents the sum of the current tax and deferred tax. Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Profit and Loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's liability for current tax is calculated using Indian tax rates and laws that have been enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are not recognized to the extent they arise from the initial recognition of non-tax deductible goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax

Minimum Alternate Tax ('MAT') credit entitlement is generally recognized as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability

J. Provisions:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

K. Contingent Liabilities and Contingent Assets

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets are neither recognised nor disclosed in the financial statements.

L. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders, and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

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

J. Prior Period Items:

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

23. In the opinion of Board of Directors, the current assets, loans and advances have 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 inRs.) (Amount inRs.)

2017-18 **2016-17**

For Audit work	15,000	15,000
For Tax audit	5,000	5,000
For Taxation matter	5,000	5,000

26. Deferred Tax Liability

	<u>2017-18</u>	<u>2016-17</u>
On Account of Depreciation	57,15,147	47,07,145

27. Earnings Per Share

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

Particulars	2017-18	2016-17
Net Profit/(Loss) after tax and Prior period items	17,18,866	(11,53,040)
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	0.37	(0.25)
Diluted earning per share	0.37	(0.25)

28. Related party disclosures as required by AS 17 :-

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 inRs.)	<u>2017-18</u>	<u>2016-17</u>
Expenditure		
Remuneration		
Zaver S. Bhanushali	8,40,000	8,40,000
Siddharth S. Bhanushali	7,20,000	7,20,000
Interest on Loan		
Zaver S. Bhanushali	17,91,853	12,26,693
Siddharth S. Bhanushali	76,133	0
Unsecured Loans Taken		
Zaver S. Bhanushali	1,94,20,224	1,58,13,930
Siddharth S. Bhanushali	38,00,0000	0
Unsecured Loans repaid		
Zaver S. Bhanushali	2,55,22,458	1,15,73,450
Unsecured Loans Balance		
Zaver S. Bhanushali	76,38,246	1,37,40,480
Siddharth S. Bhanushali	38,00,000	0

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 31-03-2018		Year ended 31-03-2017	
	Amount	%	Amount	%
Imported	0	0	0	0
Indigenous	37,04,928	100	(19,36,655)	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 :- 30/05/2018
Place :- Mahad

Mrs. Z. S. Bhanushali **Mr. S. S. Bhanushali**
Managing Director **Director**

ABSTRACT OF THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2018

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: 31-03-2018.

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	6,26,93,568	Total Assets	6,26,93,568
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Sources of Funds

Paid-up Capital	4,59,03,000	Reserves and Surplus	(2,55,62,884)
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Secured Loans	Nil	Unsecured Loans	1,89,38,246
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Deferred Tax	22,50,242		
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Application of Funds

Net Fixed Assets	3,56,03,341	Investment	Nil
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Net Current Assets	(1,80,20,017)	Misc. Expenditure (P&L a/c)	Nil
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IV. Performance of Company

Turnover	4,06,99,873	Total Expenditure	3,93,64,514
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Profit / Loss before tax	20,22,255	Profit / Loss after tax	17,23,831
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Earning Per Share Rs.0.37	Dividend Rate %	Nil
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V. Generic Names of Three Principal Products of Company (as per monetary terms)

1. Item Code No. (ITC Code)	NA
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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 :- 30/05/2018

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 Saturday, September 29, 2018, 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, 2018.		
2	Appointed of Mrs. Poonam Bhavin Bhanushali (DIN: 08107562) as an Independent Director of the Company to hold office for a term up-to five consecutive years commencing from 21st April, 2018.		
3	Re- Appointment of Mr. Rajesh Purshottam Mange (DIN NO: 01389705), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, as Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024.		
4	Re- Appointment of Mr. Vikram Popat Adagale (DIN No: 02085562), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, as Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024.		
5	Authorising the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs. 10,00,00,000/- (Rupees Ten		

	<p>Crores) [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company’s assets and effects or properties whether moveable or immoveable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.</p>		
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Signed thisday of2018

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

29th Annual General Meeting – Saturday, September 29, 2018 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 **29th ANNUAL GENERAL MEETING** of the Company held at B/31, MIDC, Mahad, Distt. – Raigad - 402302 on Saturday, September 29, 2018 at 10.00 a.m.

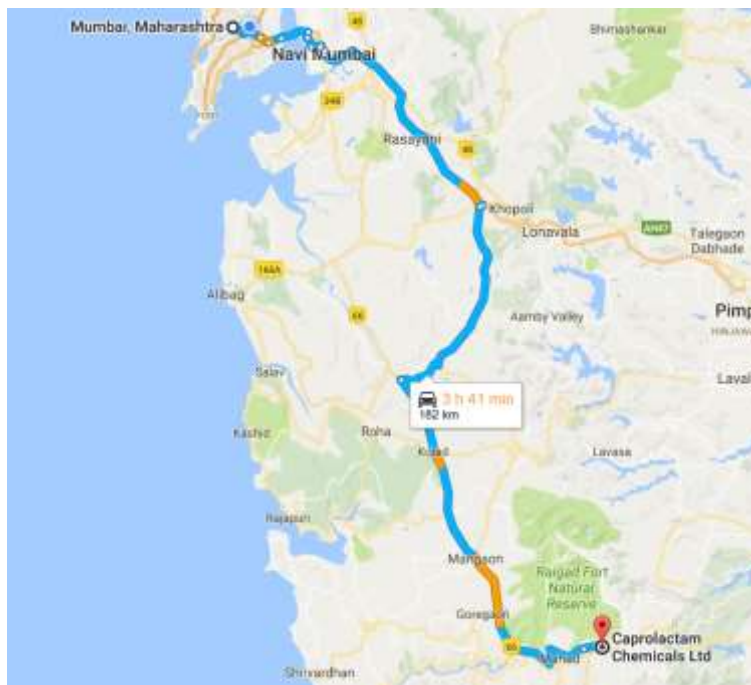
Full Name of the Member (in BLOCK LETTERS) _____

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 _____



IF Undelivered please return to :

CAPROLACTAM CHEMICALS LIMITED

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

Dist-Raigad-402302, Maharashtra.