

Date: 03.09.2022

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 Thursday September 29th, 2022. 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 2021-22 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 22nd September, 2022 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 25th September, 2022 and end on 5.00 p.m. on 28th September, 2022.

'The Annual Report containing the Notice is also uploaded on the Company's website www.caprolactam.co.in

Thanking you
Yours faithfully,
For Caprolactam Chemical Limited



Zaver Shankarlal Bhanushali
Managing Director
DIN: 00663374



Caprolactam Chemicals Limited

CIN NO: - U24110MH1988PLC049683

33rd Annual Report
31-03-2022

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. Pulindra Patel & Co.
Chartered Accountant

BANKERS

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

Company Secretary

Dolly
Dipesh Shah

SHARE TRANSFER AGENT WORKS

Purva Sharegistry (India) Pvt. Ltd.
Unit no. 9,
Shiv Shakti Industrial Estate,
J. R. Boricha Marg,
Near Lodha Excelus
Lower PAREL (E), Mumbai 400011.
Ph No. 022-23018261 / 0771
support@purvashare.com

REGISTERED OFFICE &

B/31, MIDC MAHAD,
Dist: Raigad-402302
Maharashtra.
Mobile: 9869234017 /
9222076509
Ph No. 02145-233427.
caprolactam@gmail.com

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NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of **Caprolactam Chemicals Limited** will be held on Thursday the 29th September, 2022 at 11:00 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. Maharashtra- 402302:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the reports of the Board of Directors and Auditors thereon.

SPECIAL BUSINESS:

2. **Approval for Related Party Transactions:**

To pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Mr. Siddharth Shankarlal Bhanushali, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for usage of Technical Know How(Tert-butyl hydroquinone and any other products), on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 1,00,00,000/- (One Crore Only) per annum for the financial year 2022-23, provided that the said contract(s)/ arrangement(s)/transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

To pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Ms. Zaver Bhanushali and Mr. Siddharth Shankarlal Bhanushali , a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for leasing of property (7th Vaishali Apartment, 353/2B, R.B. Mehta Marg, Ghatkopar (East), Mumbai - 400077), on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 12,00,000/- (Twelve Lakhs) per annum for the financial year 2022-23, provided that the said contract(s)/ arrangement(s)/transaction(s) so carried out shall be at arm’s length basis

and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

To pass the following resolution as an Ordinary Resolution:

“**RESOLVED** that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Mr. Shankar Bhanushali, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for rendering consultancy services(Liaising Work), on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 18,00,000/-per annum for the financial year 2022-23, provided that the said contract(s)/ arrangement(s)/transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

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

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

Date: 03/09/2022
Place: Mahad

Sd/-
Zaver S Bhanushali
Managing Director
DIN - 00663374

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) allowed conducting Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) and dispensed physical presence of the Members at a common venue. Accordingly, MCA issued Circular No. 20/2020 dated 5th May, 2020 read with Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular No. 19/2021 dated 8th December, 2021 and Circular No. 02/2022 dated 05th May, 2022* (hereinafter collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide Circular Nos. SEBI/HO/CFD/CMD1CIR/P/2020/79 dated 12th May, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 (hereinafter collectively referred to as SEBI Circulars) prescribing the procedures and manner of conducting the AGM through VC/OAVM. In terms of the said Circulars, the 33rd AGM of the Members will be held through VC/OAVM mode. Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the Meeting through VC/OAVM is given at Note No. 8 below and is also available on the website of the Company at 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**.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September 2022 to 29th September 2022 (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** 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 2021-22, is available on the website of the Company at 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 below 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 at least **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 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. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. 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.
 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 E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL e-Voting system in case of individual

shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 25th September, 2022 (09:00 a.m.) and ends on 28th September, 2022 (05:00 p.m.). 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 22nd September, 2022 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.

Step 1 : Access through Depositories CDSL e-Voting system in case of individual shareholders holding shares in demat mode.

- (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 CDSL/NSDL** is given below:

| Type of shareholders | Login Method |
|---|--|
| <p>Individual Shareholders holding securities in Demat mode with CDSL Depository</p> | <ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 the 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 & 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 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 www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & 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. |
| <p>Individual Shareholders holding securities in demat mode with NSDL Depository</p> | <ol style="list-style-type: none"> 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: https://eservices.nsd.com 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 provider website for casting your vote during the remote e- |

| | |
|--|--|
| | <p>Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 & voting during the meeting</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | 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 & voting during the meeting. |

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

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website 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 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 | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

- (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 (**Caprolactam Chemical Limited**) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **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 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.
 - 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 will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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 mandatory 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** (designated email address

by the Company), 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 or contact at toll free no. 1800 22 55 33.

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 or call toll free no. 1800 22 55 33.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”)

Item No. 2

In light of provisions of Section 188(1) of the Companies Act, 2013 and rules made thereunder, the Audit committee and Board of Directors of the Company have approved the transactions along with the annual limits that your company may enter with its related parties for the financial year 2022-23.

All disclosures prescribed to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are provided in the table appended below for the perusal of the members.

| Name of the Related Party | Nature of relationship | Nature of the transaction | Duration of the Contract | Maximum Expected Value of the transactions per annum (Rs) |
|---|--------------------------------|---------------------------------------|--|---|
| Siddharth Shankarlal Bhanushali | Director | Supply of Technical Know How | Supply of Technical Know How, On going, Tert-butyl hydroquinone and any other products | Rs. 1,00,00,000 per annum |
| Shankar Bhanushali | Spouse of MD | Consultancy service fee | Service fee, On going, Liaising work | Rs. 18,00,000/- per annum |
| Zaver Bhanushali and Siddharth Bhanushali | Managing Director and Director | Leasing their property to the Company | Leasing Agreement On going, 7th Vaishali Apartment, 353/2B, R.B. Mehta Marg, Ghatkopar (East), Mumbai - 400077 | Rs. 12,00,000/- per annum. |

- (a) Name of the related party and Nature of Relationship: as mention above
- (b) Nature, duration of the contract and particulars of the contract or arrangement
- (c) Any advance paid or received for the contract or arrangement, if any. Nil
- (d) Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract: All proposed transactions would be carried out as part of the business requirements of the Company and are ensured to be on arm's length basis.
- (e) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors: All factors have been considered.
- (f) Any other information relevant or important for the Board to take a decision on the proposed transaction: Nil

Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the Company shall vote on such ordinary resolution to approve any contract or arrangement, if such member is a related party.

A copy of the draft agreement with said related parties setting out the terms and conditions are available for inspection without any fee to members at the Company's registered office during the normal business hours on working days up to the date of the AGM and will be placed on the website of the company.

Your Directors recommend the resolution for your approval.

Except Ms. Zaver Bhanushali and Mr Siddharth Shankarlal Bhanushali, none of the Directors, Key Managerial Persons of the Company and their relatives is/are concerned or interested in the resolution.

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

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

Date: 03/09/2022
Place: Mahad

Sd/-
Zaver S Bhanushali
Managing Director
DIN - 00663374

DIRECTOR'S REPORT

To the Members of the Company,

Your Directors have pleasure in presenting the 33rd Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31st March, 2022. The financial results of the Company are summarized below:

FINANCIAL HIGHLIGHTS AND OPERATIONS:

| Particulars | (Amount in Lacs) | (Amount in Lacs) |
|--|-------------------------|-------------------------|
| | 31st March, 2022 | 31st March, 2021 |
| Profit /Loss (before interest, depreciation and tax) | (16.286) | 225.359 |
| Less: Interest | 27.644 | 29.684 |
| Less: Depreciation | 103.471 | 106.550 |
| Profit /Loss before Tax | (147.401) | 89.125 |
| Less: Loss on obsolescence/damage to Plant/assets | - | - |
| Less: Current Tax | - | 27.130 |
| Less: Deferred Tax | (19.188) | (3.062) |
| Profit /Loss After Tax | (128.213) | 65.057 |

The financial performance of the Company was not 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 2021-22.

SHARE CAPITAL:

The paid-up Equity share capital of the Company as on 31st March, 2022 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) Ms. Zaver Shankarlal Bhanushali – Managing Director;
- b) Mr. Siddharth Shankarlal Bhanushali – Chief Financial Officer.
- b) Ms. Dolly Shah – Company Secretary and Compliance Officer.

DIRECTORS:

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

| Name of the Director | Designation |
|-------------------------------------|----------------------|
| 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

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 6 times during the financial year ended 31st March 2022 i.e. on 30th April, 2021; 30th June, 2021; 10th August, 2021; 19th August, 2021; 13th November, 2021 and 14th February, 2022. 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 | 6 |
| Ms. Poonam Bhavin Bhanushali | Member | 6 |
| Mr. Rajesh P. Mange | Member | 6 |

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. Vikram P. Adagale (Chairman of the Committee), Ms. Poonam Bhavin Bhanushali and Mr. Rajesh P. Mange as members of the Committee.

During the financial year, the committee met 1 time i.e. on 30th June, 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 | 1 |
| Ms. Poonam Bhavin Bhanushali | Member | 1 |
| Mr. Rajesh P. Mange | Member | 1 |

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, 2022 paid to the Executive/Non-Executive Directors are as follows:

| | Designation | Remuneration |
|-----------------------------|------------------------------|---------------------|
| Ms. Zaver S. Bhanushali | Chairman & Managing Director | INR 420000.00 |
| Mr. Siddharth S. Bhanushali | Whole-time Director | INR 420000.00 |

The Company has paid sitting fees of Rs. 2,000/- per meeting to Non-Executive Directors during the financial year 2021-22.

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 member 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 8th February, 2022 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 31st March, 2022, 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 31st March, 2022 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:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

NUMBER OF MEETINGS OF THE BOARD:

The Board met 9 (Nine) 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 2nd June, 2021; 30th June, 2021; 10th August, 2021; 19th August, 2021; 2nd September, 2021; 13th November, 2021; 8th February, 2022; 14th February, 2022 and 25th February, 2022.

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. 2021-22 |
|--------------------------|--|
| Zaver S. Bhanushali | 9/9 |
| Siddharth S. Bhanushali | 9/9 |
| Vikram P. Adagale | 9/9 |
| Poonam Bhanushali | 9/9 |
| Rajesh P. Mange | 9/9 |

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.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, 2022 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://caprolactam.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 2021-22. 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. Pulindra Patel & Co., Chartered Accountant (Firm Registration No.: -115187W) were appointed as the statutory Auditors' of your Company for the financial year 2021-22 and according they have audited the accounts of the Company.

INTERNAL AUDITOR:

M/s Shrey Pandey & Associates., Chartered Accountant (Firm Registration No.: -149221W) were appointed as the Internal Auditors' of your Company for the financial year 2021-22.

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. Pulindra Patel & Co, 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

For and behalf of the Board of Directors

Date: 03.09.2022

Sd/-

Sd/-

Zaver Shankarlal Bhanushali
Managing Director
DIN: 00663374

Siddharth Shankarlal Bhanushali
Whole time Director
DIN: 01721586

Annexure A

| | |
|----------------------|------------------------------------|
| Title | Nomination and Remuneration Policy |
| Revision Date | 14 th August, 2019 |
| Version No. | 2.0 |
| Revision Date | New Policy |
| Policy Owner | Compliance & Secretarial |

This document is the sole property Caprolactam Chemicals Limited (the “Company”). Any use or duplication of this document without express permission of the Company is strictly forbidden and illegal.

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;
- 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;
- 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.

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2022

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

I. REGISTRATION & OTHER DETAILS:

| | | |
|---|--|--|
| 1 | CIN | L24110MH1988PLC049683 |
| 2 | Registration Date | 18/11/1988 |
| 3 | Name of the Company | Caprolactam Chemicals Limited |
| 4 | Category/Sub-category of the Company | Company limited by Shares |
| 5 | Address of the Registered office & contact details | B-31 MIDC, Industrial Area Mahad Raigad Maharashtra 402302 Tel: 02145-233427; 9222076509; 9869234017 E-mail: caprolactam@gmail.com; caprolactamcl@gmail.com |
| 6 | Whether listed company | Yes |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Purva Sharegistry (I) Pvt. Ltd. No-9, Shiv Shakti Industrial Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai - 400 011 Tel. : 022-2301 6761 / 2301 8261 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN - REFER ANNEXURE TO MGT-9

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--------------------------|---|----------|-------|-------------------|---|----------|-------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | | | | | | | | | |
| b) Central Govt | | | | | | | | | |
| c) State Govt(s) | | | | | | | | | |
| d) Bodies Corp. | | | | | | | | | |
| e) Banks / FI | | | | | | | | | |
| f) Any other | | | | | | | | | |
| Sub Total (A) (1) | | | | | | | | | |
| (2) Foreign | | | | | | | | | |
| a) NRI Individuals | | | | | | | | | |
| b) Other | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | |
| d) Any other | | | | | | | | | |
| Sub Total (A) (2) | | | | | | | | | |
| TOTAL (A) | | | | | | | | | |

| B. Public | | | | | | | | | |
|--|--|---|----------------------------------|---|-------------------------------------|---|--|--|--|
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | | | | | | | | | |
| b) Banks / FI | | | | | | | | | |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance | | | | | | | | | |
| g) FIs | | | | | | | | | |
| h) Foreign Venture Capital | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| Sub-total (B)(1):- | | | | | | | | | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | | | | | | | | | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | | | | | | | | | |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 | | | | | | | | | |
| c) Others (LLP) | | | | | | | | | |
| Non Resident Indians | | | | | | | | | |
| Overseas Corporate Bodies | | | | | | | | | |
| LLP | | | | | | | | | |
| Foreign Nationals | | | | | | | | | |
| HUF | | | | | | | | | |
| Clearing | | | | | | | | | |
| Trusts | | | | | | | | | |
| Foreign Bodies - D | | | | | | | | | |
| Sub-total (B)(2):- | | | | | | | | | |
| Total Public (B) | | | | | | | | | |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total | | | | | | | | | |
| (ii) Shareholding of Promoter | | | | | | | | | |
| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year | |
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | | |
| | | | | | | | | | |
| (iii) Change in Promoters' Shareholding (please specify, if there is no change) REFER ANNEXURE TO MGT-9 | | | | | | | | | |
| SN | Particulars | 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 | | |
| | | | | | | | | | |
| (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 |
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 2,15,00,000 | 3,00,00,000.00 | - | 5,15,00,000 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not | - | - | - | - |
| Total (i+ii+iii) | 2,15,00,000 | 3,00,00,000.00 | - | 5,15,00,000 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 4,59,55,000 | 67,155 | - | 4,60,22,155 |
| * Reduction | 5,96,05,000 | 3,83,985 | - | 5,99,88,985 |
| Net Change | 1,36,50,000 | 3,16,830 | - | 1,39,66,830 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 78,50,000 | 2,96,83,170 | - | 3,75,33,170 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not | 3,79,487 | - | - | 3,79,487 |
| Total (i+ii+iii) | 82,29,487 | 2,96,83,170 | - | 3,79,12,657 |

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 | Siddharth Shankarlal Bhanushali | Zaver Shankarlal Bhanushali | (Rs) |
| | Designation | 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 | - | - | - |
| | Total (A) | 4,20,000 | 4,20,000 | 8,40,000 |
| | Ceiling as per the Act | NIL | NIL | 0.00 |

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 Bhar | Dolly Mehta | (Rs/Lac) | |
| | Designation | CEO | CFO | CS | |
| 1 | Gross salary | 0 | 4,20,000 | 192000 | 6,12,000 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, | | | | |
| | (b) Value of perquisites u/s 17(2) | | | | - |
| | (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 |

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) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

For and on behalf of the Board of Directors

Sd/-

Zaver Shankarlal Bhanushali

Director

DIN: 00663374

Sd/-

Siddharth Shankarlal Bhanushali

Director

DIN: 01721586

Date: 03/09/2022

Place: Mumbai

| A. Category Wise Shareholding | | | | | | | | | | |
|--|--|----------|---------|-------------------|--|----------|---------|-------------------|--------------|--|
| Category Of Shareholders | No Of Shares held at the beginning of year 31/03/2021 | | | | No Of Shares held at the end of year 31/03/2022 | | | | % Change | |
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| A. Promoters | | | | | | | | | | |
| (1) Indian | | | | | | | | | | |
| (a) Individuals/ HUF | 2310072 | 0 | 2310072 | 50.21895652 | 2311872 | 0 | 2311872 | 50.258087 | 0.039130435 | |
| (b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (d) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (f) Any Other.... | | | | | | | | | | |
| * DIRECTORS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * DIRECTORS RELATIVES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * PERSON ACTING IN CONCERN | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Sub Total (A)(1): | 2310072 | 0 | 2310072 | 50.21895652 | 2311872 | 0 | 2311872 | 50.258087 | 0.039130435 | |
| (2) Foreign | | | | | | | | | | |
| (a) NRI Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (b) Other Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (d) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (e) Any Other.... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Sub Total (A)(2): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 2310072 | 0 | 2310072 | 50.21895652 | 2311872 | 0 | 2311872 | 50.258087 | 0.039130435 | |
| B. Public Shareholding | | | | | | | | | | |
| (1) Institutions | | | | | | | | | | |
| (a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (b) Banks FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (g) FIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (i) Others (specify) | | | | | | | | | | |
| * U.T.I. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * FINANCIAL INSTITUTIONS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * I.D.B.I. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * I.C.I.C.I. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * GOVERNMENT COMPANIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * STATE FINANCIAL CORPORATION | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * ANY OTHER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * OTC DEALERS (BODIES CORPORATE) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * PRIVATE SECTOR BANKS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Sub-total (B)(1): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (2) Non-Institutions | | | | | | | | | | |
| (a) Bodies Corp. | | | | | | | | | | |
| (i) Indian | 163511 | 15500 | 179011 | 3.891543478 | 160212 | 15500 | 175712 | 3.8198261 | -0.071717391 | |
| (ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| (b) Individuals | | | | | | | | | | |
| Rs. 1 lakh | 161302 | 1803100 | 1964402 | 42.7043913 | 220154 | 1749200 | 1969354 | 42.812043 | 0.107652174 | |
| excess of Rs 1 lakh | 45923 | 16300 | 62223 | 1.352673913 | 47555 | 16300 | 63855 | 1.3881522 | 0.035478261 | |
| (c) Others (specify) | | | | | | | | | | |
| * UNCLAIMED OR SUSPENSE OR ESCROW ACCOUNT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * IEPF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * LLP | 5 | 0 | 5 | 0.000108696 | 5 | 0 | 5 | 0.0001087 | 0 | |
| * FOREIGN NATIONALS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * ALTERNATE INVESTMENT FUND | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * N.R.I. | 10765 | 52800 | 63565 | 1.381847826 | 11598 | 52800 | 64398 | 1.3999565 | 0.018108696 | |
| * FOREIGN CORPORATE BODIES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * TRUST | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * HINDU UNDIVIDED FAMILY | 16732 | 0 | 16732 | 0.36373913 | 14321 | 0 | 14321 | 0.3113261 | -0.052413043 | |
| * EMPLOYEE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * CLEARING MEMBERS | 3990 | 0 | 3990 | 0.08673913 | 483 | 0 | 483 | 0.0105 | -0.07623913 | |
| * DEPOSITORY RECEIPTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * OTHER DIRECTORS & RELATIVES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| * MARKET MAKERS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Sub-total (B)(2): | 402228 | 1887700 | 2289928 | 49.78104348 | 454328 | 1833800 | 2288128 | 49.741913 | -0.039130435 | |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 402228 | 1887700 | 2289928 | 49.78104348 | 454328 | 1833800 | 2288128 | 49.741913 | -0.039130435 | |
| C. TOTSHR held by Custodian for GDRs & ADRs | | | | | | | | | | |
| GrandTotal(A + B + C) | 2712300 | 1887700 | 4600000 | 100 | 2766200 | 1833800 | 4600000 | 100 | -1E-26 | |

B. Shareholding of Promoters

| SL No. | ShareHolder's Name | ShareHolding at the beginning | | | ShareHolding at the end of the | | | % change in share holding during the year |
|--------|---------------------------------|-------------------------------|----------------------------------|--|--------------------------------|----------------------------------|--|---|
| | | 31/03/2021 | | | 31/03/2022 | | | |
| | | No of Shares | % of Total Shares of the Company | % of Shares Pledged / Encumbered to total shares | No. of Shares | % of Total Shares of the company | % of Shares Pledged / Encumbered to total shares | |
| 1 | SIDDHARTH SHANKARLAL 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 | SHANKARLAL GOPALJI BHANUSHALI | 382320 | 8.31 | 0.00 | 382320 | 8.31 | 0.00 | 0.00 |
| 4 | SHITAL S BHANUSHALI | 273627 | 5.95 | 0.00 | 273627 | 5.95 | 0.00 | 0.00 |
| 5 | ZAVER SHANKARLAL BHANUSHALI | 186685 | 4.06 | 0.00 | 188485 | 4.10 | 0.00 | 0.04 |

C. Change in Promoter's Shareholding:

| SL No. | ShareHolder's Name | Share Holding at the | | Cumulative | | Type |
|--------|---------------------------------|----------------------|----------------------------------|---------------|---|------|
| | | 31/03/2021 | | 31/03/2022 | | |
| | | No of Shares | % of Total Shares of the Company | No. of Shares | % change in share holding during the year | |
| 1 | SIDDHARTH SHANKARLAL BHANUSHALI | 1057240 | 22.98 | | | |
| | 31-03-2022 | | | 1057240 | 22.98 | |
| 2 | S G BHANUSHALI HUF | 410200 | 8.92 | | | |
| | 31-03-2022 | | | 410200 | 8.92 | |
| 3 | SHANKARLAL GOPALJI BHANUSHALI | 382320 | 8.31 | | | |
| | 31-03-2022 | | | 382320 | 8.31 | |
| 4 | SHITAL S BHANUSHALI | 273627 | 5.95 | | | |
| | 31-03-2022 | | | 273627 | 5.95 | |
| 5 | ZAVER SHANKARLAL BHANUSHALI | 186685 | 4.06 | | | |
| | 09-04-2021 | 1800 | 0.04 | 188485 | 4.10 | Buy |
| | 31-03-2022 | | | 188485 | 4.10 | |

D. Shareholding Pattern of top ten Shareholders:

| SL No. | ShareHolder's Name | Share Holding at the | | Cumulative | | Type |
|--------|------------------------|----------------------|----------------------------------|---------------|---|------|
| | | 31/03/2021 | | 31/03/2022 | | |
| | | No of Shares | % of Total Shares of the Company | No. of Shares | % change in share holding during the year | |
| 1 | LIMITED | 153400 | 3.33 | | | |
| | 31-03-2022 | -152200 | -3.31 | 1200 | 0.03 | Sell |
| | 31-03-2022 | | | 1200 | 0.03 | |
| 2 | LAXMIDAS V. BHANUSHALI | 18843 | 0.41 | | | |
| | 02-04-2021 | -739 | -0.02 | 18104 | 0.39 | Sell |
| | 09-04-2021 | -810 | -0.02 | 17294 | 0.38 | Sell |
| | 23-04-2021 | 1726 | 0.04 | 19020 | 0.41 | Buy |
| | 30-04-2021 | -2552 | -0.06 | 16468 | 0.36 | Sell |
| | 07-05-2021 | 228 | 0.00 | 16696 | 0.36 | Buy |
| | 14-05-2021 | 1791 | 0.04 | 18487 | 0.40 | Buy |
| | 21-05-2021 | 570 | 0.01 | 19057 | 0.41 | Buy |
| | 04-06-2021 | 2490 | 0.05 | 21547 | 0.47 | Buy |
| | 11-06-2021 | -1540 | -0.03 | 20007 | 0.43 | Sell |
| | 18-06-2021 | 2673 | 0.06 | 22680 | 0.49 | Buy |
| | 25-06-2021 | -285 | -0.01 | 22395 | 0.49 | Sell |
| | 02-07-2021 | 236 | 0.01 | 22631 | 0.49 | Buy |
| | 09-07-2021 | 2554 | 0.06 | 25185 | 0.55 | Buy |
| | 16-07-2021 | -250 | -0.01 | 24935 | 0.54 | Sell |
| | 23-07-2021 | 275 | 0.01 | 25210 | 0.55 | Buy |
| | 30-07-2021 | 446 | 0.01 | 25656 | 0.56 | Buy |
| | 13-08-2021 | 1955 | 0.04 | 27611 | 0.60 | Buy |
| | 27-08-2021 | -1364 | -0.03 | 26247 | 0.57 | Sell |
| | 31-08-2021 | 1594 | 0.03 | 27841 | 0.61 | Buy |
| | 03-09-2021 | -805 | -0.02 | 27036 | 0.59 | Sell |
| | 10-09-2021 | 686 | 0.01 | 27722 | 0.60 | Buy |
| | 16-09-2021 | -1774 | -0.04 | 25948 | 0.56 | Sell |
| | 17-09-2021 | -700 | -0.02 | 25248 | 0.55 | Sell |
| | 24-09-2021 | 1500 | 0.03 | 26748 | 0.58 | Buy |
| | 31-03-2022 | | | 26748 | 0.58 | |

| | | | | | | |
|---|-------------------------------------|-------|-------|-------|------|------|
| 3 | ARCHANA JAIN | 16300 | 0.35 | | | |
| | 31-03-2022 | | | 16300 | 0.35 | |
| 4 | ALIYA KHATUN | 15180 | 0.33 | | | |
| | 09-04-2021 | 3598 | 0.08 | 18778 | 0.41 | Buy |
| | 16-04-2021 | -950 | -0.02 | 17828 | 0.39 | Sell |
| | 23-04-2021 | -4499 | -0.10 | 13329 | 0.29 | Sell |
| | 30-04-2021 | 2373 | 0.05 | 15702 | 0.34 | Buy |
| | 07-05-2021 | 1004 | 0.02 | 16706 | 0.36 | Buy |
| | 28-05-2021 | -3000 | -0.07 | 13706 | 0.30 | Sell |
| | 11-06-2021 | 438 | 0.01 | 14144 | 0.31 | Buy |
| | 18-06-2021 | 1056 | 0.02 | 15200 | 0.33 | Buy |
| | 25-06-2021 | 1329 | 0.03 | 16529 | 0.36 | Buy |
| | 30-06-2021 | 1006 | 0.02 | 17535 | 0.38 | Buy |
| | 02-07-2021 | -475 | -0.01 | 17060 | 0.37 | Sell |
| | 16-07-2021 | 200 | 0.00 | 17260 | 0.38 | Buy |
| | 23-07-2021 | 403 | 0.01 | 17663 | 0.38 | Buy |
| | 30-07-2021 | -876 | -0.02 | 16787 | 0.36 | Sell |
| | 06-08-2021 | 766 | 0.02 | 17553 | 0.38 | Buy |
| | 13-08-2021 | -1960 | -0.04 | 15593 | 0.34 | Sell |
| | 27-08-2021 | 3160 | 0.07 | 18753 | 0.41 | Buy |
| | 31-08-2021 | -913 | -0.02 | 17840 | 0.39 | Sell |
| | 03-09-2021 | 1628 | 0.04 | 19468 | 0.42 | Buy |
| | 16-09-2021 | 1939 | 0.04 | 21407 | 0.47 | Buy |
| | 17-09-2021 | 900 | 0.02 | 22307 | 0.48 | Buy |
| | 24-09-2021 | -1500 | -0.03 | 20807 | 0.45 | Sell |
| | 31-03-2022 | | | 20807 | 0.45 | |
| 5 | ANITA ANIL BANSAL | 11900 | 0.26 | | | |
| | 09-04-2021 | -200 | -0.00 | 11700 | 0.25 | Sell |
| | 16-04-2021 | -500 | -0.01 | 11200 | 0.24 | Sell |
| | 23-04-2021 | -800 | -0.02 | 10400 | 0.23 | Sell |
| | 28-05-2021 | -700 | -0.02 | 9700 | 0.21 | Sell |
| | 04-06-2021 | -700 | -0.02 | 9000 | 0.20 | Sell |
| | 11-06-2021 | -300 | -0.01 | 8700 | 0.19 | Sell |
| | 18-06-2021 | -2000 | -0.04 | 6700 | 0.15 | Sell |
| | 25-06-2021 | -300 | -0.01 | 6400 | 0.14 | Sell |
| | 02-07-2021 | -300 | -0.01 | 6100 | 0.13 | Sell |
| | 09-07-2021 | -300 | -0.01 | 5800 | 0.13 | Sell |
| | 31-03-2022 | | | 5800 | 0.13 | |
| 6 | R M SHAH HUF | 11400 | 0.25 | | | |
| | 09-07-2021 | -1000 | -0.02 | 10400 | 0.23 | Sell |
| | 31-03-2022 | | | 10400 | 0.23 | |
| 7 | VIMAL P BANSAL | 9900 | 0.22 | | | |
| | 31-03-2022 | | | 9900 | 0.22 | |
| 8 | VERNANT INVESTMENT SERVICES PVT LTD | 9000 | 0.20 | | | |
| | 02-07-2021 | -2000 | -0.04 | 7000 | 0.15 | Sell |
| | 30-07-2021 | -1000 | -0.02 | 6000 | 0.13 | Sell |
| | 06-08-2021 | -500 | -0.01 | 5500 | 0.12 | Sell |
| | 16-09-2021 | -540 | -0.01 | 4960 | 0.11 | Sell |
| | 24-09-2021 | -960 | -0.02 | 4000 | 0.09 | Sell |
| | 30-09-2021 | -500 | -0.01 | 3500 | 0.08 | Sell |
| | 15-10-2021 | -261 | -0.01 | 3239 | 0.07 | Sell |
| | 05-11-2021 | -3 | -0.00 | 3236 | 0.07 | Sell |
| | 31-03-2022 | | | 3236 | 0.07 | |

| | | | | | | |
|----|------------------------------|--------|-------|--------|------|------|
| 9 | SUDHA SOHAN MEHTA | 8200 | 0.18 | | | |
| | 31-03-2022 | | | 8200 | 0.18 | |
| 10 | SUBHAGWATI JASUJA | 7900 | 0.17 | | | |
| | 31-03-2022 | | | 7900 | 0.17 | |
| 11 | ASHWIN DWARKADAS ADHIYA | 7500 | 0.16 | | | |
| | 01-02-2022 | -600 | -0.01 | 6900 | 0.15 | Sell |
| | 04-02-2022 | 600 | 0.01 | 7500 | 0.16 | Buy |
| | 14-03-2022 | -800 | -0.02 | 6700 | 0.15 | Sell |
| | 18-03-2022 | 800 | 0.02 | 7500 | 0.16 | Buy |
| | 31-03-2022 | | | 7500 | 0.16 | |
| 12 | APRAMEYA COMMERCIALS PVT LTD | 0 | 0.00 | | | |
| | 31-03-2022 | 152200 | 3.31 | 152200 | 3.31 | Buy |
| | 31-03-2022 | | | 152200 | 3.31 | |
| 13 | N NAVEEN RAJ | 0 | 0.00 | | | |
| | 30-07-2021 | 1500 | 0.03 | 1500 | 0.03 | Buy |
| | 06-08-2021 | 50 | 0.00 | 1550 | 0.03 | Buy |
| | 20-08-2021 | 1875 | 0.04 | 3425 | 0.07 | Buy |
| | 10-09-2021 | 1065 | 0.02 | 4490 | 0.10 | Buy |
| | 16-09-2021 | 310 | 0.01 | 4800 | 0.10 | Buy |
| | 17-09-2021 | 59 | 0.00 | 4859 | 0.11 | Buy |
| | 05-11-2021 | 4 | 0.00 | 4863 | 0.11 | Buy |
| | 12-11-2021 | 20 | 0.00 | 4883 | 0.11 | Buy |
| | 26-11-2021 | 476 | 0.01 | 5359 | 0.12 | Buy |
| | 03-12-2021 | 141 | 0.00 | 5500 | 0.12 | Buy |
| | 04-02-2022 | 5 | 0.00 | 5505 | 0.12 | Buy |
| | 18-02-2022 | 1056 | 0.02 | 6561 | 0.14 | Buy |
| | 25-02-2022 | 360 | 0.01 | 6921 | 0.15 | Buy |
| | 31-03-2022 | | | 6921 | 0.15 | |

E. Shareholding of Directors and Key Managerial Personnel:

| SL No. | ShareHolder's Name | Share Holding at the | | Cumulative | | Type |
|--------|---------------------------------------|----------------------|----------------------------------|---------------|---|------|
| | | 31/03/2021 | | 31/03/2022 | | |
| | | No of Shares | % of Total Shares of the Company | No. of Shares | % change in share holding during the year | |
| 1 | (Chief Operation Officer) | 1057240 | 22.98 | | | |
| | 31-03-2022 | | | 1057240 | 22.98 | |
| 2 | (Managing Director) | 186685 | 4.06 | | | |
| | 09-04-2021 | 1800 | 0.04 | 188485 | 4.10 | Buy |
| | 31-03-2022 | | | 188485 | 4.10 | |
| 3 | DOLLY DIPESH SHAH (Company Secretary) | 0 | 0.00 | | | |
| | 31-03-2022 | | | 0 | 0.00 | |
| 4 | DOLLY DIPESH SHAH (Company Secretary) | 0 | 0.00 | | | |
| | 31-03-2022 | | | 0 | 0.00 | |
| 5 | DOLLY DIPESH SHAH (Company Secretary) | 0 | 0.00 | | | |
| | 31-03-2022 | | | 0 | 0.00 | |
| 6 | DOLLY DIPESH SHAH (Company Secretary) | 0 | 0.00 | | | |
| | 31-03-2022 | | | 0 | 0.00 | |

Annexure 'C'**MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

[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, 2022, ('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, 2022 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 and Sweat Equity) Regulations, 2021; - 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, 2021 - 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. No changes in

the composition of the Board of Directors that took place during the period under review.

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

Sd/-

Alpi Nehra & Associates
Practising Company Secretaries
M. No. - ACS 38011
CP No. - 14202
UDIN: A038011D000888069
Place: Mumbai
Date: 03.09.2022

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.

Sd/-

Alpi Nehra & Associates
Practising Company Secretaries
M. No. - ACS 38011
CP No. - 14202
UDIN: A038011D000888069
Place: Mumbai
Date: 03.09.2022

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

II. 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. 247.440 lakhs as against Rs. 640.222 lakhs in the previous year. EBIDTA was negative at Rs. 16.286 Lakhs as against Rs. 225.359 Lakhs in the previous year. Profit before tax was at Rs. (147.401) Lakhs as against profit of Rs. 89.125 Lakhs in the previous year.

Summary of Financial Results:

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

| | 2021-22 (in Lacs) | 2020-21 (in Lacs) |
|---------------------------------------|-------------------|-------------------|
| Total revenue | 247.440 | 640.222 |
| Profit before interest and tax (PBIT) | (119.757) | 118.809 |
| Profit before tax (PBT) | (147.401) | 89.125 |
| PBT as % of revenue | 59.57% | 13.92% |

Net Worth

The net worth of the Company as at March 31, 2022 was Rs. 279.801 Lacs as compared to Rs. 408.014 Lacs as at March 31, 2021.

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:

| | 2021-22 | 2020-21 |
|-----------------------------|---------|---------|
| Debtors turnover (Avg days) | 86 | 22.29 |
| Inventory turnover (times) | 18.02 | 0.13 |
| Current ratio (times) | 0.21 | 0.54 |
| Debt Equity ratio | 2.68 | 0.71 |
| Operating profit margin % - | (0.60) | 13.92 |

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 Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of CAPROLACTAM CHEMICALS LIMITED ("the Company") which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, (including Other Comprehensive Income), statement of changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS) specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2022, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those

Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit matter :

We have determined that there are no key audit matters to communicate in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance, Business Responsibility Report and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements, and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone 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 of these Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance, (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified in the companies (Indian Accounting Standard) rules 2015 (as amended) under section 133 of the Companies Act, 2013. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no

realistic alternative but to do so.

The respective Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of

our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, (including other comprehensive income) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone 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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h. 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 as at 31st March, 2022 on its financial position in its Ind AS financial position in its standalone financial.
 - ii) The Company did not have any long term contracts including derivate contracts as at 31st March, 2022.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection fund by the company during the year ended 31st March, 2022.
 - (iv) a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
 - b: The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - c: Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause a and b contain any material misstatement; and
 - v) The Company has not declared any dividend during the year therefore compliance under Section 123 of the Act do not arise.
- 4) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act, which are required to be commented upon by us.

For Pulindra Patel & Co.

Chartered Accountants

FRN No. 115187W

Sd/-

Pulindra Patel & Co.

Proprietor

Membership No. 048991

UDIN No. 22048991AJVSKJ9760

Place: Mumbai

Date : 30.05.2022

Annexure (A) to the independent Auditor's Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **CAPROLACTAM CHEMICALS LIMITED** on the standalone financial statements for the year ended 31st March, 2022

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of intangible assets;
- (b) All fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) As per the information and explanations given to us, the immovable properties owned by the company are held in the name of the company. In respect of immovable property taken on lease and disclosed as fixed assets in standalone financial statements, the lease agreement is in the name of the Company.
- (d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As per the information and explanations given to us, No proceeding have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under,
- (ii) (a) As per the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and in our

opinion, the coverage and procedure of such verification by the management is appropriate; As informed to us that discrepancies noticed were less than 10% for each class of inventory.

(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions [on the basis of security of current assets] and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

- (iii) (a) The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b),(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- (iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provision of the Sections 73 to 76 of the act, any other relevant provision of the Act and the relevant rules framed there under.
- (vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of the examination of the books of account, the Company has been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and other statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other undisputed statutory dues were outstanding, at the yearend for a period of more than six months from the date they became payable.
- (viii) According to the information and the explanations given by the management, and based on the procedures carried out during the course of our audit, we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) In our opinion and according to the information and explanation given to us, the company has not default in the repayment of loans or other borrowings or in the payment of interest thereon any lender.
- (b) According to the information and explanation given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanation given to us, the

company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained, except for repayment of director's loans amounting to Rs 40.45 lakhs.

(d) According to the information and explanation given to us, and the procedure performed by us, and on an overall examination of the financial statement of the company, we report that no fund raised on short-term basis have been used for long-term purposes by the company.

(e) According to the information and explanation given to us and on an overall examination of the financial statement of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint ventures.

(f) According to the information and explanation given to us and procedure performed by us, we report that the company has not raised loan during the year on the pledge of securities held in its subsidiaries, joint venture or associate companies.

(x) (a) The Company has not raised money by way of initial public offer during the year.

(b) In our opinion and according to information and explanations obtained by us, the company has not raised any funds through preferential allotment / private placement of shares/ fully/ partially/optionally convertible debentures during the year under review.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the course of our audit.

(b) During the year under review, there are no report under sub - section 12 of section 143 of The Companies Act, 2013 has been filed by the auditor in Form ADT-4 as prescribed under rule 13 Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) During the year under review, we have not come across any whistle-blower complaints.

(xii) The Company is not a Nidhi Company therefore the said clause is not applicable to the Company.

(xiii) According to the information and explanations and records made available to us by the company and audit procedures performed by us, all transactions with related parties are in compliance with sections 177 and 188 of the companies Act, 2013

The details of transaction during the year have been disclosed in the Financial statements as required by the applicable accounting standards. Refer Note No. 24 to the Financial statements.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company issued till date, for the period under audit.

- (xv) According to the information and explanations given to us, in our opinion during the year the company has not entered into non-cash transactions with its directors or person connected with the director and hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) As per the information and explanations given to us, the company is not required to get it registered under section 45-IA of the Reserve Bank of India Act, 1934.
(b) The company is not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
(c) As per the information given to us, the company is not a Core Investment Company (CIC) as defined in regulations made by the Reserve Bank of India.
(d) The clause related to whether Group has more than one CIC as part of the Group is not applicable to the company.
- (xvii) The Company has not incurred any cash loss during the financial year ended on the date and the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statement, our knowledge of the board of directors and management plans and based on our examination of the evidence supporting the assumption, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liability falling due within a period of one year from the balance sheet date, will get discharge by the company as and when they fall due.
- (xx) (a) As per information and explanation given to us there are no ongoing projects undertaken by Company and Company has contributed CSR as per section 135 of the Companies Act.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

Sd/-

Pulindra Patel & Co.
Proprietor
Membership No. 048991
UDIN No. 22048991AJVSKJ9760

Place: Mumbai
Date : 30.05.2022

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")****Opinion**

We have audited the internal financial controls over financial reporting of CAPROLACTAM CHEMICALS LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

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. 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, to the extent applicable to an audit of internal financial controls, 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 adverse 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 authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31,2022, 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.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

Sd/-

Pulindra Patel & Co.
Proprietor
Membership No. 048991
UDIN No. 22048991AJVSKJ9760

Place: Mumbai
Date : 30.05.2022

CAPROLACTAM CHEMICALS LIMITED**Financial statements as at and for the year ended March 31, 2022****Balance sheet as at March 31, 2022**

| Particulars | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 1 | 5,25,56,671 | 5,49,73,811 |
| Capital work-in-progress | 2 | 3,96,13,632 | - |
| Right of Use Assets | | - | - |
| Financial assets | | | |
| i. Other Financial Assets | 3 | 11,08,654 | 10,57,354 |
| Income tax assets | | | - |
| Total non-current assets | | 9,32,78,957 | 5,60,31,165 |
| Current assets | | | |
| Inventories | 4 | 12,22,078 | 10,74,370 |
| Financial assets | | | |
| i. Trade receivables | 5 | 3,27,352 | 47,04,294 |
| ii. Cash and cash equivalents | 6 | 14,73,175 | 52,03,566 |
| Other current assets | 7 | 70,35,548 | 49,45,966 |
| Total current assets | | 1,00,58,153 | 1,59,28,196 |
| Total assets | | 10,33,37,110 | 7,19,59,361 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 8 | 4,60,00,000 | 4,60,00,000 |
| Other equity | 9 | (1,80,19,882) | (51,98,572) |
| Total equity | | 2,79,80,118 | 4,08,01,428 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 10 | 2,75,45,134 | - |
| Deferred tax liabilities | 11 | 1,07,323 | 20,26,168 |
| Total non-current liabilities | | 2,76,52,457 | 20,26,168 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 12 | 99,88,036 | 2,15,00,000 |
| ii. Trade payables | 13 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 1,26,468 | - |
| Total outstanding dues of other than micro enterprises and small ent. | | 48,53,204 | 40,00,760 |
| Other current liabilities | 14 | 3,25,54,458 | 9,18,006 |
| Employees Benefit obligation | 15 | 1,82,369 | |
| Income Tax Liabilities Net | | - | 27,13,000 |
| Total current liabilities | | 4,77,04,535 | 2,91,31,766 |
| Total liabilities | | 7,53,56,992 | 3,11,57,934 |
| Total equity and liabilities | | 10,33,37,110 | 7,19,59,361 |

This is the balance sheet referred to in our report of even date

Notes 1 to 37 form an integral part of these financial statements.

For Pulindra Patel & Co.

Chartered Accountants

ICAI Firm Registration No. 115187W

Sd/-

Pulindra Patel

Proprietor

Mem No. : 048991

UDIN : 22048991AJVSKJ9760

Place: Mumbai

Date : 30th May, 2022

For and on behalf of the Board of Directors

Caprolactam Chemicals Limited

Sd/-

Mrs. Z. S. Bhanushali

Managing Director

DIN- 00663374

Place: Mahad

Sd/-

Sd/-

Mr. S. S. Bhanushali

Director

DIN- 01721586

Company Secretay -Dolly Dipesh Shah

M.No:- A38116

| CAPROLACTAM CHEMICALS LIMITED | | | |
|---|-------------|--------------------------------------|--------------------------------------|
| Statement of profit and loss for the year ended March 31, 2022 | | | |
| Particulars | Note | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Continuing operations | | | |
| Revenue from operations | 16 | 2,06,88,265 | 6,30,90,620 |
| Other income | 17 | 40,55,778 | 9,31,623 |
| Total income | | 2,47,44,043 | 6,40,22,243 |
| Expenses | | | |
| Cost of raw materials and components consumed | 18 | 55,43,180 | 13,42,466 |
| (Increase)/decrease in inventories of finished goods/traded goods | 19 | (2,13,060) | (35,904) |
| Employee benefit expenses | 20 | 25,43,829 | 30,98,593 |
| Finance Cost | 21 | 27,64,444 | 29,68,420 |
| Depreciation and amortisation expense | 1 | 1,03,47,065 | 1,06,54,967 |
| Other expenses | 22 | 1,84,98,740 | 3,70,81,210 |
| Total expenses | | 3,94,84,198 | 5,51,09,752 |
| Profit before exceptional items and tax | | (1,47,40,155) | 89,12,491 |
| Exceptional items : | | | |
| Profit on sale of Factory Building | | - | - |
| Profit before tax | | (1,47,40,155) | 89,12,491 |
| Income tax expense | | | |
| - Current tax | 23 | - | 27,13,000 |
| - Deferred tax | 23 | (19,18,845) | (3,06,160) |
| | | | - |
| Total tax expense/(credit) | | (19,18,845) | 24,06,840 |
| Profit from continuing operations | | (1,28,21,310) | 65,05,651 |
| Discontinued operations | | | |
| Profit from discontinued operations before tax | | - | - |
| Tax expense of discontinued operations | | - | - |
| Profit from discontinued operations | | - | - |
| Profit/loss for the year | | (1,28,21,310) | 65,05,651 |
| Other Comprehensive Income: | | | |
| a) Items that will not be reclassified to profit or loss | | - | - |
| b) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| c) Items that will be reclassified to profit or loss | | - | - |
| d) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Other comprehensive income / (Losses) | | - | - |
| Total other comprehensive income / (Losses) for the year | | (1,28,21,310) | 65,05,651 |
| Earnings per share | | | |
| Basic | | (2.79) | 1.41 |
| Diluted | | (2.79) | 1.41 |
| Notes 1 to 37 form an integral part of these financial statements. | | | |
| The above statement of profit and loss should be read in conjunction with the accompanying notes. | | | |
| This is the Statement of profit and loss referred to in our report of even date | | | |

For Pulindra Patel & Co.
Chartered Accountants
ICAI Firm Registration No. 115187W

Sd/-

Pulindra Patel
Proprietor
Mem No. : 048991
UDIN : 22048991AJVSKJ9760
Place: Mumbai
Date : 30th May, 2022

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

Sd/-

Mrs. Z. S. Bhanushali
Managing Director
DIN- 00663374
Place: Mahad

Sd/-

Sd/-

Mr. S. S. Bhanushali
Director
DIN- 01721586

Company Secretary -Dolly Dipesh Shah
MLNo:- A38116

CAPROLACTAM CHEMICALS LIMITED**Cash flow statement for the year ended March 31, 2022**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| A Cash flow from operating activities : | | |
| Profit after exceptional items before tax | (1,47,40,155) | 89,12,491 |
| Adjustments for: | | |
| Depreciation and amortization for the year | 1,03,47,065 | 1,06,54,967 |
| Interest Income | (54,795) | (1,38,562) |
| Finance cost | 27,64,444 | 29,68,420 |
| | 1,30,56,714 | 1,34,84,825 |
| Operating profit before working capital changes | (16,83,441) | 2,23,97,316 |
| Adjustments for: | | |
| Decrease/Increase in inventories | (1,47,708) | (2,51,681) |
| Decrease/(increase) in non-current financial assets | (51,300) | 2,88,171 |
| Decrease/(increase) in other current assets | (15,87,691) | (21,65,000) |
| Increase in trade receivables | 43,76,942 | (17,04,180) |
| Increase in trade payables | 9,78,912 | (10,20,703) |
| Increase/decrease in Employee benefit obligation | 1,82,369 | |
| Increase in current financial liabilities | 3,16,36,452 | (2,31,943) |
| | 3,53,87,977 | (50,85,337) |
| Cash generated from operating activities | 3,37,04,536 | 1,73,11,979 |
| Income Tax Paid (net) | (32,14,891) | (47,65,319) |
| | (32,14,891) | (47,65,319) |
| Net cash generated from operating activities | 3,04,89,645 | 1,25,46,661 |
| B Cash flow from investing activities: | | |
| Purchase of property, plant and equipment | (4,75,43,556) | (49,21,856) |
| Interest received | 54,795 | 1,38,562 |
| Net cash used in investing activities | (4,74,88,761) | (47,83,294) |
| C Cash flow from financing activities: | | |
| (Repayment)/proceeds of short term borrowings, net | 1,60,33,170 | (29,71,497) |
| Interest paid | (27,64,444) | (29,68,420) |
| Net cash generated from financing activities | 1,32,68,726 | (59,39,917) |
| Net increase in cash and cash equivalents (A+B+C) | (37,30,391) | 18,23,449 |
| Cash and cash equivalents at the beginning of the year | 52,03,566 | 33,80,114 |
| Cash and cash equivalents at the end of the year | 14,73,175 | 52,03,566 |

Note :

- 1) Figures in bracket represent cash outflow.
- 2) Direct taxes paid are treated as arising from operating activities and are not bifurcated between Investing and financing activities.
- 5) The accompanying notes are integral part of the financial statements.

Notes 1 to 37 form an integral part of these financial statements.

As per attached report of even date.

For Pulindra Patel & Co.
Chartered Accountants
ICAI Firm Registration No. 115187W

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

Sd/-

Sd/-

Sd/-

Pulindra Patel
Proprietor
Mem No. : 048991
UDIN : 22048991AJVSKJ9760
Place: Mumbai
Date : 30th May, 2022

Mrs. Z. S. Bhanushali
Managing Director
DIN- 00663374
Place: Mahad

Mr. S. S. Bhanushali
Director
DIN- 01721586

Sd/-

Company Secretary -Dolly Dipesh Shah
MLNo:- A38116

CAPROLACTAM CHEMICALS LIMITED**Financial statements as at and for the year ended March 31, 2022****Statement of changes in Equity****A. EQUITY SHARE CAPITAL :**

| Particulars | No. of shares | Amount |
|--|---------------|----------------|
| Issued, subscribed and fully paid-up shares Equity share of Rs. 10 each | | |
| Balance as at 1 April 2020 | 46,00,000 | 4,60,00,000.00 |
| Changes in Equity Share Capital during the year | - | - |
| Balance as at 31 March 2021 | 46,00,000 | 4,60,00,000.00 |
| Changes in Equity Share Capital during the year | - | - |
| Balance as at 31 March 2022 | 46,00,000 | 4,60,00,000.00 |

B. OTHER EQUITY

| Particulars | Reserves and surplus | |
|------------------------------------|----------------------|----------------------|
| | Retained Earning | Total |
| Balance as at 1 April 2020 | (1,10,40,340) | (1,10,40,340) |
| Profit for the year | 65,05,651 | 65,05,651 |
| Other comprehensive income | - | - |
| Total comprehensive income | (45,34,689) | (45,34,689) |
| Others | (6,63,883) | (6,63,883) |
| Balance as at 31 March 2021 | (51,98,572) | (51,98,572) |
| Profit for the year | (1,28,21,310) | (1,28,21,310) |
| Other comprehensive income | - | - |
| Total comprehensive income | (1,80,19,882) | (2,23,92,773) |
| Balance as at 31 March 2022 | (1,80,19,882) | (2,23,92,773) |

Notes 1 to 37 form an integral part of these financial statements.

This is the Statement of changes in equity referred to in our report of even date

For Pulindra Patel & Co.
Chartered Accountants
ICAI Firm Registration No. 115187W

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

Sd/-

Sd/-

Sd/-

Pulindra Patel
Proprietor
Mem No. : 048991
UDIN : 22048991AJVSKJ9760
Place: Mumbai
Date : 30th May, 2022

Mrs. Z. S. Bhanushali
Managing Director
DIN- 00663374
Place: Mahad

Mr. S. S. Bhanushali
Director
DIN- 01721586

Sd/-

Company Secretay -Dolly Dipesh Shah
M.No:- A38116

CAPROLACTAM CHEMICALS LIMITED**Notes to Financial Statement as 31st March, 2022****Company Information**

"Caprolactam Chemicals Limited (the Company) a Public Limited company having its registered office is 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 May 2022."

Basis of Preparation**(i) Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria asset out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" In the relevant notes in these financial statements.

The financial statements of the Company for the year ended 31st March, 2022 were approved for issue in accordance with the resolution of the Board of Directors on 30th May, 2022.

(ii) Historical Cost Convention

These financial statements are prepared under the historical cost convention unless otherwise indicated.

KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect there ported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets

and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations - Note No. 20
- (b) Measurement and likelihood of occurrence of provisions and contingencies - Note No. 32
- (c) Recognition of deferred tax assets - Note No. 24

SIGNIFICANT ACCOUNTING POLICIES

(a) Property, Plant and Equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Capital expenditure incurred on rented properties is classified as 'Leasehold improvements' under property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on written-down value, computed on the basis of useful lives (as set out below) prescribed in Schedule II the Act:

The amortization period and the amortization method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

| Description of Asset | "Estimated useful life (in years)" |
|-----------------------------|---|
| Buildings | 30 |
| Plant and equipment | 15 |
| Office equipment | 05 |
| Computers | 03 |
| Computers Servers | 06 |
| Computer software | 05 |
| Furniture and fixtures | 10 |
| Vehicles | 08 |

De-recognition

"An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized."

(b) 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.

(c) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Subsequent measurement

"i. Financial instruments at amortized cost – the financial instrument is measured at the amortized cost if both the following conditions are met:"

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 amortized cost using the effective interest rate (EIR) method. All the debt instruments of the Company are measured at amortized cost.

ii. Mutual funds – All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortized cost.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. These liabilities include borrowings.

De-recognition of financial liabilities

A financial liability is de-recognised 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 de- recognition 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.

(d) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

Trade receivables

The Company applies approach permitted by Ind AS 109, financial instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

(e) Inventories

Raw Material: Lower of cost or net realisable value. Cost is determined on first in first out ('FIFO') basis.

Work in progress: At cost determined on FIFO basis upto estimated stage of completion

Finished goods: Lower of cost or net realisable value. Cost is determined on FIFO basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads based on the normal capacity for manufactured goods.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale.

(f) Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('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-tax is 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 utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. Unrecognized 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).

(g) Cash and cash equivalents

"Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short- term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value."

(h) Post-employment, long term and short-term employee benefits

Defined contribution plans

Provident fund benefit is a defined contribution plan under which the Company pays fixed contributions into funds established under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

Defined benefit plans

Gratuity is a post-employment benefit defined under The Payment of Gratuity Act, 1972 and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Other long-term employee benefits

Liability in respect of compensated absences is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains

or losses are determined
Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

(i) Operating expenses

Operating expenses are recognised in profit or loss upon utilization of the service or as incurred.

(j) Borrowing costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalized 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.

(k) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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:

- In the principal market for the asset or liability, or
- 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.

(l) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized. However, when inflow of economic benefit is probable, related asset is disclosed.

(m) Earnings per share :

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

(n) Significant management judgment in applying accounting policies and estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgments and estimates

The following are significant management judgments and estimates in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence.

(o) Revenue recognition

Interest and dividend :

Interest income is recognised on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive the payment is established. Other income is recognised when no significant uncertainty as to its determination or realization exists.

(p) Revenue from contract with customers

Ind AS 115 was issued on 28 March 2018 and establishes a five- step model to account for revenue arising from contract with customers. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. The Company has adopted the new standard will supersede all current revenue recognition requirements under Ind AS. The Company has adopted the new standard for annual periods beginning on or after 1st April, 2018 using the cumulative catch up method. However there is no obligation on the part of the Company for determining transaction price from the customers.

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services. The Company is also engaged in real estate property development, recently.

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01st April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Revenue is recognized on satisfaction of performance obligation upon transfer of control of products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products.

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company has completed its evaluation of the possible impact of Ind AS 115 and has adopted the standard from 1st April, 2018.

Interest Income:

Interest income is recognised on an accrual basis using the effective interest method.

Dividend

Dividends are recognised at the time the right to receive the payment is established.

q) Leases:

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind A S 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. There will not be any material impact of the said implementation of Ind As 116 to the Company.

CAPROLACTAM CHEMICALS LIMITED**Financial statements as at and for the year ended March 31, 2022****Note 1 - Property, plant and equipment**

| Particulars | Leased Land | Factory Building | Office Building | Plant and machinery | Electrical Installation | Computer | Furniture fixture | Office equipments | Vehicles | Total |
|--|-----------------|------------------|-----------------|---------------------|-------------------------|-----------------|-------------------|-------------------|-----------------|---------------------|
| Gross block | | | | | | | | | | |
| As at April 1, 2020 | 3,99,089 | 80,39,116 | 5,58,415 | 13,39,62,482 | 2,82,522 | 97,424 | 76,265 | 69,000 | 6,20,222 | 14,41,04,535 |
| Additions | - | - | - | 48,88,975 | - | 32,881 | - | - | - | 49,21,856 |
| Deduction | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2021 | 3,99,089 | 80,39,116 | 5,58,415 | 13,88,51,457 | 2,82,522 | 1,30,305 | 76,265 | 69,000 | 6,20,222 | 14,90,26,391 |
| Additions | - | - | - | 79,20,425 | - | - | 9,500 | - | - | 79,29,925 |
| Deduction | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2022 | 3,99,089 | 80,39,116 | 5,58,415 | 14,67,71,882 | 2,82,522 | 1,30,305 | 85,765 | 69,000 | 6,20,222 | 15,69,56,316 |
| Accumulated depreciation | | | | | | | | | | |
| As at April 1, 2020 | - | 67,55,387 | 5,06,947 | 7,52,33,713 | 1,86,465 | 54,096 | 12,317 | 28,466 | 6,20,222 | 8,33,97,613 |
| Depreciation charge during the year | - | 83,380 | 4,600 | 1,04,25,822 | 55,710 | 45,984 | 18,105 | 21,366 | - | 1,06,54,967 |
| Deduction | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2021 | - | 68,38,767 | 5,11,547 | 8,56,59,535 | 2,42,175 | 1,00,080 | 30,422 | 49,832 | 6,20,222 | 9,40,52,580 |
| Depreciation charge during the year | - | 79,365 | 4,317 | 1,01,85,849 | 26,933 | 21,573 | 16,921 | 12,107 | - | 1,03,47,065 |
| Deduction | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2022 | - | 69,18,132 | 5,15,864 | 9,58,45,384 | 2,69,108 | 1,21,653 | 47,343 | 61,939 | 6,20,222 | 10,43,99,645 |
| Net carrying amount as at March 31, 2022: | 3,99,089 | 11,20,984 | 42,551 | 5,09,26,497 | 13,414 | 8,652 | 38,422 | 7,061 | - | 5,25,56,671 |
| Net carrying amount as at March 31, 2021 | 3,99,089 | 12,00,349 | 46,868 | 5,31,91,922 | 40,347 | 30,225 | 45,843 | 19,168 | - | 5,49,73,811 |
| Net carrying amount as at April 1, 2020 | 3,99,089 | 80,39,116 | 80,39,116 | 5,87,28,769 | 96,057 | 43,328 | 63,948 | 40,534 | - | 7,54,49,957 |

Note 2 - Capital Work in Progress

Ageing for capital work-in-progress as at March 31, 2022 is as follows

Capital work-in-progress

| Particulars | Amount in capital work-in-progress for a period of | | | | Total |
|--------------------------|--|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Capital work-in-progress | 3,96,13,632 | - | - | - | 3,96,13,632 |
| | 3,96,13,632 | - | - | - | 3,96,13,632 |

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

| Particulars | Amount in capital work-in-progress for a period of | | | | Total |
|--------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Capital work-in-progress | - | - | - | - | - |
| | - | - | - | - | - |

Note 3 - Other non-current financial assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Unsecured, considered good Security Deposit | 11,08,654 | 10,57,354 |
| Total | 11,08,654 | 10,57,354 |

Note 4 - Inventories

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|-------------------------|-------------------------|
| Raw Materials | 9,31,180 | 9,96,532 |
| Finished Goods/ Trading Goods | 2,90,898 | 77,838 |
| Total | 12,22,078 | 10,74,370 |

Note 5 - Trade receivables

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good Doubtful | - | - |
| Less : Provision for doubtful receivables | - | - |
| Other receivables Unsecured, considered good | 3,27,352 | 47,04,294 |
| Total | 3,27,352 | 47,04,294 |

Note 5.1 - Trade Receivables Ageing Schedule:

As at March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------------|--|--------------|-----------|------------|------------|-----------------|
| | <6 mo | > 6 mo-1 yrs | 1-2 years | 2-3 years. | > 3 years. | |
| (i) Undisputed Trade receivables- | | | | | | |
| - Considered good | 3,27,352 | - | - | - | - | 3,27,352 |
| - Considered Doubtful | - | - | - | - | - | - |
| ii) Disputed Trade Receivables- | | | | | | |
| - Considered good | - | - | - | - | - | - |
| - Considered Doubtful | - | - | - | - | - | - |
| Total Trade Receivables | 3,27,352 | - | - | - | - | 3,27,352 |

Note 5.1 - Trade Receivables Ageing Schedule:

As at March 31, 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------------|--|--------------|-----------|------------|------------|------------------|
| | <6 mo | > 6 mo-1 yrs | 1-2 years | 2-3 years. | > 3 years. | |
| (i) Undisputed Trade receivables- | | | | | | |
| - Considered good | 47,04,294 | - | - | - | - | 47,04,294 |
| - Considered Doubtful | - | - | - | - | - | - |
| ii) Disputed Trade Receivables- | | | | | | |
| - Considered good | - | - | - | - | - | - |
| - Considered Doubtful | - | - | - | - | - | - |
| Total Trade Receivables | 47,04,294 | - | - | - | - | 47,04,294 |

Note 6 - Cash and cash equivalents

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|-------------------------|-------------------------|
| Cash on hand | 6,456 | 45,479 |
| Bank balances | | |
| - Current Account | 7,28,107 | 35,59,167 |
| - Fixed Deposit with Banks | 7,38,612 | 15,98,920 |
| Total | 14,73,175 | 52,03,566 |

Note 7 - Other current assets

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|-------------------------|-------------------------|
| Prepaid expenses | 3,67,415 | 2,00,830 |
| Balance with govt authorities | 65,56,125 | 36,24,794 |
| Others | 1,12,008 | 11,20,342 |
| Total | 70,35,548 | 49,45,966 |

Note 8 - Share capital and other equity

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Authorized shares | | |
| 5000000 Equity Shares of ` 10/- each (Previous year 50,00,000 Equity Shares of ` 10/- each) | 5,00,00,000 | 5,00,00,000 |
| Issued, subscribed and fully paid-up shares | | |
| 46,00,000 Equity Shares of ` 10/- each (Previous year 46,00,000 Equity Shares of ` 10/- each) | 4,60,00,000 | 4,60,00,000 |
| Total | 4,60,00,000 | 4,60,00,000 |

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Equity Shares | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------|--------------------|----------------------|--------------------|
| | Nos. of shares | Rs. in Lakhs | Nos. of shares | Rs. in Lakhs |
| At the beginning of the period | 4600000 | 4,60,00,000 | 4600000 | 4,60,00,000 |
| Issued during the period - Convertible warrants | - | - | - | - |
| Outstanding at the end of the period | 4600000 | 4,60,00,000 | 4600000 | 4,60,00,000 |

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting..

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company (as per the register of members of the Company are as under) :-

| Name of the shareholder | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------|------------------------|----------------------|------------------------|
| | Nos. of Shares | % holding in the class | Nos. of Shares | % holding in the class |
| Equity shares of Rs. 10/- each fully paid | | | | |
| Siddharth S. Bhanushali | 10,57,240 | 23% | 10,57,240 | 23% |
| Shankar G. Bhanushali (HUF) | 4,10,200 | 9% | 4,10,200 | 9% |
| Shankar G. Bhanushali | 3,82,320 | 8% | 3,82,320 | 8% |
| Shital Bhanushali | 2,73,627 | 6% | 2,73,627 | 6% |

As per the records of the Company

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Details of Promoter holding (as per the register of members of the Company are as under) :

| Name of the shareholder | As at March 31, 2022 | | | As at March 31, 2021 |
|-----------------------------|--|------------------------|-----------------------------|----------------------|
| | Nos. of Shares | % holding in the class | % of change during the year | Nos. of Shares |
| Equity shares | Equity shares of ` 10/- per share | | | |
| Siddharth S. Bhanushali | 10,57,240 | 23% | 0.00% | 10,57,240 |
| Shankar G. Bhanushali (HUF) | 4,10,200 | 9% | 0.00% | 4,10,200 |
| Shankar G. Bhanushali | 3,82,320 | 8% | 0.00% | 3,82,320 |
| Shital Bhanushali | 2,73,627 | 6% | 0.00% | 2,73,627 |
| Zaver Bhanushali | 1,88,485 | 4% | 0.00% | 1,86,685 |

e) Proposed Dividend on Equity Shares

The board has not proposed dividend on equity shares after the balance sheet date.

Note 9 - Other Equity

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Surplus in the statement of profit and loss | | |
| Balance as per the last financial statements | (51,98,572) | (1,10,40,340) |
| Profit/ loss for the year | (1,28,21,310) | 65,05,651 |
| Less: Appropriations (Prior Period) | - | (6,63,883) |
| Closing Balance | (1,80,19,882) | (51,98,572) |
| Total | (1,80,19,882) | (51,98,572) |

Note 10 - Long term borrowings

| Particulars | Interest rate | Maturity date | As at March 31, 2022 | As at March 31, 2021 |
|------------------------|---------------|---------------|----------------------|----------------------|
| Secured loan from bank | | | | |
| Loan from Deutche Bank | 7.25 | Mar-32 | 2,75,45,134 | - |
| Total | | | 2,75,45,134 | - |

(i) Loans were Secured by a mortgage of immovable property of director and relative of director viz zaver bhanushali and shankarlal bhanushali, property situated at Flat no 101,1st floor & flat no 201, 2nd floor, Shivkripa Co-operative Housing Society, Village Kiroi, Nathani Road, Vidhyavihar (west) , Mumbai -400086.

Note 11 - Deferred tax liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Deferred Tax Liabilities : | | |
| i) Relating to Depreciation, Amortization and Impairment | 1,07,323 | 20,26,168 |
| Total | 1,07,323 | 20,26,168 |

Note 12 - Short term borrowings

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Secured loan from bank | | |
| Loan from Deutche Bank | 21,38,036 | - |
| (i) Loans were Secured by a mortgage of immovable property of director and relative of director viz zaver bhanushali and shankarlal bhanushali, property situated at Flat no 101,1st floor & flat no 201, 2nd floor, Shivkripa Co-operative Housing Society, Village Kiroi, Nathani Road, Vidhyavihar (west) , Mumbai -400086. | | |
| Unsecured loan | | |
| From related parties director | 78,50,000 | 2,15,00,000 |
| Total | 99,88,036 | 2,15,00,000 |

Note 13 - Trade payables

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| Total outstanding dues of micro enterprises and small enterprises | 1,26,468 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 48,53,204 | 40,00,760 |
| Total | 49,79,672 | 40,00,760 |

Note 13.1 - Trade payables

As at March 31, 2022

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|----------------------------|--|-----------|------------|------------|------------------|
| | < 1 yrs | 1-2 years | 2-3 years. | > 3 years. | |
| (i) MSME | 1,26,468 | - | - | - | 1,26,468 |
| (ii) Others | 48,53,204 | - | - | - | 48,53,204 |
| (iii) Disputed dues-MSME | - | - | - | - | - |
| (iv) Disputed dues-Others | - | - | - | - | - |
| Total Trade Payable | 49,79,672 | - | - | - | 49,79,672 |

Note 13.1 - Trade payables

As at March 31, 2021

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|----------------------------|--|-----------------|------------|------------|------------------|
| | < 1 yrs | 1-2 years | 2-3 years. | > 3 years. | |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 38,66,022 | 1,34,738 | - | - | 40,00,760 |
| (iii) Disputed dues-MSME | - | - | - | - | - |
| (iv) Disputed dues-Others | - | - | - | - | - |
| Total Trade Payable | 38,66,022 | 1,34,738 | - | - | 40,00,760 |

Note 13.2 - Details of dues to Micro, Medium and Small Enterprises

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| (i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year. | | |
| Principal amount due to micro and small enterprises | 1,26,468 | - |
| Interest due on above | 12,868 | - |
| (ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act,2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development | - | - |
| iv) The amount of interest accrued and remaining unpaid at the end of each accounting | 12,868 | - |
| v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Media Enterprise Development Act,2006. | - | - |

Note 14 - Other current liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------|-------------------------|-------------------------|
| Statutory dues | 1,03,029 | 8,68,006 |
| Other payables | 4,81,487 | 50,000 |
| Advances from customers | 3,19,69,942 | - |
| Total | 3,25,54,458 | 9,18,006 |

Note 15 - Employees Benefit obligation

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------|-------------------------|-------------------------|
| Provision For Gratuity | 1,82,369 | - |
| Total | 1,82,369 | - |

Note 16 - Revenue from operations

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-------------------------------|------------------------------|------------------------------|
| Operating Income : | | |
| (a) Sale of Services | 1,78,84,730 | 5,93,18,900 |
| | 1,78,84,730 | 5,93,18,900 |
| Sale of products : | | |
| (a) Manufactured goods | | |
| Sales of goods | 28,03,535 | 37,71,721 |
| | 28,03,535 | 37,71,721 |
| Total | 2,06,88,265 | 6,30,90,620 |

Note 17 - Other income

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|----------------------------|------------------------------|------------------------------|
| Interest received | 54,795 | 1,38,562 |
| Debit / Credit written off | 4,58,983 | - |
| Discounts | - | 7,93,061 |
| Subsidy | 35,42,000 | - |
| Total | 40,55,778 | 9,31,623 |

Note 18 - Cost of materials consumed

| Particulars | Year ended March | Year ended March |
|----------------------|------------------|------------------|
| | 31, 2022 | 31, 2021 |
| Opening Stock | 9,96,532 | 7,80,755 |
| Add: Purchases | 54,77,828 | 15,58,243 |
| | 0 | |
| | 64,74,360 | 23,38,998 |
| Less : Closing Stock | 9,31,180 | 9,96,532 |
| Total | 55,43,180 | 13,42,466 |

Note 19 - (Increase)/decrease in inventories of finished goods/traded goods

| Particulars | Year ended March | Year ended March |
|---|-------------------|------------------|
| | 31, 2022 | 31, 2021 |
| Inventories at the beginning of the year | | |
| Finished goods | 77,838 | 41,934 |
| | 77,838 | 41,934 |
| Inventories at the end of the year | | |
| Finished goods | 2,90,898 | 77,838 |
| | 2,90,898 | 77,838 |
| Total | (2,13,060) | (35,904) |

Note 20 - Employee benefit expenses

| Particulars | Year ended March | Year ended March |
|---|------------------|------------------|
| | 31, 2022 | 31, 2021 |
| Salaries and Wages | 16,74,760 | 23,91,200 |
| Contribution to provident and other funds | 12,745 | 67,581 |
| Staff welfare expenses | 5,68,292 | 5,83,505 |
| Other Expenses | 1,05,663 | 56,307 |
| Provision for Gratuity | 1,82,369 | - |
| Total | 25,43,829 | 30,98,593 |

Contribution to Provident Fund is Rs 12745 (Previous year Rs 67581).

Defined Benefit Plan :

Gratuity and Leave Encashment:

The Company makes partly annual contribution to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days service for each completed year of service or part thereof depending on the date of joining. The benefit vests after five years of continuous service.

| Assumptions | Gratuity | |
|-------------|----------|----------|
| | Funded | Funded |
| | 31.03.22 | 31.03.21 |
| | | |

Reconciliation of opening and closing balances**of the present value of the defined benefit obligation:**

| | | |
|---|--------------------|---|
| Present Value of obligation as at the beginning of the year | - | - |
| Current service cost | 1,82,369.00 | - |
| Interest cost | - | - |
| Actuarial (gain) / loss | - | - |
| Benefits paid | - | - |
| Present Value of obligation as at the end of the year | 1,82,369.00 | - |

Change in Plan Assets

| | | |
|--|-------------|------|
| Plan assets at period beginning, at fair value | 0.00 | 0.00 |
| Expected return on plan assets | - | - |
| Actuarial (gain) / loss | - | - |
| Contributions | - | - |
| Benefits paid | - | - |
| Plan assets at period end 2017, at fair value | 0.00 | 0.00 |
| Fair Value of Plan Assets | | |
| Fair Value of plan assets at the beginning of the year | 0.00 | 0.00 |
| Actual return on plan assets | - | - |
| Contributions | - | - |
| Benefits paid | - | - |
| Fair Value of plan assets at the end of the year | - | - |
| Funded status | - | - |
| Excess of Actual over estimated return | 0.00 | 0.00 |

The amounts to be recognized in the Balance

Sheet and statements of Profit and Loss

| | | |
|---|--------------------|--------|
| Present value of obligations as at the end of year | 1,82,369.00 | - |
| Fair value of plan assets as at the end of the year | 0.00 | 0.00 |
| Funded status | | |
| Net asset/(liability) recognized in Balance Sheet | 1,82,369.00 | (0.00) |

Expenses for the year

| | | |
|--|--------------------|---|
| Current service cost | 1,82,369.00 | - |
| Interest cost on benefit obligation | - | - |
| Expected return on plan assets | - | - |
| Net actuarial (gain)/loss recognised in the year | | |
| Total expenses recognised in the P & L A/c | 1,82,369.00 | - |

Note 21 - Net finance costs

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--------------------------------|------------------------------|------------------------------|
| Interest on Bank Loan / Others | 27,64,444 | 29,68,420 |
| Total | 27,64,444 | 29,68,420 |

Note 22 - Other expenses

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|----------------------------------|------------------------------|------------------------------|
| Electricity Charges | 48,58,877 | 1,10,43,790 |
| Utility expenses | 5,28,362 | 16,78,925 |
| Water Charges | 12,37,820 | 8,92,626 |
| Other Manufacturing Charges | 9,21,570 | 29,53,617 |
| Labour Charges | 54,38,856 | 1,23,02,689 |
| Repairs and Maintenance- Machine | 4,25,846 | 16,24,782 |
| Repairs and Maintenance | 2,76,071 | 19,80,329 |
| Rent, Rates and Taxes | 9,700 | 7,342 |
| Legal & Professional Charges | 9,25,092 | 5,77,782 |
| Office & Miscellaneous Exp. | 23,82,844 | 27,49,213 |
| Post and Telegram | 12,226 | 11,988 |
| Printing & Stationery | 14,145 | 26,425 |
| Travelling & Conveyance | 1,99,981 | 2,32,917 |
| Bank Charges | 25,810 | 5,052 |
| Commission Charges | 11,51,540 | 9,03,733 |
| Auditors Remuneration | 90,000 | 90,000 |
| Total | 1,84,98,740 | 3,70,81,210 |

Note 23 - Income tax expenses

| Particulars | Year ended March | Year ended March |
|---|--------------------|-------------------|
| | 31, 2022 | 31, 2021 |
| <i>Current tax</i> | | |
| Current tax on profits for the year | - | 27,13,000 |
| Adjustments for current tax of prior periods | - | - |
| Total current tax expense | - | 27,13,000 |
| <i>Deferred tax</i> | | |
| Decrease/(increase) in deferred tax assets | - | - |
| (Decrease)/increase in deferred tax liabilities | (19,18,845) | (3,06,160) |
| Total deferred tax expense/(benefit) | (19,18,845) | (3,06,160) |
| Total | (19,18,845) | 24,06,840 |

Note 24 - Details of Related parties transactions are as under :

a) List of related parties and relationship where control exists or with whom transactions were entered into:

Key Management Personnel

Mrs. Zaver S.Bhanushali (Managing Director)

Mr. Siddharth S.Bhanushali(Director)

Relative of Key Management Personnel

Mr. Shankarlal Gopalji Bhanushali

Mr.Ashmi Tanmay Ganacharya

Mrs Shital Siddharth Bhanushali

Enterprises owned or significantly influenced by Key Management Personnel

Adhiraj Chemindustries Pvt.Ltd.

b) Transactions during the year with related parties:

| Sr. No. | Particulars | Key Management Personnel | | Relatives of Key Managerial Person | | Enterprises owned or significantly influenced by Key Management Personnel | |
|---------|------------------------------|--------------------------|-------------|------------------------------------|---------|---|---------|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2021-22 |
| 1 | Remuneration payment | | | | | | |
| | Zaver S Bhanushali | 29,780 | 4,20,000 | - | - | - | - |
| | Siddharth S Bhanushali | 29,780 | 4,20,000 | - | - | - | - |
| 2 | Interest on Loan | | | | | | |
| | Zaver S Bhanushali | 24,76,050 | 29,56,670 | - | - | - | - |
| | Siddharth S Bhanushali | 1,68,152 | 11,750 | - | - | - | - |
| 3 | Unsecured Loan Taken | | | | | | |
| | Zaver S Bhanushali | 3,64,10,000 | 2,72,00,010 | - | - | - | - |
| | Siddharth S Bhanushali | 95,45,000 | 1,50,000 | - | - | - | - |
| 4 | Unsecured Loan Repaid | | | | | | |
| | Zaver S Bhanushali | 5,43,50,000 | 3,01,71,507 | - | - | - | - |
| | Siddharth S Bhanushali | 52,55,000 | 1,50,000 | - | - | - | - |
| 5 | Contractual Expense | | | | | | |
| | Siddharth S Bhanushali | 2,83,200 | 2,83,200 | - | - | - | - |

c) Amount outstanding at the year end

| Sr. No. | Particulars | Key Management Personnel | | Relatives of Key Managerial Person | | Enterprises owned or significantly influenced by Key Management Personnel | |
|---------|-------------------------------|--------------------------|-------------|------------------------------------|---------|---|---------|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2021-22 |
| 1 | Outstanding Payables | | | | | | |
| | Zaver S Bhanushali | 2,70,151 | - | - | - | - | - |
| | Siddharth S Bhanushali | 1,09,336 | - | - | - | - | - |
| 2 | Outstanding Receivable | - | - | - | - | - | - |
| 3 | Unsecured loan payable | | | | | | |
| | Zaver S Bhanushali | 35,60,000 | 2,15,00,000 | - | - | - | - |
| | Siddharth S Bhanushali | 42,90,000 | - | - | - | - | - |

Note 25 - Fair Value Measurement :

i) Financial Instruments by Category :

| Particulars | 31st March, 2022 | | 31st March, 2021 | |
|------------------------------|------------------|----------------|------------------|----------------|
| | FVTPL | Amortized Cost | FVTPL | Amortized Cost |
| Financial assets : | | | | |
| Trade receivables | - | 3,27,352 | - | 47,04,294 |
| Cash and cash equivalents | - | 14,73,175 | - | 52,03,566 |
| Total | - | 18,00,527 | - | 99,07,860 |
| Financial Liabilities | | | | |
| Borrowings | - | 99,88,036 | - | 2,15,00,000 |
| Trade payables | - | 49,79,672 | - | 40,00,760 |
| Total | - | 1,49,67,708 | - | 2,55,00,760 |

a) The carrying value of trade receivables, securities deposits, insurance claim receivable, loans given, cash and bank balances and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.

b) The carrying value of borrowings, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

Note 26 - Financial Risk Management:

Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements:

| Risk | Exposure arising from | Measurement | Management |
|--------------------------------|---|--|---|
| Credit risk | Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortized cost | Aging analysis | Bank deposits, diversification of asset base, credit limits and collateral. |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk - foreign exchange | Recognised financial assets and liabilities not denominated in Indian rupee (₹) | Cash flow forecasting sensitivity analysis | Forward contracts |
| Market risk - interest rate | Borrowings at variable rates | Sensitivity analysis | Mix of borrowings taken at fixed and floating rates |
| Market risk - gold prices | Payables linked to gold prices | Sensitivity analysis | gold is purchased as forward or without any credit |
| Market risk - security price | Investments in equity securities | Sensitivity analysis | Portfolio diversification |

The Company's risk management is carried out by a central treasury department of the Company under policies approved by the Board of Directors. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, market risk, credit risk and investment of excess liquidity.

A) Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. The Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, mutual funds, bank deposits, loans and derivative financial instruments is considered negligible, since the counterparties are reputable organizations with high quality external credit ratings.

Company provides for expected credit losses on financial assets by assessing individual financial instruments for expectation of any credit losses. Since the assets have very low credit risk, and are for varied natures and purpose, there is no trend that the company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Detail of trade receivables that are past due is given below:

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|---------------------|--------------------|--------------------|
| Not due | 0 | 0 |
| 0-30 days past due | 3,27,352.00 | 47,04,294.24 |
| 31-60 days past due | - | - |
| 61-90 days past due | - | - |
| More than 90 days | - | - |
| *rounded off to nil | - | - |

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

| Particulars | As at 31-Mar-22 | As at 31-Mar-21 |
|--|--------------------|--------------------|
| Expiring within one year (bank overdraft and other facilities) | 21,38,036 | - |
| Expiring beyond one year (bank loan) | 2,75,45,134 | - |
| Total | 2,96,83,170 | - |

Contractual maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

31-Mar-2022

| Particulars | Payable on demand | Less than 1 year | Less than 1-2 year | Less than 2-3 year | More than 3 year | Total |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|
| Non-derivatives | | | | | | |
| Borrowings | 78,50,000.00 | 21,38,036.00 | 22,82,598.00 | 24,36,181.00 | 2,28,26,355.00 | 2,96,83,170.00 |
| Trade payable | - | 49,12,759.11 | 6,000.00 | 53,413.00 | 7,500.00 | 49,79,672.11 |
| Other financial liabilities | - | - | - | - | - | - |
| Total | 78,50,000.00 | 70,50,795.11 | 22,88,598.00 | 24,89,594.00 | 2,28,33,855.00 | 3,46,62,842.11 |

31-Mar-2021

| Particulars | Payable on demand | Less than 1 year | Less than 1-2 year | Less than 2-3 year | More than 3 year | Total |
|-----------------------------|-------------------|---------------------|--------------------|--------------------|------------------|---------------------|
| Non-derivatives | | | | | | |
| Borrowings | 2,15,00,000.00 | - | - | - | - | - |
| Trade payable | - | 37,77,788.92 | 19,998.00 | 2,02,973.00 | - | 40,00,759.92 |
| Other financial liabilities | - | - | - | - | - | - |
| Total | | 37,77,788.92 | 19,998.00 | 2,02,973.00 | - | 40,00,759.92 |

C) Market risk - foreign exchange

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company, as per its overall strategy, uses forward contracts to mitigate its risks associated with fluctuations in foreign currency, and such contracts are not designated as hedges under Ind AS 109. The Company does not use forward contracts and swaps for speculative purposes.

Sensitivity

The company is now not exposed to foreign exchange risk as it has closed its foreign exchange exposure.

D) Interest rate risk**i) Liabilities**

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. At 31 March 2021 the Company is not exposed to changes in market interest rates as there are no bank borrowings availed by the Company.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

| Particulars | 31-Mar-22 | 31-Mar-21 |
|-------------------------|--------------------|--------------------|
| Variable rate borrowing | - | - |
| Fixed rate borrowing | 3,75,33,170 | 2,15,00,000 |
| Total Borrowings | 3,75,33,170 | 2,15,00,000 |

Sensitivity

The sensitivity to profit or loss in case of a reasonably possible change in interest rates of +/- 50 basis points (previous year: +/- 50 basis points), keeping all other variables constant, would have resulted in an impact on profit by ` Nil lakhs (previous year profits by ` Nil lakhs).

ii) Assets

The Company's financial assets are carried at amortized cost and are at fixed rate only. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

E) Price risk**Exposure from investments in mutual funds:**

The Company's exposure to price risk arises from investments in mutual funds held by the Company and classified in the balance sheet as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity

The sensitivity to profit or loss in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in an impact on loss by ` 7.81lakhs (previous year profit by ` 10.72 lakhs).

Exposure from trade payables:

The Company's exposure to price risk also arises from trade payables of the Company that are at unfixed prices, and, therefore, payment is sensitive to changes in gold prices. The option to fix gold prices are classified in the balance sheet as fair value through profit or loss. The option to fix gold prices are at unfixed prices to hedge against potential losses in value of inventory of gold held by the Company.

The Company applies fair value hedge for the gold purchased whose price is to be fixed in future. Therefore, there will no impact of the fluctuation in the price of the gold on the Company's profit for the period.

Note 27 - Capital Management:

The Company's capital management objectives are:
to ensure the Company's ability to continue as a going concern
to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. The Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

CAPROLACTAM CHEMICALS LIMITED

Financial statements as at and for the year ended March 31, 2022

Note 28 - Disclosure with respect to Ratio:

| Ratio | Numerator | Denominator | Current Period | Previous Period | % Variance | Reasons for Variance |
|--------------------------------------|---|---|----------------|-----------------|------------|---|
| (a) Current Ratio | Current Assets | Current Liability | 0.21 | 0.55 | -61.44% | The variation in current ratio as at March 2022 as compared to March 2021 is primarily due to increase in other current liability. |
| (b) Debt Equity Ratio | Borrowings+ Interest Accrued | Total Equity | 1.34 | 0.53 | 154.57% | The variation in current ratio as at March 2022 as compared to March 2021 is primarily due to increase in Borrowings. |
| (c) Debt Service Coverage Ratio | Net Profit after Tax +Depreciation+ Interest+loss on sale of Fixed Assets | Debt Service = Interest & Lease payments+ Principal Repayments | 0.10 | 6.78 | 98.45% | The variation in current ratio as at March 2022 as compared to March 2021 is primarily due to Net loss incurred during the period . |
| (d) Return on Equity Ratio | Net Profit after Tax | Average Shareholder's Ec | (2.79) | 1.41 | 297.08% | The variance is due to heavy losses incurred in the Financial year |
| (e) Inventory turnover ratio | Cost of Goods sold or Sales | Average Inventory (Opening Inventory + Closing Inventory) /2 | 18.02 | 33.26 | -45.82% | The variance is due to reduction in cost of goods sold as compared to previous year |
| (f) Trade Receivables Turnover ratio | Net Credit Sales | Average Accounts Receiv | 8.22 | 16.38 | -49.79% | The variance on account of reduction in receivables |
| (g) Trade Payables turnover | Net Credit Purchases | Average Trade Payables | 1.22 | 0.35 | 253.17% | Vairance due to reduction in Purchases during year |
| (h) Net Capital turnover ratio | Net Sales | Working Capital | (0.55) | (4.78) | -88.50% | Vairance due to reduction in turnover during year |
| (i) Net Profit Ratio | Net Profit | Net Sales | (0.62) | 0.10 | 701.01% | Vairance due to reduction in turnover during year |
| (j) Return on Capital Employed | Earning before interest and taxes | Capital Employed | (0.22) | 0.28 | 177.60% | Vairance due to heavy loss incurred during year |
| (k) Return on investment | Net Profit after Tax | Total Equity | (0.46) | 0.16 | 387.39% | Vairance due to heavy loss incurred during year |

Note 29 - Earning Per Share:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Profit after Tax | (1,28,21,310) | 65,05,651 |
| No. of shares outstanding | 4600000 | 4600000 |
| Weighted Average No. of shares + potential shares o/s | 4600000 | 4600000 |
| Earning per share (Basic) | (2.79) | 1.41 |
| Earning per share (Diluted) | (2.79) | 1.41 |

Note 30 - Value Of Imports On C.I.F. Basis:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------|-------------------------|-------------------------|
| Raw Materials | Nil | Nil |

Note 31 - Earnings in Foreign Exchange :

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------|-------------------------|-------------------------|
| F.O.B. Value of Exports | Nil | Nil |

Note 32 - Expenditure In Foreign Currency:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------|-------------------------|-------------------------|
| 1. Foreign Travels | - | - |
| 2. Others | - | - |

Note 33 - Remuneration to Auditors:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------|-------------------------|-------------------------|
| As Auditors | 90,000 | 90,000 |
| Others | - | - |
| Total | 90,000 | 90,000 |

Note 34 - Contingent Liabilities Not Provided For:

The Company does not have Contingent Liability at the end of the year.

Note 35 - The companies activities falls under only one segment namely chemicals

Note 36 - Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for any Benami property.

(ii) The Company does not have any transaction with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities

(Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(viii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

Note 37 - The previous year's figures have been regrouped and rearranged wherever necessary to make in compliance with the current financial year.

For Pulindra Patel & Co.
Chartered Accountants
ICAI Firm Registration No. 115187W

Sd/-

Pulindra Patel
Proprietor
Mem No. : 048991
UDIN : 22048991AJVSKJ9760
Place: Mumbai
Date : 30th May, 2022

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

Sd/-

Mrs. Z. S. Bhanushali
Managing Director
DIN- 00663374
Place: Mahad

Sd/-

Sd/-

Mr. S. S. Bhanushali
Director
DIN- 01721586

Company Secretay -Dolly Dipesh Shah
MNo:- A38116

ABSTRACT OF THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2022

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
Balance Sheet Date: 31-03-2022.

State Code: 11

II. Capital raised during the year

Public Issue Nil
Bonus Issue Nil

Right Issue Nil
Private Issue Nil

III. Position of Mobilization and Deployment of Funds

| | | | |
|-------------------|----------------|--------------|--------------|
| Total Liabilities | (10,33,37,110) | Total Assets | 10,33,37,110 |
|-------------------|----------------|--------------|--------------|

Sources of Funds

| | | | |
|-----------------|-------------|----------------------|---------------|
| Paid-up Capital | 4,60,00,000 | Reserves and Surplus | (1,80,19,882) |
| Secured Loans | 2,96,83,170 | Unsecured Loans | 78,50,000 |
| Deferred Tax | 1,07,323 | | |

Application of Funds

| | | | |
|--------------------|-------------|-----------------------------|-----|
| Net Fixed Assets | 5,25,56,671 | Investment | Nil |
| Net Current Assets | 1,00,58,153 | Misc. Expenditure (P&L a/c) | Nil |

IV. Performance of Company

| | | | |
|--------------------------|---------------|-------------------------|---------------|
| Turnover | 2,06,88,265 | Total Expenditure | 3,94,84,198 |
| Profit / Loss before tax | (1,47,40,155) | Profit / Loss after tax | (1,28,21,310) |
| Earnings per Share Rs. | (2.79) | 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 on even date

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

Sd/-

Mrs. Z. S. Bhanushali
Managing Director
DIN- 00663374
Place: Mahad

Sd/-

Mr. S. S. Bhanushali
Director
DIN- 01721586

Sd/-

Company Secretay -Dolly Dipesh Shah
MNo:- A38116