



Caprolactam Chemicals Limited

20th Annual Report
31-03-2009

DIRECTORS

Mrs. Z.S. Bhanushali	-	Chairperson & Managing Director
Mr. S. S. Bhanushali	-	Director (Technical)
Mr. V. P. Adagale	-	Director

AUDITORS

M/s. Sumaria & Sumaria
Chartered Accountant
Mumbai - 400 080.

BANKERS

UTI Bank Ltd.
Bank of India

SHARE TRANSFER AGENT

Purva Shareregistry (India) Pvt. Ltd.
33, Printing House,
28-D, Police Court Lane,
Fort, Mumbai - 400 001.

FACTORY & REGISTERED OFFICE

B/31, MIDC, Mahad,
Dist. Raigad - 402 301,
Maharashtra.
02145-233427.

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of Caprolactam Chemicals Limited will be held at the Registered Office of the Company at B/31, MIDC, Mahad, Dist. Raigad 402 301 on Tuesday, the 29th September, 2009 at 11.00 a.m. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. S. Bhanushali who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Members desirous of seeking any further information of the Company, clarifications in respect of accounts and operations of the Company are requested to send their queries in writing so as to reach at the Registered Office of the Company at least seven days before the meeting to enable the Company to provide information at the meeting.
3. Information required pursuant to the Clause 49(VI) of the Listing Agreement is annexed herewith and forming part of the Notice.
4. Corporate Members are requested to send to the Company, a duly certified copy of the Board resolution/Power of Attorney, authorizing their representative to attend and vote at the Meeting.
5. The Register of Members and Share Transfer Books will remain closed from Wednesday, the 23rd September, 2009 to Tuesday, the 29th September, 2009 (both days inclusive).
6. Members are requested to bring their copies of the Annual Report at the Annual General Meeting since the copies of the same will not be provided at the Hall.

By Order of the Board of Directors

Registered Office:
B/31 MIDC, Mahad,
Dist. Raigad 402 301
9th July, 2009

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

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

1. Equity Shares of the Company have been listed on Bombay Stock Exchange Limited. The listing fee has been paid for the year 2009-2010.
2. Details of the Director seeking re-appointment at the 20th Annual General Meeting to be held on Tuesday, the 29th September, 2009

Name of Director	Mr. S. S. Bhanushali
Date of Birth	30/06/1979
Date of Appointment	29/01/2007
Experience in specific functional areas.	In Chemical industry and has varied knowledge in Process Control, Polymer Engineering, Separation Technology, Project Economics
Qualification	Chemical Engineer from the University of Sydney (Australia)
List of directorships in other companies.	Vamotech Organics Ltd.
Chairman/Member of the Committees of the Board of directors of the Company	None
Chairman/Member of the Committees of Director of other Companies in which he is a Director	
a) Audit Committee	None
b) Remuneration committee	None
c) Shareholders/Investors Grievance Committee	None

DIRECTORS' REPORT

To,
The Shareholders,
Your Directors have pleasure in presenting their 20th Annual Report together with the Audited Accounts for the year ended on 31st March, 2009

FINANCIAL HIGHLIGHTS

Particulars	31 st March,2009	31 st March,2008 (15 months)
Profits (before interest ,depreciation and taxation)	58,42,489	89,94,001
Less : Interest		
Depreciation	---	---
	24,19,344	31,11,500
Profit before Tax	34,23,145	58,82,501
Less :Provision for Taxation	3,84,675	10,10,029
Add : Deferred Tax Benefit	3,05,922	5,45,091
Profit after tax	33,44,392	54,17,563

Aggressive availability of cheap imported chemicals, stiff competition and liquidity crunch have affected the Company's production and turnover. The Company's operation remained confined mainly to job work. Your Directors are taking various initiatives for improving the condition of the Company.

DIVIDEND

The Director have not recommended any dividend for the year.

BIFR

Your Company has been registered as sick company by the Board for Industrial and Financial Reconstruction (BIFR) under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company has submitted the scheme which envisages relief and concession from State and Central Government as per their guideline /packages. Further progress is awaited.

DIRECTORS

In accordance with the provision of the Companies Act, 1956, Mr. S. S. Bhanushali retire by rotation and being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm:

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

RELATED PARTY TRANSACTIONS

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

CORPORATE GOVERNANCE:

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

LISTING FEE PAYMENT

The Company's securities are listed on the Bombay Stock Exchange Limited and the Company has paid Annual Listing fee for the financial year 2009-10.

PARTICULARS OF EMPLOYEES

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

FIXED DEPOSITS:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.

The information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March, 2009 is annexed and forms a part of this Report.

AUDITORS:

M/s. Sumaria & Sumaria, Chartered Accountants, Mumbai will hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their appointment as the statutory auditors of the Company for the next year.

COMPLIANCE CERTIFICATE

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

ACKNOWLEDGEMENT:

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

For and on behalf of the Board of Directors

PLACE: Mahad

DATE : 9th July, 2009

(Mrs.Zaver S. Bhanushali)

CHAIRPERSON & MANAGING DIRECTOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

- 1) **Industry Structure and Development**
Our products being the intermediate for Perfumes Industries , Soap and Detergent , Agarbattis and also in Antioxidants in Food Products.
- 2) **Opportunities & Threats**
There is no branded products owned by the Company for sale in direct market. The Company is undertaking job works activities of other units who after using intermediate products, exports their final products. The Company's future depends upon the export demands. Considering the present trends in the Market, the Company's production facilities will be fully utilized and the Company will be able to produce the satisfactory result . The Company will be able to combat competition from China as the product base of the Company is of good quality.
- 3) **Product wise Performance**
Your Company is engaged in undertaking the job works and hence the question of products and its sale does not arise.
- 4) **Outlook**
The Company's business prospect are closely linked to the economic environment prevailing locally and globally and the development of its customer industries. Substantial improvement in the current market conditions is not expected in the near future. Given, the challenging market environment, stiff competition and unstable geo -political condition , it is difficult to make an optimistic prediction for business prospect in the coming year. The Company however , continue to evaluate ways and means for sales growth and remains competitive in the challenging environment.
- 5) **Risk and Concerns**
The price fluctuation in global market and local market affect profitability of the Company in getting volume of job works .
- 6) **Internal Control System**
Your Company has in place adequate internal control systems. The Management Team takes the corrective actions immediately to address any inconsistent development .
- 7) **Financial performance with respect to operational performance sales and profit**
The company's turnover has decreased from 293.10 Lacs from previous year (2007-2008 (15 Months)) to Rs. 216.76 Lacs current year . (2008-2009)
- 8) **Human Resources/Industrial Relations**
The relation with the employees at all levels were cordial throughout the year .

Cautionary Statement

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

By Order of the Board of Directors

Place : Mahad

Date : 9th July, 2009

(Mrs.Zaver S. Bhanushali)

Chairperson & Managing Director

REPORT ON CORPORATE GOVERNANCE**1) Corporate Governance Philosophy**

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

2) Board of Directors

The Composition of the Board of Directors and related information as on 31st March, 2009 is as follows:-

Name of the Director & Designation	Executive / Non-Executive / Independent	No. of Board Meetings attended	Whether last AGM* attended	Membership of Board of Directors of other companies	No. of other Board Committees of which Member / Chairman
Mr. Zaver S.Bhanushali	Managing Director (Promoter)	5	Yes	1	1
Mr. Siddharth S.Bhanushali	Technical Consultant Director (Promoter)	5	Yes	Nil	Nil
Mr. Vikram P.Adagale	Non Executive and Independent Director	5	Yes	Nil	Nil

- Annual General Meeting ("AGM") held on 14th August, 2008.
- None of the Directors on the Board holds the office of director in more than 15 companies or memberships of committees of the Board in more than 10 committees or chairmanship of more than 5 committees across all companies.

Board Meetings held during the Year

During the year Five Board meetings were held on 2nd April,2008, 29th April,2008, 4th July,2008,29th October ,2008 and 29th January,2009.

Details of Directors being re-appointed

Mr. S. S.Bhanushali retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election. The additional information relating to Mr. Siddharth S. Bhanushali as required under Clause 49 of the Listing Agreement with the Stocks Exchanges is furnished as part of the Notice convening the Annual General Meeting.

3. Committee of the Board**A. Audit Committee**

The Company is not in a position to constitute an Audit Committee as it has not found any suitable person having the knowledge of finance. The Company is making every endeavor to appoint suitable person for this purpose.

B. Remuneration Committee

At present the Company has not formed a Remuneration Committee. However, the remuneration Committee will be constituted as and when required. The Company has not issued any stock options to any of its Directors and employees.

C. Investor's Grievance Committee

Investors Committee comprises of Mrs. Zaver .S Bhanushali, (Managing Director and Promoter Group) and Shri. Vikram .P. Adagale (Independent Director) There were no complaints received by the Company during the year under review. The Board has designated Mr. Siddharth S. Bhanushali, as Compliance Officer.

4. Details of remuneration paid to the Directors for the year ended 31st March, 2009.

The total remuneration paid to the Managing Director and Director during the year ended 31st March,2009 was as under :

Name	Remuneration (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Contribution to Provident Fund
Mrs.Zaver.S. Bhanushali	Rs.2,40,000/-	Nil	Nil	Nil
Mr.Siddharth.S. Bhanushali (Technical Consultant)	Rs. 1,99,200/-	Nil	Nil	Nil

- ii) The Non Executive Director is not entitled to any remuneration except payment of sitting fees for attending the meetings of Board of Directors. During the year 2008-09, the Company has paid total sitting fee of Rs. 5,000 to Mr. Vikram P.Adagale, Non executive director.

5. General Body Meetings

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

Financial Year Ended	Date	Time	Venue
31 st December, 2005	30.06.2006	11.00 a.m.	B-31,MIDC,Mahad,Dist:-Raigad 402301
31 st December, 2006	28.06.2007	11.00 a.m.	B-31,MIDC,Mahad,Dist:-Raigad 402301
31 st March, 2008 (15 months)	14.08.2008	11.00 a.m.	B-31,MIDC,Mahad,Dist:-Raigad 402301

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

6. Disclosures

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

7. Compliances

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

Pecuniary Relation

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

8. Means of Communication

Half-yearly report sent to each shareholders	No.
Quarterly Results	No.
Newspapers in which results are normally published	Normally it is published in the Free Press Journal in English and Navshakti in Marathi. Due to liquidity crunch it is not being published
Website where displayed.	No.
Whether it also displays official news releases	No
Presentation to institutional investors or analysts	No
Whether Management Discussion and Analysis is a part of the Annual Report	Yes

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

9. General Shareholder Information

The 20th Annual General Meeting of the shareholders will be held on Tuesday, the 29th September, 2009 at 11.00 a.m.

Venue: B-31,MIDC ,Mahad Dist:- Raigar-402 301 ,Maharashtra

Financial Calendar

Financial Year : 1st April to 31st March

Consideration of Financial Results (tentative)

- i. First Quarter (unaudited) last week of July
- ii. Second Quarter (unaudited) last week of October
- iii. Third Quarter (unaudited) last week of January
- iv. Fourth Quarter (unaudited) last week of April
- v. Annual (audited) last week of May or June

Book closure: 23rd September, 2009 to 29th September, 2009 (both days inclusive)

Listing

The equity shares of the company are listed on Bombay Stock Exchange Limited.

Scrip Code : 507 486

The Company has not opted for De-mat in view of absence of trading of Equity Shares on any stock exchanges.

Plant Location : B-31, MIDC, Mahad, Dist :- Raigad -402 301, Maharashtra

Name and Address of the Registrar and Share Transfer Agents

Purva Share Registry (India) Pvt Ltd

33, Printing House, 28-D, Police Court Lane, Fort, Mumbai- 400 001.

Share Transfer System

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

Stock Data

1. Distribution of Share Holding as on 31st March 2009

Shareholding of Nominal Value		Shareholders		Share Amount	
From	To	Number	% of Total	Rupees	% of Total
Upto	5000	7270	91.17	12586000	27.36
5001	10000	435	5.46	3722000	8.09
10001	20000	162	2.03	2414000	5.25
20001	30000	42	0.53	1024000	2.23
30001	40000	19	0.24	672000	1.46
40001	50000	13	0.16	616000	1.34
50001	100000	12	0.15	858000	1.87
100001	And above	21	0.26	24108000	52.40
TOTAL		7974	100.00	46000000	100.00

2. Distribution of shareholding according to categories of shareholders as on 31st March, 2009

Sr. No	Categories Code	Description	Shares	% of the Capital	No. of Holders	% of the holders
1	00	Resident Individual	2334200	50.74	7795	97.76
2	31	Bodies Corporate	181000	3.93	18	0.23
3	41	Directors	839460	18.25	4	0.05
4	42	Director's Relative	1191440	25.90	6	0.08
5	94	N.R.I (Non -Repat)	53900	1.18	151	1.88
	Total		4600000	100.00	7974	100.00

14) Investor Correspondence:

Purva Sharegistry (India) Pvt Ltd
33, Printing House,
28-D, Police Court Lane,
Fort, Mumbai -400 001

Caprolactam Chemicals Ltd
B/31,MIDC ,Mahad ,
Dist .Raigad -402 301

On behalf of the Board of Directors
Caprolactam Chemicals Ltd

Place : Mahad
Date : 9th July,2009

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

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

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

Place : Mahad
Date : 9th July,2009

For Caprolactam Chemicals Ltd.
(Mrs.Zaver S.Bhanushali)
Chairperson & Managing Director

ANNEXURE TO THE DIRECTORS REPORT

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

FORM - A

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

FORM - B

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

A. RESEARCH AND DEVELOPMENT (R&D)

1) Specific area in which R&D carried out by the Company

Development activities of the Company are directed towards energy conservation, pollution control and quality improvement .

2) Benefits derived as a result of the above R & D

Reduction in production cost, improvement in specific consumption of energy in process plant on account of energy saving scheme .

3) Future Plan of action

To continue R&D work on the above cases.

4) Expenditure on R & D

The Development work in continuously undertaken by the technical department, no separate records of the expenditure incurred on R & D as such is maintained.

B. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATIONS**1) Effort in brief & benefit derived**

The Company has acquired technology know how to manufacture Ethyl Acetate. Continuous efforts are made to check the material balances on the actual performance against design. These measures have helped in increasing the productivity and reduction in overall energy consumption.

2) Detailed of technology imported derived in the past 5 years.

- | | | |
|---------------------------------------|---|--------------------------|
| a) Technology imported | } | no technology has been |
| b) Year of import | } | imported during the past |
| c) Has technology been fully absorbed | } | N/A |
| d) If not fully absorbed, area where | } | N/A |
- this has not taken place.

C. FOREIGN EXCHANGE EARNING AND OUTGO

- 1) Activities relating to Exports : Nil
- 2) Total Foreign Exchange used and earned : Nil

Place : Mahad

Date : 9th July, 2009

On behalf of Board of Directors

(Mrs. Zaver S. Bhanushali)

Chairperson & Managing Director

Compliance Certificate

To,
The Members,
CAPROLACTAM CHEMICALS LIMITED.
(Corporate Identification Number. – L24110MH1988PLC049683)
B/31, MIDC, Mahad,
Dist. Raigad- 402 301.

We have examined the registers, records, books and papers of Caprolactam Chemicals Limited ("the Company") as required to be maintained under the Companies Act, 1956. ("the Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2009. In our opinion and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Maharashtra, Mumbai, Regional Director, Central Government, Company Law Board or other authorities under the Act and the rules made there under.
3. The Company is a Public Limited Company and hence comments under this paragraph are not required.
4. The Board of Directors met Five (5) times respectively on 2nd April, 2008, 29th April, 2008, 4th July, 2008, 29th October, 2008 and 29th January, 2009 and the proceedings were recorded and signed in the Minutes Book maintained in loose leaf form for the purpose. The Company has not passed any resolution by circulation.
5. The Company has closed its Register of Members from 8th August, 2008 to 14th August, 2008 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the 15th month's period ended 31st March, 2008 was held on 14th August, 2008, after giving notice to the members of the Company and resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose in loose leaf form.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act during the financial year.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. During the year, the Company has not appointed any person holding office or place of profit falling within the purview of Section 314 of the Act.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company

- (i) has delivered all the certificates on lodgement thereof for transfer in accordance with the provisions of the Act. There was no allotment/transmission of securities during the financial year.
- (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
- (iii) was not required to post warrants to any members of the Company as no dividend was declared during the financial year.
- (iv) was not required to transfer any amount to Investor Education and Protection Fund, since there was no amount, on account of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, lying with the Company, and which was required to be transferred to the said fund.
- (v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and appointments of Additional Director and Director have been duly made during the financial year. No appointment of any Alternate Directors and Directors to fill casual vacancies was made during the year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company has not made application to the Central Government for waiver of excess remuneration paid to Mrs. Zaver S. Bhanushali, as Managing Director of the Company.
18. The Directors of the Company have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any redeemable preference shares/debentures and hence the question of redemption does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Companies Act, 1956, during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. As per the information given by the management, no prosecution has been initiated against or show cause notices has been received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted its own Provident fund for its employees and therefore the provisions of Section 418 of the Act are not applicable to the Company.

For SHAH DHOLAKIA & ASSOCIATES
(Company Secretaries)

Place: Mumbai
Date: 8th July, 2009

(CS B. V. Dholakia)
Partner
C.P.No.507

Annexure A

A. Registers as maintained by the Company

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

Annexure-B

Forms and Returns as filed by the Company, during the financial year ended 31st March, 2009.i) With Registrar of Companies.

Sr. No.	Forms	Purpose
1.	Annual Accounts (Form 23AC and 23 ACA)	U/s.220 of the Companies Act, 1956 as on 31 st March, 2008 was filed on 26 th August, 2008.
2.	Annual Return (Form 20B)	U/s.159 of the Companies Act, 1956 as on 14 th August, 2008 was filed on 24 th November, 2008.
3.	Form 32	U/s.303 (2) of the Companies Act, 1956, was filed on 14 th April, 2008 for resignation of Mr. Gopal D. Bhanushali, Director with effect from 2 nd April, 2008.
4.	Form 32	U/s.303 (2) of the Companies Act, 1956, was filed on 17 th April, 2008 for appointment of Mr. Vikram P. Adagale as an Additional Director with effect from 2 nd April, 2008.
5.	Form 32	U/s.303 (2) of the Companies Act, 1956, was filed on 24 th April, 2008 for resignation of Mr. Tulsidas V. Bhadra, Director with effect from 16 th April, 2008.
6.	Form 32	U/s.303 (2) of the Companies Act, 1956, was filed on 10 th September, 2008 for appointment of Mr. Vikram P. Adagale as a Director at the Annual General Meeting held on 14 th August, 2008.
7.	Form 23	U/s 192 of the Companies Act, 1956 in respect of increase of remuneration of Mrs. Zaver S. Bhanushali, Managing Director, approved by the Board of Directors at their meeting held on 29 th April, 2008 is yet to be filed.

ii) With Regional Director.

Not Applicable

iii) With Central Government or other authorities.

Sr. No.	Forms	Purpose
1.	Form 25 A	U/s.198, 309, 310 and 311 and schedule XIII of the Companies Act, 1956, in respect of application to Central Government for waiver of excess remuneration paid to Mrs. Zaver S. Bhanushali, Managing Director of the Company with effect from 1 st April, 2008 is yet to be filed.

For **SHAH DHOLAKIA & ASSOCIATES**
(Company Secretaries)

Place: Mumbai

Date: 8th July, 2009(CS B. V. Dholakia)
Partner
C.P.No.507**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**To
The Members of
Caprolactam Chemicals Ltd.

We have examined the compliance of conditions of Corporate Governance by Caprolactam Chemicals Ltd., for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: - Mahad

Date : 9th July 2009For **Sumaria & Sumaria**
Chartered Accountants
J. J. Sumaria
Partner
Membership No. 39147

J.J. Sumaria:
B.Com., F.C.A.

SUMARIA & SUMARIA, CHARTERED ACCOUNTANTS
1, Mulund Vaibhav, Zaver Cross, Road,
Adjacent to Railway Station, Mulund (West),
Mumbai – 400 080

To,
The Members,
CAPROLACTAM CHEMICALS LIMITED,
MAHAD.

AUDITOR'S REPORT TO THE MEMBERS: -

We have audited the Balance Sheet of CAPROLACTAM CHEMICALS LIMITED as at 31st March 2009 and also the Profit & Loss a/c. for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the annexure referred to above, we report that;

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit;
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
- iii) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet and Profit & Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the directors, as on 31st March, 2009 and taken our record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009; and
 - b) In the case of the Profit & Loss Account, of the Profit (Loss) for the year ended on that date.

PLACE: MAHAD
DATED: 09/07/2009

For SUMARIA & SUMARIA
CHARTERED ACCOUNTANTS
J.J.SUMARIA
PARTNER
M.NO.:39147

ANNEXURE REFERED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the assets have not been physically verified by the management during the year but there is a regular system of verification at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and the nature if its assets. No material discrepancies were noticed on such verification.
 - (c) The company has not disposed off substantial part of its fixed assets, which affect the going concern status of the Company.
- 2) (a) The inventories are physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of such verification is adequate
 - (b) In our opinion and according to the information & 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.
 - (c) In our opinion, the company has maintained proper records of inventory. The discrepancies between the physical stock and book stocks were not material and have been properly dealt with in the books of the account.
- 3) The company has not granted any loans, secured or unsecured from / companies, firm or other parties covered in the Register maintained under section 301 of the companies Act, 1956 and accordingly paragraphs 4(iii) (b), (c) and (d) are not applicable.

- 4) In our opinion & according to the information and explanations give to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchases of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control procedures.
- 5) Based on the audit procedures applied by us and according to the information & explanation given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained in pursuance of section 301 of the companies Act, 1956.
- 6) In our opinion according to the information & explanations given to us, the company has not accepted any deposits from the public and hence paragraph 4(vi) of the order is not applicable.
- 7) The company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business
- 8) The rules made by the Central Government for the maintenance of Cost records under section 209(1)(d) of the Act are not applicable to the company.
- 9) (a) According to the records provided to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and other material statutory dues with appropriate authorities.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, , sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2009 for period of more than six months from the date they became payable.
(c) According to the information and explanations given to us, there is no disputed liability towards sales tax, income tax, custom duty, excise duty & cess that was not paid to the concerned authorities.
- 10) The Company has accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year and in immediately preceding year.
- 11) According to the records of the company examined by us and information and explanations given to us by the management, the company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
- 12) Based on our examination and according to information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund/ nidhi /mutual benefit fund/ society and clause (xiii) of the Order is not applicable.
- 14) The company is not dealing or trading in shares, securities, debentures, and other investments.
- 15) According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions and therefore paragraph 4(xv) of the order is not applicable.
- 16) In our opinion and according to the information and explanations given to us, no term loans have been taken from banks or financial institutions.
- 17) On the basis of our examination of the Balance Sheet of the Company and according to the explanations given to us, in our opinion, funds raised on short-term basis have not been used for long-term investment and vice versa.
- 18) The company has not allotted any shares on preferential basis to parties and companies covered in the register maintained under section 301 of the Act.
- 19) The company has not issued any secured debentures.
- 20) The company has not raised any money by issue of shares to the public.
- 21) During the course of examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year nor have we been informed of such case by the management.

PLACE : MAHAD
DATED :09/07/2009

For SUMARIA & SUMARIA
CHARTERED ACCOUNTANTS
J.J.SUMARIA
PARTNER
M.NO.: 39147

CAPROLACTAM CHEMICALS LIMITED.
BALANCE SHEET AS ON 31st MARCH 2009.

Particulars	Sch.	As on 31.03.2009 (Amount in Rs.)	As on 31.03.2008 (15 Months) (Amount in Rs.)
<u>SOURCES OF FUND</u>			
1. Share Holders Fund :			
a) Share Capital	1	45,903,000.00	45,903,000.00
b) Reserves & Surplus	2	<u>(33,680,561.00)</u>	<u>(36,827,291.00)</u>
2. Loan Funds			9,075,709.00
a) Secured Loans	3	1,203,242.00	1,772,104.00
b) Unsecured Loans	4	<u>6,443,600.00</u>	9,975,000.00
c) Deferred Tax Liabilities	5	<u>3,413,350.00</u>	<u>3,521,609.00</u>
Total		<u><u>23,282,631.00</u></u>	<u><u>24,344,422.00</u></u>
<u>APPLICATION OF FUNDS</u>			
1) Fixed Assets			
Gross Block	6	92,532,206.00	92,461,993.00
Less : Depreciation		<u>76,783,153.00</u>	74,363,808.00
Net Block		15,749,053.00	18,098,185.00
2) Net Current Assets			
Current Assets, Loans & Advances			
1) Inventories		923,900.00	1,012,840.00
2) Sundry Debtors	7	6,578,452.00	4,621,181.00
3) Cash & Bank Balance	8	347,357.00	1,299,091.00
4) Loans & Advances	9	<u>1,551,742.00</u>	<u>1,903,697.00</u>
		9,401,451.00	8,836,809.00
Less :			
Current Liabilities & Provisions	10	1,867,873.00	<u>2,590,572.00</u>
Net Current Assets		<u>7,533,578.00</u>	<u>6,246,237.00</u>
Total		<u><u>23,282,631.00</u></u>	<u><u>24,344,422.00</u></u>

AS PER OUR REPORT OF EVEN DATE

FOR SUMARIA & SUMARIA

Chartered Accountants

J.J. SUMARIA

Partner

Place : Mahad

Date : 09/07/09

FOR CAPROLACTAM CHEMICALS LTD.

MRS. Z.S. BHANUSHALI

(MANAGING DIRECTOR)

S.S BHANUSHALI

V.P. ADAGALE

DIRECTORS

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

Particulars	Sch.	As on 31.03.2009	As on 31.03.2008
		(Amount in Rs.)	(15 Months) (Amount in Rs.)
I. INCOME			
a) Sales & Job Work		21,675,690.00	29,310,387.00
b) Other Income	11	137,997.00	697,873.00
Total.....A		21,813,687.00	30,008,260.00
II. EXPENDITURE			
(a) Opening Stock		1,012,840.00	619,769.00
Purchases For Manufacturing		712,899.00	724,563.00
		1,725,739.00	1,344,332.00
Less : Closing Stock		923,900.00	1,012,840.00
		801,839.00	331,492.00
(b) Manufacturing & Direct Exp.	12	12,168,078.00	15,792,372.00
(c) Administrative, Selling & Distribution Exp.	13	2,533,991.00	4,441,505.00
(d) Managerial Remuneration		439,200.00	420,800.00
(e) Auditors Remuneration		28,090.00	28,090.00
(f) Depreciation		2,419,344.00	3,111,500.00
Total.....B		18,390,542.00	24,125,759.00
III. PROFIT (LOSS) BEFORE TAXATION (A-B)		3,423,145.00	5,882,501.00
IV. A PROVISION FOR TAXATION			
a. Taxation For Current Year		(352,584.00)	(408,564.00)
b. Provision For Fringe Benefit Tax		(32,091.00)	(25,480.00)
B SHORT PROVISION TO EARLIER		(575,985.00)
C DEFERRED TAX BENEFIT		305,922.00	545,091.00
V. PROFIT (LOSS) AFTER TAX		3,344,392.00	5,417,563.00
VI. PRIOR PERIOD ITEMS			
DEFERRED TAX ASSET WRONG PROVISION		(197,662.00)
VI. SURPLUS B/F.		(36,827,291.00)	(42,244,854.00)
VII. BALANCE CARRIED TO BALANCE SHEET		(33,680,561.00)	(36,827,291.00)
ACCOUNTING POLICIES AND NOTES	14		
ON ACCOUNTS			

AS PER OUR REPORT OF EVEN DATE

FOR SUMARIA & SUMARIA

Chartered Accountants

J.J. SUMARIA

Partner

Place : Mahad

Date : 09/07/09

FOR CAPROLACTAM CHEMICALS LTD.

MRS. Z.S. BHANUSHALI

(MANAGING DIRECTOR)

S.S BHANUSHALI

V.P. ADAGALE

DIRECTORS

<u>SCHEDULE FORMING PART OF ACCOUNTS</u>	As on 31.03.2009 (Amount in Rs.)	As on 31.03.2008 (15 Months) (Amount in Rs.)
<u>SCHEDULE - 1</u>		
Equity Capital		
a) Authorized Capital		
50,00,000 Equity Shares of Rs.10/- Each	5,00,00,000.00	5,00,00,000.00
b) Issued, Subscribed & Paid Up		
46,00,000 Equity Shares of Rs.10/ Each	4,60,00,000.00	4,60,00,000.00
Less : Calls Unpaid	97,000.00	97,000.00
Total	4,59,03,000.00	4,59,03,000.00
<u>SCHEDULE - 2</u>		
Reserve & Surplus :		
Profit & Loss Account	(33,680,561.00)	(36,827,291.00)
<u>SCHEDULE - 3</u>		
<u>SECURED LOANS :</u>		
Deferred Sales Tax Loan	1,203,242.00	17,72,104.00
<u>SCHEDULE - 4</u>		
<u>UNSECURED LOANS FROM DIRECTORS :</u>		
	6,443,600.00	9,975,000.00
<u>SCHEDULE - 5</u>		
Deferred Tax Liability	3,521,609.00	40,66,700.00
Less :- Deferred Tax Asset	108,259.00	545,091.00
Total	3,413,350.00	3,521,609.00
<u>SCHEDULE - 7</u>		
SUNDRY DEBTORS :	6,578,452.00	4,621,181.00
<u>SCHEDULE - 8</u>		
<u>CASH & BANK BALANCE</u>		
Balance with schedule Banks	299,307.00	1,288,445.00
Cash In Hand	48,050.00	10,646.00
Total	347,357.00	1,299,091.00
<u>SCHEDULE - 9</u>		
<u>LOANS & ADVANCES :</u>		
	1,551,742.00	1,903,697.00
<u>SCHEDULE - 10</u>		
<u>CURRENT LIABILITIES :</u>		
a) <u>SUNDRY CREDITORS FOR GOODS AND CAPITAL :</u>	975,529.00	1,196,724.00
b) <u>SUNDRY CREDITORS FOR EXPENSES :</u>	892,344.00	1,393,848.00
	1,867,873.00	2,590,572.00
<u>SCHEDULE - 11</u>		
<u>OTHER INCOME</u>		
Bank F.D.R. Interest	30,198.00	42,512.00
Discount From Sundry Creditors & Others	74,324.00	651,046.00
Interest On Income Tax Refund	33,475.00	4,315.00
Total	137,997.00	697,873.00

SCHEDULE - 12

MFG. JOBWORK & DIRECT EXPENSES	<u>12,168,078.00</u>	<u>15,792,372.00</u>
Electricity Charges	1,396,700.00	2,318,130.00
Fuel Charges	5,245,505.00	5,126,267.00
Infrastructure Damage Expenses	----	43,275.00
Lab Equipments	149,285.00	35,106.00
Labour Charges	3,146,456.00	3,094,074.00
Rate Difference on Spares Tools	----	2,000.00
Repairs & Maintenance-Machinery	87,385.00	249,443.00
Sales Tax	8,688.00	4,782.00
Spares Tools & Accessories	916,792.00	3,549,719.00
Transport On Fuel	448,689.00	690,937.00
Transport On Spare	37,245.00	91,663.00
Utility Expenses	356,428.00	41,811.00
Wages & Salaries	94,110.00	126,486.00
Water Cess	----	5,345.00
Water Charges	266,215.00	368,944.00
Weighing Charges	14,580.00	44,390.00

SCHEDULE - 13

ADMINISTRATIVE EXPENSES	<u>2,472,571.00</u>	<u>4,402,641.00</u>
Account Writing Charges	----	128,000.00
Bank Charges	1,981.00	15,057.00
Commission	4,400.00	469,000.00
Conveyance	36,155.00	26,404.00
Courier Charges	23,643.00	28,949.00
Diesel & Petrol Charges	423,767.00	728,928.00
Education Cess On Service Tax	269.00	462.00
Electrical Inspection	4,500.00	4,500.00
Emergency Response Centre (ERC)	----	11,218.00
Factory Insurance	56,629.00	127,866.00
Garden Maintenance	19,500.00	1,845.00
General Expenses	52,945.00	48,612.00
Gram Panchayat Tax	----	50,701.00
Inspection Charges	1,350.00	----
Insurance Charges	9,267.00	51,490.00
Internet Service Charges	5,800.00	1,500.00
License Fees	31,695.00	116,790.00
Listing Fees	11,084.00	10,000.00
Loading & Unloading	31,734.00	47,011.00
Medical Expenses	32,564.00	28,872.00
Meeting Fees	5,000.00	12,000.00
Motor Car Expenses	72,541.00	125,470.00
Office Salary	785,500.00	872,200.00
Packing & Forwarding	4,907.00	1,465.00
Postage & Telegram	32,740.00	40,622.00
Printing & Stationery	10,893.00	25,743.00
Professional Fees	111,037.00	324,752.00
Profession Tax (Company)	2,500.00	2,500.00

Provident Fund	12,864.00	17,203.00
Repairs & Maintenance - Others	333,987.00	592,808.00
R.O.C. Fees	4,000.00	7,300.00
Service Tax On Transport	13,488.00	23,697.00
Special & Higher Ed.Cess On Transport	135.00	2,563.00
Staff Welfare	201,556.00	----
Subscription Charges	5,050.00	19,690.00
Sundry Expenses	----	295,016.00
Telephone Charges	100,219.00	110,981.00
Travelling Expenses	13,800.00	----
Weight & Measurement Charges	----	1,300.00
Workmen Insurance	15,071.00	30,126.00
Selling & Distribution Exp.		
Advertisement	61,420.00	38,864.00
GRAND TOTAL	2,533,991.00	4,441,505.00

SCHEDULE - 14**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****1. Significant Accounting Policies****A. Method of Accounting:**

The books of Accounts are maintained under the Historical Cost Conventions on an accrual basis.

B. Fixed Assets:

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

C. Depreciation:

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

D. Inventories:

I. Stock in trade comprise of raw materials valued at cost or market value whichever is less.

II. Finished stock is valued at cost.

E. Retirement Benefit:

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

F. Power & Fuel:

Power & Fuel consumption on account of Job work is not considered for Quantitative details.

G. Company's Activity:

During the year under Audit the Company has carried mainly Job work activity

2. The figure of the previous year are regrouped or reclassified as wherever necessary.

3. The closing stock of raw material and finished stock is taken as ascertained, valued and certified by the Management.

4. Balance of debtors and creditors are subject to confirmation and reconciliation.

5. No provision for taxation has been made as there is pending earlier year losses.

6. Details of payment to Auditors

For Audit work Rs. 15,000/-

For Tax audit Rs. 5,000/-

For Taxation matter Rs. 5,000/-

7. Calls unpaid on account of share capital Rs. 97,000 are Subject to Reconciliation.

8. The company's activities falls under only one segment.

9. Deferred tax resulting from timing difference of depreciation between books and Income Tax is accounted for under the liability method at the current rate of tax, to the extent that the timing difference are expected to crystallise as deferred tax charge /benefit in the Profit & Loss account and as deferred tax asset/liabilities in the balance sheet.

10. Related party disclosures:-

Sr. No.	Name of Person	Nature of Relationship	Nature of Transaction	Amount(Rs.)
1	ZAVER S. BHANUSHALI	MANAGING DIRECTOR	DIRECTOR REMUNERATION	Rs. 2,40,000/-
			REPAYMENT OF LOAN	Rs. 66,15,775/-

2	SIDDHARTH S. BHANUSHALI	Director (Tech.Consultant)	DIRECTOR REMUNERATION REPAYMENT OF LOAN	Rs. 1,99,200/- Rs. 86,85,000/-
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11. Quantitative & Turnover Information**A. LICENSED CAPACITY**

	Current Year (in MT)	Previous Year (in MT)
1. E.O. Condensates Emulsifiers / Glycol Ether	1000	1000
2. Vinyl Sulphone / Dyes Intermediates	600	600
3. Ethyl Acetate	3000	3000
4. Liquified Solvent	19000	19000

B. INSTALLED CAPACITY

1. E.O. Condensates Emulsifiers / Glycol Ether	1000	1000
2. Vinyl Sulphone / Dyes Intermediates	600	600
3. Ethyl Acetate	3000	3000
4. Liquified Solvent	19000	19000

C. PRODUCTION OF FINISHED GOODS

Chemicals	23.048	-----
-----------	--------	-------

D. PURCHASE OF GOODS

	Current Year			Previous Year
	Qty. (Mt.)	Value (Rs.)	Qty. (Mt.)	Value (Rs.)

1. Chemicals	17.910 & 1 no	7,12,899	16.790	7,24,563
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E. SALE OF GOODS

1. Chemicals & Others	22.210 & 51 no.	8,42,831	9.500	4,90,977
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F. CLOSING STOCK OF FINISHED GOODS	1.667	2,11,608	0.249	50,943
---	-------	----------	-------	--------

G. RAW MATERIAL CONSUMED

1. Acetic Acid	17.330	6,62,364	-----	-----
2. Alkaline Phenol	1.000	30,285	-----	-----
3. S.D.S	19.270	1,36,310	0.784	5,546
4 Sundry Chemicals	-----	12,400	-----	43,527

H. VALUE OF STORES & SPARES CONSUMED

1. Imported	-----	-----	-----	-----
2. Indigenous (100 %)	-----	9,15,834	-----	36,16,916

I. VALUE OF IMPORTS

NIL	NIL
-----	-----

J. EXPENDITURE IN FOREIGN CURRENCY

NIL	NIL
-----	-----

K. EARNINGS IN FOREIGN CURRENCY

NIL	NIL
-----	-----

(For Schedule 1 to 14)

AS PER OUR REPORT OF EVEN DATE
FOR SUMARIA & SUMARIA

Chartered Accountants
J.J. SUMARIA
Partner
M. No. 39147
Mahad, 09th July, 2009

For CAPROLACTAM CHEMICALS LTD.

Mrs. Z.S. BHANUSHALI
Managing Director
S.S. BHANUSHALI } Directors
V.P. ADAGALE. }

Mahad, 09th July, 2009

SCHEDULE 5 FIXED ASSETS

NET BLOCK	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 31/03/08	Add	As on 31/03/09	As on 31/03/08	For the year	As on 31/03/09	As on 31/03/09	As on 31/03/08
A. LAND								
1. Leasehold	399,089.00	---	399,089.00	----	----	----	399,089.00	399,089.00
B. BUILDINGS								
1. Factory Building	7,162,007.00	---	7,162,007.00	5,659,678.13	150,232.89	5,809,911.02	1,352,095.98	1,502,328.87
2. Administration Bldg.	558,415.00	---	558,415.00	397,541.71	16,087.33	413,629.04	144,785.96	160,873.29
C. PLANT & MACHINERY								
1. Glycol Ether Plant	20,251,978.00	---	20,251,978.00	13,178,841.15	983,873.34	14,162,714.49	6,089,263.51	7,073,136.85
2. Vinyl Sulphone Plant	18,985,393.00	---	18,985,393.00	16,600,173.05	331,784.10	16,931,957.15	2,053,435.85	2,385,219.95
3. Ethyl Acetate Plant	31,618,291.00	---	31,618,291.00	26,747,580.34	677,515.85	27,425,096.19	4,193,194.81	4,870,710.66
4. E.O. Storage Plant	1,413,362.00	---	1,413,362.00	1,196,504.82	30,164.83	1,226,669.65	186,692.35	216,857.18
5. E.T.P.	5,954,720.00	---	5,954,720.00	4,870,995.90	150,746.02	5,021,741.92	932,978.08	1,083,724.10
6. Steel Tank	161,400.00	---	161,400.00	102,132.55	8,244.10	110,376.65	51,023.35	59,267.45
D. OFFICE EQUIPMENTS								
1. Electronic Calculator	6,040.00	---	6,040.00	5,501.93	74.85	5,576.78	463.22	538.07
3. Fax Machine	47,795.00	---	47,795.00	39,575.66	1,143.31	40,718.97	7,076.03	8,219.34
4. EPABX	102,900.00	---	102,900.00	87,973.26	2,076.31	90,049.57	12,850.43	14,926.74
5. Air Conditioners	214,100.00	---	214,100.00	177,642.15	5,071.29	182,713.44	31,386.56	36,457.85
6. Pagers & Mobile Phone	62,233.00	---	62,233.00	53,058.32	1,276.20	54,334.52	7,898.48	9,174.68
7. Xerox Machine	58,831.00	---	58,831.00	49,237.57	1,334.45	50,572.02	8,258.98	9,593.43
8. Software Program	50,000.00	---	50,000.00	29,641.39	2,831.88	32,473.27	17,526.73	20,358.61
E. FURNITURE & FITTINGS								
1. Furniture & Fixtures	674,561.00	70,213.00	744,774.00	633,717.69	11,543.79	645,261.48	99,512.52	40,843.31
2. Electrical Installation	1,598,111.00	---	1,598,111.00	1,459,607.58	25,069.12	1,484,676.70	113,434.30	138,503.42
F. VEHICLES								
1. Motor & Motor Cycle	1,413,702.00	---	1,413,702.00	1,381,395.79	8,364.08	1,389,759.87	23,942.13	32,306.21
2. Cycle	800.00	----	800.00	800.00		800.00	----	----
3. Truck	1,085,585.00	---	1,085,585.00	1,060,465.15	7,535.96	1,068,001.11	17,583.90	25,119.85
1. Computers	642,681.00	---	642,681.00	631,744.20	4,374.72	636,118.92	6,562.08	10,936.80
TOTAL (Rs.)	92,461,994.00	70,213.00	92,532,207.00	74,363,808.34	2,419,344.42	76,783,152.76	15,749,054.24	18,098,185.66
PREVIOUS YEAR (Rs.)	88,033,212.00	4,428,782.00	92,461,994.00	71,891,993.53	2,471,814.81	74,363,808.34	18,098,185.66	16,141,218.47

12. The information relating to the Balance Sheet abstracted and the Company's general business profile as per Part IV of Schedule VI to the Companies Act, 1956 is as under:

I. Registration Details

Registration No. 11-49683 of 1992
Balance Sheet Date 31-03-2009

State Code : 11

II. Capital raised during the Year

Public Issue NIL
Bonus Issue NIL

Right Issue NIL
Private Placement (Promoters) NIL

III. Position of Mobilisation and Deployment of Funds

Total Liabilities 2,32,82,631

Total Assets 2,32,82,631

Sources of Funds

Paid-up Capital 4,59,03,000
Secured Loans 12,03,242
Deferred Tax 34,13,350

Reserves and Surplus (3,36,80,561)
Unsecured Loans 64,43,600

Application of Funds

Net Fixed Assets 1,57,49,053
Net Current Assets 75,33,578

Investments NIL
Misc. Expenditure NIL

IV. Performance of Company

Turnover 2,16,75,690
Profit/Loss before tax 34,23,145
Earning Per share Rs. 0.73

Total Expenditure 1,83,90,542
Profit/(Loss) after tax 33,44,392
Dividend Rate % NIL

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

1. Item Code No. (ITC Code)

NA

Mrs. Z.S. BHANUSHALI
Chairperson & Managing Director
S.S. BHANUSHALI } Director
V.P. ADAGALE } Director

Mahad, 09th July, 2009.

CASH FLOW STATEMENT FOR THE YEAR 31/03/2009

	As On 31/03/2009	As on 31/03/2008 (15 Months)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	34,23,145	58,82,501
Add : Adjusted for Depreciation	24,19,344	31,11,500
Operating Profit before working capital charges	58,42,489	89,94,001
Add : Changes in Trade & Other receivables	(16,05,316)	9,43,589
Inventories	88,940	(3,93,071)
Trade payable	(11,07,372)	(22,25,999)
Cash Generated from operation	32,18,741	73,18,520
Less : Interest Paid	----	----
Earlier year tax paid	----	(5,75,985)
Net Cash flow from operating activities	32,18,741	67,42,535
B. CASH FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(70,213)	(44,28,782)
Net Cash used in investing activities	(70,213)	(44,28,782)
C. CASH FROM FINANCING ACTIVITIES		
Proceeds from Borrowing	(41,00,262)	(16,43,000)
Net Cash from financing activities	(41,00,262)	(16,43,000)
Net Changes in Cash & Cash Equivalents (A+B+C)	(9,51,734)	6,70,753
Cash & Cash Equivalents as at 31-03-2008	12,99,091	6,28,338
Cash & Cash Equivalents as at 31-03-2009	3,47,357	12,99,091

FOR CAPROLACTAM CHEMICALS LTD.

Z.S. BHANUSHALI SS BHANUSHALI
Chair Person and Managing Director V.P. ADAGALE

Directors

Auditors Certificate

We have verified the above cash flow statement of Caprolactam Chemicals Limited derived from the audited annual financial statements for the year ended 31st March, 2009 And 31st March, 2008 (15 months) and found them to draw in accordance therewith and also with the requirements of clause 32 of the listing agreements with Stock Exchange.

FOR SUMARIA & SUMARIA
Chartered Accountants

Mahad. 9th July 2009

(J.J. Sumaria)
Partner

CAPROLACTAM CHEMICALS LIMITED

Plant & Regd. Office : B-31, M.I.D.C., Mahad, Dist - Raigad - 403 201, Maharashtra.

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company being held on 29th September 2009 at 11.00 a.m. at B-31,

MIDC, Mahad, Dist. Raigad - 402 301, Maharashtra.

Signature of Shareholder or proxy

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

Please cut here

PROXY FORM

CAPROLACTAM CHEMICALS LIMITED

B-31, M.I.D.C., Mahad, Dist - Raigad - 402 301, Maharashtra

Folio No.:

Sr. No.

Number of Shares

I/We _____

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

Or failing him _____

Of _____

As my / our Proxy to VOTE for me / us on my / our behalf at the Annual General Meeting of the Company on 29th September 2009 at 11.00

a.m. at B-31, MIDC, Mahad, Dist. Raigad - 402 301, Maharashtra.

Signed this _____ days of _____ 2009.

REVENUE
STAMP

Signature

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

BOOK POST

IF Undelivered please return to:
CAPROLACTAM CHEMICALS LIMITED
B-31, M.I.D.C., Mahad,
Dist-Riagad-402301, Maharashtra.