



Date: 02/09/2021

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400 001

BSE Scrip Code: 507486

**Sub: Submitting Annual Report & AGM Notice of the Company**

Dear Sir/ Madam,

This has reference to the forthcoming Annual General Meeting ("AGM") of the Company to be held on September 24<sup>th</sup>, 2021. Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2020-21 which is being sent through electronic mode to the Members.

The Company will provide to its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means („e-voting"). The detailed process to join meeting through VC / OAVM and e-voting, are set out in Notice.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rules framed thereunder, the Company has fixed 17<sup>th</sup> September, 2021 as the 'cut - off' date to offer remote e-voting facility to its Members in respect of the businesses to be transacted at the AGM. The voting rights for remote e-voting shall be reckoned on the paid - up value of equity shares registered in the name of Members on the said cut- off date.

The remote e-voting period shall commence from 9.00 a.m. on 20<sup>th</sup> September, 2021 and end on 5.00 p.m. on 23<sup>rd</sup> September, 2021.

The Annual Report containing the Notice is also uploaded on the Company's website [www.caprolactam.co.in](http://www.caprolactam.co.in)

Thanking you

Yours faithfully,

**For Caprolactam Chemical Limited**

Zaver S. Bhanushali  
Managing Director  
DIN: 00663374



# Caprolactam Chemicals Limited

CIN NO: - U24110MH1988PLC049683

**32<sup>nd</sup> Annual Report**  
31-03-2021

**COMPANY INFORMATION****BOARD OF DIRECTORS**

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

**AUDITORS**

M/s. Bipin Kothari and Associates  
Chartered Accountant

**BANKERS**

Bank of India (Mumbai)  
Bank of India (Mahad)

**Company Secretary**

Dolly Dipesh Shah

**SHARE TRANSFER AGENT**

**Purva Sharegistry (India) Pvt. Ltd.**  
Unit no. 9,  
Shiv Shakti Industrial Estate,  
J. R. Boricha Marg,  
Near Lodha Excelus  
Lower PAREL (E)  
Mumbai 400011.

**REGISTERED OFFICE & WORKS**

B/31, MIDC MAHAD,  
Dist: Raigad-402302  
Maharashtra.  
Ph No. 02145-233427.  
caprolactam@gmail.com

CONTENTS	
NOTICE	2
NOTES	3
DIRECTOR'S REPORT	13
ANNEXURE A (NOMINATION AND REMUNERATION POLICY)	23
ANNEXURE B MGT -9	27
ANNEXURE C SECRETARIAL AUDIT REPORT	35
ANNEXURE D CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO T	38
MANAGEMENT DISCUSSION ANALYSIS REPORT	38
INDEPENDENT AUDITOR'S REPORT	42
BALANCE SHEET	50
NOTES TO FINANCIAL STATEMENTS	52

**NOTICE**

**NOTICE** is hereby given that the 32<sup>nd</sup> Annual General Meeting of **Caprolactam Chemicals Limited** will be held on Friday the 24<sup>th</sup> September, 2021 at 10:00 a.m. through Video Conference/Other Audio-Visual Means, to transact the following businesses.

The venue of the meeting shall be deemed to be the Registered Office of the Company at B/31, MIDC, Mahad, Distt. - Raigad - 402302:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 together with the reports of the Board of Directors and Auditors thereon.
2. To approve the appointment of Pulindra Patel & Co., Chartered Accountants, Mumbai (Firm Registration Number: 115187W), as Statutory Auditors of the Company, to hold office from the conclusion of this Annual general meeting until the conclusion of 36th annual general meeting of the Company.

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

For and on behalf of the Board  
Caprolactam Chemicals Limited  
CIN: L24110MH1988PLC049683

Date: 02/09/2021  
Place: Mahad

Sd/-  
Zaver S Bhanushali  
Managing Director  
DIN - 00663374

**NOTES:**

1. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2021. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 32<sup>nd</sup> AGM of the Company shall be conducted through VC / OAVM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 08 below and is also available on the website of the Company at [www.caprolactam.co.in](http://www.caprolactam.co.in)
2. As the AGM shall be conducted through VC / OAVM, the facility for appointment of proxy by the members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
3. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at [caprolactam@gmail.com](mailto:caprolactam@gmail.com).
4. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September 2021 to 24th September 2021 (Both days inclusive).

**ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:**

5. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
6. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at [caprolactam@gmail.com](mailto:caprolactam@gmail.com) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialized mode are requested to register / update their email addresses with

the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to **caprolactam@gmail.com**.

7. The Notice of AGM along with Annual Report for the financial year 2020-21, is available on the website of the Company at [www.caprolactam.co.in](http://www.caprolactam.co.in), on the website of Stock Exchanges i.e. BSE Limited.
8. **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**
  1. The procedure for attending meeting & e-Voting on the day of the AGM is the same as the instructions mentioned above for Remote e-voting.
  2. The link for VC/OAVM to attend the meeting will be available where the EVENT NO. of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
  3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
  4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
  5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at **caprolactam@gmail.com**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at **caprolactam@gmail.com** These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**9. PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or

- more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
  5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
  6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.caprolactam.co.in](http://www.caprolactam.co.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
  7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
  8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

**THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The E- voting period begins on 20th September, 2021 (9:00 am) and ends on 23rd September, 2021 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 17th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
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<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service</li> </ol>

	<p>provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i. e. CDSL and NSDL**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

**For Physical shareholders and other than individual shareholders holding shares in Demat.**

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> 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. <ul style="list-style-type: none"> <li>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.</li> </ul>

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

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

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

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the 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.
- (ii) **Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; **caprolactam@gmail.com**, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

## **DIRECTOR'S REPORT**

### **To the Members of the Company,**

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March, 2021. The

financial results of the Company are summarized below:

**FINANCIAL HIGHLIGHTS AND OPERATIONS:**

	<b>(Amount in Lacs)</b>	
<b>Particulars</b>	31st March, 2021	31st March, 2020
Profit /Loss (before interest, depreciation and tax)	225.359	257.770
Less: Interest	29.684	29.702
Less: Depreciation	106.550	102.271
Profit /Loss before Tax	89.125	125.797
Less: Loss on obsolescence/damage to Plant/assets	-	-
Less: Current Tax	27.130	31.670
Less: Deferred Tax	(3.062)	(0.984)
Profit /Loss After Tax	65.057	95.111

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:**

Considering future requirement of the funds, your directors think it prudent not to recommend any dividend for the financial year 2020-21.

**SHARE CAPITAL:**

The paid-up Equity share capital of the Company as on 31<sup>st</sup> March, 2021 was Rs. 4,60,00,000/- (Rupees Four Crore Sixty Lakhs only).

There is no change in the paid-up capital during the year under review.

**AMOUNT TO BE CARRIED TO RESERVES:**

Your Directors do not propose any amount to be transferred to the General Reserves of the Company.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) is presented in a separate section forming part of this Annual Report.



**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. Accordingly, the information required under said clauses are not furnished hereafter.

**ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS/SWEAT EQUITY SHARES/ EMPLOYEE STOCK OPTION SCHEME:**

At the beginning of the year, there were no Equity shares with differential voting rights or sweat equity shares or employee stock option scheme outstanding.

During the year, the Company has not issued any equity shares with differential voting rights or sweat equity shares or shares under employee stock option scheme. Hence, disclosures regarding the same are not required to be given.

**KEY MANAGERIAL PERSONNEL**

**During the year under review, the following officials/employees were the 'Key Managerial Personnel' of the Company:**

- a) Mr. Siddharth Shankarlal Bhanushali –Chief Financial Officer;
- b) Ms. Zaver Shankarlal Bhanushali - Managing Director
- c) Ms. Dolly Shah - Company Secretary and Compliance Officer.

**DIRECTORS:**

The Board of Directors was duly constituted and consisted of the following Directors:

<b>Name of the Director</b>	<b>Designation</b>
Ms. Zaver Shankarlal Bhanushali	Managing Director
Mr. Siddharth Shankarlal Bhanushali	Whole-Time Director
Mr. Rajesh Purshottam Mange	Independent Director
Mr. Vikram Popat Adagale	Independent Director
Ms. Poonam Bhavin Bhanushali	Independent Director

All the Independent Directors of your Company have already furnished the required declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

**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

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

The Audit Committee comprises of three Directors namely:

Name of the Director	Category
Mr. Vikram P. Adagale	Chairman
Mr. Rajesh P. Mange	Member
Ms. Poonam Bhavin Bhanushali	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:

- Review of the Company's financial reporting process and financial statements.
- Review of accounting and financial policies and practices.
- Review of Internal control systems and Management discussion and analysis of financial condition
- Discussion with Statutory/Internal Auditors on any significant findings and follow-up thereon.
- 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 2021 i.e. on 30th June, 2020; 1st August, 2020; 7th November, 2020 and 2nd February, 2021. 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
Ms. Poonam Bhavin Bhanushali	Member	4
Mr. Rajesh P. Mange	Member	4

**II. NOMINATION AND REMUNERATION COMMITTEE:****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), Ms. Poonam Bhavin Bhanushali and Mr. Vikram P. Adagale as members of the Committee.

During the financial year, the committee met 3 times i.e. on 30<sup>th</sup> June, 2020, 1<sup>st</sup> August, 2020 and 7<sup>th</sup> November, 2020. Details of attendance of each Director at the Audit Committee Meetings are given below:

Name of the Director	Position	Meeting attendance
Mr. Rajesh P. Mange	Chairman	3
Ms. Poonam Bhavin Bhanushali	Member	3

Mr. Vikram P. Adagale	Member	3
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**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, 2021 paid to the Executive/Non-Executive Directors are as follows:

	Designation	Remuneration
Ms. Zaver S. Bhanushali	Chairman & Managing Director	INR 420,000.00
Mr. Siddharth S. Bhanushali	Whole-time Director	INR 420,000.00

The Company has paid sitting fees of Rs. 2,000 per meeting to Non-Executive Directors during the financial year 2020-21.

**III. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

**a. Composition and attendance:**

The present Stakeholders Relationship Committee comprised of Executive and Non-Executive Directors, namely Mr. Rajesh Purshottam Mange (Chairman of the Committee), Mr. Vikram P. Adagale, Ms. Zaver Shankarlal Bhanushali 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 to be redressed during the year under review.

**b. Terms of Reference:**

The 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:

- a) Transfer / transmission of shares
- b) Issue of Share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced certificates.
- c) Consolidation / splitting of folios
- d) Review of shares dematerialized and all other related matters
- e) 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 2<sup>nd</sup> February, 2021 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.

### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

On their appointment, Independent Directors are familiarized about the Company's business and operations. Interactions with senior executives are facilitated to gather insight specific to the Company's operations. Detailed presentations are made available to apprise about Company's history, of their duties and responsibilities, rights, process of appointment and evaluation, compensation, Board and Committee procedures and expectation of various stakeholders. The details of familiarization programmes as above are also disclosed on the website of the Company at the link: <http://caparolactam.co.in>.

### **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:

- (a) that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) 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
- (d) that the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2021 on a 'going concern' basis.
- (e) 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.
- (f) 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, having regard to the provisions of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining the said information may write to the Company Secretary. Upon such request the information shall be furnished.

#### **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 extended any loans, guarantees nor made any investments covered under the provisions of Section 186 of the Companies Act, 2013.

#### **NUMBER OF MEETINGS OF THE BOARD:**

The Board met 6 (Six) 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 30<sup>th</sup> June, 2020; 1<sup>st</sup> August, 2020; 7<sup>th</sup> August, 2020; 1<sup>st</sup> September, 2020; 7<sup>th</sup> November, 2020 and 2<sup>nd</sup> February, 2021.

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. 2020-21
Zaver S. Bhanushali	6/6
Siddharth S. Bhanushali	6/6
Vikram P. Adagale	6/6
Poonam Bhanushali	6/6
Rajesh P. Mange	6/6

#### **VIGIL MECHANISM:**

In accordance with Section 177 of the Act and the Listing Regulations, the Company has formulated a Vigil Mechanism to address the genuine concerns, if any. The policy can be accessed on the Company's website [www.caprolactam.co.in](http://www.caprolactam.co.in).

#### **RISK MANAGEMENT POLICY:**

During the year the Company reviewed and strengthened its risk management policy and the risk management framework which ensures that the Company is able to carry out identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

#### **PERFORMANCE EVALUATION OF DIRECTORS, BOARD AND COMMITTEES:**

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was led by Nomination & Remuneration Committee, the evaluation was done using individual interviews covering amongst other vision, strategy and role clarity of the Board. Board dynamic and processes, contribution towards development of the strategy, risk management, budgetary controls, receipt of regular inputs and information, functioning, performance & structure of Board Committees, ethics & values, skill set, knowledge & expertise of Directors, leadership etc.

As part of the evaluation process the performance of non-independent Directors, the Chairman and the Board was done by the Independent Directors. The performance evaluation of the respective Committees and that of independent and non-independent Directors was done by the Board excluding the Director being evaluated. The Directors expressed 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.

The Company's policy on Directors appointment and remuneration and other matters provided in Section 178(3) of the Act has been enclosed separately as Annexure A to this Report

The Nomination and Remuneration Policy of the Company is also posted on the website of the Company under Investors Section.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

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.

#### **DETAILS OF CHANGE IN DIRECTOR/KEY MANAGERIAL PERSONS:**

There is no change in Director during the year.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has proper and adequate system of internal controls to ensure that all the assets

are safeguarded and protected against losses from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The Company has an effective system in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws. The auditors have also expressed their satisfaction on the adequacy of the internal control systems incorporated by your company.

#### **CONTRACT AND ARRANGEMENTS WITH RELATED PARTIES:**

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. None of the Directors have any pecuniary relationship or transactions vis-à-vis the Company other than sitting fees and reimbursement of expenses incurred, if any, for attending the Board meeting.

The Related Party Transactions are placed before the Audit Committee for review and approval as per the terms of the Policy for dealing with Related Parties. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for transactions which are foreseen and of repetitive nature. The statement containing the nature and value of the transactions entered into during the quarter is presented at every subsequent Audit Committee meeting by the CFO for the review and approval by the Committee. Further, transactions proposed in subsequent quarter are also presented. Besides, the Related Party Transactions are also reviewed by the Board on an annual basis. The details of the Related Party Transactions are provided in the accompanying financial statements. There are no contracts or arrangements entered into with Related Parties during the year ended 31st March, 2021 to be reported under section 188(1) of the Companies Act, 2013. The policy on dealing with Related Parties as approved by the Board is uploaded and is available on the Company's website at the following link <http://caparolactam.co.in>

#### **SUBSIDIARY AND ASSOCIATES COMPANIES:**

The Company does not have any Subsidiary or Associate Company.

#### **SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors had appointed M/s Alpi Nehra and Associates, Mumbai, a firm of Company Secretaries in-practice to undertake the Secretarial Audit of the Company for the financial year 2020-21. In this regard, the Report submitted by the Secretarial Auditor is annexed as Annexure C. Your Directors are pleased to inform that the report from the Secretarial Auditors does not contain any qualifications or negative remarks.

#### **SECRETARIAL STANDARDS:**

The Company is in compliance with the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2).

#### **AUDITORS:**

M/s. Bipin Kothari & Associates., Chartered Accountant (Firm Registration No.: -137687W) were appointed as the statutory Auditors' of your Company for the financial year 2020-21 and according they have audited the accounts of the Company.

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Prior to the date of this report, Statutory Auditor of the Company Bipin Kothari & Associates., Chartered Accountant (Firm Registration No.: -137687W) have resigned and to fill the casual vacancy, Pulindra Patel & Co., Chartered Accountants, Mumbai (Firm Registration Number: 115187W) were appointed as the statutory auditors of the Company.

The Company's statutory auditors, Pulindra Patel & Co., Chartered Accountants, Mumbai (Firm Registration Number: 115187W), shall retire at the ensuing Annual General Meeting.

As per Section 139 of the Companies Act, 2013 ("Co Act, 2013") every company shall, at the Annual General Meeting ("AGM"), appoint an individual or a firm as an Auditor who shall hold office for consecutive term of five years. Accordingly, the Directors are proposing the appointment of Pulindra Patel & Co., Chartered Accountants, Mumbai (Firm Registration Number: 115187W), as the Statutory Auditors of the Company in the ensuing 32nd AGM of the Company for the term of five years.

#### **INTERNAL AUDITOR:**

M/s J. B. Lodha & Co., Chartered Accountant (Firm Registration No.: - 135132W) were appointed as the Internal Auditors' of your Company for the financial year 2020-21.

#### **AUDITORS' REPORT:**

The observations and comments given by the Statutory Auditors in their report read together with notes on financial statements are self-explanatory and hence does not require any further comments in terms of Section 134 of the Act.

#### **LISTING OF SECURITIES IN STOCK EXCHANGES:**

The Company's Equity Shares are presently listed on Bombay Stock Exchange Limited.

#### **PARTICULARS OF FRAUDS REPORTED BY THE AUDITORS':**

In terms of Section 143(12) of the Act, M/s. Bipin Kothari and Associates, Chartered Accountants, the Statutory Auditors of the Company have not reported any instance of fraud having taken place during the year under review, in their Audit Report.

#### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure B" and forms part of this Report and is also available at the website of Company: <http://caparolactam.co.in>

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

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

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

The Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied



with setting up of an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC, whilst dealing with issues related to sexual harassment at the work place. All women employees (permanent, temporary, contractual and trainees) are covered under this policy. The Company has not received any complaints during the year.

#### **ACKNOWLEDGEMENT:**

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

Place: Mahad  
Date: 02.09.2021

For and behalf of the Board of Directors

Sd/-

Sd/-

\_\_\_\_\_  
Zaver Shankarlal Bhanushali  
Managing Director  
DIN: 00663374  
Annexure A

\_\_\_\_\_  
Siddharth Shankarlal Bhanushali  
Whole time Director  
DIN: 01721586

<b>Title</b>	Nomination and Remuneration Policy
<b>Revision Date</b>	14 <sup>th</sup> August, 2019
<b>Version No.</b>	2.0
<b>Revision Date</b>	New Policy
<b>Policy Owner</b>	Compliance & Secretarial

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### **Nomination and Remuneration Policy**

#### **Preamble**

Caprolactam Chemicals Limited (“the Company”) considers human resource as its invaluable assets. This policy aims to harmonise the aspirations of the Directors/ managerial personnel & other employees with the goals of the Company. The Policy on nomination and remuneration of Directors, managerial personnel & Senior Management Personnel (“SMP”) and all other employees has been formulated as below:

#### **Objective**

- To appoint right talent with required and relevant qualifications, experience, track record and behavioral competencies for key positions as defined under the SMP below;

- b. Ensuring that the quantum and composition of remuneration is reasonable and commensurate to attract, retain and motivate employees to participate in sustenance and fostering the growth of the Company;
- c. Laying out remuneration principles for employees linked to their efforts, performances and achievement in comparison with the benchmarks;
- d. Ensuring that the annual compensation review considers the industry / business outlook and strategies adopted by peers in the industry and distinguishing employees based on their performance, potential, skill sets and to protect the employees against inflationary pressures;
- e. Retention of high performers at all levels and those playing critical roles.

### **Scope**

The Board has constituted the Board Nomination and Remuneration Committee (“NRC” or the “Committee”) pursuant to the provisions of Section 178 of the Companies Act, 2013 and the rules made thereunder read with the Corporate Governance Guidelines as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the Directors, Managerial Personnel & SMP.

### **Definitions**

- a. ‘Board’ means Board of Directors of the Company;
- b. ‘Director’ means a Director appointed on the Board of the Company;
- c. Managerial Personnel means a Managing Director, Whole-time Director, Manager or Chief Executive Officer time being holding the office as such in the Company;
- d. Senior Management Personnel (“SMP”) means all members of the core management team of the Company, who are one level below the Managerial Personnel and the Manager. Besides this, it also includes the Company Secretary.

### **Performance Management Process**

The Company has a Performance Management & Review process commensurate to the size and operations of the Company, which forms the basis of Compensation Review. The formal Performance Review Process is initiated in the beginning of April every year Performance for the employees is largely based on their overall performance for last financial year along with their competency displayed and their potential.

### **Appointment**

- A. Appointment of the Managerial Personnel:
  - a. NRC will recommend to the Board the appointment of the Managerial Personnel for approval.
  - b. Board of Directors approves the appointment of the Managerial Personnel.

- B. Appointment of the Senior Management Personnel (SMP)
- a. NRC will recommend to the Board the appointment of CFO & the Company Secretary for approval.
  - b. Board of Directors approves the appointment of the CFO & the Company Secretary. In view of efficient and smooth functioning of business,

### **Remuneration of employees**

A. Remuneration of the Managerial Personnel - Fixed Cost & PLI

NRC will resolve the actual amount of the Managerial Personnel's fixed cost / PLI and recommend them to the Board of Directors for approval. Board of Directors approves the Compensation for the Managerial Personnel.

B. Remuneration of SMP - CFO & the Company Secretary - Fixed Cost & PLI:

NRC will resolve the increments and PLI amounts to be paid to the CFO & the Company Secretary.

C. Remuneration of all other Employees - Fixed Cost & PLI

The NRC will approve the upper limits for both the increment & PLI for all the other employees. Managerial Personnel will determine the total amount of increment & PLI payable to all other Employees which is within the maximum amount approved by the NRC.

D. Share based benefits to the Employees

NRC can frame and recommend a policy to the Board if deemed appropriate for granting any share based benefit to the employees. The Board, subject to the approval of the Shareholders of the Company will take the final decisions with respect to any such policy including total value of grant to all the employees.

### **Nomination & Remuneration of the Directors**

While considering the candidature of any person for the office of the Director, the Committee would consider the integrity, qualification, positive attributes, independence and number of directorships & memberships already held by that person. The Committee would also review the ability to contribute to the Company's growth. Based on the Committee's recommendation, the Board would further consider and take the appropriate decision in this regard.

The remuneration of Directors / Managing Directors / Whole-time Directors shall be governed by the provisions of the Companies Act, 2013 and the rules made thereunder, from time to time and the Listing Regulations.

Non-Executive Directors may receive the Sitting Fees for attending the meetings of the Board and the Committees thereof, if approved by the 'Board of Directors' from time to time. The Board upon the recommendation of the NRC, shall review the Sitting Fees, from time to time, subject to the limits, as specified under the Companies Act, 2013 or rules made thereunder.

Upon the recommendation of the NRC, the Board shall review and approve the other

components of the remuneration payable to the Directors (including Non-Executive Directors) of the Company, within the overall limits as specified under the Companies Act, 2013 (including rules made thereunder) and the Listing Regulations and if required, the same shall be placed for the consideration and approval of the Shareholders.

### **Remuneration Structure**

The Remuneration structure may include the one or more following components for the employees of the Company:

- i. Fixed Pay;
- ii. Performance Linked Incentive / Variable Pay Plan;
- iii. Retiral & Other Benefits;
- iv. Onetime Payments;
- v. Stock Options (if approved in terms of this Policy);
- vi. Retention Bonus & Long Term Incentives;
- vii. Ex Gratia;
- viii. Any Other Perquisites & Allowances.

Remuneration shall be determined as per the grade/band of the incumbent and according to the qualification and work experience, competencies as well as their roles and responsibilities in the Company and also commensurate to Company's size and operations. There will be various factors which will be considered for determining their compensation such as job profile, potential, skill sets, seniority, experience, performance and prevailing competition remuneration levels for equivalent jobs.

### **Modification and Amendment:**

The Policy is subject to modification, amendment and alterations by the Board as appropriate.





**(iv) Shareholding Pattern of top ten Shareholders - REFER ANNEXURE TO MGT-9**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Details enclosed

**(v) Shareholding of Directors and Key Managerial Personnel: REFER ANNEXURE TO MGT-9**

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

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

(Amt. Rs./Lacs)

Particulars	Unsecured Loan	Secured Loans excluding deposits	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,44,71,497	-	-	2,44,71,497
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,44,71,497</b>	<b>-</b>	<b>-</b>	<b>2,44,71,497</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	2,73,50,010.00	-	-	2,73,50,010
* Reduction	3,03,21,507	-	-	3,03,21,507
<b>Net Change</b>	<b>29,71,497</b>	<b>-</b>	<b>-</b>	<b>29,71,497</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,15,00,000	-	-	2,15,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,15,00,000</b>	<b>-</b>	<b>-</b>	<b>2,15,00,000</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager/ or others:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Name	Designation	
		Siddharth Shankarlal Bhanushali	Zaver Shankarlal Bhanushali	(Rs)
		Whole Time Director	Managing Director	
1	Gross salary	4,20,000	4,20,000	8,40,000
	(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	-	-	-
	<b>Total (A)</b>	<b>4,20,000</b>	<b>4,20,000</b>	<b>8,40,000</b>
	<b>Ceiling as per the Act</b>	<b>-</b>	<b>-</b>	<b>10,05,865.00</b>

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

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
	Name	Siddharth Shankarlal Bhanushali	Dolly Shah	(Rs/Lac)	
	Designation	CEO	CFO	CS	
1	Gross salary	0	4,20,000	192000	612000
	(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	-	4,20,000.00	1,92,000.00	6,12,000.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

For and on behalf of the Board of Directors

[SD](#)

Zaver Bhanushali Shankarlal  
Director  
DIN: 00663374

[SD](#)

Siddharth Shankarlal Bhanushali  
Director  
DIN: 01721586

Date: 02.09.2021

Place: Mumbai





Sub-total (B)(2):	259614	2097600	2357214	51.24	402228	1887700	2289928	49.78	-1.46
Total Public Shareholding (B) = (B)(1)+(B)(2)	259614	2097600	2357214	51.24	402228	1887700	2289928	49.78	-1.46
ADRs	0	0	0	0	0	0	0	0	0
GrandTotal(A + B + C)	2502400	2097600	4600000	100	2712300	1887700	4600000	100	0

#### B. Shareholding of Promoters

SL No.	ShareHolder's Name	ShareHolding at the beginning of the			ShareHolding at the end of the year			% change in share holding during the year
		31/03/2020			31/03/2021			
		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	BHANUSHALI	1057240	22.98	0.00	1057240	22.98	0.00	0.00
2	S G BHANUSHALI HUF	410200	8.92	0.00	410200	8.92	0.00	0.00
3	BHANUSHALI	382320	8.31	0.00	382320	8.31	0.00	0.00
4	SHITAL S BHANUSHALI	243016	5.28	0.00	273627	5.95	0.00	0.67
5	BHANUSHALI	150010	3.26	0.00	186685	4.06	0.00	0.80

#### C. Change in Promoter's Shareholding:

SL No.	ShareHolder's Name	ShareHolding at the		Cumulative ShareHolding		Type
		31/03/2020		31/03/2021		
		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year	
1	BHANUSHALI	1057240	22.98			
	31-03-2021			1057240	22.98	
2	S G BHANUSHALI HUF	410200	8.92			
	31-03-2021			410200	8.92	
3	BHANUSHALI	382320	8.31			
	31-03-2021			382320	8.31	
4	SHITAL S BHANUSHALI	243016	5.28			
	10-04-2020	500	0.01	243516	5.29	Buy
	24-04-2020	101	0.00	243617	5.30	Buy
	01-05-2020	3814	0.08	247431	5.38	Buy
	08-05-2020	962	0.02	248393	5.40	Buy
	15-05-2020	600	0.01	248993	5.41	Buy
	22-05-2020	4351	0.09	253344	5.51	Buy
	05-06-2020	1000	0.02	254344	5.53	Buy
	19-06-2020	2330	0.05	256674	5.58	Buy
	10-07-2020	942	0.02	257616	5.60	Buy
	31-07-2020	300	0.01	257916	5.61	Buy
	07-08-2020	1174	0.03	259090	5.63	Buy
	14-08-2020	596	0.01	259686	5.65	Buy
	21-08-2020	1444	0.03	261130	5.68	Buy
	28-08-2020	600	0.01	261730	5.69	Buy
	31-08-2020	1	0.00	261731	5.69	Buy
	04-09-2020	1060	0.02	262791	5.71	Buy
	11-09-2020	2472	0.05	265263	5.77	Buy
	18-09-2020	226	0.00	265489	5.77	Buy
	25-09-2020	1528	0.03	267017	5.80	Buy
	22-01-2021	210	0.00	267227	5.81	Buy
	12-02-2021	6400	0.14	273627	5.95	Buy
	31-03-2021			273627	5.95	
5	BHANUSHALI	150010	3.26			
	12-02-2021	22500	0.49	172510	3.75	Buy
	19-02-2021	201	0.00	172711	3.75	Buy
	19-03-2021	9272	0.20	181983	3.96	Buy
	26-03-2021	1702	0.04	183685	3.99	Buy
	31-03-2021	3000	0.07	186685	4.06	Buy
	31-03-2021			186685	4.06	

#### D. Shareholding Pattern of top ten Shareholders:

SL No.	ShareHolder's Name	ShareHolding at the		Cumulative ShareHolding		Type
		31/03/2020		31/03/2021		
		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year	
1	HOLDING PRIVATE	153400	3.33			

	04-08-2020	-152200	-3.31	1200	0.03	Sell
	07-08-2020	152200	3.31	153400	3.33	Buy
	31-03-2021			153400	3.33	
2	HARENDRA K GOSALIA	39900	0.87			
	05-12-2020	-32600	-0.71	7300	0.16	Sell
	28-12-2020	-1300	-0.03	6000	0.13	Sell
	12-01-2021	-2400	-0.05	3600	0.08	Sell
	31-03-2021			3600	0.08	
3	BHANUSHALI	22566	0.49			
	14-08-2020	-400	-0.01	22166	0.48	Sell
	21-08-2020	-605	-0.01	21561	0.47	Sell
	28-08-2020	-925	-0.02	20636	0.45	Sell
	31-08-2020	-300	-0.01	20336	0.44	Sell
	04-09-2020	-400	-0.01	19936	0.43	Sell
	11-09-2020	-810	-0.02	19126	0.42	Sell
	18-09-2020	-200	-0.00	18926	0.41	Sell
	25-09-2020	-1560	-0.03	17366	0.38	Sell
	09-10-2020	-250	-0.01	17116	0.37	Sell
	16-10-2020	-200	-0.00	16916	0.37	Sell
	23-10-2020	-100	-0.00	16816	0.37	Sell
	30-10-2020	-560	-0.01	16256	0.35	Sell
	06-11-2020	-100	-0.00	16156	0.35	Sell
	20-11-2020	-762	-0.02	15394	0.33	Sell
	27-11-2020	-2410	-0.05	12984	0.28	Sell
	04-12-2020	-762	-0.02	12222	0.27	Sell
	11-12-2020	-701	-0.02	11521	0.25	Sell
	18-12-2020	-903	-0.02	10618	0.23	Sell
	25-12-2020	680	0.01	11298	0.25	Buy
	01-01-2021	-400	-0.01	10898	0.24	Sell
	08-01-2021	-3306	-0.07	7592	0.17	Sell
	15-01-2021	-2150	-0.05	5442	0.12	Sell
	22-01-2021	-1460	-0.03	3982	0.09	Sell
	29-01-2021	-600	-0.01	3382	0.07	Sell
	05-02-2021	900	0.02	4282	0.09	Buy
	12-02-2021	6150	0.13	10432	0.23	Buy
	19-02-2021	561	0.01	10993	0.24	Buy
	26-02-2021	4300	0.09	15293	0.33	Buy
	05-03-2021	2050	0.04	17343	0.38	Buy
	19-03-2021	-300	-0.01	17043	0.37	Sell
	26-03-2021	1800	0.04	18843	0.41	Buy
	31-03-2021			18843	0.41	
4	ARCHANA JAIN	16300	0.35			
	31-03-2021			16300	0.35	
5	ANITA ANIL BANSAL	14899	0.32			
	03-07-2020	-899	-0.02	14000	0.30	Sell
	24-07-2020	-200	-0.00	13800	0.30	Sell
	31-07-2020	-250	-0.01	13550	0.29	Sell
	07-08-2020	-150	-0.00	13400	0.29	Sell
	26-03-2021	-900	-0.02	12500	0.27	Sell
	31-03-2021	-600	-0.01	11900	0.26	Sell
	31-03-2021			11900	0.26	
6	R M SHAH HUF	11400	0.25			
	31-03-2021			11400	0.25	
7	HEART PVT LTD	10000	0.22			
	17-12-2020	-10000	-0.22	0	0.00	Sell
	31-03-2021			0	0.00	
8	SERVICES PVT LTD	10000	0.22			
	17-12-2020	-10000	-0.22	0	0.00	Sell
	18-12-2020	10000	0.22	10000	0.22	Buy
	08-01-2021	-1000	-0.02	9000	0.20	Sell
	31-03-2021			9000	0.20	
9	VIMAL P BANSAL	9900	0.22			
	31-03-2021			9900	0.22	
10	MEHTA	9611	0.21			
	31-07-2020	-951	-0.02	8660	0.19	Sell
	20-11-2020	-1	-0.00	8659	0.19	Sell
	12-03-2021	-5250	-0.11	3409	0.07	Sell
	26-03-2021	-50	-0.00	3359	0.07	Sell
	31-03-2021			3359	0.07	
11	SUDHA SOHAN MEHTA	8200	0.18			

	31-03-2021			8200	0.18	
12	SUBHAGWATI JASUJA	7900	0.17			
	31-03-2021			7900	0.17	
13	ALIYA KHATUN	0	0.00			
	15-05-2020	900	0.02	900	0.02	Buy
	22-05-2020	1000	0.02	1900	0.04	Buy
	10-07-2020	10	0.00	1910	0.04	Buy
	31-07-2020	-300	-0.01	1610	0.04	Sell
	07-08-2020	-1100	-0.02	510	0.01	Sell
	14-08-2020	1759	0.04	2269	0.05	Buy
	21-08-2020	450	0.01	2719	0.06	Buy
	28-08-2020	700	0.02	3419	0.07	Buy
	31-08-2020	153	0.00	3572	0.08	Buy
	04-09-2020	391	0.01	3963	0.09	Buy
	11-09-2020	803	0.02	4766	0.10	Buy
	18-09-2020	297	0.01	5063	0.11	Buy
	25-09-2020	1100	0.02	6163	0.13	Buy
	30-09-2020	606	0.01	6769	0.15	Buy
	09-10-2020	10	0.00	6779	0.15	Buy
	16-10-2020	1300	0.03	8079	0.18	Buy
	23-10-2020	1400	0.03	9479	0.21	Buy
	30-10-2020	1350	0.03	10829	0.24	Buy
	06-11-2020	400	0.01	11229	0.24	Buy
	13-11-2020	400	0.01	11629	0.25	Buy
	20-11-2020	300	0.01	11929	0.26	Buy
	27-11-2020	1694	0.04	13623	0.30	Buy
	04-12-2020	1373	0.03	14996	0.33	Buy
	11-12-2020	900	0.02	15896	0.35	Buy
	18-12-2020	1741	0.04	17637	0.38	Buy
	25-12-2020	900	0.02	18537	0.40	Buy
	31-12-2020	1432	0.03	19969	0.43	Buy
	01-01-2021	20	0.00	19989	0.43	Buy
	08-01-2021	789	0.02	20778	0.45	Buy
	15-01-2021	3963	0.09	24741	0.54	Buy
	22-01-2021	2200	0.05	26941	0.59	Buy
	29-01-2021	770	0.02	27711	0.60	Buy
	05-02-2021	500	0.01	28211	0.61	Buy
	12-02-2021	-2200	-0.05	26011	0.57	Sell
	19-02-2021	-1191	-0.03	24820	0.54	Sell
	26-02-2021	-2837	-0.06	21983	0.48	Sell
	12-03-2021	-3000	-0.07	18983	0.41	Sell
	19-03-2021	850	0.02	19833	0.43	Buy
	26-03-2021	-3368	-0.07	16465	0.36	Sell
	31-03-2021	-1285	-0.03	15180	0.33	Sell
	31-03-2021			15180	0.33	

**E. Sharedholding of Directors and Key Managerial Personnel:**

SL No.	ShareHolder's Name	ShareHolding at the		Cumulative ShareHolding		Type
		31/03/2020		31/03/2021		
		No of Shares	% of Total Shares of the Company	No. of Shares	% change in share holding during the year	
1	BHANUSHALI (Chief	1057240	22.98			
	31-03-2021			1057240	22.98	
2	BHANUSHALI (Managing	150010	3.26			
	12-02-2021	22500	0.49	172510	3.75	Buy
	19-02-2021	201	0.00	172711	3.75	Buy
	19-03-2021	9272	0.20	181983	3.96	Buy
	26-03-2021	1702	0.04	183685	3.99	Buy
	31-03-2021	3000	0.07	186685	4.06	Buy
	31-03-2021			186685	4.06	
3	MANGE (Independent	0	0.00			
	31-03-2021			0	0.00	
4	(Independent Director)	0	0.00			
	31-03-2021			0	0.00	
5	BHANUSHALI (Independent	0	0.00			
	31-03-2021			0	0.00	
6	(Company Secretary)	0	0.00			
	31-03-2021			0	0.00	

## Annexure 'C'

## MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH,  
2021

[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**

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has adequate Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2021 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, 2018 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - There were no events occurred during the period which attracts provisions of these regulations, hence not applicable.

- e. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 - Not applicable as the Company as there was no reportable event during the financial year under review;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company as there was no reportable event during the financial year under review;
- g. 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;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted /propose to delist any of its securities during the financial year under review and;
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not bought back /propose to buy back any of its securities during the financial year under review.

vi) Management has identified and confirmed the following laws as being specifically applicable to the Company:

- 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

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. My examination was limited to the verification of procedures on test basis.

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

- a. Secretarial Standards with regard to Meeting of Board of Directors (SS1) and General Meetings (SS2) issued by The Institute of Company Secretaries of India.
- b. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as Company is listed on Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, timely updation of information and policies on the website as required under listing regulation need to be reviewed.

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

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**Alpi Nehra & Associates**  
**Practising Company Secretaries**  
**M. No. - ACS 38011**  
**CP No. - 14202**  
**UDIN: A038011C000861834**  
**Place: Mumbai**  
**Date: 31.08.2021**

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.
7. Due to prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

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**Alpi Nehra & Associates**  
**Practising Company Secretaries**  
**M. No. - ACS 38011**  
**CP No. - 14202**  
**UDIN: A038011C000861834**  
**Place: Mumbai**  
**Date: 31.08.2021**

### **Annexure D**

**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

### **MANAGEMENT DISCUSSION AND 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 colours and chemical intermediates.



## 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

Given below are some of the significant risks that could have an impact on the Company and the mitigation measures put in place by the Company.

- Quality Risk

The risk of quality of work not adhering to specifications as per contract, leading to short certifications of our invoice, payment delays and additional costs for rectification lowering the profitability and reputation loss.

### Mitigation Measures

1. Constantly evaluating quality standards of our Vendor/Service Providers and having a pre-qualified panel for placing orders.
2. Monitoring of the quality of incoming materials and work execution through our in-house team.

- Risk of Timely Completion

### Mitigation Measures

1. Timely mobilization of site team and other resources, as per contract requirements.
2. Ensuring availability of material / labour / equipment as per execution plan through effective planning and tracking.
3. Ensuring availability of drawings/clearances from client/various authorities and any gap is communicated in advance and delays from the client's end are documented.

- Cost Escalation Risk

Increase in costs beyond budget leading to margins getting affected.

### Mitigation Measures

1. Project Cost estimates to be based on specific site conditions, seasonal cost variation and availability factors and anticipated cost push over the tenure of the project.
2. Escalation clauses based on base prices for key input materials to be included in the contracts.

3. Negotiating better rates from supplier's/service providers, based on volumes.
4. Ensuring timely completion of the project.

- Compliance Risk

Contractual and Legal - noncompliance of specific contractual obligations and general obligations in practice and statutory noncompliance will result in penalty and loss of reputation.

Mitigation Measures

1. Monitoring industry specific statutory requirements including RERA regulations as applicable, and training of employees to ensure compliance.
2. Checklist to capture applicable contractual obligations from quotation stage and ensure onerous clauses are not accepted.
3. Maintaining documentation to record non-compliances on contractual obligations due to client issues.

- Human Resources Risk

Attracting and retaining right talent, impacting the performance and growth of the business Mitigation Measures

1. Identifying good performers and ensuring opportunities for career growth through challenging roles and performance related compensation.
2. Attracting talent from industry with up to date technical skills through market related compensation.

- Liquidity Risk

Not generating adequate cash as per requirements, resulting in delayed payments affecting execution and higher borrowings, resulting in higher interest cost.

Mitigation Measures

1. Ensuring timely submission of bills, certification of the work done by the client to meet cash flow.
2. Monitoring collections as per contractual terms and put in escalation mechanism for close follow-up of overdue when delays occur.
3. Ensuring better credit terms from suppliers. The risk management matrix consisting of probable risks, their impact and the mitigation measures are reviewed periodically at the senior management level as well as by the Risk Management Committee

5) Internal control systems and adequacy

The Company is endeavouring 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.

Income from operations:

During the year, the Company achieved revenue from Operations of Rs. 640.222 lakhs as against Rs. 656.966 lakhs in the previous year. EBIDTA was positive at Rs. 225.359 Lakhs as against Rs. 257.771 Lakhs in the previous year. Profit before tax was at Rs. 89.125 Lakhs as against profit of Rs. 125.797 Lakhs in the previous year.

### Summary of Financial Results:

The revenue and breakup of expenditure for the year are as follows: Net Profit

	2020-21 (in Lacs)	2019-20 (in Lacs)
Total revenue	640.222	656.966
Profit before interest and tax (PBIT)	118.809	155.500
Profit before tax (PBT)	89.125	125.797
PBT as % of revenue	13.92%	19.15%

### Net Worth

The net worth of the Company as at March 31, 2021 was Rs. 408.014 Lacs as compared to Rs. 349.597 Lacs as at March 31, 2020.

### Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector specific financial ratios. The Company has identified the following ratios as Key Financial ratios:

#### Ratios:

	2020-21	2019-20
Debtors turnover (Avg days)	22.29	9.52
Inventory turnover (times)	0.13	0.21
Current ratio (times)	0.54	0.27
Debt Equity ratio	0.71	0.96
Operating profit margin % -	13.92	19.15

### 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.

## 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 2021 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.

#### 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 2021 and its profit and its cash flows for the year ended on that date.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue</b></p> <p>Revenue from sale of Goods and Job Work is recognized 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.</p> <p>Refer Notes 27 to the Financial Statements</p>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> <li>• Mapped and evaluated selected systems and processes for revenue recognition and tested a sample of key controls.</li> <li>• Assessed whether the accounting principles comply with the Ind AS.</li> <li>• Tested a sample of sales transactions for compliance with the Company's accounting principles.</li> <li>• Performed data analytical procedures to identify and evaluate a sample of manual and automatic journal entries.</li> <li>• Traced disclosure information to accounting records and other supporting documentation.</li> </ul>
2	<p><b>Property, Plant &amp; Equipment</b></p>	<p>Our audit included but was not limited to the following activities:</p>

	<p>Property, Plant &amp; Equipment are stated at cost 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.</p> <p>Refer Notes2 to the Financial Statements</p>	<ul style="list-style-type: none"> <li>• Reviewed the key assumptions and estimates used by management in the value in use calculation.</li> <li>• Reviewed the key assumptions in making additions in the value of assets and its date considered as put to use.</li> <li>• Reviewed management assessment on the reasonableness of the useful lives of fixed assets.</li> <li>• Assessed whether the accounting principles comply with the Ind AS.</li> <li>• Tested a sample of transactions for compliance with the Company's accounting principles.</li> <li>• Performed data analytical procedures to identify and evaluate a sample of manual and automatic journal entries.</li> <li>• Traced disclosure information to accounting records and other supporting documentation.</li> </ul>
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### **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 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.

### **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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 Bipin Kothari & Associates  
Chartered Accountant  
FRN: 137687W**

**CA. Bipin Kothari  
[Proprietor]  
Membership No 155037  
Date :- 30/06/2021  
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 2021, 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 Sec 185 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 2021 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 give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**As per my report of even date attached  
For Bipin Kothari & Associates  
Chartered Accountant  
FRN: 137687W**

**CA. Bipin Kothari  
[Proprietor]  
Membership No 155037  
Date :- 30/06/2021**

## **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 2021 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 2021, 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.

**As per my report of even date attached  
For Bipin Kothari & Associates  
Chartered Accountant  
FRN: 137687W**

**CA. Bipin Kothari  
[Proprietor]  
Membership No 155037  
Date :- 30/06/2021  
Place :- Mahad**

<b>CAPROLACTAM CHEMICALS LIMITED</b>			
<b>Balancesheet as at 31.03.2021</b>			
<b>Particulars</b>	<b>Note</b>	<b>Amounts in Rs)</b>	
	<b>No.</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment			
Other intangible assets	2	5,49,73,812	6,07,06,924
<b>Financial Assets</b>			
i) Investments	3	-	-
ii) Other Non Current Financial Assets	4	78,900	78,900
Deferred tax assets [Net]	5	(20,26,168)	(23,32,328)
Other Non-Current Assets	6	11,79,284	12,66,625
		5,42,05,828	5,97,20,121
<b>Current Assets</b>			
Inventories	7	10,74,370	8,22,689
<b>Financial Assets</b>			
i) Investments	8	-	-
ii) Trade Receivables	9	47,04,294	30,00,114
iii) Cash and Cash Equivalents	10	52,03,566	33,80,114
iv) Other Bank Balance	11	-	-
v) Other Current Financial Assets	12	-	1,90,000
Current Tax Assets [Net]	13	26,87,400	-
Other Current Assets	14	20,57,736	16,56,530
		1,57,27,366	90,49,447
<b>Total Assets</b>		<b>6,99,33,194</b>	<b>6,87,69,569</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	4,60,00,000	4,60,00,000
Other Equity	16	(51,98,572)	(1,10,40,340)
		4,08,01,428	3,49,59,660
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Loans & Borrowings	17	-	-
ii) Other Financial Liabilities	18	-	-
Provisions	19	-	-
		-	-
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	20	2,15,00,000	2,44,71,497
ii) Inter Corporate Deposit	20.1	-	-
iii) Trade Payables	21	40,00,760	50,21,463
iv) Other Financial Liabilities	22	-	6,92,223
Provisions	23	-	-
Current Tax Liabilities [Net]	24	27,13,000	31,67,000
Other Current Liabilities	25	9,18,006	4,57,726
		2,91,31,766	3,38,09,909
<b>Total Equity and Liabilities</b>		<b>6,99,33,194</b>	<b>6,87,69,569</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to the Financial Statements</b>	2 to 33		
<b>Significant Accounting Policies and Notes attached thereto form an integral part of Financial Statements</b>			
As per our attached report of even date For Bipin Kothari and Associates Chartered Accountants		<b>For and on behalf of the Board of Directors of Caprolactam Chemicals Limited</b>	
		Mrs. Z. S. Bhanushali Managing Director	Mr. S. S. Bhanushali Director
Bipin Kothari Membership No:155037 Date:- 30.06.2021 Place :- Mahad			Company Secretary Dolly Dipesh Shah M.No:- A38116

**CAPROLACTAM CHEMICALS LIMITED****Statement of Profit and Loss**

<b>Particulars</b>	<b>Note No.</b>	<b>Amount in Rs for the year ended March 31, 2021</b>	<b>Amount in Rs for the year ended March 31, 2020</b>
<b>REVENUE</b>			
Revenue from Operations	26	6,30,90,620	6,51,30,887
Other Income	27	9,31,623	5,65,737
<b>Total Revenue (A)</b>		<b>6,40,22,243</b>	<b>6,56,96,624</b>
<b>EXPENDITURE</b>			
Cost of material consumed	28	1,24,223	1,82,371
Purchase of Stock-in-trade	29	-	-
Change in stock of finished goods,work-in-progress and stock in trade	30	(35,904)	-
Employee Benefits Expense	31	22,58,593	22,92,640
Finance Costs	32	29,73,472	29,86,096
Depreciation and Amortization Expenses	2	1,06,54,967	1,02,27,105
Other Expenses	33	3,91,34,401	3,74,28,660
<b>Total Expenses (B)</b>		<b>5,51,09,752</b>	<b>5,31,16,872</b>
<b>Profit Before Exceptional Item and Tax [C = (A-B)]</b>		<b>89,12,491</b>	<b>1,25,79,752</b>
Less: Tax Expense:			
Current Tax		27,13,000	31,67,000
Earlier year			
MAT Credit			-
Deferred Tax		(3,06,160)	(98,404)
<b>Total (D)</b>		<b>24,06,840</b>	<b>30,68,596</b>
		<b>65,05,651</b>	<b>95,11,156</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
Items not to be reclassified to profit or loss in subsequent periods			
Income tax relating to items that will not be reclassified to profit or loss			
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Income tax relating to items that will not be reclassified to profit or loss			
<b>Other Comprehensive Income for The Year, Net of Tax</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for The Year, Net of Tax</b>		<b>65,05,651</b>	<b>95,11,156</b>
<b>Basic Earnings per Share of Face Value of Rs. 10 each (Rs.)</b>		1.41	2.07

**Significant Accounting Policies****Notes to Accounts**

**Significant Accounting Policies and Notes attached thereto form an integral part of Financial Statements.**

As per our attached report of even date  
For Bipin Kothari and Associates  
Chartered Accountants

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

Bipin Kothari  
Membership No:155037

Mrs. Z. S. Bhanushali  
Managing Director

Mr. S. S. Bhanushali  
Director

Date:- 30.06.2021  
Place :- Mahad

**Company Secretary**  
Dolly Dipesh Shah  
M.No:- A38116

**Note :- 1. Significant Accounting Policies and Notes to Accounts forming part of financial Statement for year ended March 31, 2021.****1) Nature of Operations**

Caprolactam Chemicals Limited (the Company) a Public Limited company having its registered office at B- 31,MIDC, Mahad,Raigad ,Maharashtra - 402302,India is engaged in manufacturing of chemicals and provides Job work services as per customers requirement

The Financial statements were approved for issuance by the Company's Board of Director on 30th June 2021.

**2) Summary of the significant accounting policies****(a) Basis of Preparation**

The Financial Statement is prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended. The Companies Equity shares are listed on recognised stock exchanges and accordingly it has prepared its Financial Statement under Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended

The Financial Statement have been prepared under historical cost convention basis

The functional and presentation currency of the company is Indian rupees. This financial statement is presented in Indian rupees. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

**(b) Use of estimates**

The preparation of this financial Statement in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, judgments and assumptions. This estimates, judgments and assumptions affect application of accounting policies and the reported amount of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial Statement and the reported amount of income and expenses for the periods presented. Although this estimates are based on the management's best knowledge of current events and actions, uncertainty about this assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Accounting estimates could change from period to period. Any revision to accounting estimates is recognised prospectively. Actual results could differ from the estimates. Any difference between the actual results and estimates are recognised in the period in which the results are known/materialize. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial Statement are as below:

1. Valuation of Financial Instruments;
2. Valuation of inventories;
3. Evaluation of recoverability of deferred tax assets;
4. Useful lives of property, plant and equipment and intangible assets;
5. Measurement of recoverable amounts of cash-generating units;
6. Obligations relating to employee benefits;
7. Provisions and Contingencies;
8. Provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions; and
9. Recognition of Deferred Tax Assets.

**(c) Property, plant and equipment (PP&E)**

An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost. Cost comprises of the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. Cost also includes direct cost and other related incidental expenses.

Borrowing costs relating to acquisition / construction / development of tangible assets, intangible assets and capital work in progress which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

When significant components of property, plant and equipment are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation if this components are initially recognised as separate asset. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Capital work in progress is carried at cost and capitalised when the asset is ready to be put to use.

Depreciation is provided from the date the assets are ready to be put to use, as per written down value (WDV) method over the useful life of the assets, as prescribed under Part C of Schedule II of the Companies Act, 2013.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss within 'other income' or 'other expenses' respectively.

**(d) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal /external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

**(e) Inventories**

Items of Inventory are measured at lower of the cost and Net Realizable value. Cost of inventory comprises of cost of purchase and other cost incurred to acquire it. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(f) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**(g) Provisions and Contingencies**

A provision is recognised when:

1. The Company has a present obligation as a result of a past event;
2. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
3. A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the

**CAPROLACTAM CHEMICALS LIMITED**

**Note :- 1. Significant Accounting Policies and Notes to Accounts forming part of financial Statement for year ended March 31, 2021.**

class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

**Note :- 1. Significant Accounting Policies and Notes to Accounts forming part of financial Statement for year ended March 31, 2021.****(h) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Recognition, initial measurement and derecognition :-**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

**A financial asset** (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

1. The rights to receive cash flows from the asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**A financial liability** is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Classification and subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

**1. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)**

Debt instruments at fair value through profit or loss : FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**2. Debt instruments at Amortised cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:**

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

**3. Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of Profit and Loss.

**Impairment of financial assets**

The Company follows 'simplified approach' to recognize loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12 Month ECL, unless there has been a significant increase in Credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of profit and loss.



**Note :- 1. Significant Accounting Policies and Notes to Accounts forming part of financial Statement for year ended March 31, 2021.****Classification and subsequent measurement of financial liabilities**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, other payables, loans and borrowings

The Company classifies all financial liabilities as subsequently measured at amortised cost.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Derivative financial instruments**

The Company trades in to derivative financial instruments. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

**(i) Fair value measurement**

The Company measures financial instruments such as, investment in equity shares, at fair value on initial recognition

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability, or
2. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial Statement are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

1. Level 1 – Inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
2. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
3. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**(j) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government

1. Sale of goods: Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is exclusive of tax which is collected on behalf of government.
2. Interest income: For all debt instruments measured at amortised cost interest income is recognised using the effective interest rate (EIR) method.
3. Dividend income: Dividend income is recognised when the right to receive dividend is established.
4. Other income: Other Income is recognized only when it is reasonably certain that the ultimate collection will be made.

**(k) Income taxes**

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in OCI or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant nontaxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred Tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized. MAT credit can be carried forward for a period of ..... (10/15) years.

**(l) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

**Note :- 1. Significant Accounting Policies and Notes to Accounts forming part of financial Statement for year ended March 31, 2021.****(m) Employee benefits**

1. **Defined contribution plans** :- Contributions payable by the Company to the concerned Government authorities in respect of Provident Fund, Family Pension Fund, Employees State Insurance and labour welfare fund charged to the Statement of Profit and Loss.
2. **Defined benefit plans** :- Gratuity is in the nature of a defined benefit plan. Provision for gratuity is calculated on the basis of actuarial valuations carried out at balance sheet date and is charged to the statement of profit and loss. The actuarial valuation is performed using the projected unit credit method. Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.
3. **Other employee benefits** :- Leave encashment is recognised as an expense in the statement of profit and loss as and when they accrue. The Company determines the liability using the projected unit credit method, with actuarial valuations carried out as at balance sheet date. Actuarial gains and losses are recognised in the statement of profit and loss .

**(n) Earnings per share**

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit / (loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted at the beginning of the year and not issued at a later date.

In computing the diluted EPS, potential equity shares that either increase earnings per share or decrease loss per equity share, being anti-dilutive are ignored.

**(o) Segment Reporting Policies:**

The Company is operating in one business segments i.e. Manufacturing, Trading and Service of Chemical Products. Segments have been identified and reported taking into account nature of products and services, the different risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

**(p) Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(q) Standards not yet made effective:**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 "Statement of cash flows" and Ind AS 102 "Share-based payment". this amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7 "Statement of cash flows" and IFRS 2 "Share-based payment", respectively. The amendments are applicable to the company from April 1, 2017.

1. Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The company is evaluating the requirements of the amendment and its effect on the financial statements.

2. Amendment to Ind AS 102: The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the "fair values", but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. This amendment does not apply to the company.

## CAPROLACTAM CHEMICALS LIMITED

## Statement of Change in Equity

**A Equity Share Capital:**

	No of shares	Amount In Rs.
Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:		
<b>As at April 1, 2019</b>	<b>46,00,000</b>	<b>46,00,000</b>
Issued during the period	-	-
<b>As at March 31, 2020</b>	<b>46,00,000</b>	<b>46,00,000</b>
Issued during the period	-	-
<b>As at March 31, 2021</b>	<b>46,00,000</b>	<b>46,00,000</b>
Preference Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:		
<b>As at April 1, 2019</b>	-	-
Issued during the period	-	-
<b>As at March 31, 2020</b>	-	-
Issued during the period	-	-
<b>As at March 31, 2021</b>	-	-

**B Other Equity:**

Particulars	Equity component of compound financial instrument			Amount In Rs.
	Securities Premium	Profit & Loss balance		
<b>As at April 1, 2019</b>	-	<b>(2,05,51,496)</b>	<b>(2,05,51,496)</b>	
Less: Preliminary expenses to the extent not w/off	-	-	-	
<b>Total</b>	-	<b>(2,05,51,496)</b>	<b>(2,05,51,496)</b>	
MAT credit of earlier period	-	-	-	
Profit during the year	-	95,11,156	95,11,156	
OCI during the year	-	-	-	
Addition during the year 2019-2020	-	-	-	
<b>As at March 31, 2020</b>	-	<b>(1,10,40,340)</b>	<b>(1,10,40,340)</b>	
Less :- Prior Period expenses	-	<b>(6,63,883)</b>	<b>(6,63,883)</b>	
Add: Profit for the year	-	65,05,651	65,05,651	
OCI during the year	-	-	-	
Addition during the year 2020-2021	-	-	-	
<b>As at March 31, 20201</b>	-	<b>(51,98,572)</b>	<b>(51,98,572)</b>	

## CAPROLACTAM CHEMICALS LIMITED

## Notes to the Financial Statements as on 31.03.2021

	<b>Note: 2-Property, Plant &amp; Equipment</b>															
	<b>GROSS BLOCK</b>						<b>DEPRECIATION</b>						<b>(Amt. in Rs.)</b>			
	As on	31-03-2020	Additions	Deduct	As on	31-03-2021	As on	31-03-2020	For the	Depreciation	As on	31-03-2021	As on	31-03-2021	As on	31-03-2020
Tangible Assets																
<b>A. LAND</b>																
1. Leasehold		3,99,089		-	3,99,089									3,99,089		3,99,089
<b>B. BUILDINGS</b>																
1. Factory Building		80,39,116		-	80,39,116					83,380				12,00,349		12,83,729
2. Administration Bldg.		5,58,415		-	5,58,415					4,600				46,868		51,468
<b>C. PLANT &amp; MACHINERY</b>																
1. Glycol Ether Plant		2,27,36,623		-	2,27,36,623					1,81,82,019				35,97,077		45,54,604
2. Vinyl Sulphone Plant		6,97,92,329	48,88,975	-	7,46,81,304					2,89,91,607				3,83,78,069		4,08,00,722
3. Ethyl Acetate Plant		1,95,04,832		-	1,95,04,832					1,84,93,899				7,14,094		10,10,933
4. Boiler		59,85,347		-	59,85,347					12,94,234				39,71,868		46,91,113
5. Boiler House		83,86,439		-	83,86,439					18,84,444				55,05,125		65,01,995
6. Steel Tank		16,02,192		-	16,02,192					4,32,790				10,25,689		11,69,402
7. E.T.P.		59,54,720		-	59,54,720					1,43,713						
<b>D. OFFICE EQUIPMENTS</b>																
1. Air Conditioners		2,82,522		-	2,82,522					1,86,465				40,347		96,057
2. Computers		97,424	32,881	-	1,30,305					54,096				30,225		43,328
3. Furniture & Fixtures		76,265		-	76,265					12,317				45,843		63,948
4. Xerox Machine		69,000		-	69,000					28,466				19,168		40,534
<b>E. VEHICLES</b>																
1. Motor & Motor Cycle		6,20,222		-	6,20,222					6,20,222						
<b>TOTAL (Rs.)</b>		14,41,04,535	49,21,856	-	14,90,26,391	8,33,97,613			1,06,54,967.00					5,49,73,812		6,07,06,924
<b>PREVIOUS YEAR (Rs.)</b>		13,68,48,670	72,55,865	-	14,41,04,535	7,31,70,508			1,02,27,105					6,07,06,924		6,36,78,165

# **CAPROLACTAM CHEMICALS LIMITED**

## **Notes to the Financial Statements**

<b>Particulars</b>	<b>Amount (Rs)</b> <b>As at</b> <b>March 31, 2021</b>	<b>As at</b> <b>March 31, 2020</b>
<b>Note: 2 Property, Plant and Equipment</b>		
<b>Non-Current Assets:</b>		
Property, Plant and Equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Note: 3 Investments</b>		
Fixed Deposit with Schedule Banks ( For Mandi License)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Note: 4 Other Non-Current Financial Assets</b>		
[Unsecured, Considered Good unless otherwise stated]		
Fixed Deposits (More than 12 Months)	78,900	78,900
Security Deposits - Non Current	-	-
<b>Total</b>	<b>78,900</b>	<b>78,900</b>
<b>Note: 5 Deferred Tax</b>		
Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:		
<b>Deferred Tax Liabilities</b>		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	20,26,168	23,32,328
<b>Total Deferred Tax Liabilities</b>	<b>20,26,168</b>	<b>23,32,328</b>
<b>Deferred Tax Assets</b>		
Provision for retirement benefits / doubtful debts	-	-
Unabsorbed business losses/depreciation	-	-
Provision for gratuity	-	-
Provision for leave salary	-	-
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	-	-
Others	-	-
Deferred tax on gain due of fair value of financial instrument	-	-
MAT Credit entitlement	-	-
<b>Total Deferred Tax Assets</b>	<b>-</b>	<b>-</b>
<b>Net Deferred Tax Asset/ ( Liabilities)</b>	<b>(20,26,168)</b>	<b>(23,32,328)</b>
<b>Note: 6 Other Non-Current Assets</b>		
Balance With Revenue Authorities - NCFN	-	17,776
MAT Credit	-	-
Deposit with Statutory authorities	9,78,454	9,39,604
Prepaid expenses	2,00,830	3,09,245
<b>Total</b>	<b>11,79,284</b>	<b>12,66,625</b>

# **CAPROLACTAM CHEMICALS LIMITED**

## **Notes to the Financial Statements**

<b><u>Particulars</u></b>	<b>Amount (Rs)</b> <b><u>As at</u></b> <b><u>March 31, 2021</u></b>	<b><u>As at</u></b> <b><u>March 31, 2020</u></b>
<b><u>Note: 7 Inventories</u></b>		
Classification of Inventories:		
Raw Materials	9,96,532	7,80,755
Work-In-Progress	-	-
Finished Goods/ Trading Goods	77,838	41,934
Consumables, Stores and Tools	-	-
Stock-In-Trade	-	-
<b>Total</b>	<b><u>10,74,370</u></b>	<b><u>8,22,689</u></b>
<b><u>Note: 8 Current investments</u></b>		
Investment in Debt instrumnets		
- Quoted - of parent company - (Fair Value Through Profit & Loss)	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><u>Note: 9 Trade Receivables</u></b>		
Secured and considered good	47,04,294	30,00,114
Unsecured and considered good	-	-
Doubtful	-	-
	<u>47,04,294</u>	<u>30,00,114</u>
Less: Allowance for doubtful debts	-	-
<b>Total</b>	<b><u>47,04,294</u></b>	<b><u>30,00,114</u></b>
<b><u>Note: 10 Cash and Cash Equivalent*</u></b>		
Balances with banks	35,59,167	18,10,350
Fixed deposits with maturity less than 3 months **	-	-
Cheques / drafts on hand	-	-
Cash in Hand	45,479	30,457
Fixed Deposits / Margin Money with Maturity Less than 3 Months <b>(Refer Note No.10.1)</b>	15,98,920	15,39,307
Less: Fixed deposit disclosed under Other non Current Assets	-	-
<b>Total</b>	<b><u>52,03,566</u></b>	<b><u>33,80,114</u></b>
*Cash and cash equivalents are held for the purpose of meeting short term commitments rather than for investment purpose.		
** Carrying amount		
<b><u>Note 10.1 Fixed Deposits (Under Lien)</u></b>		
Earmarked towards issue of Bank Gaurantee to Exchange	15,98,920	15,39,307
	<b><u>15,98,920</u></b>	<b><u>15,39,307</u></b>
<b><u>Note: 11 Other Bank Balances</u></b>		
Fixed Deposit with maturity more than 3 months but less than 12 months	-	-
Margin account	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>

**CAPROLACTAM CHEMICALS LIMITED**  
**Notes to the Financial Statements**

<b><u>Particulars</u></b>	<b>Amount (Rs)</b> <b><u>As at</u></b> <b><u>March 31, 2021</u></b>	<b><u>As at</u></b> <b><u>March 31, 2020</u></b>
<b><u>Note: 12 Other Current Financial Assets</u></b>		
Advances recoverable in cash or Kind	-	-
Security deposits	-	-
Short term Loans and Advances	-	1,90,000
<b>Total</b>	<b>-</b>	<b>1,90,000</b>
<b><u>Note: 13 Current Tax Assets</u></b>		
[Unsecured, Considered Good Unless Otherwise Stated]		
Advance payment of Income Tax	26,87,400	-
<b>Total</b>	<b>26,87,400</b>	<b>-</b>
<b><u>Note: 14 Other Current Assets</u></b>		
[Unsecured, Considered Good]		
Balance with revenue authorities	9,37,394	16,56,530
Advance payments done	11,20,342	-
<b>Total</b>	<b>20,57,736</b>	<b>16,56,530</b>
<b><u>Note: 15 Equity Share Capital</u></b>		
<b>Authorised</b>		
<b>Equity Shares</b>		
March 31, 2021 - 50,00,000 nos. - face value of Rs 10/- each	5,00,00,000	5,00,00,000
March 31, 2020 - 50,00,000 nos. - face value of Rs 10/- each		
April 01, 2019 - 50,00,000 nos. - face value of Rs 10/- each		
	<b>5,00,00,000</b>	<b>5,00,00,000</b>
<b>Total Authorised Share Capital</b>	<b>5,00,00,000</b>	<b>5,00,00,000</b>
<b><u>Issued, Subscribed and Paid-up</u></b>		
<b>Equity Shares</b>		
March 31, 2021 - 46,00,000 nos. - face value of Rs 10/- each	4,60,00,000	4,60,00,000
March 31, 2020 - 46,00,000 nos. - face value of Rs 10/- each		
April 01, 2019 - 46,00,000 nos. - face value of Rs 10/- each		
<b>Total</b>	<b>4,60,00,000</b>	<b>4,60,00,000</b>
<b>Total Issued Subscribed and Paid-up</b>	<b>4,60,00,000</b>	<b>4,60,00,000</b>

# **CAPROLACTAM CHEMICALS LIMITED**

## **Notes to the Financial Statements**

<b>Particulars</b>	<b>Amount (Rs)</b> <b>As at</b> <b>March 31, 2021</b>	<b>As at</b> <b>March 31, 2020</b>
<b>A-1. The details of shareholders holding more than 5% equity shares :-</b>		
Name of the Shareholder		
1) Siddharth S. Bhanushali		
% held	22.98%	22.98%
No. of Shares	10,57,240	10,57,240
2) Shankar G. Bhanushali (HUF)		
% held	8.91%	8.91%
No. of Shares	4,10,200	4,10,200
3) Shankar G. Bhanushali		
% held	8.31%	8.31%
No. of Shares	3,82,320	3,82,320
4) Shital Bhanushali		
% held	5.95%	5.28%
No. of Shares	2,73,627	2,43,016
<b>B-1. Reconciliation of number of equity shares :-</b>		
At the beginning of the year	46,00,000	46,00,000
Add : Shares issued	-	-
At the End of the year	<b>46,00,000</b>	<b>46,00,000</b>
<b>B-2. Reconciliation of number of preference shares :-</b>		
At the beginning of the year	-	-
Add : Shares issued	-	-
At the End of the year	-	-
<b>C. Rights, Preferences and Restrictions of share holder :-</b>		
<b>Equity Share holder:-</b>		
The company has only single class of equity shares. Each shareholder is eligible for one vote per share. one class of equity share have been issued having a par value of Rs.10/- each.		
The company declares and pays dividend if any, in Indian Rupee. The dividend proposed if any, by the board of Directors is subject to the approval of the share holders at the ensuing Annual General meeting except in case of interim dividend.		
In the event of liquidation of the company, the holder of equity shares will be entitled to receive any of remaining assets of the company after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.		
<b>D. The details of shareholders holding more than 5% equity shares:-</b>		
Name of the Shareholder		
<b>Equity Shares</b>		
<b>Preference Shares:</b>		
<b>Note: 16 Other Equity</b>		
Balance as per last year	(1,10,40,340)	(2,05,51,496)
Profit & Loss balance	65,05,651	95,11,156
Less:- Prior Period	(6,63,883)	
Securities Premium		
Equity component of compound financial instrument		
<b>Total</b>	<b>(51,98,572)</b>	<b>(1,10,40,340)</b>



# **CAPROLACTAM CHEMICALS LIMITED**

## **Notes to the Financial Statements**

<b><u>Particulars</u></b>	<b>Amount (Rs)</b> <b><u>As at</u></b> <b><u>March 31, 2021</u></b>	<b><u>As at</u></b> <b><u>March 31, 2020</u></b>
<b><u>Note: 17 Loans &amp; Borrowings</u></b>		
<b>Financial liabilities carried at amortised cost</b>		
Preference Share Capital	-	-
Liability component of compound financial instrument	-	-
Loan From Directors	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b><u>Note: 18 Other financial liabilities</u></b>		
Interest accrued on financial liabilities carried at amortised cost	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b><u>Note: 19 Provisions</u></b>		
Provision for Employee Benefits - LT	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b><u>Note: 20 Loans &amp; Borrowings</u></b>		
Financial liabilities carried at amortised cost		
Preference Share Capital	-	-
Liability component of compound financial instrument	-	-
Loan From Directors	2,15,00,000	2,44,71,497
<b>Total</b>	<b>2,15,00,000</b>	<b>2,44,71,497</b>
<b><u>Note: 20.1. Borrowings</u></b>		
Financial liabilities carried at amortised cost		
Secured working capital facilities from banks*	-	-
Secured Overdraft facilities from banks*	-	-
Secured Short Term Loan from financial institution	-	-
Inter Corporate Deposit	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b><u>Note: 21 Trade Payables</u></b>		
Due to Micro, Small and Medium Enterprises *		
Others	-	-
Margin payable to Exchange	-	-
Less: Margin with Exchange	-	-
Less: Fixed Deposit earmarked \$	-	-
Others - trade payable	-	-
Creditors for Expenses - Trade	40,00,760	50,21,463
<b>Total</b>	<b>40,00,760</b>	<b>50,21,463</b>
<b><u>Note: 22 Other Financial Liabilities</u></b>		
Advances To Staff Payable	-	-
Interest accrued and payable	-	-
Other payable	-	6,92,223
Creditors payable for expenses	-	-
<b>Total</b>	<b>-</b>	<b>6,92,223</b>

**CAPROLACTAM CHEMICALS LIMITED**  
**Notes to the Financial Statements**

<b><u>Particulars</u></b>	<b>Amount (Rs)</b> <b><u>As at</u></b> <b><u>March 31, 2021</u></b>	<b><u>As at</u></b> <b><u>March 31, 2020</u></b>
<b><u>Note: 23 Employee Benefits Obligation</u></b>		
Provision for Employee Benefits - ST	-	-
Provision for Leave Encashment - ST	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b><u>Note: 24 Current Tax Liabilities</u></b>		
Provision for Taxation	27,13,000	31,67,000
<b>Total</b>	<b>27,13,000</b>	<b>31,67,000</b>
<b><u>Note: 25 Other Current Liabilities</u></b>		
Advance Received from Customers	-	3,00,000
Statutory Liabilities	8,68,006	1,32,726
Provision for Expenses	50,000	25,000
<b>Total</b>	<b>9,18,006</b>	<b>4,57,726</b>

**CAPROLACTAM CHEMICALS LIMITED**

**Notes to the Financial Statements**

	<b>Amount (Rs)</b>	
	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>Note: 26 Revenue from Operations</b>		
Sale of Commodities	37,71,721	1,00,800
Sale of Services	5,93,18,900	6,50,30,087
Net gain on fair value change		
Investments		
Derivatives		
Consultancy Income		
<b>Total</b>	<b>6,30,90,620</b>	<b>6,51,30,887</b>
<b>Note: 27 Other Income</b>		
Interest Income	39,386	1,22,733
Interest on Fixed Deposit	99,176	1,01,520
Interest on Income tax Refund		27,475
Sundry Balance Write Back		
Profit on Sale of Investment		
Discount & Misc.Inc	7,93,061	3,14,009
<b>Total</b>	<b>9,31,623</b>	<b>5,65,737</b>
<b>Note: 28 Cost of material consumed</b>		
(a) Raw Material Consumed:		
Raw Material at the beginnig of the year	7,80,755	8,15,725
Add: Purchases	3,40,000	84,000
Less : Raw Material at the end of the year	9,96,532	7,80,755
Total Cost of raw Material consumed (a)	1,24,223	1,18,970
(b) Packing Material Consumed:		
Packing Material at the beginnig of the year	-	63,401
Add: Purchases	-	-
Less : Packing Material at the end of the year	-	-
Total Cost of Packing Material consumed (b)	-	63,401
<b>Total</b>	<b>1,24,223</b>	<b>1,82,371</b>
<b>Note: 29 Purchase of Stock-in-trade</b>		
Purchases	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Note: 30 Change in stock of finished goods,work-in-progress and stock in trade</b>		
Opening Stock in Trade	41,934	41,934
Less: Closing Stock in Trade	77,838	41,934
<b>Total</b>	<b>(35,904)</b>	<b>-</b>

## CAPROLACTAM CHEMICALS LIMITED

## Notes to the Financial Statements

	<u>Amount (Rs)</u>	
	<u>For the year ended</u> <u>March 31, 2021</u>	<u>For the year ended</u> <u>March 31, 2020</u>
<b>Note: 31 Employee Benefits Expense</b>		
Salaries and Wages	15,51,200	14,40,034
Contribution to gratuity		
Provision for Leave salary		
Contribution to provident and other funds	67,581	76,693
Staff welfare expenses	5,83,505	7,29,846
Oter Expenses	56,307	46,067
<b>Total</b>	<b>22,58,593</b>	<b>22,92,640</b>
<b>Note: 32 Finance Cost</b>		
Interest on financial liabilities carried at amortised cost		
Interest expenses	29,68,420	29,70,252
Other cost		
Bank charges	5,052	15,844
<b>Total</b>	<b>29,73,472</b>	<b>29,86,096</b>

**CAPROLACTAM CHEMICALS LIMITED**

**Notes to the Financial Statements**

	<b>Amount (Rs)</b>	
	<b>For the year ended</b>	<b>For the year ended</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Note: 33 Other Expenses</b>		
Power	1,10,43,790	1,05,78,693
Fuel charges	12,18,243	-
Stores, Spares and other consumables	25,57,058	30,03,573
Utility Expenses	16,78,925	18,77,664
Labour Charges	1,23,02,689	1,02,72,445
Water Charges	8,92,626	7,15,914
Weighing Charges	85,150	66,570
Repairs & Maintenance - Machinery	16,24,782	19,72,238
Lab Expenses	27,873	42,414
Testing Charges	9,380	14,520
Freight	2,74,156	3,34,357
Advertising Expenses	52,952	71,920
Conveyance	2,23,117	1,27,733
Courier Charges	3,385	39,491
Desiel & Petrol Charges	8,04,260	5,34,977
Directors Remuneration	8,40,000	15,60,000
Donation	42,000	77,501
Grampanchayat Tax	64,836	64,869
General Expenses	73,670	87,829
Other Interest & Late fees	38,141	598
DRC -CGST & SGST	80,063	-
Insurance Factory	2,86,812	2,43,355
Insurance	65,722	8,380
Inspection Charges	-	5,000
Internet & web Charges	33,592	35,356
License Fees	1,16,262	1,10,445
Listing Fees	3,00,000	3,18,000
Loading & Unloading	37,893	29,458
Meeting Fees	30,000	24,000
Motor Car Expenses	9,800	3,31,975
Other Expenses	34,956	21,507
Packing & Forwarding	4,905	9,230
Postage & Telegram	1,567	2,49,918
Printing & Stationary	26,425	50,175
Legal Fees	-	2,05,000
Technical Fees	2,40,000	-
Professional fees	3,37,782	4,80,441
Professional Tax (company)	2,500	2,500
Repairs & Maintenance	19,80,329	33,57,088
Prior period expense	-	1,445
ROC Fees	4,842	7,979
Security Charges	6,78,148	3,91,496
Subscription Charges	5,000	5,500
Commission	9,03,733	-
Telephone Charges	7,036	7,106
<b>Payment to Auditors</b>		
As Audit Fees	90,000	90,000
As Tax Audit Fees		
<b>Total</b>	<b>3,91,34,401</b>	<b>3,74,28,660</b>

CAPROLACTAM CHEMICALS LIMITED

Notes to the Financial Statements

	<u>Amount (Rs)</u>	
	<u>For the year ended</u> <u>March 31, 2021</u>	<u>For the year ended</u> <u>March 31, 2020</u>
<b>Note: 3 Depreciation</b>		
Depreciation	1,06,54,967	1,02,27,105
<b>Total</b>	<b>1,06,54,967</b>	<b>1,02,27,105</b>

**Calculation of earning per share (EPS)**

The numerators and denominators used to calculate basic and diluted EPS are as follows:

<b>Particulars</b>		<b>Units</b>	<b>Year ended</b>	
			<b>March 31, 2021</b>	<b>March 31, 2020</b>
Profit attributable to Equity shareholder	(A)	Rs	65,05,651	95,11,156
Number of equity shares		Nos		
Securities convertible in to equity shares		Nos		
Weighted average number of shares for calculation of Basic EPS	(B)	Nos	46,00,000	46,00,000
Nominal value of equity shares		Rs	10.00	10.00
<b>Basic EPS</b>			<b>1.414</b>	<b>2.07</b>

**Details of auditors remuneration**

<b>Particulars</b>		<b>Units</b>	<b>Year ended</b>	
			<b>March 31, 2021</b>	<b>March 31, 2020</b>
As auditor :				
Audit fees		Rs	45,000.00	45,000.00
Tax audit fees		Rs	45,000.00	45,000.00
other matters		Rs	10,000	10,000
<b>Total payment to auditors</b>		Rs	<b>1,00,000</b>	<b>1,00,000</b>

**Contingent Liabilities and Commitments for the year ended (to the extent not provided for):**

<b>Sr No.</b>	<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
(a)	<b>Commitments</b>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
(b)	<b>Contingent liabilities</b>		
	Indirect tax liabilities, under dispute	-	-
	Claims against the Company not acknowledged as debts	-	-

**Property, Plant and Equipment**

There is no impairment loss on property, plant and equipment assets on the basis of review carried out by the management. Company carries out physical verification of its Property, Plant and Equipment at regular interval.

**Inventory**

The inventory comprising of raw material and finished goods is physically verified by the management at regular intervals and as at the end of the year. Company obtains written confirmations in respect of stock lying with third parties, if any, as at the year end. The quantity and valuation of inventory at the year end has been certified by the management.

**Trade Receivable & Payable**

*Trade receivables and payables are subject to confirmation and reconciliaton. The auditor has relied on the management representation in this regard.*

**Borrowings****Non-current borrowings****Market Linked Debentures (MLD) :****Current borrowings:-****A. Working Capital Facilities from Banks**

<u>Sr No.</u>	<u>Name of the Bank</u>	<u>March 31, 2021</u>	<u>As at March 31, 2020</u>
1		-	-
2	Outstanding as at the end of the year	-	-
		<u>-</u>	<u>-</u>

**B. Overdrafts Facilities from Banks**

<u>Sr No.</u>	<u>Name of the Bank</u>	<u>March 31, 2021</u>	<u>As at March 31, 2020</u>
1			
2	Outstanding as at the end of the year	-	-
		<u>-</u>	<u>-</u>

**C. Short Term Loans from Others**

<u>Sr No.</u>	<u>Name</u>	<u>March 31, 2021</u>	<u>As at March 31, 2020</u>
1	LOAN FROM DIRECTORS	2,15,00,000	24471497
2	INTER CORPORATE DEPOSITS	-	-
3	LIABILITY COMPONENT OF FINANCIAL INSTRUMENTS	-	-
	<b>Outstanding as at the end of the year</b>	<u><b>2,15,00,000</b></u>	<u><b>2,44,71,497</b></u>

**Related party disclosure****A. List of related party**

<u>Relationship Category</u>	<u>Particulars</u>	<u>Name</u>
1	Key Management Personnel	<ul style="list-style-type: none"> <li>Zaver S.Bhanushali</li> <li>Siddharth S.Bhanushali</li> </ul>
2	Relatives of Key Management Personnel	<ul style="list-style-type: none"> <li>Shankarlal Gopalji Bhanushali</li> <li>Ashmi Tanmay Ganacharya</li> <li>Shital Siddharth Bhanushali</li> </ul>
3	Enterprises owned or significantly influenced by Key Management Personnel	<ul style="list-style-type: none"> <li>Adhiraj Chemindustries Pvt.Ltd.</li> </ul>



**B. The Following transactions were carried out with the related parties in the ordinary course of business and at arm's length.**

<b><u>Nature of transactions</u></b>	<b><u>March 31, 2021</u></b> <b><u>(Amount in Rs)</u></b>	<b><u>March 31, 2020</u></b> <b><u>(Amount in Rs)</u></b>
<b><u>Remuneration payment</u></b>		
Zaver S Bhanushali	4,20,000	8,40,000
Siddharth S Bhanushali	4,20,000	7,20,000
Total	<u>8,40,000</u>	<u>15,60,000</u>
<b><u>Interest on Loan</u></b>		
Zaver S Bhanushali	29,56,670	25,29,922
Siddharth S Bhanushali	11,750	3,57,912
Total	<u>29,68,420</u>	<u>28,87,834</u>
<b><u>Unsecured Loan Taken</u></b>		
Zaver S Bhanushali	2,72,00,010	88,50,000
Siddharth S Bhanushali	1,50,000	4,77,142
Total	<u>2,73,50,010</u>	<u>93,27,142</u>
<b><u>Unsecured Loan Repaid</u></b>		
Zaver S Bhanushali	3,01,71,507	59,50,000
Siddharth S Bhanushali	1,50,000	41,70,142
Total	<u>3,03,21,507</u>	<u>1,01,20,142</u>
<b><u>Rent expense</u></b>		
Zaver S Bhanushali	-	-
Siddharth S Bhanushali	-	2,13,000
Total	<u>-</u>	<u>2,13,000</u>
<b><u>Contractual Expense</u></b>		
Siddharth S Bhanushali	2,83,200	-
Total	<u>2,83,200</u>	<u>-</u>

**Segment Reporting**

The companies activities falls under only one segment namely chemicals

**Other**

Previous year's figures have been regrouped/rearranged/reworked wherever necessary and possible so as to confirm to current year's classification.

**ABSTRACT OF THE BALANCE SHEET FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

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. L24110MH1988PLC049683      State Code: 11  
Balance Sheet Date: 31-03-2021.

**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	(6,99,33,194)	Total Assets	6,99,33,194
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**Sources of Funds**

Paid-up Capital	4,60,00,000	Reserves and Surplus	(51,98,572)
Secured Loans	Nil	Unsecured Loans	2,15,00,000
Deferred Tax	20,26,168		

**Application of Funds**

Net Fixed Assets	5,49,73,812	Investment	Nil
Net Current Assets	1,57,27,366	Misc. Expenditure (P&L a/c)	Nil

**IV. Performance of Company**

Turnover	6,30,90,620	Total Expenditure	5,51,09,752
Profit / Loss before tax	89,12,491	Profit / Loss after tax	65,05,651
Earnings per Share Rs.1.41		Dividend Rate %	Nil

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

1. Item Code No. ( ITC Code )      NA

As per my report of even date attached

For Bipin Kothari Associates

Chartered Accountant

CA. Bipin Kothari

Membership No 155037

Date :- 30/06/2021

Place :- Mahad

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

Mrs. Z. S. Bhanushali      Mr. S. S. Bhanushali  
Managing Director      Director (CFO)

Mrs. Dolly Dipesh Shah  
Company Secretary  
M. No. A38116