

Resonance Specialties Limited

BOARD OF DIRECTORS

- Mr. Rajnikant Worah** - Chairman
Dr. A.B. Gupta - Managing Director
Mr. B.P. Agrawal - Director
Mr. L.R. Daga - Director
Mr. Kamlesh Yadav - Whole-time Director (Appointed w.e.f. May 30, 2013)

REGISTERED OFFICE

301, Evershine Mall, Chincholi Bunder Junction
Link Road, Malad (W) Mumbai 400 064.

PLANT

T-140 MIDC Industrial Estate, Tarapur, Maharashtra

BANKERS

BANK OF BARODA
Vile Parle (E), Mumbai

AUDITORS

V.R.Bhabhra & Co.
Chartered Accountants
303, Sagar Shopping center,
Andheri (W), Mumbai- 400 058.

REGISTRAR & TRANSFER AGENTS:

Adroit Corporate Services Pvt. Ltd.
17/18/19/20, Jaferbhoy Ind. Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri (E) Mumbai-59
Tel:- 4227 0400 Fax:- 2850 3748

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NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of **RESONANCE SPECIALTIES LIMITED** will be held on Thursday, August 14, 2014 at 11:00 a.m. at Raheja Classique Club, Infinity Mall, New Link Road, Andheri (West), Mumbai 400 058, to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. B. P. Agrawal (DIN: 02724594), who retires by rotation and being eligible, offers himself for re-appointment.
- To declare dividend on Equity Shares.
- To re-appoint statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting to conclusion of the third consecutive Annual General Meeting and to fix their remuneration and pass the following resolution thereof:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules framed thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. V. R. Bhabhara & Co., Chartered Accountants (Membership Number: 046043, Firm Registration no. 112861W), Mumbai, be and are hereby reappointed as the auditors of the Company, to hold office from conclusion of this Annual General Meeting to the conclusion of third consecutive Annual General Meeting (subject to ratification by Members at every AGM held after this AGM) and the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors.

SPECIAL BUSINESS

- To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. Rajnikant Worah (DIN: 00054336), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from the member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Worah as a candidate for the office of director of the Company, be and is hereby appointed as the independent director of the Company to hold office upto March 31, 2019, not liable to retire by rotation.

- To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. L. R. Daga (DIN: 05211735), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from the member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Daga as a candidate for the office of director of the Company, be and is hereby appointed as the independent director of the Company to hold office upto March 31, 2019, not liable to retire by rotation.

Dated: May 30, 2014

By Order of the Board

Registered Office:

301, Evershine Mall,
Off Malad Link Road,
Malad (West), Mumbai – 400064.

Sd/-

Dr. A. B. Gupta

Managing Director

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS (48 HOURS) BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED.
- Relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
- The disclosures required under clause 49 of the listing agreement in respect of the Directors being appointed/ reappointed in this Annual General Meeting are given as annexure to this Notice convening Annual General Meeting.
- The Register of Members and the Share Transfer Book of the Company will remain closed from August 7, 2014 to August 14, 2014 (both days inclusive).
- The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched on or after August 18, 2014, to those members whose names shall appear on the Company's Register of Members on August 6, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
- Members are requested to notify immediately any change of address;
 - to their Depository Participants (DPs) in respect of their electronic share accounts, and
 - to the Company at its Registered office in respect of their physical shares, if any, quoting their folio number, Banker's name and account number to ensure prompt and safe receipt of dividend warrants.
- Members are requested :
 - to bring their copies of Annual Report , Notice and Attendance Slip at the time of the meeting.
 - to quote their Folio Nos./ ID Nos. in all correspondence.
 - to note that no gifts will be distributed in the AGM.
- Details of e-voting

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services (India) Limited.

The instructions for members for voting electronically are as under:-**In case of members receiving e-mail:**

- Log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- The e voting will commence from August 7, 2014 from 10a.m. and will end on August 9, 2014 at 6pm.
- Mr. Nimish Mehta, Proprietor N. M. & Co, Practising Company Secretaries (Certificate of Practise No. 9651) has been appointed as Scrutinizer for conducting the e-voting process in a fair and transparent manner.

Details of Directors seeking appointment/ *reappointment at the forthcoming Annual General Meeting

Name of the Director	*Mr. B. P. Agrawal	Mr. L. R. Daga	Mr. Rajnikant Worah*
Date of Birth	January 23, 1944	January 6, 1948	November 22, 1940
Nationality	Indian	Indian	Indian
Date of appointment on the Board	June 30, 2009	February 14, 2012	December 12, 1991
Qualification	Mr. B.P. Agrawal is a Engineering graduate from Bhagalpur University.	B.com (Hons) in 1967 Calcutta University L.L.B in 1972 from Calcutta University C.A. in May – 1970 from ICAI	B.A. LLB
List of Directorship held in other companies	Nil	NA	1. FPL Projects Private Limited 2. NSW Realities Private Limited
Shareholding in the Company	Nil	Nil	198 equity shares
Experience in brief	Mr. Agrawal has over 40 years of industrial experience. In his career, he had worked with various companies in India and abroad. Presently he is doing independent Consultancy in the field of chemical, plant Engineering and Environment.	Total 42 years of Experience in Various capacities starting from Chief Account to Chief executives in various industrial groups viz Birla's, Essar, Ispat, Kalpataru, Sejal Glass Etc involved in manufacturing of Steel, Cement, Pharma, Real Estate & Glass industries.	Over 50 years of experience in managing business in varied industries.

EXPLANATORY STATEMENT**(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)****ITEM No. 4 & 5**

Mr. Rajnikant Worah and Mr. L. R. Daga are Non-Executive (Independent) Director of the Company. They Joined the Board of Directors on December 12, 1991 and February 14, 2012 respectively. Mr. Rajnikant Worah and Mr. L. R. Daga retires by rotation at the ensuing Annual General Meeting under the erstwhile provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Rajnikant Worah and Mr. L. R. Daga being eligible and seeking re-appointment, are proposed to be appointed as the Independent Director for the term of five years.

The Company has received notices in writing from members, alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Rajnikant Worah and Mr. L. R. Daga for the office of Directors of the Company.

The Company has received from Mr. Rajnikant Worah and Mr. L. R. Daga (i) the consent to act as Director in form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) Intimation in DIR-8 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, to the extent that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Rajnikant Worah and Mr. L. R. Daga as the Independent Director of the Company for the period upto March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder. They shall not be liable to retire by rotaion.

Copy of the draft letters for respective appointments of Mr. Rajnikant Worah and Mr. L. R. Daga as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company during normal business hours on working days upto the date of Annual General Meeting.

Mr. Rajnikant Worah and Mr. L. R. Daga are interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice with regard to their respective appointments. The relatives of Mr. Rajnikant Worah and Mr. L. R. Daga may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the shareholders.

Dated: May 30, 2014

By Order of the Board

Registered Office:

301, Evershine Mall,
Off Malad Link Road,
Malad (West), Mumbai – 400064.

Sd/-

Dr. A. B. Gupta
Managing Director

DIRECTORS' REPORT

The Members

Resonance Specialties Limited

Your Directors have pleasure in presenting the 25th Annual Report along with the Audited Statements of Account of your Company for the financial year ended March 31, 2014.

1. Financial Results

A snapshot of the financial performance of the Company for the year 2013-14 is as under:

	(₹ in Lakhs)	
	Current Year 2013 – 2014	Previous Year 2012 – 2013
Turnover	4529.90	3957.88
Other Income	(22.96)	37.71
Profit/ (Losses) Before Interest, Depreciation and Taxation	288.27	253.67
Depreciation	110.26	115.36
Exceptional Items	(15.23)	(0.35)
Profit/ (Losses) after taxes including deferred tax	102.59	45.62
Balance in P&L account brought forward	318.15	272.53
Balance in the P&L account carried forward to the Balance Sheet	353.21	318.15

2. Results of Operations

The Company had reported turnover of ₹ 4529.90 lakhs for the year ended March 31, 2014 as against ₹ 3957.88 lakhs in the previous year, showing Increase of over 13%. The Company has generated net profit of ₹102.59 lakhs as against net profit of ₹45.62 lakhs in the previous year.

3. Dividend on Equity Shares

Your directors have recommended a Dividend of 50Paise per Equity Share for the Financial Year ended 31st March,2014.

4. Public Deposits

During the period under review, your Company has not accepted/ renewed any deposits during the year under review.

5. Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement, is given as a separate annexure to this Report (Annexure II).

6. Corporate Governance Report

Your Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. As part of the Company's efforts towards better corporate practice and transparency, a separate report on Corporate Governance compliances is included as a part of the Annual Report.

A certificate from the Practicing Company Secretary M/s Kaushal Dalal and Associates, regarding compliance of the conditions of Corporate Governance as stipulated under clause 49 of the listing agreement is attached to the report on Corporate Governance.

7. Directors

Mr. B. P. Agrawal, Director retire by rotation and, being eligible, offer himself for re-appointment at the ensuing Annual General Meeting of the Company. Your directors recommend his appointment as the Director of the Company liable to retire by rotation.

Mr. Rajnikant Worah and Mr. L. R. Daga are Non-Executive (Independent) Director of the Company. They Joined the Board of Directors on December 12, 1991 and February 14, 2012 respectively. Mr. Rajnikant Worah and Mr. L. R. Daga retires by rotation at the ensuing Annual General Meeting under the erstwhile provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Rajnikant Worah and Mr. L. R. Daga being eligible and seeking re-appointment, are proposed to be appointed as the Independent Director for the term of five years.

The Company has received notices in writing from members, along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Rajnikant Worah and Mr. L. R. Daga for the office of Directors of the Company.

The Company has received from Mr. Rajnikant Worah and Mr. L. R. Daga (i) the consent to act as Director in form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) Intimation in DIR-8 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, to the extent that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Brief profiles of the Directors proposed to be appointed/ re-appointed; qualification, experience and the names of the Companies in which they hold directorship, membership of the board committees, as stipulated in the clause 49 of the listing agreement are provided along with the Notice convening Annual General Meeting.

8. Directors' Responsibility Statement

As required by Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed;
- Appropriate accounting policies have been selected and applied consistently and that judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2014, and of its profit for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- The annual accounts have been prepared on a going concern basis.

9. Exports

Export including deemed export are at ₹ 2,448.40 Lacs compared to ₹ 1,993.83 Lacs in the previous years. The company is exploring newer market for its nutritional products and of value added Pyridine derivatives.

10. Future Prospects

Due to heavy competition and adverse forex prices, the company is exploring alternate raw material to manufacture its basic products to sustain the profitability. In case of some of the value added products of the Company there are few competitors in the world but the demand for product is limited. The Company is making all the efforts to develop new applications of its products and is confident of substantially expanding the market in near future. Nutraceuticals market is growing and more particularly in India and other third world countries.

11. Research and Development

The Research and development is an integral component of commercial exploitation of the products and processes. Your company is knowledge based entity with focus on the customer needs. The strengths of Resonance commence at its R&D centre where products and processes are created to meet regulatory standards and to address the needs of the consumer at large. The Company is making major investments in R&D facilities at Tarapur which is approved by the Govt. of India to improve upon the competitiveness of our manufacturing products and processes. The Company continues to conduct R&D work related to the:

- Development of improved catalyst for the better yields of products;
- Improvement in technology of value added products;

12. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The additional information required in accordance with sub-section (1) (e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is appended to and forms part of this report (Annexure I).

13. Particulars of Employees

The details as required Pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is not given, since your Company has no person in its employment drawing salary above the prescribed monetary ceiling.

14. Auditors & Auditors Report

M/s. V. R. Bhabhra & Co., Chartered Accountants, Mumbai, the Company's Auditors, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The notes to the accounts referred to in the Auditors Report are self explanatory and therefore do not call for any further comments.

Acknowledgement

The Directors place on record their gratitude to the Government, Regulators, Stock Exchanges, other statutory bodies and the Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. The Directors also place on record their sincere appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all round operational performance. Last but not the least the directors would like to thank valuable shareholders for their support and contribution. We look forward to your continued support in the future.

On behalf of the board

Sd/-

Dr. A. B. Gupta

Managing Director

Dated: May 30, 2014

Registered Office:

301, Evershine Mall,

Off Malad Link Road,

Malad (West).

Mumbai – 400064

Sd/-

Mr. Rajnikant Worah

Chairman & Director

ANNEXURE I

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy**(a) ENERGY CONSERVATION MEASURES.**

- 1) Enhancement of capacitor bank to improve power factor and replacement of motors to optimize load capacity to reduce power consumption.
- 2) Revamping of condensate recovery and steam distribution system.

(b) ADDITIONAL INVESTMENTS AND PROPOSALS FOR REDUCTION OF CONSUMPTION OF ENERGY:-

- 1) Upgradation of chilling plants.
- 2) Upgradation of distillation to reduce time cycles.

(c) IMPACT OF THE ABOVE MEASURES:-

- 1) Energy conservation by reducing the time cycle.
- 2) Reduction in the cost of production by lower power consumption in relation to the cost of output.

(d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION (FORM A ENCLOSED)**B. TECHNOLOGY ABSORPTION**

Efforts made in Technology Absorption (FORM – B ENCLOSED)

C. FOREIGN EXCHANGE EARNING AND OUTGO

- (a) Activities relating to exports activities taken to increase exports, developments of new export markets for product and export plans.

The Company is exploring new markets for its value added products through third party exports. The company's exports (including Deemed Exports) are ₹ 2,448.40 Lacs as against ₹ 1,993.83Lacs in the international market during the previous year.

Foreign exchanges earned and out-go during the year ended March 2014.

	₹ In Lakhs	
	2013-2014	2012-2013
Foreign Exchanged Earned Exports (FOB)	1697.45	1503.30
Total	1697.45	1503.30
Foreign Exchange Outgo CIF Value of Imports	1071.63	909.25
Research and Development Equipments	NIL	NIL
Travelling Expenses	1.75	6.16
Total	1073.38	915.41

FORM-A

Form for Disclosure of particulars with respect of conservation of energy

		₹ In Lakhs	
Particulars	2013-2014	2012-2013	
1. Total Energy Consumption			
A. Electricity			
(a) Purchased Units (Nos.)	1870563	1809850	
Total amount (lacs)	143.05	127.8	
Average rate /Unit	7.64	7.06	
(b) Own Generation	154329	127860	
Through diesel generation unit (Nos.)			
Units per litre of diesel	3.4	3.4	
Average cost /Unit	17.1	14.41	
B. Coal (Quantity - MT)	2619	1990	
Total Amount (in Lacs)	189.99	146.87	
Average Rate /KG	7.25	7.48	
2. Consumption per unit of production			
Pyridine & Cyanopyridiines			
Electricity (Units/MT)	3127	3009	
HSD (Ltrs/MT)	45	63	

FORM-B

Form for Disclosure of Particulars With Respect To Technology Absorption

(a) RESEARCH AND DEVELOPMENT**I. Specific areas in which R & D carried out by the company.**

- a) Development of Catalytic Manufacturing process for Alpha/Gamma Picolines.
- b) Development of Manufacturing process for 2, 3-Lutidine.
- c) Catalysts Development for 2, 6-Lutidine and 2, 4, 6-Collidine.
- d) Process development of continuous regeneration of Catalyst for pyridine.
- e) Process optimization for the oxidation of Picolines and Lutidines.

II. Benefits derived as a result of above.

- a) Cost Reduction
- b) Better efficiency in product formation/process development
- c) Newer products/process development

III. Future Plan of Action.

- a) Development of improved catalysts
- b) Synthesis of new molecules
- c) Development of efficient processes

IV. Expenses on R & D

- a) Capital NIL lakhs
- b) Recurring 77.31 lakhs

Total R & D Expenditure as a percentage of the total turnover is 1.71% (P.Y. 0.73%)

(b) TECHNOLOGY ABSORPTION / ADOPTION AND INNOVATION.

- a) Efforts in brief made towards technology absorption/adoption: On-going Technology was entirely developed in-house.
- b) Benefits derived as a result of the above efforts: Improvement in cost effectiveness in terms of usage of raw materials and energy efficiency in CORPORATE

ANNEXURE II TO THE DIRECTORS REPORT**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. INTRODUCTION**

The Company is one of the few manufacturers of Pyridine and its derivatives in the world. The pyridines have wide range of applications in the industrial segments like Pharmaceuticals, Agrochemicals, Dyes, and Textiles etc. There are only few companies in the world that manufacture Pyridine and its derivatives.

2. INDUSTRY STRUCTURE AND DEVELOPMENT

The Company's main product 3,5- Lutidine which is a raw material for Omeprazole, a major anti ulcer drug. The other product i.e Pyridine is the raw material for the manufacture of Agrochemicals like paraquat etc. besides being used as a solvent in the manufacture of some of Active Pharmaceutical ingredients like Norfloxacin and Sulphamathaxazole. It is also used as a solvent in the dye-stuff and as a denaturant in the alcohol industry.

The other products are:

- Beta-picoline and 3-cyanopyridine are used in the manufacture of Niacin and Niacinamide which have wide applications in vitamin preparations and are also used extensively as food supplement and animal feed additives.
- Gamma Picoline is used in the manufacture of Isoniazid, an Anti TB drug.
- Alpha Picoline is used in the manufacture of wide variety of agro chemicals and 2 vinyl pyridine finds extensive application in the tyre industry.

3. COMPANY OVERVIEWS

The manufacturing plant of the company is located at MIDC Tarapur (Boisar) in close vicinity of city of Mumbai. The plant is being continuously upgraded and also plant capacity utilization is being improved to efficiently manufacture value added products i.e Lutidines, Collidines, Cyanopyridines, Nutraceuticals etc.

The Company in the current year has substantially improved the business of value added Cyanopyridines, Lutidines, Collidines which have significantly contributed to the profitability of the Company and created a distinct market position worldwide. Further the Company has substantially improved its exports of Nutraceuticals.

4. RESEARCH AND DEVELOPMENT

The company takes pride in bringing innovations and excellence to develop newer processes and products. The company is making major investments in its Government of India recognized R & D to improve the competitiveness of our manufacturing processes. The Company has undertaken major R&D projects to develop the alternate processes for manufacturing of the products using different catalysts and newer product mix in the pyridine / Picoline plant. The development of the continuous regeneration in the R & D shall certainly prove a breakthrough to the production of pyridine derivatives.

5. OPPORTUNITIES AND THREATS

In the case of some of the value added products of the company there are only few competitors in the world but the demand for product is limited. The company is making all the efforts to develop new applications of its products and is confident of substantially expanding the market in near future. Nutraceuticals market is growing rapidly worldwide and in particular within India and other third world countries.

During the year the company has experienced large fluctuations in foreign exchange rates and import prices. However, due to, total backward integration and limited imports, company did not face any major setback in the performance. Further inbuilt flexibility in the plant helped in changing product mix to face the challenges due to adverse market situation during the year.

6. EXPORT

Export including deemed export are at 2248.40 Lacs which as compared to the previous years of 1993.83 Lacs. The Company has exported its product to USA, Europe, China, Australia etc. The Company has major emphasis to supply quality products and dependable supply.

7. OUTLOOK

Given the various development measures adopted by the Company, it is now optimistic about its growth prospects for the current financial year.

8. RISK AND CONCERNS THE MANAGEMENT PERCEPTION

Even though there was economic slowdown the company was able to increase its sales of its value added products and nutraceuticals. However recent crisis in Europe and large fluctuations in Euro, currency rates may affect the exports to some extent. But the Company has made substantial progress in identifying newer markets and is confident that it will be able to maintain its profitability despite economic problems persisting in Europe.

9. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Resonance Specialties Limited has a proper and adequate system of internal controls to ensure that all assets are safe-guarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

An extensive programme of internal audits/energy audit, reviewed by the management and documented policies, guidelines and procedures, supplements the internal control systems. The internal control systems are designed to ensure that the financial and other records are reliable, for preparing the financial statements and other data and for maintaining accountability of assets.

The Company has independent internal audit systems covering all operations and services spanning all functions.

The Management and the Audit Committee of the Board review the internal audit findings and recommendations. The Audit Committee is empowered by the Board with the authority to investigate any matter relating to the internal control systems and to review the scope of internal audit. The Committee also reviews the quarterly, half yearly and annual financial statements before these are submitted to the Board and ensures compliance of internal control systems.

10. FINANCIAL REVIEW

The following statements cover financial performance review which is attached to this report.

Financial position at glance: See Annexure

Financial Summary and Distribution of Income: See Annexure

11. MATERIAL DEVELOPMENT IN HUMAN RESOURCES, INDUSTRIAL RELATION REPORT

The Company has recognized its employees as main assets. Various steps have been taken for improving their performance. The employees views are incorporated and given due weightage in decision making.

12. CAUTION

The statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be 'Forward looking statements' within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference of the Company's operations include economic demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws, other statutes and incidental factor.

ANNEXURE TO MANAGEMENT DISCUSSION AND ANALYSIS REPORT

FINANCIAL SUMMARY

	Year ended 31.03.2014	Year ended 31.03.2013
CAPITAL ACCOUNTS		
Share capital	11,54,40,000	11,54,40,000
Reserves and Surplus	9,45,47,896	9,42,14,092
Long term Borrowing	3,35,758	3,37,730
Non current Liabilities	3,13,42,936	3,27,11,463
Gross Block including CWIP	37,69,02,116	37,61,20,110
Net Block including CWIP	15,25,16,065	16,59,32,463
Net current Assets (Net of Short term borrowing)	8,51,65,345	7,29,10,540
REVENUE ACCOUNTS		
Sales and other income	45,06,93,941	39,95,59,044
Gross profit before extra- Ordinary items, interest, Depreciation and tax	2,88,27,566	2,53,67,341
Extra-ordinary item	15,23,898	35,000
Financial Expenses	59,30,751	75,53,061
Depreciation	1,10,26,062	1,15,36,220
Profit before tax	1,03,46,855	62,43,060
Net Profit After tax	1,02,59,098	45,61,878
Dividend amount	57,72,000	--
Retained earning	35,06,147	45,61,878
SELECTED INDICATORS		
Return on capital employed%	0.07	0.04
Current Ratio	1.85	1.82
Earnings per share	0.89	0.4
Book Value per Share	18.19	18.16
Fixed assets Turnover	2.97	2.40

(c) Details of Director's Remuneration

The details of remuneration paid/ payable during the year ended March 31, 2014 is as follows:

Name of the Director	Salary and Perquisite	Cont to PF and other funds	Professional/ consultancy charges	Sitting fees	No. of Equity shares held	Convertible warrants
Dr. A. B. Gupta	28,80,000	2,33,916	Nil	Nil	1	Nil
Mr. Rajnikant Worah	Nil	Nil	Nil	1,13,331	198	Nil
Mr. L. R. Daga	Nil	Nil	Nil	1,11,112	Nil	Nil
Mr. B. P. Agrawal	Nil	Nil	Nil	1,11,112	Nil	Nil
Mr. Kamlesh Yadav ²	8,93,304	50,816	Nil	Nil	Nil	Nil

GOVERNANCE REPORT

1. CORPORATE PHILOSOPHY

At Resonance Specialties Limited ("RSL"), Corporate Governance is viewed as ethics and moral duty. We believe that the corporate governance is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals and ensuring interest of all the stakeholders.

RSL has adopted best of corporate governance practices and is based on following principles:

- Strong, professional, independent Board with vast knowledge and varied experience.
- Accountability for functioning and transparency in conduct.
- Compliance with applicable laws and regulations.
- Independent verification of financial reporting.
- Value creation and wealth maximization for stakeholders

The report on corporate governance, as per the applicable provisions of clause 49 of the listing agreement is as under:

2. BOARD OF DIRECTORS

(a) Composition of the Board

The Board of Directors of the Company comprises of optimum combination of executive and non-executive directors, all of whom are leading professionals in their respective fields. The Board of Directors comprises of:

Dr. A. B. Gupta -	Managing Director (Executive Director)
Mr. Rajnikant Worah -	Non Executive and Independent Director
Mr. L. R. Daga -	Non Executive and Independent Director
Mr. B. P. Agrawal -	Non Executive Director
Mr. Kamlesh Yadav-	Whole-time Director (Executive Director)

The other Board and Board Committees in which the Director is member or chairman are as under:

Name of the Director	Relationship with other Director	Directorships in India under Section 275 of the Companies Act, 1956 ¹	Other Directorships ²	Membership of other Board Committees ³	
				Member	Chairman
Dr. A. B. Gupta	None	None	None	None	None
Mr. Rajnikant worah	None	None	2	None	None
Mr. B. P. Agrawal	None	None	None	None	None
Mr. L. R. Daga	None	None	None	None	None
Mr. Kamlesh Yadav	None	None	None	None	None

Note:

1. Directorship held by the Directors, as mentioned above, does not include Directorships in private limited companies which are neither a subsidiary nor holding company of public company, foreign companies and companies not carrying business for profit.
2. Other Directorships are those, which are not covered under Section 275 of the Companies Act, 1956.
3. The Committees considered for above purpose are those prescribed in the Listing Agreement viz. Audit Committee and Share Transfer and Investor Grievance Committee.

(b) Meeting of Board of Directors

The Board meetings are convened after giving proper notice and detail agenda. The Board meets at least once a quarter and the time gap between two Board Meetings was not more than four (4) calendar months. The Board of the Company met four (4) times during the last financial year on May 30, 2013, August 14, 2013, November 14, 2013 and February 14, 2014.

The attendance of Directors at the Board Meeting and last Annual General Meetings was as under:

Name of Director	Total Board Meetings	Board Meetings attended out of meetings held	Annual General Meeting dated August 14, 2013 whether attended
Dr. A. B. Gupta	4	4	Yes
Mr. Rajnikant Worah	4	3	Yes
Mr. B. P. Agrawal	4	4	Yes
Mr. L. R. Daga	4	4	Yes
Mr. Kamlesh Yadav*	3	2	No

* Mr. Kamlesh Yadav was appointed as additional director and whole-time director wef 30th May, 2013.

Note:

The following information is given to the Board either as a part of agenda of the meeting or by way of presentation during the meeting:

- Quarterly, half yearly and annual results of the Company.
- Minutes of meeting of audit committee and other committees of the Board of Directors
- Information on appointment of all the key managerial personnel below the Board level
- Significant regulatory matters
- Compliance of statutory regulations, listing agreements
- Such other material and significant information

Note:

1. The Company has not paid any commission or issued any shares as ESOP to any directors of the Company.
2. Mr. Kamlesh Yadav was appointed as additional director and whole-time director w.e.f. 30th May, 2013.

(d) Periodic review of compliances of all applicable laws

The Company regularly monitors compliance with various rules, regulations and Acts applicable to the Company. A compliance certificate by Managing Director in respect of various laws, rules and regulations applicable to the Company is placed periodically before the Board and reviewed by the Board.

3. AUDIT COMMITTEE

The Audit Committee of the Company met four (4) times during the last financial year on May 30, 2013, August 14, 2013, November 14, 2013 and February 14, 2014.

The gap between two Audit Committee Meetings was not more than four (4) months:

The Constitution of the Audit Committee and attendance of each member of the Committee is given below:

Name of the Members of Audit Committee	Designation	Executive/ Non-Executive/ Independent	Profession	No. of Committee Meetings held	Committee Meeting attended
Mr. Rajnikant Worah	Member	Non-Executive Independent	Business	4	3
Mr. B. P. Agrawal	Member	Non- Executive	Business	4	4
Mr. L. R. Daga	Chairman	Non -Executive Independent	Business	4	4
Dr. A. B. Gupta	Member	Executive	Business	4	4

Note:

Audit Committee meetings are attended by the Representatives of Statutory Auditors.

The scope of the Audit Committee includes the references made under Clause 49 of the Listing Agreements as well as Section 292A of the Companies Act, 1956, besides the other terms that may be referred by the Board of Directors. The broad terms of reference of the Audit Committee are:

- To supervise the financial reporting process and all financial results,
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board
- Review the adequacy of internal control systems in the Company, including the scope and performance of the internal audit function; review of related party transactions; reviewing with management performance of internal and statutory auditors and fixing their remuneration;
- Holding discussions with Statutory Auditors on the nature and scope of audit, ensure compliance with all the applicable Accounting Standards; Compliance with the listing and other legal requirements and the Company's financial and risk management policies and
- Compliance with the statutory requirements.

The minutes of the audit committee meetings forms part of the agenda papers circulated for the Board Meeting.

4. REMUNERATION COMMITTEE

The Remuneration Committee comprises of Mr. Rajnikant Worah, Independent Director, Mr. B. P. Agrawal, Non- Executive Director, Mr. L. R. Daga, Independent Director and Dr. A. B. Gupta, Executive Director. The Committee is chaired by Mr. Rajnikant Worah.

The Committee met 4 (four) times in a year to monitor remuneration and terms of appointment of Board of Directors.

5. SHAREHOLDER/ INVESTOR GRIEVANCE COMMITTEE:

The Investor Grievance Committee comprises Mr. B. P. Agrawal, Non- Executive Director, Mr. Rajnikant Worah, Independent Director, Mr. L. R. Daga, Independent Director and Dr. A. B. Gupta, Executive Director. The Committee is chaired by Mr. B. P. Agrawal.

The Committee met 4 (four) times in a year to review and approve matters relating to shareholder complaints and request received from shareholders for transfer/ transmission of equity shares etc.

6. SUBSIDIARY COMPANY

The Company does not have any subsidiary company hence compliances to be followed with regards to same is not applicable to the company.

7. DISCLOSURES**(a) Basis of related party transactions**

The statement of transactions with the related parties, if any, is regularly placed before the audit committee. During the year under review, there are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management or their relatives, etc. that may conflict with the interest of the Company and all the transactions are on arms length basis and in the normal course of business.

The related party transactions have been disclosed under Notes to Accounts Note No 33 forming part of the Annual Accounts.

(b) Disclosure of accounting treatment

There is no deviation in following the treatments prescribed in any Accounting Standard (AS) in the preparation of financial statements of the Company.

(c) Disclosure on Risk Management

The Company and Statutory Auditors tests and ensures that the Company has adequate systems of internal control to ensure reliability of financial and operational information's. The Company adheres to strict policies to ensure compliance with all the regulatory/ statutory requirements.

(d) Proceeds from Public Issue/ Rights Issue/ Preferential Issue

During the year under review, the Company has not raised any money through public/ right or preferential issue and hence the disclosure on end use of the money is not applicable.

(e) Compensation paid to Non-Executive Directors

The Non-Executive Directors and Independent Directors are paid upto ₹20,000/- towards sitting fees for attending each Board and Committee Meeting in accordance with the resolution passed by the Board.

(f) Details of non-compliance

No strictures/ penalties have been imposed on the Company by Stock Exchanges or Securities and Exchange Board of India or any statutory authority on any matter during the last three years.

(g) Code of Conduct

The Board of Directors has adopted the Code of Conduct for Board Members and Senior Management Personnel. The said code has been communicated to the Directors and members of the senior management, and they have affirmed their compliance with the said Code. The Code adopted has been posted on the Company's website www.resonancesl.com.

(h) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Clause 49 of the Listing Agreement

The Company has duly complied with all the mandatory requirements of Clause 49 of the listing agreement. Besides complying with all the mandatory requirements of Clause 49, we have a Remuneration Committee of the Board. All the members of the remuneration committee were present at the annual general meeting of the Company.

(i) CEO/CFO Certificate

The certificate required under Clause 49(V) of the listing agreement duly signed by the Managing Director has been given to the Board and the same is annexed to this report.

(j) Means of Communication to the Stakeholders

The primary source of information to the shareholders, customers and other stakeholders of the Company and to public at large is through the website of the Company www.resonancesl.com. The annual report, quarterly results, shareholding pattern, material events copies of press releases etc., are regularly sent to Stock Exchanges and uploaded on the Company's website.

The quarterly and annual results of the Company are published in widely circulated national newspapers like Business Standard and Mahanayak (Marathi).

8. GENERAL BODY MEETING

The following table gives the details of the last three Annual General Meetings of the Company:

Date of AGM	Location	No. of Special Resolutions passed
September 30, 2011	Raheja Classique Club, Near Infinity Mall, Link Road, Andheri (West), Mumbai 400 059.	Nil
September 29, 2012	Raheja Classique Club, Near Infinity Mall, Link Road, Andheri (West), Mumbai 400 059.	2
August 14, 2013	Raheja Classique Club, Near Infinity Mall, Link Road, Andheri (West), Mumbai 400 059.	1

All the above Special Resolutions were passed unanimously by show of hands.

9. GENERAL SHAREHOLDERS' INFORMATION

- 1 **Annual General Meeting** : 14th August, 2014
- 2 **Financial Calendar** (2014-2015) : Financial Year April 1, 2014 to March 31, 2015.
Results for the Quarter Ended 30.06.2014 – before 15.08.2014
Results for the Quarter Ended 30.09.2014 – before 15.11.2014
Results for the Quarter Ended 31.12.2014 – before 15.02.2015
Results for the Quarter Ended 31.03.2015 – before 30.05.2015
- 3 **Book Closure Date** : 7th August, 2014 to 14th August, 2014 (both days inclusive)
- 4 **Dividend payment date** : On or after 18th August, 2014
- 5 **Listing of equity shares on stock exchanges at** : The Bombay Stock Exchange Limited
- 6 **Stock Code** : The Bombay Stock Exchange Limited - 524218
- 7 **Demat ISIN Numbers in NSDL & CDSL for equity shares** : ISIN No. INE486D01017
- 8 **Registrar & Transfer Agent** : Adroit Corporate Services Pvt. Ltd.
17/18/19/20, Jaferbhoy Ind. Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri (E) Mumbai-59
Tel:- 4227 0400 Fax:- 2850 3748
- 9 **Share Transfer System** : The Company's shares are compulsorily traded in dematerialised form. In the case of transfers in physical form, which are lodged at the Registrar & Transfer Agent's Office, these are processed within a period of 15 days from the date of receipt.
- 10 **Dematerialisation of Shares** : As on March 31, 2014, 89.89% of the paid up share capital of the Company was in dematerialised form. Trading in Equity shares of the Company is permitted only in dematerialised form through CDSL and NSDL as per notification issued by the Securities and Exchange Board of India.
- 11 **Correspondence** : Adroit Corporate Services Pvt. Ltd.
17/18/19/20, Jaferbhoy Ind. Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri (E) Mumbai-59
Tel:- 4227 0400 Fax:- 2850 3748
For dematerialization, transfer of shares,
non-receipt of dividend on shares, and any other query
relating to the shares of the Company
- 12 **Any query on Annual Report Contact at** : Sneha Gandhi
301, Evershine Mall,
Chincholi Bunder Junction,
Link Road, Malad (West),
Mumbai – 400064
- 13 **Registered office** : 301, Evershine Mall,
Chincholi Bunder Junction,
Link Road, Malad (West),
Mumbai – 400064
- 14 **Plant** : T-140 MIDC Industrial Estate, Tarapur, Maharashtra
- 15 **Outstanding Convertible instruments, conversion date and likely impact on equity** : The Company do not have any outstanding convertible instruments, which are likely to be converted in equity and impact on equity.

17. Shareholding pattern

The detailed shareholding pattern of the Company as on March 31, 2014 is as under:

Category	No of Shares held	Percentage of Shareholding
Shareholding Of Promoter & Promoter Group		
Indian	74,70,802	64.72%
Foreign	0	0.00%
SUB TOTAL (A) :	74,70,802	64.72%
Public Shareholding (Institutions)		
Mutual Funds / UTI	3,300	0.03%
Financial Institutions / Banks	5,000	0.04%
Central / State Government(S)	0	0.00%
Venture Capital Funds		
Insurance Companies	0	0.00%
FII's	0	0.00%
Foreign Venture Capital	0	0.00%
Any Other	0	0.00%
SUB TOTAL (B) :	8,300	0.07%
Public Shareholding (Non-Institutions)		
Bodies Corporate	2,77,582	2.40%
Individual	37,79,345	32.74%
Clearing Member	0	0.00%
Market Maker	0	0.00%
Foreign Nationals	0	0.00%
Non Resident Indians (Repatriable)	7,971	0.07%
Non Resident Indians (Non Repatriable)	0	0.00%
Foreign Companies	0	0.00%
Overseas Bodies Corporate	0	0.00%
Trusts	0	0.00%
SUB TOTAL (C) :	40,64,898	35.21%
GRAND TOTAL (A)+(B)+(C) :	1,15,44,000	100.00%

18. Distribution of shareholding as on March 31, 2014

The distribution of shareholders as on March 31, 2014 is as follows:

No. of Equity Shares held (Range)	No. of Shareholders	% of Shareholders	No. of Shares	% of share Holdings.
1 – 500	9,550	92.76%	13,20,810	11.44%
501 – 1,000	380	3.69%	3,25,847	2.82%
1,001 – 2,000	175	1.70%	2,68,598	2.33%
2,001 – 3,000	65	0.63%	1,67,278	1.45%
3,001 – 4,000	33	0.32%	1,18,284	1.02%
4,001 – 5,000	24	0.23%	1,10,738	0.96%
5,001 – 10,000	29	0.28%	2,08,118	1.80%
100,001 & 9,99,99,999	39	0.38%	90,24,927	78.18%
Total	10,295	100	1,15,44,000	100

19. Stock Market Data

Table below gives the monthly high and low quotations of shares traded at the Bombay Stock Exchange for the current year. The chart below plots the monthly closing price of RSL versus the BSE - Sensex for the year ended March 31, 2014.

Month	BSE		Turnover
	High (₹)	Low (₹)	
Apr-13	15.48	14.05	1,74,302
May-13	16.97	15.40	10,333
Jun-13	16.95	16.15	6,377
Jul-13	-	-	-
Aug-13	-	-	-
Sep-13	15.35	13.90	35,115
Oct-13	13.50	11.93	7,39,435
Nov-13	14.35	11.88	4,38,702
Dec-13	12.60	11.00	47,266
Jan-14	12.60	10.10	1,30,593
Feb-14	12.59	9.80	91,862
Mar-14	12.62	9.50	1,53,169

Annexure**Declaration on Compliance with the Code of Conduct**

This is to confirm that the Company has adopted a Code of Conduct for its Board members and the senior management and the same is available on the Company's website. I confirm that the Company has in respect of financial year ended March 31, 2014, received from the senior management team of the Company and the members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, the term 'senior management' means the direct reportees to the Board and Managing Director.

For Resonance Specialties Limited

Sd/-

Dr. A. B. Gupta

Managing Director

Mumbai, May 30, 2014

Annexure**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification**

I, Dr. A. B. Gupta, Managing Director, of Resonance Specialties Limited, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
- (i) significant changes in internal control during the year;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control.

For Resonance Specialties Limited

Sd/-

Dr. A. B. Gupta

Managing Director

Mumbai, May 30, 2014

Certificate of Company Secretary in Whole-time practice on Compliance of conditions of Corporate Governance

To the Members of

Resonance Specialties Limited

We have examined the compliance of conditions of corporate governance by Resonance Specialties Limited, for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

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

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

Kaushal Dalal & Associates

Company Secretaries

By the hand of

sd/-

Kaushal Dalal & Associates

Proprietor

Place: Mumbai

Date: May 30, 2014

Membership No.: FCS: 7141 CP: 7512

INDEPENDENT AUDITORS' REPORT

To

The Members of

RESONANCE SPECIALTIES LIMITED**Report on the Financial Statements**

We have audited the accompanying financial statements of RESONANCE SPECIALTIES LIMITED("the Company"), which comprise the Balance Sheet as at 31st March 2014 and the statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- b) In the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - e) On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **V R BHABHRA & CO.**

Chartered Accountants

FRN: 112861W)

Sd/-

Vimal R. Bhabhra

Proprietor

Membership No: 046043

Place: Mumbai

Date: May 30, 2014

ANNEXURE TO THE AUDITORS' REPORT

The annexure referred to in Paragraph I of the Auditors' Report to the members of **Resonance Specialties Limited** (the Company) for the year ended 31st March 2014. We report that:

- i. In respect of Fixed Assets :
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The Company has a regular programme of verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. We have been informed that no material discrepancies were noticed on such verification as compared to book records.
 - c. Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the Company has not disposed off substantial part of its fixed assets during the year and hence the going concern assumption is not affected.
- ii. In respect of Inventories :
 - a. We are informed that the inventory have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
 - c. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. We are informed that the discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Company.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The Company has not taken any loans, secured or unsecured, from the parties covered in the register maintained under section 301 of the Companies Act, 1956
- iv. In our opinion and according to the information and explanations given to us, internal control system need to be strengthened to make it commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets, and for the sale of goods. However, during the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. In respect of the contracts or arrangements referred to in section 301 of the Companies Act, 1956 :
 - a. To the best of our information and according to the information and explanations provided to us by the management, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the Register required to be maintained under that Section.
 - b. According to the information and explanations provided to us by the management, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000 in respect of any party during the year are reasonable having regard to prevailing market prices at the relevant time as per information available with the Company. However, for some products there are no similar transactions with any other party, hence we are not able to express an opinion on the same.
- vi. According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules made there under.
- vii. In our opinion, the scope and coverage of internal audit and periodicity of the audit reports needs to be widened /increased to make the internal audit system commensurate with the size of the Company and the nature of its business.
- viii. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix. In respect of Statutory dues :
 - a. According to the books and records of the Company as produced and examined by us and according to the information and explanations provided to us, there have been delays in depositing undisputed statutory dues in respect of Provident Fund, , Income Tax, Service Tax, with the appropriate authorities.
 - b. According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable except as mentioned below:

NAME OF THE STATUTE	NATURE OF THE DUES	AMOUNT (₹)	PERIOD TO WHICH THE AMOUNT RELATES	DUE DATE	DATE OF PAYMENT
Bombay Sales Tax Act/ MVAT Act	Erroneous refund of Sales Tax & Sales Tax Deferral Loan	1,66,89,316	Various	Various Dates	Not Paid

- c. According to the information and explanations provided to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty or cess which have not been deposited on account of any dispute.
However, Other Non Current liability includes ₹ 1.67 Crores being the amount received during the earlier years from Sales Tax department (net of repaid ₹ 1.40 Crore) which will be repaid after ascertaining the complete facts from the concerned consultant and Sales tax department.
- x. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanations provided to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, bank and debenture holders.
- xii. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society.
- xiv. In our opinion, the company is not dealing in or trading in Shares, Securities, Debentures and other investments.
- xv. In our opinion and according to the information and explanations provided to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- xvi. According to the records of the Company the term loan raised were applied by the company for the purposes for which it was obtained.
- xvii. On the basis of review of utilization of funds, which is based on an overall examination of the Balance Sheet of the Company and related information as made available to us and as represented to us by the management, funds raised on short-term basis have not been used for long-term purposes.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures during the period covered by this report.
- xx. During the year, the Company has not raised money through public issue.
- xxi. Based upon the audit procedures performed and the information and explanations provided to us by the management, we report that no material fraud on or by the Company has been noticed or reported during the year under audit.

For **V R BHABHRA & CO.**
Chartered Accountants
FRN: 112861W)
Sd/-
Vimal R. Bhabhra
Proprietor
Membership No: 046043

Place: Mumbai
Date: May 30, 2014

BALANCE SHEET AS AT 31st MARCH 2014

Particulars	Note no.	Amount (₹)	
		As at 31.03-2014	As at 31.03.2013
EQUITY & LIABILITIES			
1] SHARE HOLDERS' FUNDS :			
Share capital	3	11,54,40,000	11,54,40,000
Reserves & Surplus	4	9,45,47,896	9,42,14,092
		<u>20,99,87,896</u>	<u>20,96,54,092</u>
2] NON CURRENT LIABILITIES :			
Long- term borrowing	5	3,35,758	3,37,730
Other non current liabilities	6	1,66,89,317	1,66,89,317
Long term provisions	7	8,43,863	6,66,146
Deferred tax liabilities (Net)	8	1,38,09,756	1,53,56,000
		<u>3,16,78,694</u>	<u>3,30,49,192</u>
3] CURRENT LIABILITIES :			
Short- term borrowing	9	3,35,07,075	3,36,24,790
Trade payable	10	5,03,06,946	4,58,64,917
Other current Liabilities	11	44,30,361	54,91,094
Short-term provisions	12	1,13,84,413	37,73,911
		<u>9,96,28,794</u>	<u>8,87,54,712</u>
		<u>34,12,95,382</u>	<u>33,14,57,996</u>
ASSETS			
1] NON CURRENT ASSETS :			
Fixed assets	13		
Tangible assets		14,35,56,095	15,59,81,525
Intangible assets		86,36,315	96,27,284
Capital work in progress		3,23,655	3,23,655
Long-term loans & advances	14	39,85,178	38,60,281
		<u>15,65,01,243</u>	<u>16,97,92,744</u>
2] CURRENT ASSETS :			
Inventories	15	5,96,63,918	6,97,13,661
Trade receivable	16	9,50,80,488	7,65,65,190
Cash & Bank balances	17	1,54,69,438	46,81,683
Short term loans & advances	18	8,34,036	4,33,751
Other current assets	19	1,37,46,259	1,02,70,967
		<u>18,47,94,139</u>	<u>16,16,65,252</u>
		<u>34,12,95,382</u>	<u>33,14,57,996</u>
Company Information	1		
Basis of preparation & Statement of Significant Accounting Policies	2		

As per our report of even date attached

FOR V.R.Bhabhra & Co.

Firm Reg.no.112861W

CHARTERED ACCOUNTANTS

Vimal R.Bhabhra**Proprietor**

Mem.No.046043

Place : Mumbai

Dated : May 30, 2014

FOR AND ON BEHALF OF THE BOARD**Mr. Rajnikant Worah**
Chairman**Dr. Atma B. Gupta**
Manging Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Note no.	Amount (₹)	
		As at 31.03-2014	As at 31.03.2013
INCOME			
Revenue from operation(Gross)	20	47,83,75,667	40,82,16,545
Less: Excise duty		<u>2,53,85,101</u>	<u>1,24,28,530</u>
Revenue from operation(net)		45,29,90,566	39,57,88,015
Other Income	21	<u>(22,96,625)</u>	<u>37,71,029</u>
Total:-		<u>45,06,93,941</u>	<u>39,95,59,044</u>
EXPENDITURE			
Cost of raw material consumed	22	12,06,25,934	9,44,24,610
Purchases of Traded Goods	23	13,74,22,659	14,90,82,654
(Increase)/Decrease in inventories of Finished Goods, and stock in trade and work in process	24	92,84,110	(24,00,631)
Employees benefit Expenses	25	2,78,90,795	2,40,82,795
Others Expenses	26	<u>12,66,42,877</u>	<u>10,90,02,275</u>
Total:-		<u>42,18,66,375</u>	<u>37,41,91,703</u>
Earning Before Interest, Depreciation & Taxation		2,88,27,566	2,53,67,341
Interest & Financial Cost	27	59,30,751	75,53,061
Depreciation	28	<u>1,10,26,062</u>	<u>1,15,36,220</u>
Earning Before Exception items & Taxation		1,18,70,753	62,78,060
Exceptional Items	29	(15,23,898)	(35,000)
Earning Before Taxation		1,03,46,855	62,43,060
Less : Provision for Current Tax		(16,34,000)	(18,00,000)
Add/(Less): Taxation of earlier years		-	(3,65,090)
MAT Credit Utilised		-	(4,72,092)
Deferred Tax Asset/(Expenses)		<u>15,46,243</u>	<u>9,56,000</u>
Surplus After Taxation carried to Balance Sheet		<u>1,02,59,098</u>	<u>45,61,878</u>
Earning per equity share		-	0
Basic & Diluted earning per share		0.89	0.40
Face value per share		10.00	10.00
Company Information	1		
Basis of preparation & Statement of Significant Accounting Policies	2		

As per our report of even date attached

FOR V.R.Bhabhra & Co.

Firm Reg.no.112861W

CHARTERED ACCOUNTANTS

Vimal R.Bhabhra
Proprietor

Mem.No.046043

Place : Mumbai

Dated : May 30, 2014

FOR AND ON BEHALF OF THE BOARD

Mr. Rajnikant Worah
Chairman

Dr. Atma B. Gupta
Manging Director

CASH FLOW STATEMENT

Sr. no	Particulars	For the year ended 31.03.2014	Amount (₹) For the year ended 31.03.2013
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(Loss) before tax	1,03,46,855	62,43,060
	Adjustments For :		
	Depreciation and amortisation expenses	1,10,26,062	1,15,36,220
	Provision for Doubtful advances	15,23,898	-
	Unspent liabilities/provisions written back	-	35,65,427
	Finance Cost	59,30,751	75,53,061
	Operating Profit before Change in Working Capital Changes	2,88,27,566	2,88,97,768
	Movement in working Capital		
	Increase(Decrease) in Trade payable	44,42,029	68,13,511
	Increase(Decrease) in Long term provisions	1,77,717	57,774
	Increase(Decrease) in Short term provisions	16,393	5,28,609
	Increase(Decrease) in Other current liabilities	(25,84,631)	15,50,553
	Decrease/(Increase) in Inventories	1,00,49,743	(1,37,02,408)
	Decrease/(Increase) in Trade Receivables	(1,85,16,616)	(1,25,05,812)
	Decrease/(Increase) in Short term advances	(4,00,285)	(1,09,673)
	Decrease/(Increase) in Long Term advances	(1,24,897)	(1,900)
	Decrease/(Increase) in Other Current assets	(34,75,291)	(21,05,701)
		(1,04,15,839)	(1,94,75,047)
	Cash generated from operation	1,84,11,727	94,22,719
	Direct Taxes paid	(7,91,525)	(15,02,118)
	Net cash flows from operating activities (A)	1,76,20,202	79,20,601
B	CASH FLOW USED IN INVESTMENTS ACTIVITIES		
	Purchases of Fixed assets including capital advances	(7,82,009)	(52,73,943)
	Insurance Claim on loss of fixed assets	-	52,75,000
	Net cash flows from Investment activities (B)	(7,82,009)	1,057
C	Cash flow from financing activities		
	Proceeds of Long term borrowings	(1,971)	(5,112)
	Proceeds from short term borrowings (Net)	(1,17,716)	(8,94,074)
	Interest paid	(59,30,751)	(75,53,061)
	Net cash flows /(used in)from Investment activities (C)	(60,50,438)	(84,52,247)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,07,87,755	(5,30,589)
	Add: Cash and cash equivalents at the beginning of the year	46,81,683	52,12,272
	Cash and cash equivalents at the end of the year	1,54,69,438	46,81,683
	Components of cash and cash equivalents		
	Cash on hand	21,643	15,321
	Bank balance in current accounts	1,00,00,177	20,955
	Bank balance in Fixed deposit accounts	54,47,618	46,45,407
		1,54,69,438	46,81,683

As per our report of even date attached

FOR V.R.Bhabhra & Co.

Firm Reg.no.112861W

CHARTERED ACCOUNTANTS

Vimal R.Bhabhra
Proprietor

Mem.No.046043

Place : Mumbai

Dated : May 30, 2014

FOR AND ON BEHALF OF THE BOARD

Mr. Rajnikant Worah
ChairmanDr. Atma B. Gupta
Managing Director

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

NOTE-1

GENERAL INFORMATION

M/s Resonance Specialties Limited (company) is incorporated under the companies Act 1956, and is listed with Bombay stock exchange, the main activity of company is manufacturing of Pyridine, Picoline, Cynopyridine and derivatives of the same. Bulks drugs and nutritional products are toll converted. In view of multi products manufacturing and fractional distillation in batches, overall average production cycle is around 2 to 4 months from the procurement till the disposal.

NOTE-2

BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with generally accepted accounting principals in India (Indian GAAP). The Company has prepared these financial statement to comply in all material respect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. Pursuant to circular 15/2013 dated 13th September 2013 read with circular 08/2014 dated 4th April 2014 till the Standards of accounting or any addendum there to are prescribed by central govt. The financial statements have been prepared on an accrual basis and under historical cost convention.

NOTE 2.1 SIGNIFICANT ACCOUNTING POLICIES.

a) **Change in accounting policy:**

Presentation and disclosure of financial statements-During the year ended 31st March 2014, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of its financial statements. The company has reclassified the previous year figures in accordance with the requirements applicable in the current year's financial statements have been prepared under historical cost convention and on accrual basis in accordance with the provisions of the Companies Act, 1956; and generally accepted accounting principles.

b) **Use of estimates:**

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

c) **Fixed Assets :**

Tangible Assets: These Fixed assets are stated at cost of acquisition or construction, net of Cenvat/Value Added Tax, less accumulated depreciation and impairment loss, if any. All costs, including finance cost till commencement of commercial production & net charges on forward exchange contracts attributable to the fixed assets are capitalized.

Intangible Assets: These assets are stated at cost incurred in respect of successful development of respective manufacturing/process technology.

d) **Capital Work - in - Progress:**

Assets under installation / commissioning are shown under the head Capital Work – in Progress.

e) **Inventories :**

I) In general, all inventories of Finished Goods, Work-in-Process etc., are stated at lower of cost or net realizable value. Finished goods stored in tanks pending final packing are included in the finished goods stock and valued accordingly. Cost of inventories comprises of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. Raw Materials, Packing material & Stores and Spares are stated at cost on FIFO Basis. Inventories of Finished Goods include excise duty, wherever applicable.

II) Catalyst charged to Cyanopyridine plant is valued at cost and amortised over its estimated life of 10 yrs. However, the catalyst which is deactivated is fully written off in the year in which new catalyst is procured.

III) Cost Comprises all cost of purchases. Cost of conversion and other cost incurred in bringing the inventory to the present location and condition

f) **Revenue Recognition:**

Revenue is recognized only when there is no significant uncertainty as to measurability or collectibility of the amount. Turnover includes sale of goods, and excise duty and are net of sales tax, value added tax, discounts and claims. Revenue for the technical assistance is recognized on accrual basis as per the terms of contract

g) **Foreign Currency Transactions:**

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of transaction. The year end balance receivable and payable in foreign currencies are translated at the exchange rate prevailing on that date. The gain / loss arising out of fluctuation in the exchange rate are recognised in the profit & loss Account in the period to which they relate.

h) **Excise and Custom Duties:**

Liability on account of Customs Duty on Imported materials is accounted for only on clearing / debonding of materials

Excise duty on finished goods lying in stock is accounted on the basis of prevailing selling price at year end.

i) **Export Incentives:**

Export benefits are accounted for on accrual basis to the extent considered receivable.

j) **Depreciation /Amortisation:**

a) Depreciation on tangible fixed assets has been provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. In case of additions, pro-rata depreciation is charged. Any software purchased during the year is charged to revenue in conformity with AS-26 except which have licensing period exceeding one year, which is amortised over the license period. Leasehold land is being amortized over a period of lease.

b) Assets costing less than ₹ 5,000/- fully depreciated in the year of Purchases.

c) Intangible asset, are amortised over a period of ten years from the date of its development.

k) **Impairment of Assets**

At each balance sheet date the company reviews whether there is any indication of impairment of the carrying amount of the company's fixed assets. If

any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount, and charged to profit & loss account in the year in which asset is identified as impaired. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

l) Employees Benefits :

Short Term employees benefit payable wholly within twelve months of rendering services such as salaries, wages etc. are recognized in the period in which the employee renders the related service.

Defined Contribution Plan: The Company's Contribution to the state governed employee's provident fund scheme is a defined contribution plan. The contribution paid / payable under the scheme is recognized during the period in which the employee renders the related service.

Defined Benefit Plan: The Company's gratuity fund is not funded. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method.

As per the policy of the Company, no leave encashment is allowed.

m) Research & Development Expenses:

Revenue expenditure pertaining to Research & Development which are not for enduring benefit are charged to Profit & Loss Account.

Expenditure incurred for enduring benefit for the development of the products /processes which will generate future economic benefit by way of improvement in yield and efficiency of those products are carried over as R & D work in progress under the head 'Capital Work in Progress'. The value of the process/products so developed is amortized over a period of ten years from the year of successful development.

n) Borrowing Costs:

Borrowing Cost that is attributable to the acquisition or construction of qualifying assets is capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended its use. All other cost is charged to revenue.

o) Taxation:

Provision for income taxes comprises of current taxes including deferred taxes.

Current Tax is determined on the basis of taxable income and tax credits computed in accordance with provisions of Income Tax act, 1961.

Deferred Tax liability is recognized for the future tax consequences of the timing differences between the tax basis and the carrying value of assets and liabilities. Deferred tax assets are recognized on the basis only if there is virtual certainty that they will be realized and are reviewed every year. The tax effect is calculated on the accumulated timing differences using the tax rates and laws enacted or substantially enacted as on the balance sheet date.

p) Provisions & Contingent Liability:

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

All material known liabilities are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to account. Contingent assets are neither recognized nor disclosed in financial statements.

q) Cash and Bank balances

Cash and cash equivalent for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

r) Measurement of EBITDA

As permitted by the Guidance Note on the revised schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expenses, finance costs and tax expenses.

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST March, 2014

Particulars	Amount (₹)	
	2013-14	2012-13

NOTE-3

SHARE CAPITAL

AUTHORISED:

1,50,00,000 (1,50,00,000)Equity shares of ₹ 10/- each	15,00,00,000	15,00,00,000
	15,00,00,000	15,00,00,000

ISSUED, SUBSCRIBED & PAID UP

1,15,44,000 (1,15,44,000) Equity shares of ₹ 10/- each fully paid up	11,54,40,000	11,54,40,000
	11,54,40,000	11,54,40,000

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

Particulars	31-Mar-2014		31-Mar-2013	
	No of shares	Amount	No of shares	Amount
At the beginning of the period	11544000	11,54,40,000	1,15,44,000	11,54,40,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	11544000	11,54,40,000	1,15,44,000	11,54,40,000

b) Terms/ rights attached to equity shares

- The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

c) Details of shareholders holding more than 5% shares of the company

Equity share of ₹10/-each fully paid	31-Mar-2014		31-Mar-2013	
	No of shares	% of holding	No of shares	% of holding
Vista Finance & Leasing Pvt.Ltd	3964100	34.34%	3964100	34.34%
Usma Investment Pvt.Ltd	3295200	28.54%	3295200	28.54%

d) As per the records of the company, including its register of the shareholders/ members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownerships of shares

NOTE-4

RESERVE & SURPLUS

a) CAPITAL RESERVE

State Subsidy		20,00,000		20,00,000
Balance as per last financial statements		<u>20,00,000</u>		<u>20,00,000</u>

b) REVALUATION RESERVE

Balance as per last financial statements	6,03,98,914		6,35,71,258	
Less: Depreciation on revaluation for the year	<u>31,72,344</u>	5,72,26,570	<u>31,72,344</u>	6,03,98,914

c) SURPLUS IN THE STATEMENT OF PROFIT & LOSS

Balance as per last year	3,18,15,179		2,72,53,300	
Profit/(Loss) for the year	1,02,59,098		45,61,878	
Less: Proposed Dividend	57,72,000			
Less: Dividend Distribution Tax	9,80,951	3,53,21,326		3,18,15,178
		<u>9,45,47,896</u>		<u>9,42,14,092</u>

d) The Company had revalued its factory land & building and plant & machineries situated at T-140 MIDC, Tarapur on 31st March, 2005 based on the report of the registered valuer. Accordingly, the appreciation/ diminution in the value of fixed assets has been added to/deducted from the value of the respective assets. The net appreciation amounting to ₹ 8,57,77,652 had been credited to Revaluation reserve account, which is being amortized year after year at the prescribed rate of depreciation and net amount is shown in note 4(b) above

NOTE-5

LONG TERM BORROWING

SECURED TERM LOANS

a) Vehicle loan from ICICI Bank (secured by hypothecation a Vehicles)		3,35,758		3,37,730
b) The Vehicles term loans are payable over a period of 3 years with interest @ 11.25% till July 2015				
		<u>3,35,758</u>		<u>3,37,730</u>

NOTE-6

OTHER NON CURRENT LIABILITIES

a) Towards Sales Tax		1,66,89,317		1,66,89,317
		<u>1,66,89,317</u>		<u>1,66,89,317</u>
b) Amount represent refund received in earlier years, net of ₹ 140 Lacs was paid under protest. The final determination of refund. liabilities will on completion of reassessment.				

NOTE-7

LONG TERM PROVISIONS

Provision for retirement benefit		8,43,863		6,66,146
		<u>8,43,863</u>		<u>6,66,146</u>

NOTE-8

DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities

Deference between tax and book depreciation	1,53,38,756		1,63,00,000	
Claims u/s 35(2AB) of Income tax Act, 1956.	-		-	

Deferred Tax Assets

Provision for doubtful advances	7,80,000		3,09,000	
Business Loss	-		-	
Timing Differences pursuant to sect 43B of the Income tax Act	7,49,000		6,35,000	
	<u>15,29,000</u>		<u>9,44,000</u>	
	<u>1,38,09,756</u>		<u>1,53,56,000</u>	

NOTE-9

SHORT TERM BORROWING

SECURED

a) Cash Credit	1,58,43,075	2,86,24,790
b) BOB Current A/c 1483	-	-
c) Export Packing Credit	1,76,64,000	50,00,000
	<u>3,35,07,075</u>	<u>3,36,24,790</u>

c) Note on Nature of Security on secured loan

(The above borrowing from Bank is secured by hypothecation of present and future stock of raw material, stock in process and Finished goods and book debts of the company, and further secured by first charge by way of equitable mortgage of land and building, plant and machineries and all immovable properties of the company situated at T 140 MIDC Tarapur, Dist-Thane and further guaranteed by Managing Director of the company and is repayable on demand)

d) Working capital borrowing carry interest rate of 13.25% per annum

NOTE-10

TRADE PAYABLE

Trade payable against goods and services	5,03,06,946	4,58,64,917
	<u>5,03,06,946</u>	<u>4,58,64,917</u>

NOTE-11

OTHER CURRENT LIABILITIES

Current maturities of long term borrowing (refer Note-5)	-	5,75,731
Advances from customers	2,12,879	17,322
Outstanding salaries & expenses	37,80,309	35,16,384
Tax Deducted at source payable	2,93,199	8,83,627
Statutory dues payable	1,43,974	4,98,029
	<u>44,30,361</u>	<u>54,91,093</u>

NOTE-12

SHORT TERM PROVISION

for Excise duty on Finished Goods	17,98,000	18,71,000
for income tax(Net of advance tax paid)	15,04,130	6,62,972
Provision for Proposed Dividend	57,72,000	
Provision for Dividend Distribution Tax	9,80,951	
For gratuity	13,29,332	12,39,939
	<u>1,13,84,413</u>	<u>37,73,911</u>

SCHEDULE-13

FIXED ASSETS

ASSETS DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on 01.04.2013	Addition during the Year	Reductions Adustment	Block as on 31.03.14	As on 01.04.2013	For The Year	Deductions Adustment	Up to 31.03.14	As on 31.03.2014	As on 31.03.2013
Lease Hold Land	3,99,49,055	-	-	3,99,49,055	44,55,898	4,92,790	-	49,48,688	3,50,00,367	3,54,93,157
Buildings	1,94,41,270	-	-	1,94,41,270	1,45,98,825	6,41,524	-	1,52,40,349	42,00,920	48,42,444
Plant & Machinery	27,02,34,393	7,82,009	-	27,10,16,402	16,40,78,645	1,05,79,607	-	17,46,58,251	9,63,58,151	10,61,55,749
Furniture & Fixtures	17,08,611	-	-	17,08,611	9,93,433	74,671	-	10,68,104	6,40,508	7,15,178
Office Equipment	43,78,105	-	-	43,78,105	26,97,971	2,73,261	-	29,71,231	14,06,874	16,80,134
Motor Car	33,64,034	-	-	33,64,034	11,13,477	3,19,583	-	14,33,060	19,30,974	22,50,557
Electric Installation	1,54,89,008	-	-	1,54,89,008	1,46,09,574	5,86,155	-	1,51,95,728	2,93,280	8,79,434
R & D Equipment	73,38,816	-	-	73,38,816	33,73,950	2,39,848	-	36,13,798	37,25,018	39,64,866
Intangible Assets	1,38,93,160	-	-	1,38,93,160	42,65,876	9,90,969	-	52,56,845	86,36,315	96,27,284
Total	37,57,96,452	7,82,009	-	37,65,78,461	21,01,87,648	1,41,98,406	-	2,43,86,054	15,21,92,407	16,56,08,804

NOTE-14**LONG TERM LOAN AND ADVANCES**

(Unsecured and considered good)

Security Deposits	16,15,462	16,15,462
Loans & advances to related parties	-	-
Other advances	5,010	5,010
VAT Refundable	23,64,706	22,39,809
	39,85,178	38,60,281

(Unsecured, considered Doubtful)

Other advances to suppliers	10,00,000	10,00,000
Less: Provision for doubtful advances	10,00,000	10,00,000
	-	-
	39,85,178	38,60,281

NOTE-15**INVENTORIES**

(As taken, valued and certified by the Management)

Raw Material	1,23,21,214	1,33,58,687
Stock Work In Progress	2,88,06,211	3,74,23,945
Finished Goods	1,63,44,409	1,70,10,785
Traded Goods	-	-
Packing Material	1,39,787	1,91,404
Stores & Spares	6,71,863	8,88,650
Fuel	13,80,435	8,40,190
	5,96,63,918	6,97,13,661

NOTE-16**TRADE RECEIVABLE**

(Unsecured and considered good) *

Debts outstanding for a period exceeding six months from the date they are due for payment	16,48,060	15,44,148
Other debts	9,34,32,428	7,50,21,042
* Subject to confirmation	9,50,80,488	7,65,65,190

NOTE-17**CASH AND BANK BALANCES**

Cash in hand	21,643	15,321
Balance with banks		
in Current accounts	1,00,00,177	20,955
in Fixed Deposits (Margin Money)*	54,47,618	46,45,407
*(Under Lien towards margin of Letter of credits & Bank Guarantees)	1,54,69,438	46,81,683

NOTE-18**SHORT TERM LOANS AND ADVANCES**

(Unsecured, considered good)

Staff advances	3,80,064	4,08,912
TDS RECEIVABLE	4,53,972	24,839
	8,34,036	4,33,751

NOTE-19**OTHER CURRENT ASSETS**

(Unsecured and considered good)

Prepaid expenses	7,24,450	7,30,037
Insurance Claim Receivable	-	-
Advances for supply of goods & services	5,08,151	15,69,548
Advances for capital Goods	2,43,182	-
Balance with Excise Authorities	27,11,654	66,83,415
Excise rebate, drawback and MAT credits	95,58,822	12,87,967
Advance Income Tax (Net of provisions)	-	-
	1,37,46,259	1,02,70,967

NOTE-20**REVENUE FROM OPERATIONS****Sale of Products**

Finished Goods	32,11,93,107	23,48,38,493
Traded Goods	14,22,79,517	15,86,36,119
Others Sale	1,80,600	1,36,540
	<u>46,36,53,224</u>	<u>39,36,11,152</u>
Less : Excise duty on Sale	2,53,85,101	1,24,28,530
	<u>43,82,68,123</u>	<u>38,11,82,622</u>

Sale of Service

Conversion (Job) Charges	1,47,22,443	1,46,05,393
	45,29,90,566	39,57,88,015

Note: Products wise Sales

Pyridine/ Picoline & Derivatives	28,90,39,200	23,67,37,469
Cynopyridine & Derivatives	15,03,25,665	14,36,85,587
Others	1,80,600	7,59,565
	43,95,45,465	38,11,82,621

NOTE-21**OTHER INCOME**

Interest on Fixed deposit with bank	4,12,568	2,92,662
Gain on exchange fluctuation	(45,17,783)	22,51,796
Duty Drawback	16,41,425	8,51,137
Sundry Claims	1,67,165	3,75,435
Balances written back	-	-
Miscellaneous Income	-	-
	(22,96,625)	37,71,030

NOTE-22**COST OF RAW MATERIAL CONSUMED**

Inventory at the beginning of the year	49,63,908	26,55,895
Add : Purchases	12,79,83,240	9,67,32,623
	13,29,47,148	9,93,88,518
Less: Inventory at the end of the year	1,23,21,214	49,63,908
	12,06,25,934	9,44,24,610

The Consumption of the raw material are reported after deducting the cost of material received from third parties for conversion but used by the company for captive use amounting to ₹1,60,63,577 (P Y ₹1,57,92,090.) The conversion charges received, therefore, are also net of the said amount

Additional information pursuant to provisions of para 3 and 4 of the part II of the schedule VI to the companies act 1956

Value of the productwise material consumed

Basic Chemicals	11,38,42,754	8,83,76,894
Solvents	67,83,180	60,47,714
	12,06,25,934	9,44,24,608

NOTE-23

PURCHASES OF TRADED GOOD

(a) Purchases		13,74,22,659		14,90,82,654
		<u>13,74,22,659</u>		<u>14,90,82,654</u>
(b) Pyridine & its Derivatives		6,25,90,408		8,43,27,789
Cyanopyridine & Derivative		7,48,32,251		6,47,51,025
Others		-		3,840
		<u>13,74,22,659</u>		<u>14,90,82,654</u>

NOTE-24

(INCREASE) / DECREASE IN INVENTORIES

Inventories at the end of the year				
Work in progress	2,88,06,211		3,74,23,945	
Traded goods	-		-	
Finished goods	<u>1,63,44,409</u>	4,51,50,620	<u>1,70,10,785</u>	5,44,34,730
Inventories at the beginning of the year				
Work in progress	3,74,23,945		3,72,79,384	
Traded goods	-		13,86,358	
Finished goods	<u>1,70,10,785</u>	<u>5,44,34,730</u>	<u>1,33,68,357</u>	<u>5,20,34,099</u>
		<u>92,84,110</u>		<u>(24,00,631)</u>

NOTE-25

EMPLOYEE BENEFITS EXPENSES

Salaries and wages		2,50,71,693		2,12,63,628
Workmen and staff welfare expenses		16,19,622		17,57,756
Contribution to Provident fund		9,32,370		8,75,428
Provision for Gratuity		<u>2,67,110</u>		<u>1,85,983</u>
		<u>2,78,90,795</u>		<u>2,40,82,795</u>

NOTE-26

OTHER EXPENSES

Store & Spare Part Consumed		73,09,849		59,15,498
Packing Material Consumed		65,72,568		34,20,572
Conversion Charges		3,33,34,153		2,67,41,840
Power & Fuel		3,51,69,565		3,14,14,664
Freight & Transport Charges		1,54,05,151		1,24,37,960
Excise duty expenses		(63,479)		4,60,090
Repair & Maintenance				
For Plant & Machineries		30,51,755		29,62,277
For Buildings		-		1,70,000
For Others		6,21,894		12,64,981
Traveling, Conveyance, Lodging & Boarding		26,32,657		23,67,577
Postage, Telephone & Internet Charges		8,94,622		8,48,127
Professional & Legal Expenses		41,41,185		43,93,261
Insurance Premium		12,62,383		12,53,645
Rent		17,33,842		14,40,000
Rate & Taxes		9,62,954		8,61,539
Commission		25,04,138		8,81,984
Cash Discount		-		6,20,811
R & D Expenses		77,31,450		29,94,407
Director Sitting Fee		3,35,555		2,99,664
Balance W off		-		35,65,427
Auditor Remuneration				
Audit Fees		4,23,385		4,00,000
Certifications		-		40,630
Other Expenses		<u>26,19,250</u>		<u>42,47,321</u>
		<u>12,66,42,877</u>		<u>10,90,02,275</u>

NOTE-27

INTEREST & FINANCIAL COST

Interest on fixed term Loan	71,811	1,18,947
Interest on others	35,27,690	50,46,305
Financial Charges	23,31,249	23,87,809
	59,30,751	75,53,061

NOTE-28

DEPRECIATION

Depreciation for the year (Ref note 13)	1,41,98,406	1,47,08,564
Less: Transferred to Revaluation reserve	31,72,344	31,72,344
	1,10,26,062	1,15,36,220

NOTE-29

EXCEPTIONAL ITEMS

Prior Period Items		35,000
Provision for doubtful advances	15,23,898	
	15,23,898	35,000

Note -30: Contingent Liabilities:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ NIL-net of advance (Previous year ₹ NIL).
- b) Bank Guarantees issued and outstanding on Balance Sheet date: ₹53,50,000 (Previous year ₹ 6,00,000)
- c) Letters of credit outstanding ₹3,39,72,533 Previous year: ₹1,39,47,463.

Note-31: Disclosure pursuant to the Accounting standard - 15 : Employees benefit.

Company adopted the Accounting Standard (AS-15) (Revised 2005) "Employee Benefits" effective from April 01, 2007.

The Company has classified the various benefits provided to employees as under:

I Defined Contribution Plans

The Company has recognized the amounts of Provident Fund of ₹9,34,033 (P.Y. 8,75,428) in Profit and Loss Account for the year ended 31st March, 2014:.

II Defined Benefit Plans

Contribution to Gratuity Fund (Non Funded Scheme)

In accordance with the Accounting Standard (AS 15) (Revised 2005) actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:

	2013-14	2012-13
Discount Rate (per annum)	8.06%	8.06%
Rate of increase in compensation levels (per annum)	5%	5%
Expected Average remaining working	3.75	3.80

A. Change in the Present Value of Obligation

	Year Ended March 31, 2014	Year Ended March 31, 2013
	Non - Funded Scheme	Non - Funded Scheme
	(₹)	(₹)
Present Value of Defined Benefit Obligation as at beginning of the period	19,06,085	17,20,102
Interest Cost	1,53,630	1,48,789
Current Service Cost	2,27,603	1,80,190
Past Service Cost- (non vested benefits)	-	-
Past Service Cost- (vested benefits)	-	-
Benefits Paid	-	-
Actuarial gain / (loss) on Obligations	(1,14,123)	(1,42,996)
Present Value of Defined Benefit Obligation as at the end of the period	21,73,195	19,06,085

B. Fair Value of Assets

	Year Ended March 31, 2014	Year Ended March 31, 2013
	(₹)	(₹)
Present Value of Funded Obligation as at end of the period	-	-
Fair Value of Plan Assets as at end of the period	-	-
Funded Asset recognized in the Balance Sheet	-	-
Included in provision (Schedule)	-	-
Present Value of Unfunded Obligation as at end of the period	-	-
Unrecognized Actuarial gains / (losses)	-	-
Unfunded Liability recognized in the Balance Sheet	-	-
Included in provision (Schedule)	19,06,085	17,20,102

C. Amount recognized in the Balance Sheet (revised schedule VI)

	Year Ended March 31, 2014	Year Ended March 31, 2013
	(₹)	(₹)
Present Value of Defined Benefit Obligation as at the end of the period (non current)	8,43,863	6,66,146
Current liability	13,29,332	12,39,939
Fair Value of Plan Assets as at end of the period	-	-

D. Expenses recognized in Profit and Loss Account

	Year Ended March 31, 2014	Year Ended March 31, 2013
	(₹)	(₹)
Current Service Cost	2,27,603	1,80,900
Past Service Cost- (non vested benefits)	-	-
Past Service Cost- (vested benefits)	-	-
Interest Cost	1,53,630	1,48,789
Expected Return on Plan Assets	-	-
Curtailement Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial gain / (Loss) recognized in the Period	(1,14,123)	(1,42,996)
Total Expenses recognized in the Profit and Loss Account	2,67,110	1,85,983

Note-32. Disclosure pursuant to the Accounting standard -17 : Segment Reporting

The Company has only one segment i.e. 'Chemical Manufacturing'. Therefore, as per Accounting Standard -17 (AS-17) the disclosure under 'Segment Reporting' is not considered necessary.

Note-33: Disclosure pursuant to the Accounting standard -18 : Related party Transaction

a) Particulars of Related Parties

	NAME OF RELATED PARTY	NATURE OF RELATIONSHIP
i)	Vista organics Pvt. Ltd.	Associate Company
ii)	Avignon Exim Pvt. Ltd.	Associate Company
iii)	Vista Finance & Leasing Pvt Ltd.	Associate Company
iv)	Avignon Chemicals P Ltd.	Associate Company
v)	Ushma Investments Pvt Ltd.	Associate Company
vi)	Ushma Technologies Pvt Ltd	Associate Company

b) Key Management Personnel

	NAME OF RELATED PARTY	NATURE OF RELATIONSHIP
	Dr Atma Gupta	Managing director
	Mr. Kamlesh Yadav	Whole-time director

c) Transactions with Related Parties:

Name of party, Nature of relationship	Nature of Transaction	Value of Transaction (₹)	Outstanding amount. (₹)
Vista organics Pvt. Ltd.	Conversion Charges Paid.	3,33,34,153 (2,67,41,840)	3,16,976-Dr. (Nil)
Avignon Exim Pvt. Ltd.	Sales*	11,75,15,832 (10,52,75,383)	6,16,41,375-Dr (3,70,10,816-Dr)
Avignon Exim Pvt. Ltd.	Conversion Charges **	1,47,22,443 (1,46,05,393)	Nil (Nil)
Avignon Exim Pvt. Ltd.	Purchases*	8,48,67,923 (8,99,11,823)	Nil (Nil)
Vista Finance & Leasing Pvt Ltd.	Rent	6,00,000 (4,80,000)	7,20,000-Cr (1,80,000- Cr)
Ushma Investment Pvt Ltd.	Rent	6,00,000 (4,80,000)	7,20,400-Cr (1,80,400-Cr)
Avignon Chemicals Pvt Ltd.	Rent	6,00,000 (4,80,000)	7,20,000-Cr (1,80,000-Cr)
Ushma technology Pvt Ltd.	Temporary Advances/share application w/off	Nil (46,21,044)	Nil (Nil)
Dr. Atma B. Gupta	Salary, PF & Others	31,13,916 (23,02,400)	Nil (Nil)
Mr. Kamlesh Yadav	Salary, PF & Others	8,33,144 (Nil)	Nil (Nil)

*Purchases & Sales figures mentioned above include amount of High Seas Purchases & High seas Sales respectively and exclusive of duties & Taxes.

** Conversion charges are net off material supplied for Conversion..

Remarks: a) Related parties are as identified by the management and relied upon by the auditors
b) Reimbursement of expenses in normal course of business are not considered hereinabove.

Note-34: Disclosure pursuant to the Accounting standard -20 : Earning per share

	2013-14	2012-13
Net Profit attributable to equity shareholders (₹)	1,02,59,098	45,61,879
Total No. of Equity shares outstanding during the year	1,15,44,000	1,15,44,000
Basic & Diluted Earning Per share	0.89	0.4
Face value per share	10	10

Note -35 Reporting on other disclosures

- a) The Company has no information as to whether any of its suppliers constitute Micro, Small or Medium Enterprise and therefore, the claims for suppliers and other related data as per the requirement of Micro, Small and Medium Enterprises Development Act, 2006 could not be ascertained.
- b) In the opinion of Board, current assets, loan and advances are stated at a value at least equal to the expected value on realisation in the ordinary course of business.
- c) During the year the company had carried out development of certain process technology for efficient commercial production in its approved R & D facilities at Tarapur and incurred an amount of ₹ 77,31,450/- (P.Y. 29,94,407/-) as Research & Development expenditure which have been accounted as follows :

Particulars	2013-14 (₹)	2012-13 (₹)
Charged to Profit & Loss account		
As revenue expenditure	77,31,450	29,94,407
Capitalized under Lab Equipment	-	-
Total	77,31,450	29,94,407

- d) Provision for Income Tax has been made considering the benefits available u/s 35 of the Income tax act..
- e) The Consumption of the raw material are reported after deducting the cost of material received from third parties for conversion but used by the company for captive use amounting to ₹1,60,63,577 (P Y ₹ 1,57,92,090.) The conversion charges received, therefore, are also adjusted by the said amount.

f) Value of Import and indigenous Raw Material, Stores and Spare consumed.

	%	2013 -14	%	2012 -13
		Amount In ₹		Amount In ₹
A. Raw material				
Indigenous	59	7,43,15,408	62	5,86,71,749
Imported	41	10,72,02,875	38	3,57,52,861
Total	100	18,15,18,283	100	9,44,24,610
B. Others/Stores spares				
Indigenous	100	70,93,062	100	59,15,498
Imported	--	--	--	--
Total	100	70,93,062	100	59,15,498

g) Earnings in foreign exchange on account of :

	2013-14	2012-13
	(₹)	(₹)
FOB Value of Exports (Service)	Nil	Nil
FOB Value of Exports (Material)*	16,97,45,440	15,03,29,708
*Net of Re-import		

h) Expenditure in Foreign currency:

	2013-14	2012-13
	(₹)	(₹)
CIF Value of Imports of materials	10,71,63,839	9,09,25,104
CIF Value of imports of R & D Equipments	-	-
Traveling Expenses	1,75,572	6,15,732

i) Managerial Remuneration to Managing Director

	2013-14	2012-13
	(₹)	(₹)
Salary	19,20,000	15,20,000
House rent allowance	9,60,000	7,60,000
Company's contribution to P.F	2,51,916	1,82,400
Other monetary benefits	0	22,400
Total	31,31,916	24,84,800

ii) Since no commission is payable to Managing Director computation of net profit under section 198 read with section 349 of the Companies Act, 1956 has not been disclosed

As per our report of even date attached

FOR V.R.Bhabhra & Co.

Firm Reg.no.112861W

CHARTERED ACCOUNTANTS

Vimal R.Bhabhra
Proprietor

Mem.No.046043

Place : Mumbai

Dated : May 30, 2014

FOR AND ON BEHALF OF THE BOARD

Mr. Rajnikant Worah
Chairman & Director

Dr. Atma B. Gupta
Managing Director

RESONANCE SPECIALTIES LIMITED

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN:L25209MH1989PLC051993

Name of the company: Resonance Specialties Limited

Registered office: 301, Evershine Mall, Off Malad Link Road, Malad (West), Mumbai -400064.

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:

Or failing him/her

2. Name:

Address:

E-mail Id:

Signature:

Or failing him/her

3. Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual general meeting of the company, to be held on the 14 day of August, 2014 At 11:00 a.m. at Raheja Classique Club, Infinity Mall, New Link Road, Andheri (West), Mumbai 400 058 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution Number	Resolution	2Vote		
		For	Against	Abstain
	Ordinary Business			
1.	Adoption of Balance sheet, Statement of Profit and Loss, Report of Board of Directors and Auditors for the financial year ended March 31, 2014.			
2.	Re-appointment Mr. B. P. Agrawal, Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3.	To declare dividend on Equity Shares			
4.	Appointment of M/s. V. R. Bhabhra & Co., Chartered Accountant as Auditors of the Company and fix their remuneration.			
	Special Business			
5.	Appointment of Mr. Rajnikant Worah, as an Independent Director upto March 31, 2019.			
6.	Appointment of Mr. L. R. Daga, as an Independent Director upto March 31, 2019.			

Signed this _____ day of _____ 2014

Signature of shareholder

Signature of Proxy holder(s)

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- It is optional to indicate your preference. If you leave for/against/abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner he/she may deem appropriate.

COMPANY NOTICE

RESONANCE SPECIALTIES LIMITED

REGD.OFFICE: 301, EVERSINE MALL, OFF MALAD LINK ROAD, MALAD (W), MUMBAI-400064
CIN: L25209MH1989PLC051993

Phone: 22 42172222, Fax: 22 42172233,

E-Mail:info@resonancesl.com, Website: www.resonancesl.com

Notice is hereby given that the 25th Annual General Meeting (AGM) of the Company is scheduled to be held on August 14, 2014 at 11:00 a.m. at Raheja Classique Club, Infinity Mall, New Link Road, Andheri (West), Mumbai 400058 , to transact the Ordinary and Special Businesses, as set forth in the Notice of the meeting.

The Annual Report and Notice of the AGM along with Proxy Form, e-Voting instructions have been dispatched to the members as at cut-off date i.e. July 18, 2014 at their registered addresses on July 21, 2014.

Members are hereby informed that the Notice of AGM is available on Company's website on www.resonancesl.com and on www.evotingindia.com. The Annual Report of the Company can be downloaded from www.resonancesl.com

Notice is also hereby given that The Register of Members and the Share Transfer Books of the Company will remain closed from August 7, 2014 to August 14, 2014 (both days inclusive) for the purpose of determining entitlement of dividend, if any, declared by the Company to those members whose names stand on the Register of Members as on August 6, 2014.

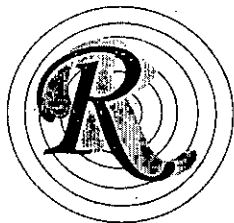
Pursuant to section 108 of the Companies Act, 2013 and rules made thereunder, the Shareholders may exercise their vote on all resolutions set forth in the Notice through electronic means. The E-voting facility shall remain open from August 7, 2014 (10:00 a.m.) to August 9, 2014 (6:00p.m.) during which the shareholders holding shares as on cut-off date (either in demat or in physical form) may cast their vote. Votes casted after the aforesaid period shall not be allowed.

In case of any queries, please contact the undersigned at accounts@resonancesl.com.

Place: Mumbai
Dated: 28.07.2014

By order of the Board


COMPANY SECRETARY



Resonance Specialties Limited

Head Office: 301, Evershine Mall, Off Malad Link Road, Malad (W) Mumbai: 400064.
Tel: + 91-22-40038920/42172222, FAX NO. 91-22-42172233
E-MAIL - info@resonancesl.com Website: www.resonancesl.com

CIN No.: L25209MH1989PLC051993

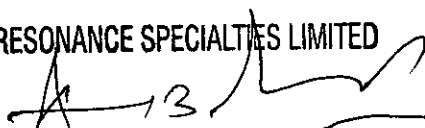
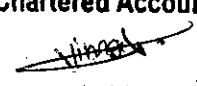
July 26, 2014

The Manager
Listing Department
Bombay Stock Exchange Limited
Phirozee Jeejeebhoy Tower,
Dalal Street, Mumbai- 400001

Dear Sir,

Subject: Submission of Six Copies of Annual Report.

FORM A

Name of the Company	Resonance Specialties Limited
Annual financial statements for the year ended	March 31, 2014
Type of Audit observation Un-qualified/Matter of Emphasis	un-qualified / No matter of emphasis
Frequency of observation whether appeared first time.../repetitive .../since how long period	NA
To be signed by- Managing Director-Dr.A.B.Gupta Auditor of the Company - Vimal Bhabhara (Proprietor of V.R.Bhabhara & Co., Chartered Accountants) Audit Committee Chairman-Mr.L.R.Daga	<p>FOR RESONANCE SPECIALTIES LIMITED</p>  <p>MANAGING DIRECTOR</p> <p>For V. R. BHABHRA & CO. Chartered Accountants</p>  <p>V. R. BHABHRA Proprietor</p>

