

Date: 29.08.2024

**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 Tuesday, 24th September, 2024. 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 2023-24 which is being, sent through electronic mode to the Members.

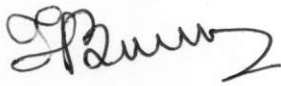
The Company will provide to its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means („e-voting"). The detailed process to join meeting through VC / OAVM and e-voting, are set out in Notice.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rules framed thereunder, the Company has fixed 17th September, 2024 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 19<sup>th</sup> September, 2024 and end on 5.00 p.m. on 23<sup>rd</sup> September, 2024.

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

Thanking you  
Yours faithfully,  
For Caprolactam Chemical Limited



Zaver Shankarlal Bhanushali  
Managing Director  
DIN: 00663374





# Caprolactam Chemicals Limited

CIN NO: - L24110MH1988PLC049683

**35<sup>th</sup> Annual Report**  
31-03-2024

## 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)  
Standard Chartered Bank

### **Company Secretary**

Dolly  
Dipesh Shah

### **SHARE TRANSFER AGENT**

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

### **REGISTERED OFFICE & WORKS**

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

[support@purvashare.com](mailto:support@purvashare.com)

[caprolactam@gmail.com](mailto:caprolactam@gmail.com)

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**NOTICE**

**NOTICE** is hereby given that the 35th Annual General Meeting of **Caprolactam Chemicals Limited** will be held on Tuesday the 24th September, 2024 at 11:30 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, Industrial Area, Mahad, Dist: Raigad, Maharashtra, India, 402302:

**ORDINARY BUSINESS:**

1. To consider and adopt the Annual Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Zaver Shankarlal Bhanushali (DIN: 00663374), who retires by rotation in terms of section 152(6) and being eligible offers her candidature for re appointment.

**SPECIAL BUSINESS:**

3. To approve appointment of Mr. Viren Jaysukhlal Jasani (DIN: 09445555) as an Independent Director, not liable to retire by rotation, for the first term of 5 years

*To consider and if thought fit, to pass the following resolution as an **SPECIAL RESOLUTION**:*

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed thereunder read with Schedule IV to the Act and Regulation 17(1) and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including any statutory amendment(s), modification(s) or re-enactment thereof, for the time being in force), Mr. Viren Jaysukhlal Jasani having DIN 09445555 who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 from a member proposing his candidature for the office of Directors of the Company and who has given a declaration that he meets the criteria of independence as per Section 149(6) of the Act and rules framed thereunder and Regulation 16(1) (b) the Listing Regulations and eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for a first term of five (5) consecutive years, that is, 24<sup>th</sup> September, 2024 to 23<sup>rd</sup> September, 2029 and shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for appointment of Mr. Viren Jaysukhlal Jasani (DIN: 09445555), as a Non-Executive Independent Director of the Company.”

4. To approve appointment of Mr. Kamlesh Damji Joisher (DIN :00510086) as an Independent Director, not

liable to retire by rotation, for the first term of 5 years

*To consider and if thought fit, to pass the following resolution as an **SPECIAL RESOLUTION**:*

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed thereunder read with Schedule IV to the Act and Regulation 17(1) and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (including any statutory amendment(s), modification(s) or re-enactment thereof, for the time being in force), Mr. Kamlesh Damji Joisher having DIN 00510086 who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 from a member proposing his candidature for the office of Directors of the Company and who has given a declaration that he meets the criteria of independence as per Section 149(6) of the Act and rules framed thereunder and Regulation 16(1) (b) the Listing Regulations and eligible for appointment be and is hereby appointed as an Independent Director of the Company to hold office for a first term of five (5) consecutive years, that is, 24<sup>th</sup> September, 2024 to 23<sup>rd</sup> September, 2029 and shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for appointment of Mr. Kamlesh Damji Joisher (DIN :00510086) as a Non-Executive Independent Director of the Company.”

Registered Office:  
B-31 MIDC, Industrial Area,  
Mahad, Dist: Raigad,  
Maharashtra, India, 402302

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

Date: 29.08.2024  
Place: Mahad

Sd/-  
Zaver S Bhanushali  
Managing Director  
DIN - 00663374

### NOTES FOR MEMBERS ATTENTION:

- The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with the subsequent circulars issued from time to time, the latest one being General Circular No. 09/2023 dated 25th September, 2023 (MCA Circulars), has allowed the Companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) till 30th September, 2024. In compliance with the provisions of the Companies Act, 2013 (the Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and MCA Circulars, the 35th AGM of the Company shall be conducted through VC/OAVM. Purva Sharegistry (India) Pvt. Ltd will be providing facilities in respect of:

(a) voting through remote e-voting;

(b) participation in the AGM through VC/ OAVM facility;

(c) e-voting during the AGM.

The procedure for participating in the meeting through VC/OAVM is explained at Note No. 13 below and is also available on the website of the Company at [www.caprolactam.co.in](http://www.caprolactam.co.in)

2. As the AGM would be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM. Hence, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

#### Authorised Representative

3. Institutional / Corporate Members are entitled to appoint authorised representatives to attend, participate at the AGM through VC / OAVM and cast their votes through e-voting. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to the Scrutinizer at [gorirahul13@gmail.com](mailto:gorirahul13@gmail.com) and to [support@purvashare.com](mailto:support@purvashare.com).

#### Electronic dispatch of Annual Report and process for registration of e-mail id and for obtaining copy of Annual Report:

4. In accordance with the circulars issued by MCA and SEBI, the Notice of the 35th AGM along with the Integrated Annual Report for the Financial Year (FY) 2023-24 is being sent by electronic mode to Members whose e-mail ids are registered with the Company or the Depository Participants (DPs).
5. Those Members who are holding shares in physical form and have not updated their e-mail ids with the Company, are requested to update the same by submitting a duly filled and signed Form ISR-1 along with self-attested copy of the PAN Card, and self-attested copy of any document (e.g. Driving License, Voter Identity Card, Passport) in support of the address of the Member, to the Company / RTA at [caprolactam@gmail.com](mailto:caprolactam@gmail.com) or [support@purvashare.com](mailto:support@purvashare.com).
6. Members holding shares in dematerialised (demat) mode are requested to register/update their e-mail ids with their relevant DPs. In case of any queries/ difficulties in registering the e-mail ids, Members may write to the Company/RTA at [caprolactam@gmail.com](mailto:caprolactam@gmail.com) or [support@purvashare.com](mailto:support@purvashare.com).
7. Notice of the 35th AGM along with Integrated Annual Report for the FY 2023-24, is available on the website of the Company at [www.caprolactam.co.in](http://www.caprolactam.co.in), on the website of Stock Exchanges i.e. BSE Limited and on the website of Purva Sharegistry (India) Pvt. Ltd at <https://www.purvashare.com>.
8. The Physical copy of the Integrated Annual Report for the FY 2023-24 (including the Notice of the 35th AGM) shall be sent only to those Members who specifically request for the same. Accordingly, Members who wish to obtain a physical copy of the Integrated Annual Report for the FY 2023-24, may write to the Company at [caprolactam@gmail.com](mailto:caprolactam@gmail.com), requesting for the same by providing their holding details.

#### Details of Directors seeking appointment/ re-appointment

9. Details as required in Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment/re-appointment at the AGM are provided in this Integrated Annual Report. Requisite declarations have been received from the Directors seeking appointment/re-appointment. Independent Directors of the Company are not liable to retire by rotation.

### Explanatory Statement

10. An explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Ordinary Businesses in the Notice is annexed hereto and forms part of this Notice.

### Procedure for inspection of documents

11. Documents referred to in the accompanying Notice of the 35th AGM and the Explanatory Statement shall be available at the Registered Office of the Company for inspection without any fee on all working days except Saturday, during normal business hours **(9:00 A.M. to 5:00 P.M. (IST)) from Monday, 16th September, 2024 to Monday, 23rd September, 2024.**
12. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon login at Purva Shareregistry (India) Pvt. Ltd e-Voting page at <https://evoting.purvashare.com>.
13. The Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report for year ended March 31, 2024 will also be available on the Company’s website at [www.caprolactam.co.in](http://www.caprolactam.co.in) for their download. Members are entitled to receive such communication in physical form, upon making a request to the Company for the same. For any communication, the Members may send a request to the Company’s investor email id: [caprolactam@gmail.com](mailto:caprolactam@gmail.com)
14. The Company’s Registrar and Transfer Agents (RTA) for its Share Registry Work is M/s. Purva Shareregistry (India) Pvt. Ltd. having their office at Purva Shareregistry (India) Pvt. Ltd. at 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Near Lodha Excelus Lower Parel (E), Mumbai, 400011.
15. Pursuant to Sections 101 and 136 of the Companies Act, 2013, read with the Rules framed there under and pursuant to the circulars issued by the Ministry of Corporate Affairs (MCA) regarding the Green Initiative, the Notice of the AGM inter alia, would be sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Purva / Depository Participant and who have not opted to receive the same in physical form. Members are requested to support the Green Initiative by registering/ updating their email addresses, with their Depository Participant.
16. Electronic copy of the Annual Report for 2023-2024 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2023-24 is being sent through permitted mode.
17. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
18. Members can inspect the registers as required under the Companies Act, 2013, read with Rules (to the extent as permitted and stated under applicable laws) and relevant documents referred to in the Notice will be available for inspection at the Registered Office of the Company during normal business hours, i.e. 10.00 a.m. to 6.00 p.m. on all working days except Saturdays and Sundays, up to and including the date of the AGM.
19. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, September 18, 2024 to Tuesday, September 24, 2024 (both days inclusive)** for the purpose of AGM.

20. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meetings so that the information required may be made available at the meeting.
21. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Purva Sharegistry (India) Pvt. Ltd. to provide efficient and better services.

### Procedure for remote e-voting and e-voting during the AGM

#### Purva e-Voting System – For Remote e-voting and e-voting during AGM

22. 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/EGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
23. 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 Purva Sharegistry (India) Private Limited (Purva) 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 Purva.
24. 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 at least 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.
25. 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.
26. 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.
27. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice



calling the AGM has been uploaded on the website of the Company at [www.caprolactam.co.in](http://www.caprolactam.co.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of PURVA (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. <https://evoting.purvashare.com/>.

28. 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.
29. 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 INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

30. The voting period begins on 9.00 A.M. (IST) on Thursday, 19th September, 2024 and ends on 5.00 P.M. (IST) on Monday, 23rd September, 2024. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 17<sup>th</sup> September, 2024 may cast their vote electronically. The e-voting module shall be disabled by Purva for voting thereafter.
31. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
32. 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.
33. 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.
34. 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.
35. 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 above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME/PURVA, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

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

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

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

The shareholders should log on to the e-voting website <https://evoting.purvashare.com>.

- 1) Click on “Shareholder/Member” module.
- 2) 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.
- 3) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) or [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 4) If you are a first-time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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 <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ii) After entering these details appropriately, click on “SUBMIT” tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVENT NO. for the relevant Caprolactam Chemicals Limited on which you choose to vote.
- (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO/ABSTAIN” for voting. Select the option YES or NO or ABSTAIN as desired. The option YES implies that you assent to the Resolution, option NO implies that you dissent to the Resolution and option ABSTAIN implies that you are not voting either for or against the Resolution.
- (vii) Click on the “NOTICE FILE LINK” if you wish to view the Notice.
- (viii) 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.

(ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(x) **Facility for Non – Individual Shareholders and Custodians – Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://evoting.purvashare.com> and register themselves in the “Custodians / Mutual Fund” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [evoting@purvashare.com](mailto:evoting@purvashare.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.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, non-individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [caprolactam@gmail.com](mailto:caprolactam@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the Purva e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

36. The procedure for attending meeting & e-Voting on the day of the AGM is the same as the instructions mentioned above for Remote e-voting.
37. 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
38. 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.
39. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
40. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
41. 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.
42. 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 (company email id). 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](mailto:caprolactam@gmail.com). These queries will be replied to by the company suitably by email.

43. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
44. 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.
45. 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.

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

46. 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 [caprolactam@gmail.com](mailto:caprolactam@gmail.com)/ [support@purvashare.com](mailto:support@purvashare.com).
47. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
48. 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 Purva e-Voting System, you can write an email to [evoting@purvashare.com](mailto:evoting@purvashare.com) or contact at **022-49614132** and **022-49700138**.

All grievances connected with the facility for voting by electronic means may be addressed to Ms. Deepali Dhuri, Compliance Officer, Purva Shareregistry (India) Private Limited, Unit No. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai - 400011 or send an email to [evoting@purvashare.com](mailto:evoting@purvashare.com) or contact at **022- 022-49614132** and **022-35220056**.

#### Explanatory Statement Setting Out Material Facts Under Section 102 Of the Companies Act, 2013

##### ITEM NO. 3

##### **To appoint Mr. Viren Jaysukhlal Jasani (DIN: 09445555) as an Independent Director of the Company.**

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Viren Jaysukhlal Jasani (DIN: 09445555) be appointed as an Independent Director on the Board of the Company. The appointment of Mr. Viren Jaysukhlal Jasani (DIN: 09445555) shall be effective upon approval by the members in the Meeting.

Further, pursuant to the provisions of the Companies Act, 2013 and other applicable LODR regulations the Company is required to obtain approval of shareholders for the appointment of an Independent Directors. Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company on 16<sup>th</sup> May, 2024 approved the appointment of Mr. Viren Jaysukhlal Jasani

as an Additional Director (Independent) on the Board of the Company who will hold the office till the ensuing AGM.

Mr. Viren Jaysukhlal Jasani is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received the consent and requisite declarations from Mr. Viren Jaysukhlal Jasani as per the provisions of the Act and SEBI Listing Regulations including the declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. Further, in terms of Regulation 25(8) of SEBI Listing Regulations, he has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Further, he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

In the opinion of the Board, Mr. Viren Jaysukhlal Jasani fulfils the conditions for his appointment as an Independent Director, as specified in the Companies Act, 2013 and SEBI Listing Regulations and is independent of the management.

Mr. Viren Jaysukhlal Jasani possesses the required skills, knowledge, and experience as identified by the Board in the fields of Finance & Risk management, operations management, Start-up Development and General Management.

Further, Mr. Viren Jaysukhlal Jasani possesses the integrity, expertise, experience and proficiency for appointment as an Independent Director and is a person of high integrity and repute.

Considering his expertise and knowledge, the Board considers that the appointment of Mr. Viren Jaysukhlal Jasani as an Independent Director of the Company will be in the interest of the Company, and hence, it recommends appointment of Mr. Viren Jaysukhlal Jasani as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (Five) years commencing from the date of Annual General Meeting i.e. 24<sup>th</sup> September, 2024 till 23<sup>rd</sup> September, 2029.

Accordingly, the Board recommends the resolution as set out at Item No. 2 of this Addendum to the 35<sup>th</sup> AGM Notice for approval of the Members of the Company as an Ordinary Resolution.

The copy of draft letter of appointment of Mr. Viren Jaysukhlal Jasani setting out the terms and conditions of his appointment is available electronically for inspection by the Members. The same is also available for inspection at the office of the Company during office hours on all working days from the date of dispatch of the Notice till the date of AGM.

Pursuant to Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), requisite particulars of Mr. Viren Jaysukhlal Jasani including his profile and specific areas of expertise are given in this Addendum to the AGM Notice as **“Annexure 1”**.

Except Mr. Viren Jaysukhlal Jasani and his relatives, no other Director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

**“Annexure – 1” ADDITIONAL INFORMATION ON DIRECTOR SEEKING APPOINTMENT AT THE 35<sup>TH</sup> ANNUAL GENERAL MEETING.**

*[Pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings issued ICSI].*

### **Brief Profile of Mr. Viren Jaysukhlal Jasani**

Viren Jasani is a highly experienced Director with over two decades of expertise spanning chemical engineering, software development, and industrial manufacturing. After earning a Bachelor of Engineering degree in Chemical Engineering from Mumbai University in 2000, Viren began his career in software development, working with Prescient Infotech Pvt Ltd in India and American Management Systems (AMS) in Fairfax, Virginia, USA. During this period, he developed strong technical skills in software design and implementation, managing multiple projects, and collaborating with diverse teams to deliver customized software solutions. This early experience provided Viren with valuable insights into global business practices and honed his project management capabilities.

In 2005, Viren transitioned into a leadership role at his family company, which specializes in sheet metal fabrication and engineering services. As a Director, Viren has been instrumental in driving the company's growth and transformation. He has successfully expanded production capacity and integrated advanced manufacturing technologies, such as CNC machining, laser cutting, and robotic welding, to enhance precision and productivity. Viren's strategic vision and business acumen have led to significant revenue growth, driven by the expansion of the client base and the establishment of key industry partnerships.

Viren is committed to continuous improvement and operational excellence, having implemented lean manufacturing principles and robust quality control measures that ensure the company consistently meets industry standards and customer expectations. His leadership style emphasizes team development and professional growth, as he mentors a team of skilled engineers and technicians, fostering a culture of innovation and continuous learning. With a unique blend of technical expertise, strategic leadership, and a deep understanding of both the IT and manufacturing sectors, Viren Jasani has positioned his family business as a leader in the industry. Outside of work, Viren remains passionate about staying abreast of the latest trends and technologies in engineering and manufacturing, and he enjoys engaging in activities such as traveling, reading, and participating in industry forums.

Other details:

<b>Name of the Director</b>	Mr. Viren Jaysukhlal Jasani (DIN: 09445555)
<b>Date of Birth &amp; age</b>	DOB -April 23 <sup>rd</sup> , 1979. Age – 45 Years.
<b>Date of Appointment</b>	16 <sup>th</sup> May, 2024
<b>Nature of his expertise in specific functional areas</b>	Worked as business development director in Engineering Company
<b>Qualification</b>	Graduate
<b>Relationship with other Directors, Managers and KMPs</b>	None
<b>Directorship held in other listed entities</b>	NIL
<b>Membership / Chairmanship of Committees of the Board in other listed entities</b>	NIL
<b>Listed entities from which he has resigned in the past 3 (three) years</b>	NIL
<b>Number of meetings of the Board attended during the year</b>	2
<b>Terms and conditions of Appointment or Re-</b>	Not Liable to retire by rotation



appointment	
Remuneration last drawn	Not Applicable
Remuneration sought to be paid	Entitled to sitting fees and remuneration for attending the meetings of the Board and / or respective Committee(s) where he is the Chairperson / Member, as the case may be, as approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, from time to time, within the overall limits as per the Companies Act, 2013 and / or as approved by the shareholders, from time to time.
Shareholding in Caprolactam Chemicals Limited	NIL
Shareholding as a beneficial owner	Not Applicable

**ITEM NO. 4****To appoint Mr. Kamlesh Damji Joisher (DIN :00510086) as an Independent Director of the Company.**

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Kamlesh Damji Joisher (DIN:00510086) be appointed as an Independent Director on the Board of the Company. The appointment of Mr. Kamlesh Damji Joisher (DIN :00510086) shall be effective upon approval by the members in the Meeting.

Further, pursuant to the Companies Act, 2013, the Company is required to obtain approval of shareholders for the appointment of an Independent Directors.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company on 16<sup>th</sup> May, 2024 approved the appointment of Mr. Kamlesh Damji Joisher as an Additional Director (Independent) on the Board of the Company, not liable to retire by rotation, for a term of 5 (Five) years commencing from the date of Annual General Meeting i.e. 24<sup>th</sup> September, 2024 till 23<sup>rd</sup> September, 2029.

Mr. Kamlesh Damji Joisher is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received the consent and requisite declarations from Mr. Kamlesh Damji Joisher as per the provisions of the Act and SEBI Listing Regulations including the declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. Further, in terms of Regulation 25(8) of SEBI Listing Regulations, he has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Further, he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

In the opinion of the Board, Mr. Kamlesh Damji Joisher fulfils the conditions for his appointment as an Independent Director, as specified in the Companies Act, 2013 and SEBI Listing Regulations and is independent of the management.

Mr. Kamlesh Damji Joisher possesses the required skills, knowledge, and experience as identified by the Board in the fields of Finance & Risk management, operations management, Start-up Development and General Management.

Further, Mr. Kamlesh Damji Joisher possesses the integrity, expertise, experience and proficiency for appointment as an Independent Director and is a person of high integrity and repute.

Considering his expertise and knowledge, the Board considers that the appointment of Mr. Kamlesh Damji Joisher as an Independent Director of the Company will be in the interest of the Company, and hence, it recommends appointment of Mr. Kamlesh Damji Joisher as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (Five) years commencing from the date of Annual General Meeting i.e. 24<sup>th</sup> September, 2024 till 23<sup>rd</sup> September, 2029.

Accordingly, the Board recommends the resolution as set out at Item No. 3 of this Addendum to the 35th AGM Notice for approval of the Members of the Company as an Ordinary Resolution.

The copy of draft letter of appointment of Mr. Kamlesh Damji Joisher setting out the terms and conditions of his appointment is available electronically for inspection by the Members. The same is also available for inspection at the office of the Company during office hours on all working days from the date of dispatch of the Notice till the date of AGM.

Pursuant to Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), requisite particulars of Mr. Kamlesh Damji Joisher including his profile and specific areas of expertise are given in this Addendum to the AGM Notice as “**Annexure 2**”.

Except Mr. Kamlesh Damji Joisher and his relatives, no other Director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

**“Annexure – 2” ADDITIONAL INFORMATION ON DIRECTOR SEEKING APPOINTMENT AT THE 35<sup>TH</sup> ANNUAL GENERAL MEETING.**

*[Pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings issued ICSI].*

**Brief Profile of Mr. Kamlesh Damji Joisher**

**Kamlesh Joisher** is an accomplished leader in the plastics industry, with over 45 years of extensive experience in marketing and manufacturing. He served as the CEO and whole-time Director of TPL Plastic Ltd., a prominent public limited company, from 2006 to 2017. During his tenure at TPL Plastic Ltd., Kamlesh was responsible for overseeing all company operations, with a particular focus on marketing and strategic growth. Under his leadership, the company expanded its market presence and operational capabilities, establishing itself as a leading player in the plastics industry.

Currently, Kamlesh Joisher serves as a full-time Director, managing six manufacturing units across India, which specialize in producing a wide range of plastic containers. His expertise spans the development and execution of comprehensive marketing strategies, driving business growth and establishing long-term

customer relationships. Kamlesh has been instrumental in marketing plastic containers, ranging from 5 liters to 1000 liters, for over 40 years. His deep understanding of market dynamics and customer needs has positioned him as a key figure in the industry.

In addition to his directorial role, Kamlesh is actively involved in consultancy projects, focusing on setting up plastic manufacturing plants in India. His consultancy work includes leading three turnkey projects for 200-liter plastic barrels in North India, showcasing his commitment to advancing the industry and supporting new business ventures. Kamlesh's vast experience and strategic vision have made him a sought-after consultant for companies looking to establish or expand their presence in the plastic packaging sector.

Throughout his career, Kamlesh Joisher has demonstrated a consistent ability to drive operational efficiency, innovate manufacturing processes, and enhance product quality. His leadership has been characterized by a hands-on approach, ensuring that every aspect of the business aligns with the highest standards of excellence. Kamlesh's passion for the plastics industry and his dedication to continuous improvement have earned him a reputation as a visionary leader and a trusted advisor in the field.

Other details:

<b>Name of the Director</b>	Kamlesh Damji Joisher (DIN :00510086)
<b>Date of Birth &amp; age</b>	DOB – October 5 <sup>th</sup> 1959. Age – 65 Years.
<b>Date of Appointment</b>	16 <sup>th</sup> May, 2024
<b>Nature of his expertise in specific functional areas</b>	Worked for 30 years in TPL Plastech Limited as Whole-time director and CEO
<b>Qualification</b>	Graduate
<b>Relationship with other Directors, Managers and KMPs</b>	None
<b>Directorship held in other listed entities</b>	NIL
<b>Membership / Chairmanship of Committees of the Board in other listed entities</b>	NIL
<b>Listed entities from which he has resigned in the past 3 (three) years</b>	NIL
<b>Number of meetings of the Board attended during the year</b>	2
<b>Terms and conditions of Appointment or Re-appointment</b>	Not Liable to retire by rotation
<b>Remuneration last drawn</b>	Not Applicable
<b>Remuneration sought to be paid</b>	Entitled to sitting fees and remuneration for attending the meetings of the Board and / or respective Committee(s) where she is the Chairperson / Member, as the case may be, as approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, from time to time, within the overall limits as per the Companies Act, 2013 and / or as approved by the shareholders, from time to time.
<b>Shareholding in Caprolactam Chemicals Limited</b>	NIL
<b>Shareholding as a beneficial owner</b>	Not Applicable

**BOARD'S REPORT**

To,  
The Shareholders,  
Caprolactam Chemical Limited

Your Board of Directors are pleased to present the 35<sup>th</sup> Annual Report on the business and financial operations of your company together with the Audited Financial Statements for the Financial Year ended on March 31, 2024.

**A. FINANCIAL PERFORMANCE**

The Financial performance of the Company for the Financial Year ended on March 31, 2024 is summarized below:

	<b>(Amount in Lacs)</b>	<b>(Amount in Lacs)</b>
<b>Particulars</b>	31st March, 2024	31st March, 2023
Profit /Loss (before interest, depreciation and tax)	235.24	469.122
Less: Interest	49.78	56.807
Less: Depreciation	158.22	115.267
Profit /Loss before Tax	27.24	297.048
Less: Loss on obsolescence/damage to Plant/assets	-	-
Less: Current Tax	4.75	41.803
Less: Deferred Tax	2.75	0.395
Profit /Loss After Tax	19.74	254.850

*Notes—The figures mentioned in the table above are extracted from the financials of the Company.*

During the period under review, the Company is not required to maintain the cost records as per the provisions of Section 148 of the Companies Act, 2013.

**OTHER FINANCIAL DISCLOSURES**

Your Company is primarily engaged in Chemical Manufacturing Company.

During the Financial Year 2023-24, the Company has recorded Total Income of Rs. 713.71/- Lakhs as against Rs. 985.67/- Lakhs in Financial Year 2022-23. Further, total expenditure incurred during the Financial Year 2023-24 was Rs. 686.47/- Lakhs as against Rs. 688.62/- Lakhs in Financial Year 2022-23.

The Company recorded a profit of Rs. 19.74/- Lakhs in Financial Year 2023-24 as compared to Rs. 254.85/- Lakhs in Financial Year 2022-23.

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statement relates on the date of this

Annual Report.

The Company manages cash and cash flow processes assiduously, involving all parts of the business.

There was cash and bank balance of Rs. 8.65 Lakhs (FY 2022-23: Rs. 23.09 Lakhs), as on 31st March, 2024.

During the Financial Year, there was no amount proposed to be transferred to Reserves.

During the Financial Year, the Company did not accept any public deposits as defined under Chapter V of the Companies Act, 2013 (the Act).

And there has been no change in the nature of business of the Company during the financial year under review.

### **DIVIDEND**

The Board of Directors of the Company do not recommend any dividend for the Financial Year ended on March 31, 2024.

### **CAPITAL STRUCTURE**

During the year under review, there was no change in the Company's share capital. The issued, subscribed and paid-up Equity Share Capital of the Company is `Rs. 4,60,00,000 /- comprising of 46,00,000 Equity Shares of ` 10/- each.

Further, during the year under review, your Company has neither issued any shares with differential voting rights nor has granted any sweat equity shares.

Authorized Share Capital – Rs. 5,00,00,000/-

Paid Up Share Capital – Rs. 4,60,00,000 /-

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

The Company does not have any Subsidiary or Associate Company.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **Change in Directorate**

During the Financial Year 2023-24 there was no change in the composition of Board and the Directorate. The composition of the Board is in accordance with provisions of Section 149 of the Companies Act, 2013 and applicable laws and regulations.

After the closure of financial year, the independent director of the Company – Mr. Vikram Adagale (DIN: 02085562) and Mr. Rajesh Mange (DIN: 01389705) whose tenure of appointments was completed has resigned and new directors Mr. Kamlesh Damji Joisher (DIN: 00510086) and Mr. Viren Jaysukhlal Jasani (DIN: 09445555) were appointed by the Board to fill the vacancy created.

As on March 31, 2024, the Board of Directors of the Company comprises of 5 Directors.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

**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.
- c) Ms. Dolly Shah – Company Secretary and Compliance Officer

During the Financial Year under review, no changes took place in the Key Managerial Personnels of the Company.

**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

**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:

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

**c. Audit committee Meetings and Attendance:**

The Committee has met 5 times during the financial year ended 31st March 2024 i.e. on 30th May, 2023; 22nd June, 2023; 12th August, 2023; 11th November, 2023 and 9th February, 2024. 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	5
Ms. Poonam Bhavin Bhanushali	Member	5
Mr. Rajesh P. Mange	Member	5

**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 May, 2023. 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, 2024 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 2023-24.

**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 11th March, 2024 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 programs as above are also disclosed on the website of the Company at the link: <http://caparolactam.co.in>.

**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.

**NUMBER OF MEETINGS OF BOARD OF DIRECTORS**

The Board meets at regular intervals to discuss and decide on the Company/business policy and strategy, apart from other Board businesses. The Board exhibits strong operational oversight with regular business presentations at meetings. Only in the case of special and urgent business, should the need arise, Board's approval is taken either by passing resolutions through circulation or convening meetings at shorter notice, as permitted by the law.

During the Financial Year under review, the Board met 7 (Seven) times on 22nd April, 2023; 30th May, 2023; 22nd June, 2023; 12th August, 2023, 24th August, 2023, 11th November, 2023, and 9th February, 2024. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Secretarial Standard-1 on Meetings of Board of Directors issued by the Institute of Company Secretaries of India.

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. 2023-24
Zaver S. Bhanushali	7/7
Siddharth S. Bhanushali	7/7
Vikram P. Adagale	7/7
Poonam Bhanushali	7/7
Rajesh P. Mange	7/7



**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company believes that internal control is a necessary prerequisite of Corporate Governance and that freedom should be exercised within a framework of checks and balances. Therefore, the Company has a well-established comprehensive internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. Periodic check of all functions is carried for ensuring regulatory compliance of various applicable statutes as well as internal guidelines and policies.

The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets. The Company policies are reviewed periodically in line with the dynamic business environment and regulatory requirements. The Board maintains a strong focus on internal controls by reviewing adherence to these systems and evaluating internal audit reports.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Statutory Auditors and the reviews performed by management, Company has sound internal financial controls. These controls placed by the Company are commensurate with the nature and size of the business operations and are adequate and operating effectively.

**STATUTORY AUDITORS AND STATUTORY AUDIT REPORT**

In terms of provisions of Section 139 of the Act, M/s. Pulindra Patel & Co, Chartered Accountants, Chartered Accountants (Firm Registration No.: 115187W) were appointed as Statutory Auditors of the Company for a continuous term of 5 (five) years.

As required under the provisions of Section 139(1) of the Companies Act, 2013, the Company has obtained an eligibility certificate from the above-mentioned Auditor to the effect that they conform with the limits specified in the said Section and that they are not disqualified for reappointment as auditors within the meaning of Section 141 of the Companies Act, 2013.

The Audit Report on the Financial Statements for the Financial Year 2023-24 does not contain any qualifications, reservations or adverse remarks. The Notes to Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**REPORTING OF FRAUD BY AUDITORS**

During the period under review, the Statutory Auditors have not reported under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company, the details of which need to be mentioned in the Board's Report.

**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 2023-24. In this regard, the Report submitted by the Secretarial Auditor is annexed as **Annexure A**. Your directors are pleased to inform that the report from the Secretarial Auditors does not contain any qualifications or negative remarks.

**ANNUAL RETURN**

Pursuant to section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the draft Annual Return of the Company for the financial year ended on March 31, 2024 in the prescribed Form MGT-7 is available on the Company's website at <http://caprolactam.co.in>.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUT-GO**

Your Company continuously strives to conserve energy, adopt environment friendly practices and employ technology for more efficient operations.

The particulars relating to the energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in the **Annexure B** to this Report.

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

Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

In accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formed an Anti-Sexual Harassment Policy and has complied with provisions relating to the constitution of Internal Committee. This policy offers comprehensive protection to all the employees (permanent, Contractual, temporary and trainees). The Internal Complaints Committee redresses the complaints pertaining to sexual harassment and any complaint which is received by the Committee is dealt with appropriate sensitivity and confidentiality in the most judicious and unbiased manner within the time frame as prescribed by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and addressed by the Company during the Financial Year 2023-24:

- No. of complaints at the beginning of the year: Nil
- No. of complaints received during the year: Nil
- No. of complaints disposed of during the year: Nil
- No. of complaints at the end of the year: Nil

**RISK MANAGEMENT**

The Company has formulated and implemented an effective risk management framework aligned with the risk management policy which encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to key business objectives. The Risk management framework of the Company seeks to minimize adverse impact of risks on our key business objectives and enables the Company to leverage market opportunities effectively.

The various key risks to key business objectives and their mitigation are as follows:

**CREDIT RISK:** Credit risk arises from business operations that give rise to actual, contingent, or potential claims against any counterparty, borrower, or obligor. The scope of the Credit Risk unit includes measuring, assessing, and monitoring credit risk within your Company through strengthening underwriting norms, and keeping a close watch on asset quality trends and concentrations at individual exposures as well as at the portfolio level.

The Company has a robust post sanction monitoring process to identify credit portfolio trends and early warning signals.

**OPERATIONAL RISK:** Operational Risk has been defined as the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events. Operational Risk includes legal risk but excludes strategic and reputational risks.

The Company follows established, well-designed controls, which include maker-checker principles, effective delegation of authority, and segregation of duties, Code of conduct, reconciliation, exception reporting and periodic MIS.

**LIQUIDITY RISK:** It is the risk that the Company will be unable to meet its financial commitment to a Bank/Financial Institution in any location, any currency at any point in time. Liquidity risk can manifest in three different dimensions for the Company.

The Company has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity. The Company has developed internal control processes and contingency plans for managing liquidity risk.

**INTEREST RATE RISK:** It is the risk where changes in market interest rates might adversely affect the Company's financial condition. The short term/immediate impact of changes in interest rates are on the Company's Net Interest Income. On a longer term, changes in interest rates impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the Company arising out of all re-pricing mismatches and other interest rate sensitive positions.

The Company mitigates its interest rate risk by keeping a balanced mix of borrowings.

**REPUTATION RISK:** Reputation risk is the risk to earnings and capital arising from adverse perception of the image of the Company from the part of various stakeholders and regulators. This risk may arise from the Company's reputation getting impacted due to factors such as unethical practices, regulatory actions, customer dissatisfaction and complaints leading to negative publicity.

The Company manages this through a strict code of conduct policy for its employees, good corporate governance policies and an effective customer grievance mechanism. It communicates with its stakeholders regularly through appropriate engagement mechanisms to address stakeholder expectations and assuage their concerns, if any.

**MARKET RISK:** Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market variables. Such changes in the values of financial instruments may result from changes in the interest rates, credit, and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk and liquidity risk.

The Company regularly reviews its business model including interest rate risk and liquidity risk.

**STRATEGIC RISK:** Strategic or business risk is the risk associated with the formulation and execution of an organisation's strategy.

**INFORMATION TECHNOLOGY RISK:** The Company is growing with digitalization and aimed at leveraging digital technology to provide a best-in-class experience for its customers while simultaneously enhancing productivity and improve on IT risk management. The risk of cyber-attacks on the Company's systems arises among others from computer viruses, malicious or destructive code, phishing attacks, denial of service or information, application vulnerability and other security breaches resulting in disruption of its services or theft or leak of sensitive internal data or customer information.

The Company has established a robust information and cybersecurity framework for securing its IT infrastructure and systems. Various committees' reviews and monitors IT security infrastructure and vigilance over IT-related vulnerabilities against emerging cybersecurity risks.

**COMPLIANCE RISK:** Compliance risk has been defined as "the risk of legal or regulatory sanctions, material financial loss, or loss to reputation a Company may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct as applicable.

There is a strong compliance culture with well-articulated policies concerning conduct, Vigil Mechanism, AML & KYC. The Compliance department update the status of compliance and controls to the Audit Committee of the Board regularly, to review and for advice on the implementation of measures for AML /KYC risk mitigation, along with effective transaction monitoring.

Your Company's management of this risk is guided by diversification in its business through products for MSME, geographies, balanced growth while maintaining a healthy asset liability mix and prudent provisioning policies.

#### **LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

The Company has not given any loans, made investment or given guarantee or security under Section 186 of the Act, during FY 2023-24.

#### **RELATED PARTY TRANSACTIONS**

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

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**. Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in section 188(1) of the Companies Act, 2013 as required under Form AOC-2 form part of this report as **Annexure C**.

Further all the necessary details of transactions entered with the related parties are mentioned in the Note No. 23 of the Financial Statements for the Financial Year ended on March 31, 2024.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India. The Board has implemented a robust system to ensure ongoing compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND ITS FUTURE OPERATIONS**

During the period under review, no significant and material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

#### **WHISTLE BLOWER POLICY/VIGIL MECHANISM**

As per Section 177(9) of the Companies Act, 2013 and Listing Regulation the Company is required to establish an effective Vigil Mechanism for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

The Company as part of the 'vigil mechanism' has in place a Board approved 'Whistle Blower Policy' to ensure that genuine concerns are properly raised and addressed and recognized as an enabling factor in administering good governance practices. The Whistle Blower Policy has been placed on the website of the Company and can be accessed at <http://caparolactam.co.in>

This vigil mechanism of the Company is overseen by the Ethics Officer and provides adequate safeguard against victimization of employees and directors and also provides direct access to the Ethics Officer in exceptional circumstances. Further, no personnel have been denied access to the Ethics Officer.

#### **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)**

During the Financial Year under review, the Company has neither made any application nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

#### **HUMAN RESOURCES**

The Company believes that its employees are its biggest asset. The workforce at the Company has a right blend of youth and experience and the success of organization is based on the capabilities, passion and integrity of its people. The Company continues to attract and retain talent that focuses on sustained superior performance, provide them opportunities to learn, realize their true potential and contribute positively to the success of the Company.

#### **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.

**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.

**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 attached as **Annexure D** forming part of this Annual Report.

**CORPORATE SOCIAL RESPONSIBILITY**

Provisions of Section 135(1) of the of the Companies Act, 2013 read with Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, are not applicable to the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and belief, confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and judgements and estimates made 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 and loss of the Company for that period;
- c) the directors had proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively; and
- f) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.

**LISTING OF SECURITIES IN STOCK EXCHANGES:**

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

**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 2023-24.

**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.

**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 E** to this Report.

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

**ACKNOWLEDGEMENT**

The directors take this opportunity to place on record their gratitude for the support Registrar of Companies, other regulatory and Government Bodies, Company's Auditors, Customers, Bankers, Promoters and Shareholders.

The Board of Directors wish to thank the employees of the Company for their exemplary dedication and excellence displayed in conducting all operations.

The Board also wishes to place on record its appreciation and sincerely acknowledge the contribution and support from shareholders for their support.

Date: August 12, 2024

Place: Mahad

Registered Office: B-31 MIDC, Industrial Area,  
Mahad, Dist: Raigad, Maharashtra, India, 402302

For and on Behalf of the Board of Directors  
for Caprolactam Chemicals Limited

Sd/- Zaver Shankarlal Bhanushali Managing Director DIN: 00663374	Sd/- Siddharth Shankarlal Bhanushali Whole time Director DIN: 01721586
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## ANNEXURE A

## MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2024

[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, 2024, ('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, 2024 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.
  - j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not Applicable to the Company during the Audit Period);
  - k. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (Not Applicable to the Company during the Audit Period);
- 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

Alpi Nehra & Associates

Practising Company Secretaries

M. No. - ACS 38011

CP No. - 14202

UDIN: A038011F001014470

Place: Mumbai

Date: 21.08.2024

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/-

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Alpi Nehra  
Alpi Nehra & Associates  
Practising Company Secretaries  
M. No. - ACS 38011  
CP No. - 14202  
UDIN: A038011F001014470  
Place: Mumbai  
Date: 21.08.2024

**ANNEXURE B**  
**Conservation of Energy, Technology Absorption and  
 Foreign Exchange Earnings/Out-Go**

**Conservation of Energy:**

**(i) The steps taken or impact on conservation of energy:** Your Company's operations are not energy intensive. However, adequate measures have been initiated across all Offices of the Company to reduce energy consumption as your Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the strong pillars of preserving natural resources.

To this end, we have implemented several measures aimed at reducing energy consumption. Embracing information technology has been instrumental in this endeavor, with initiatives such as scan-based disbursements and paperless logins for loan applications. By leveraging technology, we not only streamline our processes but also minimize our energy footprint.

**(ii) The steps taken by the company for utilizing alternate sources of energy:** Nil

**(iii) The capital investment on energy conservation equipment:** In view of the nature of the activities carried on by the Company, there is no capital investment on energy conservation equipment.

The Company remains at the forefront of constantly pursuing its goal of technological up-gradation in a cost-effective manner for delivering exceptional quality customer service.

**Technology Absorption:**

**(i) The efforts made towards technology absorption:** Not applicable

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:** Not applicable

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** Not applicable

(a) The details of technology imported: Not applicable

(b) The year of import: Not applicable

(c) Whether the technology been fully absorbed: Not applicable

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

(iv) The expenditure incurred on Research and Development: Not applicable

**Foreign Exchange Earnings and Outgo:**

There were no foreign exchange earnings and outgo during the Financial Year 2023-24.

Date: August 12, 2024

Place: Mahad

Registered Office: B-31 MIDC, Industrial Area,  
 Mahad, Dist: Raigad, Maharashtra, India, 402302

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

Sd/-

Sd/-

Zaver Shankarlal  
 Bhanushali  
 Managing Director  
 DIN: 00663374

Sidharth Shankarlal  
 Bhanushali  
 Whole time Director  
 DIN: 01721586

**ANNEXURE -C****FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Siddharth S Bhanushali Director
b)	Nature of contracts/arrangements/transaction	Contractual Expense
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Date of approval by the Board	29/09/2022
f)	Amount paid as advances, if any	

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Zaver Shankarlal Bhanushali  Managing Director
b)	Nature of contracts/arrangements/transaction	Rent Agreement
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Date of approval by the Board	29/09/2022
f)	Amount paid as advances, if any	-
a)	Amount paid as advances, if any	-

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Siddharth S Bhanushali Director
b)	Nature of contracts/arrangements/transaction	Rent Agreement
c)	Duration of the contracts/arrangements/transaction	On going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Date of approval by the Board	29/09/2022
f)	Amount paid as advances, if any	

SL. No.	Particulars	Details
g)	Name (s) of the related party & nature of relationship	Shankarlal G. Bhanushali Relative of Director
h)	Nature of contracts/arrangements/transaction	Profession fees
i)	Duration of the contracts/arrangements/transaction	On going
j)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
k)	Date of approval by the Board	29/09/2022
l)	Amount paid as advances, if any	

For and on behalf of the Board of Directors

SD/-

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

SD/-

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

Date: 12.08.2024

Place: Mahad

## ANNEXURE D

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## 1) Industry structure &amp; 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. 713.71 lakhs as against Rs. 985.668 lakhs in the previous year. EBIDTA was positive at Rs. 235.248 Lakhs as against Rs. 469.122 Lakhs in the previous year. Profit before tax was at Rs. 27.24 Lakhs as against Profit of Rs. 297.048 Lakhs in the previous year.*

*Summary of Financial Results:*

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

	2023-24 (in Lacs)	2022-23 (in Lacs)
Total revenue	713.71	985.668
Profit before interest and tax (PBIT)	77.02	353.855
Profit before tax (PBT)	27.24	297.048
PBT as % of revenue	3.82	30.13%

## Net Worth

The net worth of the Company as at March 31, 2024 was Rs.554.71 Lacs as compared to Rs. 534.166 Lacs as at March 31, 2023

## 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:

	2023-24	2022-23
Debtors turnover (Avg days)	10.60	27.78
Inventory turnover (times)	90.07	93.85
Current ratio (times)	0.24	0.34
Debt Equity ratio	1.06	1.06
Operating profit margin % -	0.03	0.26

## Human Resources/Industrial relation

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

## ANNEXURE E

**Title** Nomination and Remuneration Policy

**Revision Date** 14th August, 2019

**Version No.** 2.0

**Revision Date** New Policy

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

Compliance & Secretarial

*document property*

### 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

- a. To appoint right talent with required and relevant qualifications, experience, track record and behavioral competencies for key positions as defined under the SMP below;
- b. Ensuring that the quantum and composition of remuneration is reasonable and commensurate to attract, retain and motivate employees to participate in sustenance and fostering the growth of the Company;
- c. Laying out remuneration principles for employees linked to their efforts, performances and achievement in comparison with the benchmarks;
- d. Ensuring that the annual compensation review considers the industry / business outlook and strategies adopted by peers in the industry and distinguishing employees based on their performance, potential, skill sets and to protect the employees against inflationary pressures;
- e. Retention of high performers at all levels and those playing critical roles.

#### Scope

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

#### Definitions

- a. 'Board' means Board of Directors of the Company;
- b. 'Director' means a Director appointed on the Board of the Company;
- c. Managerial Personnel means a Managing Director, Whole-time Director, Manager or Chief Executive Officer time being holding the office as such in the Company;

d. Senior Management Personnel (“SMP”) means all members of the core management team of the Company, who are one level below the Managerial Personnel and the Manager. Besides this, it also includes the Company Secretary.

### **Performance Management Process**

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

### **Appointment**

A. Appointment of the Managerial Personnel:

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

B. Appointment of the Senior Management Personnel (SMP)

- a. NRC will recommend to the Board the appointment of CFO & the Company Secretary for approval.
- b. Board of Directors approves the appointment of the CFO & the Company Secretary. In view of efficient and smooth functioning of business,

### **Remuneration of employees**

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

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

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

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

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

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

#### **D. Share based benefits to the Employees**

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

grant to all the employees.

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

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

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

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

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

### **Remuneration Structure**

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

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

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

### **Modification and Amendment:**

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

## **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, 2024, 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 material 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, 2024, and its profits ( including 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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, 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.

### **Responsibilities of Management and Those Charged with Governance 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 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,

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 standalone 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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”.
- 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 31<sup>st</sup> March, 2024 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 31<sup>st</sup> March, 2024.
  - 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 31<sup>st</sup> March, 2024.
  - (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 that we 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

v) The company has not declared any dividend during the year therefore compliance under Section 123 of the Act do not arise.

vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Place: Mumbai  
Date :27<sup>th</sup> May, 2024

**For Pulindra Patel & Co.**

Chartered Accountants

FRN No. 115187W

Sd/-

**Pulindra Patel & Co.**

Proprietor

Membership No. 048991

UDIN : 24048991BKBFHG9039

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### **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 31<sup>st</sup> March, 2024.

**(a) (A) The Company has maintained 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) As informed to us, the property plant and equipment and right-to-use 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, Therefore, the reporting under clause 3 (ii) (b) of the Order are not applicable to the Company.
- (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 farmed 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 year end 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.
- (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. 23 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 a 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 has not incurred cash loss in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(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 the provisions of section 135 of the Companies Act are not applicable to the company, therefore reporting under clause 3 (xx) (a) is not applicable.

(xxi) The reporting under clause 3(xxii) 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:24048991BKBFHG9039

Place: Mumbai

Date : 27<sup>th</sup> May, 2024

## **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, 2024 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 2024, 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 31,2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai

Date : 27<sup>th</sup> May, 2024

**For Pulindra Patel & Co.**

Chartered Accountants

FRN No. 115187W

Sd/-

**Pulindra Patel & Co.**

Proprietor

Membership No. 048991

UDIN:24048991BKBFHG9039



**CAPROLACTAM CHEMICALS LIMITED****Financial statements as at and for the year ended March 31, 2024****Balance sheet as at March 31, 2024**

(Rs in Lakhs)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	1,029.07	1,022.07
Capital work-in-progress		-	-
Right of Use Assets		-	-
<b>Financial assets</b>			
i. Other Financial Assets	2	30.53	10.95
<b>Total non-current assets</b>		<b>1,059.60</b>	<b>1,033.03</b>
<b>Current assets</b>			
Inventories	3	6.70	8.75
<b>Financial assets</b>			
i. Trade receivables	4	63.66	67.58
ii. Cash and cash equivalents	5	8.65	23.09
Other current assets	6	26.77	19.58
<b>Total current assets</b>		<b>105.77</b>	<b>119.01</b>
<b>Total assets</b>		<b>1,165.37</b>	<b>1,152.03</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	460.00	460.00
Other equity	8	94.71	74.17
<b>Total equity</b>		<b>554.71</b>	<b>534.17</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	9	166.27	267.01
Deferred tax liabilities	10	3.92	1.25
<b>Total non-current liabilities</b>		<b>170.19</b>	<b>268.26</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	11	420.00	301.75
ii. Trade payables	12		
Total outstanding dues of micro enterprises and small enterprises		0.16	0.02
Total outstanding dues of other than micro enterprises and small ent.		15.00	28.89
Other current liabilities	13	1.57	15.56
Employees Benefit obligation	14	3.75	3.39
Income Tax Liabilities Net		-	-
<b>Total current liabilities</b>		<b>440.47</b>	<b>349.61</b>
<b>Total liabilities</b>		<b>610.66</b>	<b>617.87</b>
<b>Total equity and liabilities</b>		<b>1,165.37</b>	<b>1,152.03</b>

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

The accompanying notes are an integral part of the financial statement

For Pulindra Patel &amp; Co.

Chartered Accountants

ICAI Firm Registration No. 115187W

Sd/-

Pulindra Patel

Proprietor

Mem No. : 048991

UDIN : 24048991BKBFHG9039

Place: Mumbai

Date : 27<sup>th</sup> May, 2024

Sd/-

Dolly Dipes h Shah

Company Secretary

MLNo:- A38116

For and on behalf of the Board of Directors

Caprolactam Chemicals Limited

Sd/-

Mrs. Z. S. Bhanushali

Managing Director

DIN- 00663374

Place: Mahad

Date : 27<sup>th</sup> May, 2024

Sd/-

Mr. S. S. Bhanushali

Director

DIN- 01721586

**CAPROLACTAM CHEMICALS LIMITED****Statement of profit and loss for the year ended March 31, 2024**

(Rs in Lakhs)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>Continuing operations</b>			
Revenue from operations	15	695.73	984.15
Other income	16	17.98	1.52
<b>Total income</b>		<b>713.71</b>	<b>985.67</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	17	48.77	58.02
(Increase)/decrease in inventories of finished goods/traded goods	18	-	2.91
Employee benefit expenses	19	38.75	34.72
Finance Cost	20	49.78	56.81
Depreciation and amortisation expense	1	158.22	115.27
Other expenses	21	390.94	420.89
<b>Total expenses</b>		<b>686.47</b>	<b>688.62</b>
<b>Profit before exceptional items and tax</b>		<b>27.24</b>	<b>297.05</b>
Exceptional items :			
Profit on sale of Factory Building		-	-
<b>Profit before tax</b>		<b>27.24</b>	<b>297.05</b>
Income tax expense			
- Current tax	22	4.75	41.80
- Deferred tax	22	2.75	0.40
<b>Total tax expense/(credit)</b>		<b>7.50</b>	<b>42.20</b>
<b>Profit from continuing operations</b>		<b>19.74</b>	<b>254.85</b>
<b>Discontinued operations</b>			
Profit from discontinued operations before tax		-	-
Tax expense of discontinued operations		-	-
<b>Profit from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Profit/loss for the year</b>		<b>19.74</b>	<b>254.85</b>
<b>Other Comprehensive Income:</b>			
a) Items that will not be reclassified to profit or loss		0.72	(0.70)
b) Income tax relating to items that will not be reclassified to profit of loss		0.08	0.22
c) Items that will be reclassified to profit or loss		-	-
d) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income / (Losses)</b>		<b>0.80</b>	<b>(0.49)</b>
<b>Total other comprehensive income / (Losses) for the year</b>		<b>20.54</b>	<b>254.36</b>
<b>Earnings per share</b>			
Basic		0.43	5.54
Diluted		0.43	5.54
The accompanying notes are an integral part of the financial statement			
<b>For Pulindra Patel &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>	
<b>Chartered Accountants</b>		<b>Caprolactam Chemicals Limited</b>	
ICAI Firm Registration No. 115187W			
Sd/-	Sd/-	Sd/-	Sd/-
<b>Pulindra Patel</b>	<b>Dolly Dipesh Shah</b>	<b>Mrs. Z. S. Bhanushali</b>	<b>Mr. S. S. Bhanushali</b>
<b>Proprietor</b>	<b>Company Secretary</b>	<b>Managing Director</b>	<b>Director</b>
<b>Mem No. : 048991</b>	<b>MNNo:- A38116</b>	<b>DIN- 00663374</b>	<b>DIN- 01721586</b>
<b>UDIN : 24048991BKBFHG9039</b>			
<b>Place: Mumbai</b>		<b>Place: Mahad</b>	
<b>Date : 27th May, 2024</b>		<b>Date : 27th May, 2024</b>	

**CAPROLACTAM CHEMICALS LIMITED**  
**Cash flow statement for the year ended March 31, 2024**

Particulars	(Rs in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
<b>A Cash flow from operating activities :</b>		
Profit after exceptional items before tax	27.24	297.05
<b>Adjustments for:</b>		
Depreciation and amortization for the year	158.22	115.27
Ind As effect	-	-
Interest Income	(0.80)	(1.52)
Finance cost	49.78	56.81
	<u>207.21</u>	<u>170.55</u>
<b>Operating profit before working capital changes</b>	<b>234.45</b>	<b>467.60</b>
<b>Adjustments for:</b>		
Decrease/Increase in inventories	2.06	3.47
Decrease/(increase) in non-current financial assets	(19.58)	0.13
Decrease/(increase) in other current assets	(4.21)	46.63
Increase in trade receivables	3.92	(64.31)
Increase in trade payables	(13.75)	(20.89)
Increase/decrease in Employee benefit obligation	1.07	0.86
Increase in current financial liabilities	(13.99)	(309.99)
	<u>(44.48)</u>	<u>(344.09)</u>
<b>Cash generated from operating activities</b>	<b>189.97</b>	<b>123.51</b>
Income Tax Paid (net)	(7.72)	(37.65)
	<u>(7.72)</u>	<u>(37.65)</u>
<b>Net cash generated from operating activities</b>	<b>182.24</b>	<b>85.86</b>
<b>B Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(165.22)	(215.64)
Interest received	0.80	1.52
<b>Net cash used in investing activities</b>	<b>(164.42)</b>	<b>(214.12)</b>
<b>C Cash flow from financing activities:</b>		
(Repayment)/proceeds of short term borrowings, net	17.51	193.43
Interest paid	(49.78)	(56.81)
<b>Net cash generated from financing activities</b>	<b>(32.27)</b>	<b>136.62</b>
Net increase in cash and cash equivalents (A+B+C)	(14.45)	8.36
Cash and cash equivalents at the beginning of the year	23.09	14.73
<b>Cash and cash equivalents at the end of the year</b>	<b>8.65</b>	<b>23.09</b>

**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.
- 3) The accompanying notes are integral part of the financial statements.

The accompanying notes are an integral part of the financial statement

As per attached report of even date.

**For Pulindra Patel & Co.**

**Chartered Accountants**

**ICAI Firm Registration No. 115187W**

Sd/-

**Pulindra Patel**

**Proprietor**

**Mem No. : 048991**

**UDIN : 24048991BKBFHG9039**

**Place : Mumbai**

**Date : 27th May, 2024**

Sd/-

**Dolly Dipesh Shah**

**Company Secretary**

**M.No:- A38116**

**For and on behalf of the Board of Directors**

**Caprolactam Chemicals Limited**

Sd/-

**Mrs. Z. S. Bhanushali**

**Managing Director**

**DIN- 00663374**

Sd/-

**Mr. S. S. Bhanushali**

**Director**

**DIN- 01721586**

**Place: Mahad**

**Date : 27th May, 2024**

**CAPROLACTAM CHEMICALS LIMITED****Financial statements as at and for the year ended March 31, 2024****Statement of changes in Equity****A. EQUITY SHARE CAPITAL :****(Rs in Lakhs)**

Particulars	No. of shares	Amount
Issued, subscribed and fully paid-up shares		
Equity share of Rs. 10 each		
Balance as at 1 April 2021	46,00,000	460.00
Changes in Equity Share Capital during the year	-	-
Balance as at 31 March 2022	46,00,000	460.00
Changes in Equity Share Capital during the year	-	-
Balance as at 31 March 2023	46,00,000	460.00
Changes in Equity Share Capital during the year	-	-
Balance as at 31 March 2024	46,00,000	460.00

**B. OTHER EQUITY**

Particulars	Reserves and surplus	
	Retained Earning	Total
<b>Balance as at 1 April 2022</b>	(180.20)	(180.20)
Profit for the year	254.85	254.85
Other comprehensive income	(0.49)	(0.49)
<b>Total comprehensive income</b>	<b>74.17</b>	<b>74.17</b>
Others	-	-
<b>Balance as at 31 March 2023</b>	<b>74.17</b>	<b>74.17</b>
Profit for the year	19.74	19.74
Other comprehensive income	0.80	0.80
<b>Total comprehensive income</b>	<b>94.71</b>	<b>94.71</b>
<b>Balance as at 31 March 2024</b>	<b>94.71</b>	<b>94.71</b>

The accompanying notes are an integral part of the financial statement

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 : 23048991BGWINT4950

**Mrs. Z. S. Bhanushali**  
Managing Director  
DIN- 00663374

**Mr. S. S. Bhanushali**  
Director  
DIN- 01721586

Place: Mumbai  
Date : 27th May, 2024

Place: Mahad  
Date : 27th May, 2024  
Dolly Dipesh Shah

Sd/-

**CAPROLACTAM CHEMICALS LIMITED**  
**Notes to Financial Statement as 31st March, 2024****Company Information**

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

**A. 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 set 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 realisation 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. Further, in accordance with the notification issued by the Ministry of Corporate Affairs under the Companies Act, 2013 (18 of 2013), dated 24th, March 2021, the Company has adopted the amendments in Schedule III to the said Act, while preparing financial statements namely Balance Sheet, Statement of Profit and Loss, Statement of Change in Equity, Cash flow statement and Notes to the Stand alone financial statements with effect from April 01, 2021.

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.

**Authorisation of financial statements**

The financial statements of the Company for the year ended 31st March, 2024 were approved for issue in accordance with the resolution of the Board of Directors on 27th May, 2024.

**(ii) Historical Cost Convention**

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

**B 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 their reported 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. 37
- (c) Recognition of deferred tax assets - Note No. 23

**C MATERIAL 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 capitalisation 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 recognised 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 recognised 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 amortisation period and the amortisation 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	20
Office equipment	4
Computers	2
Computers Servers	5
Computer software	4
Furniture and fixtures	9
Vehicles	7

#### De-recognition

An item of property, plant and equipment and any significant part initially recognised 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
- 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.

Taxes: Taxes have been paid / provided, exemptions availed, allowances considered etc. are based on the extant laws and the Company's interpretation of the same based on the legal advice received wherever required. These could differ in the view taken by the authorities, clarifications issued subsequently by the government and courts, amendments to statutes by the government etc.

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 life of property, plant and equipment and intangible assets: The Company has estimated useful life of the Property Plant and Equipment as specified in Schedule II to the Companies Act, 2013. However the actual useful life for individual equipments could turn out to be different, there could be technology changes, breakdown, unexpected failure leading to impairment or complete discard. Alternately the equipment may continue to provide useful service well beyond the useful life assumed.

#### (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 realisation 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: Recognise 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. The amount of lease charges is Rs. 1/- per annum therefore the same is not considered.

**CAPROLACTAM CHEMICALS LIMITED****Financial statements as at and for the year ended March 31, 2024**

Particulars	(Rs. in Lakhs)										Capital Work in Progress	
	Leased Land	Factory Building	Office Building	Plant and machinery	Electrical Installation	Computer	Furniture fixture equipments	Office equipments	Vehicles	Total		
<i>Gross block</i>												
As at April 1, 2022	3.99	80.39	5.58	1,467.72	2.83	1.30	0.86	0.69	6.20		1,569.56	396.14
Additions	-	-	-	611.78	-	-	-	-	-	-	611.78	-
Deduction	-	-	-	-	-	-	-	-	-	-	-	396.14
As at March 31, 2023	3.99	80.39	5.58	2,079.49	2.83	1.30	0.86	0.69	6.20		2,181.34	-
Additions	-	-	-	165.05	-	0.17	-	-	-	-	165.22	-
Additions on account of Transfer from WIP	-	-	-	-	-	-	-	-	-	-	-	-
Deduction	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	3.99	80.39	5.58	2,244.55	2.83	1.47	0.86	0.69	6.20		2,346.56	-
<i>Accumulated depreciation</i>												
As at April 1, 2022	-	69.18	5.16	958.45	2.69	1.22	0.47	0.62	6.20		1,044.00	-
Depreciation charge during the year	-	0.75	0.04	114.20	0.07	0.06	0.11	0.04	-		115.27	-
Deduction	-	-	-	-	-	-	-	-	-		-	-
As at March 31, 2023	-	69.94	5.20	1,072.66	2.76	1.27	0.58	0.66	6.20		1,159.26	-
Depreciation charge during the year	-	0.70	0.04	157.29	0.03	0.07	0.08	0.02	-		158.22	-
Deduction	-	-	-	-	-	-	-	-	-		-	-
As at March 31, 2024	-	70.63	5.24	1,229.94	2.80	1.34	0.66	0.67	6.20		1,317.49	-
Net carrying amount as at March 31, 2024	3.99	9.76	0.35	1,014.60	0.03	0.12	0.20	0.02	-		1,029.07	-
Net carrying amount as at March 31, 2023	3.99	10.46	0.39	1,006.84	0.06	0.03	0.28	0.03	-		1,022.07	-
Net carrying amount as at April 1, 2022	3.99	11.21	0.43	509.26	0.13	0.09	0.38	0.07	-		525.57	-

**CAPROLACTAM CHEMICALS LIMITED****Financial statements as at and for the year ended March 31, 2024****Note 2 - Other non-current financial assets**

(Rs in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good Other Non Current Assets	30.53	10.95
<b>Total</b>	<b>30.53</b>	<b>10.95</b>

**Note 3 - Inventories**

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials	6.70	8.75
<b>Total</b>	<b>6.70</b>	<b>8.75</b>

**Note 4 - Trade receivables**

Particulars	As at March 31, 2024	As at March 31, 2023
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	63.66	67.58
<b>Total</b>	<b>63.66</b>	<b>67.58</b>

**Note 4.1 - Trade Receivables Ageing Schedule:**

As at March 31, 2024

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	63.66	-	-	-	-	63.66
- Considered Doubtful	-	-	-	-	-	-
ii) Disputed Trade Receivables -						
- Considered good	-	-	-	-	-	-
- Considered Doubtful	-	-	-	-	-	-
<b>Total Trade Receivables</b>	63.66	-	-	-	-	63.66

**Note 4.1 - Trade Receivables Ageing Schedule:**

As at March 31, 2023

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	67.58	-	-	-	-	67.58
- Considered Doubtful	-	-	-	-	-	-
ii) Disputed Trade Receivables -						
- Considered good	-	-	-	-	-	-
- Considered Doubtful	-	-	-	-	-	-
<b>Total Trade Receivables</b>	67.58	-	-	-	-	67.58

**Note 5 - Cash and cash equivalents**

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.51	0.01
Bank balances		
- Current Account	0.69	15.67
- Fixed Deposit with Banks	7.45	7.42
<b>Total</b>	<b>8.65</b>	<b>23.09</b>

**Note 6 - Other current assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	9.67	9.57
Advance Tax	12.98	10.01
Balance with Government Authorities	4.12	-
<b>Total</b>	<b>26.77</b>	<b>19.58</b>

**Note 7 - Share capital and other equity**

(Rs in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorized shares</b>		
5000000 Equity Shares of ` 10/- each (Previous year 50,00,000 Equity Shares of ` 10/- each)	500.00	500.00
<b>Issued, subscribed and fully paid-up shares</b>		
46,00,000 Equity Shares of ` 10/- each (Previous year 46,00,000 Equity Shares of ` 10/- each)	460.00	460.00
<b>Total</b>	<b>460.00</b>	<b>460.00</b>

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

Equity Shares	As at March 31, 2024		As at March 31, 2023	
	Nos. of shares	Rs. in Lakhs	Nos. of shares	Rs. in Lakhs
At the beginning of the period	4600000	460.00	4600000	460.00
Issued during the period - Convertible warrants	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>4600000</b>	<b>460.00</b>	<b>4600000</b>	<b>460.00</b>

**(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, 2024		As at March 31, 2023	
	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	1057240	22.98%	1057240	22.98%
S. G. Bhanushali (HUF)	410200	8.92%	410200	8.92%
Shankarlal G. Bhanushali	382320	8.31%	382320	8.31%
Shital Bhanushali	336573	7.32%	273627	5.95%
Zaver Bhanushali	296271	6.44%	296271	6.44%

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, 2024			As at March 31, 2023
	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	1057240	22.98%	0.00%	1057240
S. G. Bhanushali (HUF)	410200	8.92%	0.00%	410200
Shankarlal G. Bhanushali	382320	8.31%	0.00%	382320
Shital Bhanushali	336573	7.32%	1.37%	273627
Zaver Bhanushali	296271	6.44%	0.00%	296271

e) Proposed Dividend on Equity Shares

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

#### Note 8 - Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Surplus in the statement of profit and loss</b>		
Balance as per the last financial statements	74.17	(180.20)
Profit/ loss for the year	20.54	254.36
Closing Balance	<b>94.71</b>	<b>74.17</b>
<b>Total</b>	<b>94.71</b>	<b>74.17</b>

#### Note 9 - Long term borrowings

Particulars	Interest date	Maturity date	(Rs in Lakhs)	
			As at March 31, 2024	As at March 31, 2023
Loan from Standard Chartered bank	8.75		<b>166.27</b>	-
Loan from Deutsche Bank	10.4	Sep-33	-	267.01
<b>Total</b>			<b>166.27</b>	<b>267.01</b>

9 (i) Loans were Secured by a mortgage of immovable property of director and relative of director Zaver Bhanushali Flat no 201, 2nd floor, Shivkripa Co-operative Housing Society, Village Kiroi, Nathani Road, Vidhyavihar (West), Mumbai -400086 and Zaver Bhanushali & Siddharth Bhanushali flat 07, Vaishali Apartment, 1st floor, 353/2B, R.B. Mehta Marg, Ghatopar East, Mumbai - 400077. ( Previous year secured by immovable Property owned by relative of Director Shankarlal Gopalji Bhanushali Flat no 101, 1st floor, Shivkripa Co-operative Housing Society, Village Kiroi, Nathani Road, Vidhyavihar (West), Mumbai -400086)

**Note 10 - Deferred tax liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liabilities :		
i) Relating to Depreciation, Amortization and Impairment	3.92	1.25
<b>Total</b>	<b>3.92</b>	<b>1.25</b>

**Note 11 - Short term borrowings**

Particulars	As at March 31, 2024	As at March 31, 2023
Loan from Standard Chartered bank		
Loan from Deutche Bank	-	13.75
Unsecured loan		
From related parties director	420.00	288.00
<b>Total</b>	<b>420.00</b>	<b>301.75</b>

12 (i) Loans were Secured by a mortgage of immovable property of director and relative of director Zaver Bhanushali Flat no 201, 2nd floor, Shivkripa Co-operative Housing Society, Village KiroI, Nathani Road, Vidhyavihar (West) , Mumbai -400086 and Zaver Bhanushali & Siddharth Bhanushali flat 07, Vaishali Apartment, 1st floor, 353/2B, R.B. Mehta Marg, Ghatopar East, Mumbai - 400077. ( Previous year secured by immovable Property owned by relative of Director Shankarlal Gopalji Bhanushali Flat no 101, 1<sup>st</sup> floor Shivkripa Co-operative Housing Society, Village KiroI, Nathani Road, Vidhyavihar (West) , Mumbai -400086).

**Note 12 - Trade payables**

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	0.16	0.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.00	28.89
<b>Total</b>	<b>15.16</b>	<b>28.91</b>

**Note 12.1 - Trade payables**

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 yrs	1-2 years	2-3 years.	> 3 years.	
(i) MSME	0.16	-	-	-	0.16
(ii) Others	15.00	-	-	-	15.00
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
<b>Total Trade Payable</b>	<b>15.16</b>	-	-	-	<b>15.16</b>

**Note 12.1 - Trade payables**

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 yrs	1-2 years	2-3 years.	> 3 years.	
(i) MSME	0.02	-	-	-	0.02
(ii) Others	28.89	-	-	-	28.89
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
<b>Total Trade Payable</b>	<b>28.91</b>	-	-	-	<b>28.91</b>

**Note 12.2 - Details of dues to Micro, Medium and Small Enterprises**

Particulars	As at March 31, 2024	As at March 31, 2023
(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	0.16	-
Interest due on above	-	0.02
(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 Act,2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	0.02
(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 13 - Other current liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	0.55	0.27
Other payables	1.02	7.78
Duties & Taxes - Gst Payable	-	7.51
<b>Total</b>	<b>1.57</b>	<b>15.56</b>

**Note 14 - Employees Benefit obligation**

Particulars	As at March 31, 2024	As at March 31, 2023
Provision For Gratuity	3.75	3.39
<b>Total</b>	<b>3.75</b>	<b>3.39</b>

**Note 15 - Revenue from operations**

(Rs in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Operating Income :</b>		
(a) Sale of Services	656.04	971.64
	<b>656.04</b>	<b>971.64</b>
<b>Sale of products :</b>		
(a) <b>Manufactured goods</b>		
Sales of goods	39.69	12.50
	<b>39.69</b>	<b>12.50</b>
<b>Total</b>	<b>695.73</b>	<b>984.15</b>



**Note 16 - Other income**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest received	-	1.52
Interest on MIDC Deposit	0.05	-
Interest on FD	0.39	-
Interest on Income Tax Refund	0.35	-
Subsidy	17.18	-
<b>Total</b>	<b>17.98</b>	<b>1.52</b>

**Note 17 - Cost of materials consumed**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Stock	8.75	9.31
Add: Purchases	46.71	57.46
	55.47	66.77
Less : Closing Stock	6.70	8.75
<b>Total</b>	<b>48.77</b>	<b>58.02</b>

**Note 18 - (Increase)/decrease in inventories of finished goods/traded goods**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Inventories at the beginning of the year</b>		
Finished goods	-	2.91
	-	2.91
<b>Inventories at the end of the year</b>		
Finished goods	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>2.91</b>

**Note 19 - Employee benefit expenses**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Director's Remuneration	8.40	-
Salaries and Wages	19.58	20.41
Contribution to provident and other funds	0.25	0.26
Staff welfare expenses	6.77	10.62
Other Expenses	2.69	2.57
Provision for Gratuity	0.82	0.73
Interest on service cost	0.25	0.13
<b>Total</b>	<b>38.75</b>	<b>34.72</b>

Contribution to Provident Fund is Rs 0.25 lakh (Previous year Rs 0.26 lakh).

**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 31.03.24	Funded 31.03.23
<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation:</b>		
Present Value of obligation as at the beginning of the year	3.39	1.82
Current service cost	0.82	0.73
Interest cost	0.25	0.13
Actuarial (gain) / loss	-	-
Benefits paid	-	-
	<b>4.46</b>	<b>2.69</b>
<b>Change in Plan Assets</b>		
Plan assets at period beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial (gain) / loss	(0.72)	0.70
Contributions	-	-
Benefits paid	-	-
Plan assets at period end 2017, at fair value	<b>(0.72)</b>	<b>0.70</b>
Fair Value of Plan Assets		
Fair Value of plan assets at the beginning of the year	0.70	-
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	<b>0.70</b>	-
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	4.46	2.69
Fair value of plan assets as at the end of the year	(0.72)	0.70
Funded status		
Net asset/(liability) recognized in Balance Sheet	<b>3.75</b>	<b>3.39</b>
Expenses for the year		
Current service cost	0.82	0.73
Interest cost on benefit obligation	0.25	0.13
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	-	-
Total expenses recognised in the P & L A/c	<b>1.07</b>	<b>0.86</b>

Assumptions	Gratuity	Gratuity
	31.03.2024	31.03.2023
Discount Rate	7.22%	7.42%
Employee Turnover	5.00%	5.00%

**Note 20 - Net finance costs**

Particulars	Year ended March	Year ended March
	31, 2024	31, 2023
Interest on Bank Loan	17.56	24.74
Interest on Related Party loan	31.90	32.04
Interest on MSME & Others	-	0.02
Interest on IGST, CGST and SGST DRC 03	0.32	-
<b>Total</b>	<b>49.78</b>	<b>56.81</b>

**Note 21 - Other expenses**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Electricity Charges	155.06	150.30
Water Charges	22.78	21.40
Other Manufacturing Charges	4.89	5.84
Labour Charges	109.00	136.86
Repairs and Maintenance- Machine	21.88	21.19
Repairs and Maintenance - Others	18.14	31.58
Office Rent	6.00	3.00
Rent, Rates and Taxes	0.07	1.38
Legal & Professional Charges	15.46	9.58
Office & Miscellaneous Exp.	33.21	34.28
Post and Telephone Exp	0.49	0.44
Printing & Stationery	0.60	1.29
Travelling & Conveyance	1.84	2.84
Bank Charges	0.02	0.02
Other Expenses	0.60	-
Auditors Remuneration	0.90	0.90
<b>Total</b>	<b>390.94</b>	<b>420.89</b>

**Note 22 - Income tax expenses**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<i>Current tax</i>		
Current tax on profits for the year	4.75	41.51
Adjustments for current tax of prior periods	-	0.29
<b>Total current tax expense</b>	<b>4.75</b>	<b>41.80</b>
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	2.75	0.40
(Decrease)/increase in deferred tax liabilities	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>2.75</b>	<b>0.40</b>
<b>Total</b>	<b>7.50</b>	<b>42.20</b>

The reconciliation of estimated income tax expenses at Indian statutory income tax rate to income tax expenses reported in the statement of profit & loss is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit before taxes	27.24	297.05
Indian statutory income tax rate	16.69%	16.69%
Expected income tax expenses	4.55	49.58
Tax effect of adjustments to reconcile expected income tax expense to reported	-	-
Mat Credit	-	-
Expenses Disallowed	0.18	0.14
Deduction Allowable	-	-
Others (net)	0.03	(8.22)
<b>Total Income tax expenses</b>	<b>4.75</b>	<b>41.51</b>

Note 23 - 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

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:

(Rs in Lakhs)

Sr. No.	Particulars	Key Management Personnel		Relatives of Key Managerial Person		Enterprises owned or significantly influenced by Key Management Personnel	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
1	<b>Remuneration payment</b>						
	Zaver S Bhanushali	4.20	-	-	-	-	-
	Siddharth S Bhanushali	4.20	-	-	-	-	-
2	<b>Interest on Loan</b>						
	Zaver S Bhanushali	22.70	25.64	-	-	-	-
	Siddharth S Bhanushali	9.20	6.40	-	-	-	-
3	<b>Unsecured Loan Taken</b>						
	Zaver S Bhanushali	80.60	626.35	-	-	-	-
	Siddharth S Bhanushali	57.50	178.00	-	-	-	-
4	<b>Unsecured Loan Repaid</b>						
	Zaver S Bhanushali	2.60	451.95	-	-	-	-
	Siddharth S Bhanushali	3.50	142.90	-	-	-	-
5	<b>Contractual Expense</b>						
	Siddharth S Bhanushali	2.83	2.83	-	-	-	-
6	<b>Rent Expenses</b>						
	Zaver S Bhanushali	3.54	1.77				
	Siddharth S Bhanushali	3.54	1.77				
7	<b>Profession Fees</b>						
	Shankarlal G. Bhanushali	-		6.00	3.00		

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	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
1	<b>Outstanding Payables</b>						
	Zaver S Bhanushali	-	6.76	-	-	-	-
	Siddharth S Bhanushali	-	-	-	-	-	-
2	<b>Outstanding Receivable</b>	-	-	-	-	-	-
3	<b>Unsecured loan payable</b>						
	Zaver S Bhanushali	288.00	210.00	-	-	-	-
	Siddharth S Bhanushali	132.00	78.00				

**Note 24 - Fair Value Measurement :****i) Financial Instruments by Category :**

(Rs in Lakhs)

Particulars	31st March, 2024		31st March, 2023	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>Financial assets :</b>				
Trade receivables	-	63.66	-	67.58
Cash and cash equivalents	-	8.65	-	23.09
<b>Total</b>	-	72.31	-	90.68
<b>Financial Liabilities</b>				
Borrowings	-	586.27	-	301.75
Trade payables	-	15.16	-	28.91
<b>Total</b>	-	601.43	-	330.66

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 25 - 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	As at
	31-Mar-24	31-Mar-23
Not due	-	-
0-30 days past due	63.66	67.58
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-24	As at 31-Mar-23
Expiring within one year (bank overdraft and other facilities)	-	13.75
Expiring beyond one year (bank loan)	166.27	267.01
<b>Total</b>	<b>166.27</b>	<b>280.76</b>

**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-2024**

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	417.09	13.20	120.76	35.22	-	586.27
Trade payable	-	15.16	-	-	-	15.16
Other financial liabilities	-	-	-	-	-	-
<b>Total</b>	<b>417.09</b>	<b>28.36</b>	<b>120.76</b>	<b>35.22</b>	<b>-</b>	<b>601.43</b>

31-Mar-2023						(Rs in Lakhs)
Particulars	Payable on	Less than 1	Less than 1-2	Less than 2-3	More than 3	Total
	demand	year	year	year	year	
Non-derivatives						
Borrowings	189.52	223.25	120.76	35.22	-	568.76
Trade payable	-	28.91			-	28.91
Other financial liabilities	-	-	-	-	-	-
<b>Total</b>	<b>189.52</b>	<b>252.16</b>	<b>120.76</b>	<b>35.22</b>	<b>-</b>	<b>597.67</b>

### 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 2024 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	(Rs in Lakhs)	
	31-Mar-24	31-Mar-23
Variable rate borrowing	-	-
Fixed rate borrowing	586.27	568.76
<b>Total Borrowings</b>	<b>586.27</b>	<b>568.76</b>

#### 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 ` 2.10 lakhs (previous year profits by ` 1.40 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.

### 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 ` 33.04 lakhs (previous year profit by ` 49.20 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 26 - 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.

**Note 27 - Disclosure with respect to Ratio:**

Ratio	Current Period	Previous Period	% Variance	Reasons for Variance
(a) Current Ratio	0.24	0.34	-29.46%	The variation in current ratio as primarily due to increase current liability.
(b) Debt Equity Ratio	1.06	1.06	-0.74%	N.A.
(c) Debt Service Coverage Ratio	4.57	7.52	39.13%	The variance is due to reduction in Profitability.
(d) Return on Equity Ratio	0.43	5.54	92.25%	The variance is due to low profitability.
(e) Inventory turnover ratio	90.07	93.85	-4.02%	N.A.
(f) Trade Receivables Turnover ratio	10.60	27.78	-61.83%	The variance on account of reduction in receivables
(g) Trade Payables turnover	2.12	1.46	45.20%	The variance on account of increase in payables
(h) Net Capital turnover ratio	(2.08)	(4.27)	-51.29%	Vairance due to reduction in turnover during year
(i) Net Profit Ratio	0.03	0.26	89.04%	Vairance due to reduction in increase in profits.
(j) Return on Capital Employed	0.11	0.44	75.90%	Vairance due to not proper utilisation of funds.
(k) Return on investment	0.04	0.48	92.54%	Vairance due to not proper utilisation of funds.

Note: In respect of aforesaid mentioned ratios, no reasons for variance provided where change (25% or more) in FY 2023-24 in comparison to FY 2022-23.



**Note 28 - Earning Per Share:**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Profit after Tax</b>	19.74	254.85
No. of shares outstanding	4600000	4600000
Weighted Average No. of shares + potential shares o/s	4600000	4600000
Earning per share (Basic)	0.43	5.54
Earning per share (Diluted)	0.43	5.54

**Note 29 - Value Of Imports On C.I.F. Basis:**

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials	Nil	Nil

**Note 30 - Earnings in Foreing Exchange :**

Particulars	As at March 31, 2024	As at March 31, 2023
F.O.B. Value of Exports	Nil	Nil

**Note 31 - Expenditure In Foreign Currency:**

Particulars	As at March 31, 2024	As at March 31, 2023
1. Foreign Travels	-	-
2. Others	-	-

**Note 32 - Remuneration to Auditors:**

Particulars	As at March 31, 2024	As at March 31, 2023
As Auditors	0.90	0.90
Others	-	-
<b>Total</b>	<b>0.90</b>	<b>0.90</b>

**Note 33 - Contingent Liabilities Not Provided For:**

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

Note 33 - The companies acitivities falls under only one segment namely chemicals

Note 34 - 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 35 - 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

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

Sd/-  
Pulindra Patel  
Proprietor  
Mem No. : 048991  
UDIN : 23048991BGWINT4950  
Place : Mumbai  
Date : 27th May, 2024

Sd/-  
Dolly Dipesh Shah  
Company Secretary  
MNo:- A38116

Sd/-  
Mrs. Z. S. Bhanushali  
Managing Director  
DIN- 00663374

Sd/-  
Mr. S. S. Bhanushali  
Director  
DIN- 01721586

Place: Mahad  
Date : 27th May, 2024

**ABSTRACT OF THE BALANCE SHEET FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

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

**I. Registration Details**

Registration No. CIN NO. L24110MH1988PLC049683 State Code: 11  
Balance Sheet Date: 31-03-2024.

**II. Capital raised during the year**

Public Issue Nil Right Issue Nil  
Bonus Issue Nil Private Issue Nil

**III. Position of Mobilization and Deployment of Funds**

Total Liabilities (Rs. In Lakhs) (1165.37) Total Assets (Rs. In Lakhs) 1165.37

**Sources of Funds**

Paid-up Capital (Rs. In Lakhs) 4,60.00 Reserves and Surplus (Rs. In Lakhs) 94.71  
Secured Loans (Rs. In Lakhs) 166.27 Unsecured Loans (Rs. In Lakhs) 420.00  
Deferred Tax (Rs. In Lakhs) 3.92

**Application of Funds**

Net Fixed Assets (Rs. In Lakhs) 1029.07 Investment Nil  
Net Current Assets (Rs. In Lakhs) 105.77 Misc. Expenditure (P&L a/c) Nil

**IV. Performance of Company**

Turnover (Rs. In Lakhs) 713.71 Total Expenditure (Rs. In Lakhs) 686.47  
Profit / Loss before tax (Rs. In Lakhs) 27.24 Profit / Loss after tax (Rs. In Lakhs) 19.74  
Earnings per Share Rs. 0.43 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. Zaver S Bhanushali  
Managing Director  
DIN – 00663374

Sd/-  
Mr. Siddharth S Bhanushali  
Director  
DIN-01721586

Sd/-  
Mrs. Dolly Dipesh Shah  
Company ~~Secretary~~  
M. No. A38116

Managing Director  
DIN – 00663374