

# 27<sup>th</sup> Annual Report 2015-16



**INNOVATION IS THE KEY TO SUCCESS**



*Resonance Specialties Limited*

# Resonance Specialties Limited

## BOARD OF DIRECTORS

<b>Mr. Rajnikant Worah</b>	- Chairman - Independent Director
<b>Dr. A.B. Gupta</b>	- Managing Director
<b>Mr. B.P. Agrawal</b>	- Non-Executive Director
<b>Mr. L.R. Daga</b>	- Independent Director
<b>Mr. Kamlesh Yadav</b>	- Whole-time Director (resigned w.e.f. 14th November, 2015)
<b>Dr. Gurpur Ganesh Pai</b>	- Independent Director
<b>Ms. Urvi Gupta</b>	- Non-Executive Director
<b>Mr. Satish Chander Mathur</b>	- Whole-time Director (appointed w.e.f. 8th February, 2016)
<b>Mrs. Archana S. Yadav</b>	- Independent Director (appointed w.e.f. 8th February, 2016)

## REGISTERED OFFICE

301, Evershine Mall, Chincholi Bunder Junction,  
Off. Malad Link Road, Malad (W), Mumbai - 400064.  
website: www.resonancesl.com

## BANKERS

BANK OF BARODA  
Vile Parle (E), Mumbai

## CORPORATE IDENTITY NUMBER

L25209MH1989PLC051993

## INTERNAL AUDITOR

AIMV & Associates  
Address: G1, Ground Floor,  
Sushila Palace, Opp. Swagat Hall,  
Carter Road No. 5, Borivali (E),  
Mumbai - 400 066.

## PLANT

T-140, MIDC Industrial Estate, Tarapur,  
Maharashtra

## AUDITORS

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

## REGISTRAR & TRANSFER AGENTS:

M/s. Adroit Corporate Services Pvt. Ltd.  
Address: 17/18/19/20,  
Jaferbhoy Ind. Estate, 1st Floor,  
Makhwana Road, Marol Naka, Andheri East-59  
Tel No: 022 4227 0400  
Fax: 022 28503748  
Email: [sales@adroitcorporate.com](mailto:sales@adroitcorporate.com)  
Website: [www.adroitcorporate.com](http://www.adroitcorporate.com)

CONTENTS	PAGE NO.
Notice	1
Board's Report	9
Management Discussion And Analysis Report	22
Corporate Governance Report	25
Auditors' Report	33
Balance Sheet	37
Statement of Profit & Loss	38
Cash Flow Statement	39
Notes to Accounts	40
Proxy & Attendance Slip	51

## NOTICE

Notice is hereby given that the Twenty Seventh (27<sup>th</sup>) Annual General Meeting of the Members of **RESONANCE SPECIALTIES LIMITED** will be held on Saturday, 13<sup>th</sup> August, 2016 at 11:00 a.m. at Raheja Classique Club, Infinity Mall, New Link Road, Andheri (West), Mumbai 400 058, to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2016, including the Audited Balance Sheet as at March 31, 2016, the statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Urvi Gupta having DIN (02378375), who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of M/s. V. R. Bhabhara & Co., Chartered Accountants (Firm Registration No. 112861W) as Statutory Auditors of the Company.

### SPECIAL BUSINESS

#### 4. Appointment of Mrs. Archana S. Yadav (DIN 07335198) as Non-Executive Independent Director.

To appoint Mrs. Archana S. Yadav (DIN 07335198) as Non-Executive Independent Director, who was appointed as an additional Director and holds office up to the date of Annual General Meeting, and being eligible offers herself for appointment and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the recommendations received from the Board of Directors and provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and any rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 for the time being in force, Mrs. Archana S. Yadav as additional Director of the Company, in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, to hold office as such for a period of 5 (five) consecutive years, with effect from 8<sup>th</sup> February, 2016 to 7<sup>th</sup> February, 2021 and that she shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Director of the Company be and hereby authorized to do all such acts, deeds, things and matter as may be necessary, expedient and desirable to give effect to this resolution.”

#### 5. Appointment of Mr. Satish Chander Mathur (DIN: 02847887) as a Whole-Time Director.

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

**“RESOLVED THAT** Mr. Satish Chander Mathur (DIN: 02847887) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 8<sup>th</sup> February, 2016 and who holds office upto the date of this Annual General Meeting under Section 161 (1) of the Companies Act, 2013 (‘the Act’) and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act from a Member, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**“RESOLVED THAT** pursuant to recommendation received from Board of Directors and the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and any rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, for the time being in force and as per the Articles of Association of the Company, consent of the members of the Company be and are hereby accorded to the appointment of Mr. Satish Chander Mathur as a Whole-Time Director, for a period of 5 (five) years w.e.f. 8<sup>th</sup> February, 2016 to 7<sup>th</sup> February, 2021.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Satish Chander Mathur, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, things and matter as may be necessary, expedient and desirable to give effect to this resolution.”

#### 6. Approval for entering into Related Party Transactions by the Company

To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to enter into the related party transactions by the Company with the respective related parties and for the amounts per annum, as mentioned herein below:

Sr. No.	Nature of Transactions as per section 188 of the Companies Act, 2013	Name of the Director/ KMP who is related and nature of their relationship	Name of the Related Party	Amount (in Rs.)	
				Receipts/ Credits	Payments/ Debits
1	Sale and purchase of goods.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Avignon Exim Pvt. Ltd.	10,00,00,000 <sup>#</sup> 13,76,92,693 <sup>*</sup>	4,00,00,000 <sup>#</sup> 3,45,69,900 <sup>*</sup>
2	Availing Services.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director Satish Chander Mathur – Common Director	Vista Organics Pvt. Ltd.	-	6,00,00,000 <sup>#</sup> 4,65,12,969 <sup>*</sup>
3	Deposit for exclusive right for Manufacturing.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director Satish Chander Mathur – Common Director	Vista Organics Pvt. Ltd.	-	50,00,000 <sup>#</sup> (NIL) <sup>*</sup>
4	Leasing of Property.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Vista Finance & Leasing Pvt. Ltd.	-	7,20,000 <sup>#</sup> 7,20,000 <sup>*</sup>
5	Deposit for Leasing of Property.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Vista Finance & Leasing Pvt. Ltd.	-	(NIL) <sup>#</sup> 50,00,000 <sup>*</sup>
6	Leasing of Property.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Avignon Chemicals Pvt. Ltd.	-	7,20,000 <sup>#</sup> 7,20,000 <sup>*</sup>
7	Deposit for Leasing of Property.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Avignon Chemicals Pvt. Ltd.	-	(NIL) <sup>#</sup> 50,00,000 <sup>*</sup>
8	Leasing of Property.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Ushma Investments Pvt. Ltd.	-	7,20,000 <sup>#</sup> 7,20,000 <sup>*</sup>
9	Deposit for Leasing of Property.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Ushma Investments Pvt. Ltd..	-	(NIL) <sup>#</sup> 50,00,000 <sup>*</sup>

<sup>#</sup> Approval for the financial year 2016-17

<sup>\*</sup> Reporting for the financial year 2015-16

**“RESOLVED FURTHER THAT** the Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

Dated: May 30, 2016

**Registered Office:**

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

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

sd/-  
Dr. A. B. Gupta  
**Managing Director**  
(Din: 00025255)

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total paid up share capital of the Company.
3. Relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.

4. Members/proxies should fill the Attendance Slip for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder, who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
7. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at Registered Office of the Company on all working days, except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
8. The Register of Members and the Share Transfer Book of the Company will remain closed from 5<sup>th</sup> August, 2016 to 13<sup>th</sup> August, 2016 (both days inclusive).
9. The members are requested to:
  - a) Intimate to the Company's Registrars and Share Transfer Agents, M/s Adroit Corporate Services Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date;
  - b) Quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;
  - c) Approach the Company for consolidation of folios, if shareholdings are under multiple folios;
  - d) Get the shares transferred in joint names, if they are held in single name to avoid inconvenience;
  - e) Bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
  - f) to note that no gifts will be distributed in the AGM;
  - g) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible;
  - h) Furnish their Bank Account Number, the name of the Bank and the Branch where they would like to deposit the Dividend Warrants for encashment. These particulars will be printed on the cheque portion of Dividend Warrants, besides the name of the Shareholders so as to avoid fraudulent encashment of warrants. The above mentioned details should be furnished by the first / sole shareholder, directly to the Registrar & Share Transfer Agents, quoting the folio number.
10. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
11. Consequent upon the introduction of Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules 2014, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH 13 (which will be made available on request) to the Registrar and Transfer Agents, M/s. Adroit Corporate Services Private Limited.
12. The Equity Shares of the Company are listed on the BSE. The listing fee has been paid up to date.
13. Members who have not registered their e-mail addresses so far are required to register their e-mail address for receiving all communications including Annual Report, notices etc from the Company electronically.
14. The disclosures required Regulation 17 & 26 of the SEBI (LODR) Regulations, 2015, in respect of the Directors being appointed/ reappointed in this Annual General Meeting are given as annexure to this Notice convening Annual General Meeting.
15. Information for shareholders relating to E-voting are as under:
  - a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44(3) of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
  - b) The members who have cast their vote by e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - c) The Company has engaged the services of Central Depository Services Limited ("CDSL") as the Agency to provide e-voting facility.
  - d) The Board of Directors of the Company has appointed **Paras Parikh and Associates**, Practicing Company Secretaries, Mumbai as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

**16. The Instructions and other information for members for voting electronically are as under:-**

- (i) The voting period begins on Wednesday, 10<sup>th</sup> August, 2016 at 9.00 am. and ends on Friday, 12<sup>th</sup> August, 2016 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 6<sup>th</sup> August, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The Shareholder should Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID:
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any other Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
<b>OR</b> Date of Birth (DOB)	If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) 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.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (v) 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.
- (vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (vii) 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.
- (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (x) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system
- (xi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xii) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xiii) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

#### EXPLANATORY STATEMENT

#### (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

##### ITEM No.3

In the 25<sup>th</sup> Annual General Meeting (AGM) of the Company held on August 14, 2014, M/s. V.R. Bhabhara & Co., Chartered Accountants (Registration No.112861W) have been appointed as the Statutory Auditors of the Company for a period up to the conclusion of 28<sup>th</sup> AGM.

In terms of the provisions of the Companies Act, 2013, it is necessary to get the appointment ratified by the shareholders in every Annual General Meeting until the expiry of the period of original appointment.

In view of the above, the Board of Directors recommends your ratification of the appointment of M/s. V. R. Bhabhara & Co., Chartered Accountants (Registration No.112861W) as the Statutory Auditors as mentioned at Item No. 3 of the Notice.

##### ITEM No.4

The Board at its meeting held on 8<sup>th</sup> February 2016, appointed Mrs. Archana S. Yadav (Holding DIN No:-07335198) as Additional (Independent) Director of the Company with effect from 8<sup>th</sup> February 2016, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to Section 161 of the Companies Act, 2013, Mrs. Archana S. Yadav will hold the office up to the date of ensuing AGM. The Company has received Notice in writing under the provisions of Section 160 of the Companies Act, 2013 from the member along with a necessary deposit proposing the candidature of Mrs. Archana S. Yadav for the office of the Director.

The Company has received from Mrs. Archana S. Yadav

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment &

Qualification of Directors) Rules, 2014 and;

- Intimation in Form DIR-8 in terms of Companies Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Mrs. Archana S. Yadav, aged 39 years is a Chartered Accountant (C.A.) from Institute of Chartered Accountants of India (ICAI). She has done PGDBM from Xavier Institute of Management, Bhubaneswar, Orissa. She has 14 years of rich experience in Direct and Indirect Taxation.

Board considers that her association with the Company would be of immense benefit to the Company and it is desirable to avail her services. Accordingly the Board recommends the resolutions in relation to appointment of Mrs. Archana S. Yadavas Non-Executive, Independent Director of the Company, subject to approval by the shareholders of the Company.

A statement containing her profile is given as **Annexure A2**.

Except Mrs. Archana S. Yadav, being appointee, none of the other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

##### ITEM NO:- 5

The Board at its meeting held on 8<sup>th</sup> February 2016, appointed Mr. Satish Chander Mathur (Holding DIN No:-02847887) as the Whole-Time Director of the Company with effect from 8<sup>th</sup> February 2016, pursuant to Section 152 & 196 of the Companies Act, 2013 and he shall hold the office up to the date of ensuing AGM. The Company has received Notice in writing under the provisions of Section 160 of the Companies Act, 2013 from the member along with a necessary deposit proposing the candidature of Mr. Satish Chander Mathur for the office of the Director.

The Company has received from Mr. Satish C. Mathur

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and;
- Intimation in Form DIR-8 in terms of Companies Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Pursuant to Section 197 read with schedule V and other applicable provisions, if any of the Companies Act 2013, the remuneration and terms and conditions as recommended by the Board of Directors at their meeting held on February 8, 2016 and set out in explanatory statement attached hereto as an **Annexure A3**.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meeting held on 08/02/2016, appointed him as Whole-Time Director of the Company for the period of 5 (Five) years and is an occupier at the Tarapur

Factory on following terms & conditions.

**Remuneration and Compensation:**

a) Basic	: ₹ 6,60,000/- per annum
b) HRA	: ₹ 3,24,000/- per annum
c) Conveyance	: ₹ 2,43,000/- per annum
d) *Special Allowance	: ₹ 1,82,400/- per annum
e) **Performance Incentive	: ₹ 81,000/- per annum
f) Medical	: ₹ 64,800/- per annum
g) LTA	: ₹ 64,800/- per annum
<b>Total</b>	<b>: ₹ 16,20,000/- per annum</b>

Mr. Satish Chander Mathur, aged 65 years has completed M.Sc in Chemistry and has a vast experience of about 40 years in the field of operations.

Board considers that his association would be of immense benefit to the Company in daily operations and it is desirable to avail the benefit of such seasoned personality. Accordingly, the Board recommends the resolutions in relation to appointment of Mr. Satish Chander Mathur as a Whole-Time Director of the Company, subject to the approval by the shareholders of the Company.

A statement containing his profile is given as per **Annexure A3**.

Except Mr. Satish Chander Mathur, being appointee, none of the other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

**ITEM NO- 6**

**Approval for Related Party Transactions entered into by the Company:**

The provisions of Section 188(1) of the Companies Act, 2013 ("Act") that governs the Related Party Transactions, through

which the Act ensures the transparency in the transactions and dealings between the related parties of the Company requires that for entering into any contract or arrangement as per the provisions of the Section 188(1), of the Companies Act, 2013, a Company is having a paid up share capital of more than Ten Crore and in the Sale, purchase, or supply of any goods or materials the transaction value is more than ten percentage of annual turnover and in case of availing or rendering of any services are more than 10 % of the turnover of the company or Rupees fifty Crore whichever is lower then as per the provision of the act prior approval of the disinterested shareholders by way of a Special Resolution must be obtained.

The Board of Directors of the Company took note that for good governance and for appropriate compliance the Company has developed an efficient systems, practices and stringent operational control process with complete transparency .

As per the provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013).

The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

- 1) Name of the Related Party:
  - 2) Name of the Director or Key Managerial Personnel who is related, if any:
  - 3) Nature of Relationship:
- (Item 1-3 above are detailed in table below)

Sr. No.	Nature of Transactions as per section 188 of the Companies Act, 2013	Name of the Director/ KMP who is related and nature of their relationship	Name of the Related Party	Amount (in Rs.)	
				Receipts/ Credits	Payments/ Debits
1	Sale and purchase of goods.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Avignon Exim Pvt. Ltd.	10,00,00,000* 13,76,92,693*	4,00,00,000* 3,45,69,900*
2	Availing Services.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director Satish Chander Mathur – Common Director	Vista Organics Pvt. Ltd.	-	6,00,00,000* 4,65,12,969*
3	Deposit for exclusive right for manufacturing.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director Satish Chander Mathur – Common Director	Vista Organics Pvt. Ltd.	-	50,00,000* (NIL)*
4	Leasing of Property.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Vista Finance & Leasing Pvt. Ltd.	-	7,20,000* 7,20,000*
5	Deposit for Leasing of Property.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Vista Finance & Leasing Pvt. Ltd.	-	(NIL)* 50,00,000*

6	Leasing of Property.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Avignon Chemicals Pvt. Ltd.	-	7,20,000 <sup>#</sup> 7,20,000 <sup>*</sup>
7	Deposit for Leasing of Property.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Avignon Chemicals Pvt. Ltd.	-	(NIL) <sup>#</sup> 50,00,000 <sup>*</sup>
8	Leasing of Property.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Ushma Investments Pvt. Ltd.	-	7,20,000 <sup>#</sup> 7,20,000 <sup>*</sup>
9	Deposit for Leasing of Property.	Ms. Urvi Gupta & Dr. A.B Gupta are Relative of Director	Ushma Investments Pvt. Ltd..	-	(NIL) <sup>#</sup> 50,00,000 <sup>*</sup>

# Approval for the financial year 2016-17

\* Reporting for the financial year 2015-16

(4) Any other information relevant or important for the Board/Members to take a decision:

The support and services being provided by/to the Company to/from its related parties in relation to business enhancement and for building up good practices and process systems are overall towards the benefit and in the interest of the Companies. The respective agreements are entered on arm's length basis and all factors relevant to the respective contracts have been considered by the Board before approval and presenting it to Member approval. .

The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at item No. 6 shall be entitled to vote on this special resolution.

Except Promoter Directors and their relatives (to the extent of their shareholding interest in the Company), no other director or Key Managerial Personnel or their relatives, is concerned or interested financially or otherwise, in passing of this resolution.

The Board of Directors recommends the Special Resolution set out at item no.6 of the Notice for approval by the Members

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

As referred to in the AGM Notice and pursuant to Regulation 26 of the SEBI (LODR) Regulations, 2015, details of director seeking appointment / re-appointment are given below.

**Annexure A**

1.

<b>Name</b>	Ms. Urvi Atma Gupta
<b>Fathers' Name</b>	Mr. Atma Pyarelal Gupta
<b>Date of Birth</b>	20/02/1984
<b>Date of Appointment</b>	31/03/2015
<b>Expertise in specific functional areas</b>	Advertising & Marketing

<b>Years of Experience</b>	13																		
<b>Qualifications</b>	P G Diploma in Advertising & Marketing, Bachelor of Arts (Economics) & Diploma in Event Management.																		
<b>List of outside Directorship held in other Listed Cos.</b>	Nil																		
<b>Member of Committee on the Board</b>	Nil																		
<b>Member / Chairman of Committee in other Listed Companies</b>	Nil																		
<b>No. of Shares held in own name or in the name of Relatives.</b>	<table border="1"> <thead> <tr> <th colspan="3">Details of Shares held in the name of relatives</th> </tr> <tr> <th>Sr. no.</th> <th>Name</th> <th>No. of Shares Held</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Alok Gupta</td> <td>41,800</td> </tr> <tr> <td>2</td> <td>Anoop Atma Gupta</td> <td>23,200</td> </tr> <tr> <td>3</td> <td>Atma Bandhu Gupta</td> <td>1</td> </tr> <tr> <td>4</td> <td>Usha Gupta</td> <td>1</td> </tr> </tbody> </table>	Details of Shares held in the name of relatives			Sr. no.	Name	No. of Shares Held	1	Alok Gupta	41,800	2	Anoop Atma Gupta	23,200	3	Atma Bandhu Gupta	1	4	Usha Gupta	1
Details of Shares held in the name of relatives																			
Sr. no.	Name	No. of Shares Held																	
1	Alok Gupta	41,800																	
2	Anoop Atma Gupta	23,200																	
3	Atma Bandhu Gupta	1																	
4	Usha Gupta	1																	

2.

<b>Name</b>	Mrs. Archana S. Yadav
<b>Fathers' Name</b>	Mr. Jagpati R. Yadav
<b>Date of Birth</b>	30/12/1976
<b>Date of Appointment</b>	08/02/2016
<b>Din:</b>	07335198
<b>Expertise in Taxation, Accounting &amp; Financial areas</b>	➤ Dynamic professional with nearly 14 years of rich experience in Direct and Indirect Taxation, International taxation, Finance & Accounts, Auditing, Handling Cash Management and MIS.

	<ul style="list-style-type: none"> <li>➤ Honed skills in setting up of new systems and handling Integrated Cash Management (Payment and Collection) along with IT coordination.</li> <li>➤ Worked with Various MNC's and Companies including Government Autonomus Body and big Corporates viz. ICICI Prudential Life Insurance Ltd, Aditya Birla Minacs Worldwide Limited etc. at the Post of Senior Manager and Manager level.</li> </ul>
<b>Years of Experience</b>	14 years
<b>Qualifications</b>	Chartered Accountant, MBA-PGCBM Course and ISA-ET,
<b>List of outside Directorship held in other Listed Cos.</b>	Nil
<b>Member of Committee on the Board</b>	Nil
<b>Member / Chairman of Committee in other Listed Companies</b>	Nil
<b>No of Shares held in own name or in the name of Relatives.</b>	Nil

3.

<b>Name</b>	Mr. Satish Chander Mathur
<b>Fathers' Name</b>	Mr. Shyam Bansil Lal Rai

<b>Date of Birth</b>	18/03/1955
<b>Date of Appointment</b>	08/02/2016
<b>Din:</b>	02847887
<b>Expertise in specific functional areas</b>	Operations & Plant Management
<b>Years of Experience</b>	40 years
<b>Qualifications</b>	M.Sc. (Chemistry)
<b>List of outside Directorship held in other Listed Cos.</b>	Nil
<b>Member of Committee on the Board</b>	Nil
<b>Member / Chairman of Committee in other Listed Companies</b>	Nil
<b>No. of Shares held in own name or in the name of Relatives.</b>	25

Dated: May 30, 2016	<b>For and on behalf of the Board of Directors</b>
<b>Registered Office:</b> 301, Evershine Mall, Chincholi Bunder Junction, Off. Malad Link Road, Malad (West) Mumbai – 400064.	sd/- Dr. A. B. Gupta <b>Managing Director</b> (Din: 00025255)

**BOARDS' REPORT**

To,  
The Members,

**Resonance Specialties Limited.**

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report along with the Audited Statements of Account of your Company for the financial year ended March 31, 2016.

**1. Financial Results:**

The financial performance of the Company for the year ended March 31, 2016 is summarized as under:

	2015-16 ₹ in lakhs	2014-15 ₹ in lakhs
Turnover	3891.71	3800.62
Other Income	20.69	88.53
Profit/ (Losses) Before Interest, Depreciation and Taxation	327.33	213.52
Depreciation	111.53	115.50
Exceptional Items	0	97.89
Profit/ (Losses) after taxes including deferred tax	119.11	127.58
Balance in P&L account brought forward	411.52	353.21
Balance in the P&L account carried forward to the Balance Sheet	531.00	411.52

**2. Review of Operations:**

The Company had reported turnover of ₹ 3891.71 lakhs for the year ended March 31, 2016 as against ₹ 3800.62 lakhs in the previous year, showing Increase of over 2.40%. The Company has generated net profit of ₹119.11 lakhs as against net profit of ₹ 127.58 lakhs in the previous year.

**3. Dividend:**

Your management does not recommend any dividend in order to conserve the resources.

**4. Share Capital:**

The paid up Equity Share Capital as on 31st March, 2016 was ₹ 1154.4 Lakh. During the year under review, the Company has not issued any shares.

**5. Directors:**

In the Meeting of the Board of Directors on 8th February 2016 - Mr. Satish Chander Mathur and Mrs. Archana S. Yadav were appointed as the Additional Director of the Company. Mr. Satish Chander Mathur and Mrs. Archana S. Yadav hold office upto the date of the ensuing Annual General Meeting. and thus they are to be regularised at the ensuing Annual General Meeting. Item No. 4 and Item No. 5 of the Notice forms part of their appointment.

The Company has received (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 they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 from Mr. Satish Chander Mathur and Mrs. Archana S. Yadav

Mr. Satish Chander Mathur is also appointed as the Occupier for the factory located at Tarapur. Further, subject to the approval of the Shareholders, Mr. Satish Chander Mathur needs to be appointed as the Whole Time Director of the Company. Item No. 5 of the Notice forms part of his appointment as the Whole Time Director of the Company.

Ms. Urvi Atma Gupta, Non-Executive Director retires by rotation and, being eligible, offers herself for re-appointment at the ensuing Annual General Meeting of the Company. Your Directors recommend her appointment at Item No 2 of the Notice convening the Annual General Meeting.

A declaration received from Mrs. Archana S. Yadav to the effect that she 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided along with the Notice convening Annual General Meeting.

**6. No. of Meeting of the Board:**

The details of the number of meetings of the board held during the financial year 2015-16 forms part of the Corporate Governance Report.

**7. Other Committees:**

The composition of all the Committee Meetings and its meetings during the financial year 2015-16 forms part of the Corporate Governance Report.

**8. Details of Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the going concern status and Company's Operations in Future**

During the year, there are no significant and material orders passed by the Regulators/courts that would impact the going concern status of the company and its future operations.

**9. Directors' Responsibility Statement**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, as amended with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

(a) In the preparation of the annual accounts for the Financial year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with the proper explanation relating to material departures;

- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are made reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2016, and of its profit for the year ended on that date;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2016 on a going concern basis;
- (e) The Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2016 on a going concern basis;
- (f) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (g) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**10. Management Discussion and Analysis**

Management Discussion and Analysis Report for the year under review as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given as a separate annexure to this Report.

**11. Exports**

Export including deemed export are at ₹1783.76 lakh as compared to ₹2290.57 lakhs in the previous years. The company is exploring newer market for its nutritional products and of value added Pyridine derivatives.

**12. Public Deposits**

During the year, the Company has not accepted any deposits from the Shareholders and others and that the

Company has complied with the provisions of section 73 of the Companies Act, 2013 and the rules made there under.

**13. Statutory Auditors**

M/s. V. R. Bhabhara & Co., Chartered Accountants (Registration No.112861W), were appointed as Statutory Auditors at the 25<sup>th</sup> Annual General Meeting till the conclusion of 28<sup>th</sup> Annual General Meeting of the company (subject to ratification of the appointment by the members at every Annual General Meeting). They are eligible to continue as Statutory Auditors for the financial year 2016-2017. Your Board recommends ratification of their appointment as the Statutory Auditors at the ensuing Annual General Meeting.

The observations and comments given in the Auditors Report read together with the notes to the accounts are self-explanatory and hence do not call for any further information and explanation under section 134(3) of the Companies Act, 2013.

**14. Secretarial Auditor**

Pursuant to the requirements of the Companies Act, 2013, the Company has appointed M/s. Paras Parikh & Associates, Practicing Company Secretaries (COP 10669) as the Secretarial Auditor for financial year 2015-2016 whose report of 30<sup>th</sup> May, 2016 is attached separately to this report as Annexure "B" to Boards Report.

The observations and comments given in the Secretarial Audit Report are self-explanatory and hence do not call for any further information and explanation.

**15. Particulars of Loans, Guarantees or Investments by the Company**

The company has not given any loans or made any investments covered under the provisions of section 186 of the Companies Act, 2013.

The company have also not given any guarantee during the year.

**16. Subsidiary Companies**

There are no subsidiaries of the company.

**17. Particulars of Contracts or Arrangements with Related Parties:**

Sr. No	Name of the Related Party	Particulars of Contracts/arrangements	Value of Transactions in ₹
1	Avignon Exim Pvt Ltd.	Service Contract (purchase)- for conversion of raw material & Purchase of Raw material under Form H.	13,76,92,69
2	Avignon Exim Pvt Ltd.	Purchase of goods & High seas sales.	3,45,69,900
3	Vista Organics Pvt. Ltd.	Availing Services.	4,65,12,969
4	Vista Organics Pvt. Ltd.	Deposit for exclusive right for manufacturing.	50,00,000
5	Vista Finance & Leasing Pvt. Ltd.	Renting of office space by them.	7,20,000
6	Vista Finance & Leasing Pvt. Ltd.	Deposit for Renting of office space.	50,00,000
7	Avignon Chemicals Pvt. Ltd.	Renting of office space by them.	7,20,000

8	Avignon Chemicals Pvt. Ltd.	Deposit for Renting of office space.	50,00,000
9	Ushma Investments Pvt. Ltd.	Renting of office space by them.	7,20,000
10	Ushma Investments Pvt. Ltd..	Deposit for Renting of office space.	50,00,000
<b>Key Managerial Personnel</b>			
11	Dr. Atma B. Gupta	Managing Director's remuneration.	31,10,400
12	Mr. Kamlesh Yadav	Whole time Director's remuneration (till 14.11.2015).	4,63,959
13	Mr. Satish Chander Mathur	Whole time Director's remuneration (w.e.f. 08.02.2016).	-
14	Dwarika Agrawal	Chief Financial Officer's remuneration.	8,40,923
15	Mr. Navin Agarwal	Company Secretary (w.e.f. 30.05.2015 till 21.10.2015).	3,17,000
16	Ms. Varsha Malkhani	Company Secretary (w.e.f. 26.12.2015 till 08.02.2016).	78,100
17	Mr. Bhupesh Atkari	Company Secretary (w.e.f 08.02.2016).	72,044

#### 18. Details of Policy Developed and Implemented by the Company on its Corporate Social Responsibility Initiatives

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the Company does not fall under the criteria of Section 135 of Companies Act, 2013.

#### 19. Policy on Directors' Appointment and Remuneration Including Criteria for Determining Qualifications, Positive Attributes, Independence of a Director, Key Managerial Personnel and other Employees

The Board shall have minimum 3 and maximum 12 directors, unless otherwise approved. No person of age less than 21 years shall be appointed as a director on the Board. The company shall have such persons on the Board who comply with the requirements of the Companies Act, 2013, Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations 2015, Memorandum of Association and Articles of Association of the Company and all other statutory provisions and guidelines as may be applicable from time to time. Composition of the Board shall be in compliance with the requirements of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. Except for the Managing and whole Time Director no other directors are paid remuneration, but are paid only sitting fees and profession fees for professional services rendered. The MD is paid remuneration as approved by the Shareholders but is not paid any sitting fees. MD, Company Secretary and Chief Financial Officer shall be the Key Managerial Personnel (KMPs) of the Company. All persons who are Directors/ KMPs, members of Senior Management and all other employees shall abide by the Code of Conduct. Directors/KMPs shall not acquire any disqualification and shall be persons of sound integrity and honesty, apart from knowledge, experience, etc. in their respective fields.

#### 20. Particulars pursuant to section 197(12) and the relevant rules:

a)	The ratio of the remuneration of Managing Director to the median employee's remuneration for the financial year.	11:1
b)	The percentage increase in remuneration of Managing Director, Whole time Director Chief Financial Officer, Company Secretary in the financial year.	There is no increase in the salary of Managing Director/Whole time Director/ CFO /Company Secretary.
c)	The percentage increase in the median remuneration of employees in the financial year.	Increase in the median remuneration of the employees in the financial year is 7.90%.
d)	The number of permanent employees on the rolls of Company.	58.
e)	The explanation on the relationship between average increase in remuneration and company performance.	The turnover was increased by 2.4% as compared to last year's turnover and there was increase in remuneration of the employees.
f)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	Remuneration of KMP as % of PAT for 2015-16 is 41%. The Company's PAT decreased by 7.1% during the year as compare to last year.
g)	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	

Date	Issued capital (Shares)	Closing Market Price per shares (₹)	EPS	PE Ratio	Market Capitalization
31.03.2015	1,15,44,000	16.40	1.11	14.77	18,93,21,600
31.03.2016	1,15,44,000	19.90	1.03	19.32	22,97,25,600
Increase/ (Decrease)	NIL	3.5	(0.08)	4.55	4,04,04,000
% of Increase/ (Decrease)		17.59	(7.76)	23.55	17.58
Issue Price of the share at the last Public Offer (IPO)	N.A.	10	N.A.	N.A.	N.A.
Increase in market price as on 31.03.2016 as compared to issue price of IPO		9.90	N.A.	N.A.	N.A.
Increase in %	N.A.	99.00%	N.A.	N.A.	N.A.

h)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial Remuneration.	Average change in remuneration of all employees excluding KMP is 7.90%; Average change in remuneration of KMP is 0%.
i)	Comparison of the each remuneration of the key managerial personnel against the performance of the Company.	Each KMP is granted salary based on his qualification, experience, nature of job, industry benchmark, earlier salary and many other factors, comparison of one against the other is not feasible.
j)	The key parameters for any variable component of remuneration availed by the directors.	Except for the Managing Director Dr. A. B. Gupta and Whole Time Director Mr. Satish Chander Mathur, no Directors have been paid any remuneration as only Sitting Fee and professional fees are paid to them.
k)	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year.	Not Applicable.
l)	If remuneration is as per the remuneration policy of the company.	Yes.

**21. Establishment of Vigil Mechanism:**

The Company has in place a vigil mechanism pursuant to which a Whistle Blower Policy has been in force. The policy was approved on 14<sup>th</sup> August, 2014. This policy inter alia provides a direct access to a Whistle Blower to the Chief financial Officer on his dedicated email-ID info@resonancesl.com. The Whistle Blower Policy covering all employees and directors is hosted on the Company's website.

**22. Policy on Documents Retention:**

The Company has a policy on Documents Retention and the same has been displayed on the Company's website: <http://www.resonancesl.com/policies.html>.

**23. Policy on determination of Materiality of events:**

The Company has a policy on determination of Materiality of events and the same has been displayed on the Company's website: <http://www.resonancesl.com/policies.html>.

**24. The Details in respect of adequacy of Internal Financial Controls**

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") with in the meaning of the explanation to Section 134 (5) (e) of the Companies Act, 2013. For the year ended 31st March, 2016, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operation.

**25. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during each Calendar year:

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

## 26. Extract of the Annual Return

An extract of the Annual Return as of 31<sup>st</sup> March, 2016 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 and forming part of the report is attached separately as **Annexure A** to the Boards Report.

## 27. A Statement Indicating the Manner in which formal Annual Evaluation has been made by the board of its own Performance and that of its Committees and Individual Directors

- i. Nomination and Remuneration Committee of the Board had prepared and sent through its Chairman draft parameterised feedback forms for evaluation of the Board, Independent Directors and Chairman.
- ii. Independent Directors at a meeting without anyone from the non-independent directors and management considered/evaluated the Board's performance, performance of the Chairman and other non-independent Directors.
- iii. The Board subsequently evaluated performance of the Board, the Committees and Independent Directors.

Annual Evaluation of Performance of Board and its Committees and of Directors:

Annual Evaluation of Board Performance and Performance of its Committees and of Directors: Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia level of achievement of key responsibilities, Board structure and composition, effectiveness of Board processes, information and functioning. Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director & CEO. Areas on which the Committees of the Board were assessed included level of achievement of key

responsibilities, adequacy of Committee composition and effectiveness of meetings. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors. The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

## 28. The Details of Familiarization Programme arranged for Independent Directors have been disclosed on website of the Company and are available at the following link:

The Familiarization Programme for Independent Directors is hosted on the Company's website at <http://www.resonancesl.com/policies.html>

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

As required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in **Annexure 'C'** to Board's Report hereto and forms part of this report.

## 30. Employees

The relations between the Company and its employees continue to be cordial. There were no employees during the year drawing remuneration more than prescribed ceiling under Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

## 31. Corporate Governance Report

A report on the Corporate Governance along with the Certificate from the Company Secretary in practice is separately given in the Annual Report.

## Acknowledgement

The Board of Directors express their appreciation for the sincere co-operation and assistance of Government Authorities, Bankers, Customers, Suppliers, Business Associates and the efforts put in by all the employees of the Company. The Board of Directors expresses their gratitude to all our valued shareholders for their confidence and continued support to the Company.

<p>Dated: May 30, 2016 Place: Mumbai</p>	<p><b>For and on behalf of the Board of Directors</b> sd/- <b>Dr. A. B. Gupta</b> <b>Managing Director</b> (Din: 00025255)</p>
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**ANNEXURE "A" TO THE BOARD'S REPORT****FORM MGT 9 - EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2016**

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

**I. Registration and other Details –**

CIN	L25209MH1989PLC051993
Registration Date	01/06/1989
Name of the Company	Resonance Specialties Limited
Category / Sub-Category of the Company	Public Company /Limited by shares
Address of the Registered Office and contact details	301, Evershine Mall, Chincholi Bunder Junction, Off. Malad Link Road, Malad (W). Mumbai – 400064. Telephone: +91 (22) 4217 2222 \ Fax: +91 (22) 4217 2233 Email id: info@resonancesl.com . Website: www.resonancesl.com
Whether listed Company	<b>Yes</b>
Name, address and contact details of Registrar and Transfer Agent, if any	<b>M/s. Adroit Corporate Services Pvt. Ltd.</b> Address: 17/18/19/20, Jaferbhoy Ind. Estate, 1st Floor, Makhwana Road, Marol Naka, Andheri East-59 Tel No: 022 4227 0400. Fax:28503748 Email: sales@adroitcorporate.com . Website: www.adroitcorporate.com

**II. Principal Business Activities of the Company**

All the contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1	Lutidines	29333918	39.75
2	Dipicolinic Acid	29333990	11.83

**III. Particulars of Holding, Subsidiary and Associate Companies**

The company has no holding, subsidiary or associate company.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup a percentage of Total Equity)****(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year {As on 01 <sup>st</sup> April, 2015}				No. of Shares held at the end of the year {As on 31 <sup>st</sup> March, 2016}				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	64902	100	65002	0.56	64902	100	65002	0.56	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7405900	-	7405900	64.15	7405900	-	7405900	64.15	0
e) Bank/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)</b>	<b>7470802</b>	<b>100</b>	<b>7470902</b>	<b>64.72</b>	<b>7470802</b>	<b>100</b>	<b>7470902</b>	<b>64.72</b>	<b>0</b>
(2) <b>Foreign</b>	-	-	-	-	-	-	-	-	-

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	0	3300	3300	0.03	0	3300	3300	0.03	0
b) Bank/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	0	5000	5000	0.04	0	5000	5000	0.04	0
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1):-</b>	<b>0</b>	<b>8300</b>	<b>8300</b>	<b>0.07</b>	<b>0</b>	<b>8300</b>	<b>8300</b>	<b>0.07</b>	<b>0</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.	302818	26998	329816	2.86	322522	6825	329347	2.85	-0.04
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	1316421	1097001	2413422	20.91	1584416	1088449	2672865	23.15	2.25
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	1276465	20100	1296565	11.23	1019811	20100	1039911	9.01	-2.22
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	20375	400	20775	-	0.18
Clearing Members	17850	0	17850	0.15	1900	0	1900	0.02	-0.14
Trusts(2014) / Qualified Foreign Investor(2015)	6745	400	7145	0.06	-	-	-	-	-0.06
<b>Sub-total (B) (2):-</b>	<b>2920299</b>	<b>1144499</b>	<b>4064798</b>	<b>35.21</b>	<b>2949024</b>	<b>1115774</b>	<b>4064798</b>	<b>35.21</b>	<b>0</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>2920299</b>	<b>1152799</b>	<b>4073098</b>	<b>35.28</b>	<b>2949024</b>	<b>1124074</b>	<b>4073098</b>	<b>35.28</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>10391101</b>	<b>1152899</b>	<b>11544000</b>	<b>100</b>	<b>10391101</b>	<b>1152899</b>	<b>11544000</b>	<b>100</b>	<b>0</b>

*The shareholding of Promoters listed above is pursuant to Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and submitted to the Stock Exchanges as on March 31, 2016.*

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year {As on 01 <sup>st</sup> April, 2015}			Shareholding at the end of the year {As on 31 <sup>st</sup> March, 2016}			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Alok Gupta	41800	0.36	-	41800	0.36	-	-
2	Anoop Gupta	23200	0.20	-	23200	0.20	-	-
3	Atma Bandhu Gupta	1	0.00	-	1	0.00	-	-
4	Avignon Chemical Pvt Ltd	146600	1.27	-	146600	1.27	-	-
5	Usha Gupta	1	0.00	-	1	0.00	-	-
6	Ushma Investment Pvt Ltd	3295200	28.55	-	3295200	28.55	-	-
7	Vista Finance & Leasing Pvt Ltd	3964100	34.34	-	3964100	34.34	-	-
<b>Total</b>		<b>7470902</b>	<b>64.72</b>	<b>-</b>	<b>7470902</b>	<b>64.72</b>	<b>-</b>	<b>-</b>

**(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Sangeeta S.	214360	1.86%	214360	1.86%
2	Manish Anantrai Patadia	182281	1.57%	182281	1.57%
3	Dipak Kamayalal Shah	185000	1.60%	116000	1.00%
4	Ajay Anantrai Patadia	105472	0.91%	105472	0.91%
5	Prashant Hansaraj Thaman	101585	0.88%	101585	0.88%
6	Mantra Magic Enterprises Pvt Ltd	99600	0.86%	99600	0.86%
7	Hansa Arvindbhai Patadia	111144	0.96%	67842	0.59%
8	Vikram Pratapbhai Kotak	0	0.00%	50000	0.43%
9	Dheerajkumar Lohia	40214	0.35%	40214	0.35%
10	Giradharilal Seksharia	38506	0.33%	38506	0.33%

**(v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Dr. A. B. Gupta	1	0	1	0
2	Mr. Rajnikant Worah	220	0%	220	0%
3	Mr. Kamlesh Balkishun Yadav*	NIL	0%	25	0%
4	Mr. B.P. Agrawal	NIL	0%	NIL	0%
5	Mr. L. R. Daga	NIL	0%	NIL	0%
6	Dr. Gurpur Ganesh Pai	NIL	0%	NIL	0%
7	Mrs. Urvi A Gupta	NIL	0%	NIL	0%
8	Mr. Satish Chander Mathur#	N.A.	0%	25	0%
9	Mrs. Archana Yadav#	N.A.	0%	Nil	0%
10	Mr. Dwarika Agrawal	120	0%	10	0%
11	Mr. Navin Agarwal	Nil	0%	Nil	0%

12	Ms. Varsha Malkani	NIL	0%	NIL	0%
13	Mr. Bhupesh Atkari	NA	NA	NIL	0%

\*Mr. Kamlesh yadav resigned from the Board w.e.f. 14<sup>th</sup> November, 2015

\*Mr. Satish Chander Mathur & Mrs. Archana Yadav were appointed w.e.f. 8<sup>th</sup> February, 2016

@Mr. Navin Agarwal resigned w.e.f. 21<sup>st</sup> October, 2015 Ms. Varsha Malkani resigned w.e.f. 8<sup>th</sup> February, 2016 and Mr. Bhupesh Atkari was appointed w.e.f. 8<sup>th</sup> February, 2016

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	85,737	-	-	85,737
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>85,737</b>	-	-	<b>85,737</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	(85,737)	-	-	(85,737)
<b>Net Change</b>	<b>(85,737)</b>	-	-	<b>(85,737)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	-	-	NIL
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>NIL</b>	-	-	<b>NIL</b>

\*Working capital loans are not considered for this purpose.

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Dr. A. B. Gupta (Managing Director)	Mr. Kamlesh B Yadav (till 14.11.2015)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31,10,400	4,63,959	<b>35,74,389</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify...	-	-	-
5	Others, please specify (PF contribution)	-	-	-
	<b>Total (A)</b>	<b>31,10,400</b>	<b>4,63,959</b>	<b>35,74,389</b>
	Ceiling as per the Act: 5% of the net profits of the Company			<b>42,00,000</b>

Note: the remuneration are within the limit prescribed by schedule V of the companies Act, 2013

**B. Remuneration to other directors:**

Particulars of Remuneration	Name of Directors					Total Amount (In ₹)
	Mr. Rajnikant Worah	Mr. L R Daga	Mr. B P Agrawal	Dr. Gurbur Ganesh Pai	Ms. Urvi Gupta	
Fee for attending board/ committee meetings	2,60,000	1,61,111	1,44,444	1,44,444	1,00,000	8,09,999
Commission	-	-	-	-	-	-
Professional Fee	-	-	109000	4,50,000	-	5,59,000
Total Managerial Remuneration	2,60,000	1,61,111	2,53,444	5,94,444	1,00,000	13,68,999

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹)**

Sr. No	Particulars of Remuneration	Key Managerial Personnel				
		Mr. Navin Agarwal (CS)	Ms. Varsha Malkhani (CS)	Mr. Bhupesh Atkari (CS)	Mr. Dwarika Agrawal (CFO)	Total
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,17,000	78,100	72,044	8,40,923	13,08,067
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- Others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total</b>	<b>3,17,000</b>	<b>78,100</b>	<b>72,044</b>	<b>8,40,923</b>	<b>13,08,067</b>

**VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishments, compounding of offences for the year ending March 31, 2016.

**ANNEXURE "B" TO THE BOARD'S REPORT  
Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31st March 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,**

The Members,

**RESONANCE SPECIALTIES LIMITED**

Mumbai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Resonance Specialties Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable

basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Resonance Specialties Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2016, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure I, for the financial year ended on 31st March, 2016, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; to the extent applicable,
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; to the extent applicable,
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; to the extent applicable,
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

2. We have relied on the representations made by the Company and its Officers and report of the Internal Auditors for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company of which certain compliances reported were pending for completion. Adequate documents were not made available for verification to comment on their compliance status.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange(s) from time to time and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the financial year under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except filing of adequate forms for appointment of

the Whole-time director were pending till the date of signing of this report.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has not made:

- i. Public/Right/Preferential issue of shares / debentures/ sweat equity, etc.
- ii. Redemption / buy-back of securities.
- iii. Merger / amalgamation / reconstruction, etc.
- iv. Foreign technical collaborations.

Place: Mumbai

Date: 30<sup>th</sup> May, 2016

sd/-

**Paras Parikh**  
Proprietor

**PARAS PARIKH & ASSOCIATES**  
ACS No.: 21849., C P No.: 10669

#### **ANNEXURE - 1 to the Secretarial Audit Report**

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2015.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee, CSR Committee and High Power Committee along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers viz.
  - Register of Directors' & KMP.
  - Register of Directors' Shareholding.
  - Register of Employee Stock Options.
  - Register of loans, guarantees and security and acquisition made by the Company.
  - Register of Renewed and Duplicate Share Certificate.
  - Register of Charge.
  - Register of Related Party Transaction.
  - Register of Members.
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.

8. Intimations received from directors under the Prohibition of Insider Trading Code.
9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under report.

\*This report is to be read with our letter of even date which is annexed as 'Annexure 1' and forms an integral part of this report.

### Annexure 2 to the Secretarial Audit Report

To,  
The Members,

#### RESONANCE SPECIALITIES LIMITED MUMBAI

Our report of even date is to be read along with this letter,

- 1) Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

#### ANNEXURE "C" TO THE BOARD'S REPORT

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended 31st March, 2016.

##### A. Conservation of Energy

###### i. Steps taken or impact on conservation of energy:

- The use of energy is being optimized through improved operational methods. Continuous

efforts are being made to optimize and conserve energy by improvement in production process.

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

###### ii. The capital investment on energy conservation investments

- Upgradation of Chilling Plants.
- Upgradation of distillation to reduce time cycles.

###### iii. Impact of the Above Measures:-

- Energy Conservation by reducing the time cycle.
- Reduction in the Cost of Production by lower power consumption in relation to the cost of output.

##### B. Technology Absorption

###### i. The efforts made towards technology absorption

The Company has developed in house technologies for the manufacture of its products and has implemented modernization project to improve production efficiency.

###### ii. The benefits derived like product improvement, cost reduction, product development or import substitution

- a. The Company has improved the quality of final product to meet the requirement of export market and introduced new grades.
- b. There is a cost reduction.
- c. Better efficiency in product formation/process development.
- d. Newer products/Process development.

###### iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

There was no import of technology during the year as well as in last three years.

###### iv. The expenditure incurred on R & D

The Company incurred following expenses for research and development.

- a. Capital : ₹ 22,52,005/-
- b. Recurring : ₹ 55,74,259/-
- c. Total R&D Expenditure as a percentage of the total turnover is 2.01% (P Y 1.80%)

##### C. Foreign Exchange Earnings 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 ₹ 1785.43 Lakh as against ₹2290.57 Lakh in the international market during the previous year.

## (b) Foreign exchanges earned and out-go during the year ended March 2016.

₹ In Lakhs

	2015-2016	2014-2015
Foreign Exchanges Earned: FOB Value of Exports	932.21	1937.08
<b>Total</b>	<b>932.21</b>	<b>1937.08</b>
Foreign Exchange Outgo: CIF Value of Imports	844.59	842.77
Travelling Expenses	3.56	2.27
<b>Total</b>	<b>848.15</b>	<b>845.07</b>

FORM-A			
Form for Disclosure of particulars with respect of conservation of energy			
	Particulars	2015-2016	2014-2015
1.	Total Energy Consumption	17,89,433	18,30,035
	A. Electricity		
	(a) Purchased Units (Nos.)		
	Total amount ₹ ( lakhs )	<b>152.21</b>	<b>142.41</b>
	Average rate ₹/Unit	8.50	7.78
	(b) Own Generation	1,21,720	104720
	Through diesel generation unit (Nos.)		
	Units per litre of diesel	3.40	3.40
	Average cost ₹/Unit	15.67	18.37
	B. Coal (Quantity - MT)	3167.68	3213
	Total Amount (in lakhs )	<b>183.72</b>	<b>195.48</b>
	Average Rate ₹/KG	5.80	6.08

2	Consumption per unit of production		
	Pyridine & Cyanopyridiines		
	Electricity (Units/MT)	2555	2372
	HSD (Ltrs/MT)	51	40

**Form B 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 &amp; D

- a) Capital ₹ 22.52 lakhs
- b) Recurring ₹ 55.74 lakhs

Total R & D Expenditure as a percentage of the total turnover is 2.01% (P.Y. 1.81%)

**(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 commercial production while being competitive.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### INTRODUCTION

The Company is engaged in manufacturing of specialties chemicals, such as pyridine & related products. Our Company is the one of the largest 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. We are the imminent player in these niche market which manufactures Pyridine and its derivatives.

The Company's main product 3,5,- Lutidine 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.

#### INDUSTRY STRUCTURE AND DEVELOPMENT

Specifically in India, the Industry looks promising. The Government of India has announced a host of measures to create a facilitating environment for the Indian pharmaceutical industry.

As per 'Pharma Vision 2020', the Government of India aims to make India a global leader in end-to-end drug manufacturing. Manufacturing costs in India are approximately 35-40 per cent of those in the US due to low installation and manufacturing costs. Pharmaceutical exports from India have grown at a CAGR of 21% over the last decade. Being the part of sustainable Industry, our company has amplified its Research and Development to enable the company to embrace the opportunity at the appropriate time.

#### COMPANY OVERVIEWS

The plant of the company is situated at Tarapur which is within the well-developed industrial area of Maharashtra Industrial Development Corporation (MIDC) and supported by necessary infrastructure like Power, Water, Road, transportation etc. The nearest Station is Boiser, which is 100 km away from Mumbai. The Plot of the company is around 32000 sqmts allotted by MIDC on 99 years Lease. The State of the Art factory building consists of separate blocks for various plant activities. 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 Cyanopyridines, Lutidines, Collidines.

#### RESEARCH AND DEVELOPMENT

The company takes pride in bringing innovations and excellence to develop newer manufacturing processes and introducing new products. The company is making major investments in its Government of India recognized R & D to improve the competitiveness of our manufacturing processes.

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 center where products and processes are created to meet regulatory standards and to address the needs of the consumer at large. The Company is making further 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 besides developing process to manufacture intermediates of newer age anti-TB drugs with the financial support from DSIR. The Company continues to conduct R&D work related to the:

1. Development of improved / new catalyst for the better yields of products;
2. Process development to manufacture intermediate for anti-TB drug;
3. Improvement in process of manufacturing of value added products to reduce the cost;
4. Development of process to manufacture collidines using intermediates.

The Company has undertaken major R&D projects to develop the alternate and efficient processes for manufacturing of the pyridine based products which include intermediates for active pharmaceutical ingredients, organic solvents, specialty chemicals etc. Further the R&D division is constantly working on the development and modifications in the existing process to enhance the yield efficiency. This government of India recognized R&D centre is having collaboration with emeritus scientist from reputed research laboratories in India. Also research at R&D centre is monitored by the experts from the field in the country.

The development of the continuous regeneration in the R & D shall certainly prove a break through to the production of pyridine base derivatives.

#### 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.

#### **OUTLOOK**

Given the various development measures adopted by the Company, it is optimistic about its growth prospects for the period to come.

#### **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.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Resonance Specialties Limited has a proper and adequate system of internal controls to ensure that all assets are safeguarded 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.

#### **FUTURE PROSPECT**

With a view to have strong market standing in the coming time, the Management always strive to keep abreast of new research and developments in the industry and thus attends international trade exhibition to explore international standards and business opportunity world-wide.

Some of them can be enumerated as follows:

Germany – Chemspec, Switzerland

CPHI – China, the largest exhibition in Pharma Industry

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, catalyst are being developed to manufacture the products at lower cost. There are few competitors in the world but the demand for some of our products 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. Further, new products with better margins are also being developed using novel technology.

#### **PRODUCTION:**

New team of young energetic engineers developed for production and targets are set for:

1. Process development for distillation and reactions and their successful commissioning. Efficient distillation with reduction in time and better recoveries from crude, minimum developments of intercuts and proper recoveries of intercuts are the target for distillation. To reduce the cost of production and achieved results, although they are not sufficient but better and disciplined so in next financial year more systematic approach will be applied.
2. In reaction section cyano pyridine, 2,6 lutidine, 2,4,6 collidine, 3,4 lutidine, yield improvement and better conversion, restriction of impurities development are the target and with the help of R&D lot of work carried and transferred to plant on commercial scale and achieved results. Future development works is going on.
3. In R&D we tried to synthesize new catalyst to support the better conversion & reaction conditions, Work in under progress under the leadership of Dr. Acham. We also took help of outside agencies & persons and under goes an agreement to develop the process, catalyst to achieve the target and work is going on.
4. The adduct plant working was not feasible so discontinued the adduct formation and distillation process for recovery from crude are used as the step to stop loses.

On environmental safety and health we focused along with the production and R&D. separate department SHE is constituted under independent head who will report directly to management and site head. Main target is to identify the types of effluent, quantity and their control and generation point. Achievement is not satisfactory but work is going on. In safety Zero accident was target and for this, time to time training was given and training program and lecture program from outside experts was arranged.

Health camp was also organized and medical checkup of 100% employees done.

Also different policies of company, increment system, performance incentive, gratuity are taken to motivate employee to reduce losses and work dedicatedly to achieve target.

R&D is also strengthened to develop new process, parameter, improve catalyst reaction and develop new product to increase the range of product which can be manufactured by using the current products as intermediate and we are successful. We developed in-house process of manufacturing Iso-nicotinic Acid to Isonipocotic Acid, 3 5 - Lutidine to 2,3,5 - Colidine, Isonicotinic Acid or 4 CNP to 2,4 - Pyridine Dicarboxylic Acid. The R&D trial is completed and now commissioning of plant has to be undertaken.

For statutory compliance - we tried to comply all in time. Explosive license for hazardous chemical storage is under process

### PROJECTS

following projects are undertaken –

1. Installation of 25.0 KL new distillation facility with improved packing material to enhance the distillation capacity of plant by 25 metric ton per month.
2. Installation of 200 Litre of pilot plant to develop process parameter for distillation of any crude before going to main plant.
3. New Fluidized Bed Reactor with higher capacity was upgraded by modifying existing old regenerator for commissioning is ready.

### NEXT YEAR TARGETS

1. Development of distillation efficiency.
2. Improving conversion of reaction products.
3. Commission of proper effluent treatment and control system.
4. Reducing the cost of utility.
5. Commercial transfer for technology of the products to be developed in R&D.
6. Developing the infrastructure of new products.
7. Developing the new process for Increasing the yield capacity of 2,3 - Lutidine, 3,4 - Lutidine, 2,4,6 - Colidine and translating same to the plant.
8. All statutory compliance of material management and material planning to meet the production target.

### FINANCIAL REVIEW

The following statements cover financial performance position, Financial Summary and Distribution of Income is attached to this report.

### MATERIAL DEVELOPMENT IN HUMAN RESOURCES, INDUSTRIAL RELATION REPORT

Human Resources being the most accountable and Valued asset of the company, Various steps have been taken to provide better employment life and health to workers, reduce stress situations, improve intellectual, cultural and materials conditions, improving their performance etc. Several employee welfare activity were organized and conducted during the year to keep their motivation levels

high and to create efficient, healthy, loyal and satisfied labor force for the organization.

Various events were conducted from time to time throughout the year; Annual day celebration, Flag Hoisting Celebration, Safety week, and Yoga day were some of them. To ensure health and safety, company opted for Mediclaim policy for Employees and created Society fund for workers at the Tarapur factory. Also, Company is on continuous endeavor to further improve the employee's life and their betterment.

### 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 31.03.2016	Year Ended 31.03.2015
<b>CAPITAL ACCOUNTS</b>		
Share capital	115,440,000	115,440,000
Reserves and Surplus	114,27,025	994,79,887
Long term Borrowing	-	85,737
Long Term Provision	1778,694	10,58,111
Gross Block including CWIP	38,79,14,205	37,69,02,116
Net Block including CWIP	13,99,59,918	142897737
Net current Assets	8,66,37,046	8,18,14,014
<b>REVENUE ACCOUNTS</b>		
Sales and other income	39,12,40,934	38,89,15,390
Gross profit before extra-Ordinary items, interest, Depreciation and tax	3,27,33,802	2,13,52,879
Extra-ordinary item	-	(9789289)
Financial Expenses	51,92,682	57,92,770
Depreciation	1,11,53,899	1,15,50,109
Profit before tax	1,63,87,221	1,37,99,289
Net Profit After tax	1,19,11,717	1,27,58,040
Dividend	-	69,26,400
Retained earning	1,19,11,717	58,31,640
<b>SELECTED INDICATORS</b>		
Return on capital employed	0.07	0.05
Current Ratio	2.03	1.70
Earnings per share	1.03	1.11
Book Value per Share	19.65	18.62
Fixed assets Turnover	2.82	2.72

## CORPORATE GOVERNANCE REPORT

A report on Corporate Governance is set out with the Corporate Governance requirement as stipulated in Regulation 27(2)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 with the Stock Exchanges.

### I. Company's Philosophy on Code of Governance:

The Company is committed to ensure that all stakeholders' interests are protected, by continuously striving to increase the efficiency of the operations as well as the systems and processes for use of corporate resources. The Company aims at achieving not only the highest possible standards of legal and regulatory compliances, but also of effective management.

While working to enhance the corporate value of the company in the medium to long term, we place the highest importance on strengthening and further developing our corporate governance initiatives.

Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy, transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We believe in system driven performance and performance oriented systems.

We accord highest priority to these systems and protect the

interests of all our shareholders, particularly the minority shareholders.

### GOVERNANCE STRUCTURE

The Corporate Governance Structure at Resonance Specialties Limited is as under:-

**1. Board of Directors:** The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.

**2. Committees of the Board:** The Board has constituted the following committees viz. Audit Committee, Shareholders Relationship Committee and Nomination & Remuneration Committee. Each of said Committee has been managed to operate within a given framework.

### II. Board of Directors:

**Composition:** The Board of Directors as on 31<sup>st</sup> March, 2016 consists of 8 directors, comprising of 6 Non-Executive Directors and 2 Executive Director.

The Composition of the Board of Directors are as given below:

Name of Director	Category of Director	No. of other Directorships held <sup>^</sup>	Date of Joining	Committee Membership / Chairmanship of Board Committees in other Companies <sup>^^</sup>	Relationship with other Director
Dr. A B Gupta	Managing Director	Nil	01/06/1989	Nil	Father of Ms. Urvi A Gupta
Mr. Kamlesh Yadav <sup>f</sup>	Whole-time Director	Nil	30/05/2013	Nil	N.A
Ms. Urvi A Gupta	Non- Executive Director	5	31/03/2015	Nil	Daughter of Dr. A B Gupta
Mr. Rajnikant Worah	Non- Executive, Independent Director	2	12/12/1991	Nil	Nil
Mr. L R Daga	Non- Executive, Independent Director	Nil	14/02/2012	Nil	Nil
Dr. Gurpur Ganesh Pai	Non- Executive, Independent Director	Nil	13/02/2015	Nil	Nil
Mr. B P Agrawal	Non- Executive, Independent Director	Nil	30/06/2009	Nil	Nil
Mr. Satish Chander Mathur <sup>®</sup>	Whole-time Director	5	08/02/2016	Nil	Nil
Mrs. Archana S. Yadav <sup>*</sup>	Non- Executive, Independent Director	Nil	08/02/2016	Nil	Nil

# Resigned w.e.f. 14.11.2015

® Appointed w.e.f. 08.02.2016

\*Appointed w.e.f. 08.02.2016

<sup>^</sup> The Directorship held by directors as mentioned above excludes directorship in M/s. Resonance Specialties Limited.

<sup>^^</sup> Committees considered are Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee excluding in M/s. Resonance Specialties Limited.

None of the Directors of M/s. Resonance Specialties Limited is a member in more than 10 committees and Chairman of more than 5 committees across all companies in which he/she is a director.

**BOARD MEETINGS AND ATTENDANCE:** Four Board Meetings were held during the period from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 on the following dates: 30<sup>th</sup> May, 2015, 06<sup>th</sup> August, 2015, 14<sup>th</sup> November 2015 and 8<sup>th</sup> February, 2016 the Director's attendance at the Board Meetings during the period and at last Annual General Meeting are given below:

Name of Director	No. of Board Meetings Attended	Attendance at Last AGM
Dr. A. B. Gupta	4	Yes
Mr. Kamlesh Yadav <sup>#</sup>	0	Yes
Ms. Urvi A. Gupta	3	N. A.
Mr. Rajnikant Worah	4	Yes
Mr. L. R. Daga	4	Yes
Dr. Gurpur Ganesh Pai	4	Yes
Mr. B. P. Agrawal	4	Yes
Mr. Satish Chander Mathur <sup>@</sup>	N. A.	N. A.
Mrs. Archana Yadav <sup>*</sup>	N. A.	N. A.

<sup>#</sup> Resigned w.e.f. 14.11.2015

<sup>@</sup> Appointed w.e.f. 08.02.2016

<sup>\*</sup> Appointed w.e.f. 08.02.2016

### Code of Conduct

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All Board members and senior management have affirmed their compliance with the code of conduct. A declaration to this effect, signed by Managing Director is contained in the Annual Report.

### III. Committees of the Board

#### a) Audit Committee

The members of the Committee are Mr. L R Daga (Chairman), Mr. Rajnikant Worah and Mr. B P Agrawal (Member). The Committee held four meetings during the year 2015-2016. The Audit Committee Meetings were held on the following dates 30<sup>th</sup> May, 2015, 6<sup>th</sup> August, 2015, 14<sup>th</sup> November 2015 and 8<sup>th</sup> February, 2016. The Statutory Auditors, Internal Auditors, Chief Financial Officer and Company Secretary also attended the meeting of the Audit Committee. The attendance of the Audit Committee meeting during the period are given below:

Name	Designation	Meeting Held	Meeting Attended
Mr. L R Daga	Chairman	4	4
Mr. B P Agrawal	Member	4	4
Mr. Rajnikant Worah	Member	4	4

The Committee oversees Company's financial process,

internal control system, scope of audit includes the observations of the auditors, reviewing quarterly, half yearly and yearly statements. Committee is authorized to select and recommend accounting policies, review reports of the Statutory and Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The terms of reference of the audit committee are in accordance with the items as specified in regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, which inter alia includes the following:

- 1) To recommend appointment, remuneration (for Statutory Audit and for other services rendered, if any) and the terms of appointment of Statutory Auditors of the Company and to review and monitor their independence and performance and effectiveness of audit process.
- 2) To examine the financial statements (including quarterly financial statements) and the Auditors report thereon and to discuss the same, if necessary, with the Statutory Auditors, the Management and Key Managerial Personnel's, if necessary, and to ensure that the company's financial reporting process and disclosure of financial information make the financial statements correct, sufficient and credible particularly with reference to :
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b) Compliance with listing and other legal requirements relating to financial statements.
  - c) Qualifications in the draft audit report.
- 3) To recommend appointment, remuneration and the terms of Internal Auditors and to review performance and effectiveness of their audit and adequacy of internal control systems.
- 4) To approve the Related Party Transactions (RPT) or any subsequent modifications thereof and to obtain professional advice, if necessary.
- 5) To scrutinize inter-corporate loans and investments.
- 6) To consider, whenever necessary valuation of assets or undertaking of the Company.
- 7) To evaluate internal financial controls in consultation with the Statutory Auditors and the Internal Auditors, if any.
- 8) To evaluate the risk management systems, if any, prevailing in the company and to review the findings if any, of the Internal Auditors where there is a suspected fraud or irregularity or failure of internal control system.
- 9) To monitor end use of the funds (and other related matters) whenever raised through public offers.

- 10) To evaluate the content and efficiency of the vigilance mechanism / whistle blower mechanism prevailing in the company and to provide adequate safeguards against victimization.
- 11) To look into the reasons for substantial defaults, if any in the payments to the depositors, debenture holders, shareholders and creditors.
- 12) To approve appointment of the CFO (a whole time Director or an Executive) after assessing the qualifications and experience of the Candidate.

**b) Nomination and Remuneration Committee**

The committee was last reconstituted by the board of Director in the meeting held on 30<sup>th</sup> May, 2015. The members of the Committee are Mr. B P Agrawal (Chairman), Mr. L R Daga and Mr. Rajnikant Worah (Member). The Committee held four meetings during the year 2015-2016. The Nomination and Remuneration Committee Meetings were held on the following dates 30<sup>th</sup> May, 2015, 6<sup>th</sup> August, 2015, 14<sup>th</sup> November 2015 and 8<sup>th</sup> February, 2016. The attendance of the Nomination and Remuneration Committee meeting during the period are given below:

Name	Designation	Meeting Held	Meeting Attended
Mr. B.P. Agrawal	Chairman	4	4
Mr. L.R. Daga	Member	4	4
Mr. Rajnikant Worah	Member	4	4

The terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes, and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;

3. Devising a policy of Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

**Remuneration Policy**

Payment of remuneration to the Executive Directors is governed by the terms of appointment approved by the Board of Directors and the Members in terms of Schedule V to the Companies Act, 2013. His remuneration structure comprises of salary, perquisites, allowances and contribution to provident fund. The non-executive directors are not entitled to any remuneration from the company other than the sitting fees and professional fees rendered.

**Remuneration paid to Directors during 2015-2016  
Remuneration to Executive Director**

Dr. A B Gupta was re-appointed as a Managing Director with effect from 1<sup>st</sup> September, 2015 for a period of 3(three) years the remuneration paid for the year ended 31<sup>st</sup> March, 2016 to Dr. A B Gupta & Mr. Kamlesh Yadav, the Whole Time Director who had retired on 14<sup>th</sup> November, 2015 the remuneration paid to him for the period upto the date of retirement respectively is as under:

Name	Salary (₹)	Perquisites and allowances (₹)	Commission (₹)	Total (₹)
Dr. A B Gupta	31,10,400	-	-	31,10,400
Mr. Kamlesh Yadav	4,63,959	-	-	4,63,959

**Remuneration to Non- Executive Directors**

Non-Executive Directors other than Dr. Gurpur Ganesh Pai are paid the sitting fees and are not paid remuneration in any form whether by way of commission or otherwise. Dr. Gurpur Ganesh paid was also paid the professional fee along with sitting fee during the year. The sitting fees paid to Non- Executive Directors for the year ended 31st March, 2016 is as under:

Directors Name	Sitting Fees (₹)		
	Board Meeting	Audit, Nomination & Remuneration Committee	Total
Mr. L R Daga	1,05,554	55,557	1,61,111
Dr. Gurpur Ganesh Pai	88,888	55,556	1,44,444
Mr. Rajnikant Worah	1,50,000	1,10,000	2,60,000
Ms. Urvi A Gupta	61,111	38,888	1,00,000
Mr. B P Agrawal	88,888	55,556	1,44,444

As on March 31, 2016 the non-executive Directors held equity shares of the Company as follows:

Name of Directors	Number of Shares held
Mr. L.R. Daga	NIL
Dr. Gurpur Ganesh Pai	NIL
Mr. Rajnikant Worah	220
Ms. Urvi A Gupta	NIL
Mr. B.P. Agrawal	NIL

As on March 31, 2016 the Executive Director held equity shares of the Company as follows:

Name of Directors	Number of Shares held
Dr. A.B. Gupta	1
Mr. Satish Chander Mathur	25

### c) Stakeholder's Relationship Committee

The Committee was last reconstituted on 30<sup>th</sup> May, 2015 and members of the Committee are Mr. Rajnikant Worah (Chairman), Mr. B P Agrawal and Mr. L R Daga as members. The Committee held meetings were held on the following dates 30<sup>th</sup> May, 2015, 6<sup>th</sup> August, 2015, 14<sup>th</sup> November 2015 and 8<sup>th</sup> February, 2016 during the year 2015-2016.

The functions and powers of the Stakeholder's Relationship Committee include considering and resolving the grievance of security holders of the company.

The Company has designated an e-mail id investor@resonancesl.com exclusively for the purpose of registering complaints by investors electronically. This e-mail id is displayed on the company's website i.e. www.resonancesl.com.

None of the complaints/request/letters/queries, which were received from the shareholders, is pending and all have been attended to/resolved within the prescribed period.

Number of Investor Complaints received during the year	1
Number of Investor Complaints resolved during the year	1
Number of pending Investor Complaints	NIL

The investors' complaint/grievances received by the Company were immediately escalated to the top management and steps are taken to resolve the same immediately.

### d) Details of General Meetings

Meeting	26 <sup>th</sup> Annual General Meeting	25 <sup>th</sup> Annual General Meeting	24 <sup>th</sup> Annual General Meeting
Date	28 <sup>th</sup> September, 2015	14 <sup>th</sup> August 2014	14 <sup>th</sup> August 2013
Time	11.00 am	11.00 am	11.00 am
Special Resolutions	Three	Nil	One

Venue	Raheja Classique Club, Andheri (West), Mumbai -58	Raheja Classique Club, Andheri (West), Mumbai -58	Raheja Classique Club, Andheri (West), Mumbai -58
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None of the Special resolution/s passed in last three Annual General Meetings were passed by postal ballot. No resolution requiring a Postal ballot is being proposed at the ensuing Annual General Meeting.

### e) Unclaimed Dividends

In view of amended Section 125 of the Companies Act, 2013, followed by the issue of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to a fund called Investor Education and Protection Fund (the fund) set up by the Central Government. No claims shall lie thereafter against the fund or the Company in respect of such amounts transferred. Shareholders are therefore requested to verify their records and send claims, if any, before the respective amounts become due for transfer to the fund. The details of unclaimed dividend are as under:

Year	No. of Shareholders	Amount (₹)	Due date of transfer to Investor Education and Protection Fund (IEPF)
2013-14	4,555	3,97,537	14.08.2021
2014-15	4,820	417,329	28.09.2022

### I. Subsidiary Companies

The Company does not have any subsidiary company.

### II. DISCLOSURES

#### A. Disclosure of Materially significant related party transactions

The company has entered significant and material transactions with its promoters, directors or the management or relatives which are though entered into at arm's length yet that may have potential conflict with the interests of the Company at large.

A summary of related party transactions is given elsewhere in the Annual Report.

#### B. Disclosure of Accounting Treatment

In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India.

#### C. Board Disclosures - Risk management

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following:-

- Governance of Risk

- Identification of Risk
  - Assessment of Control of Risk
- The risks are identified and are discussed by the representatives from various functions.

The Board and the Audit Committee provide oversight and review the risk management policy periodically.

**D. Proceeds from public issues, rights issues, preferential issues etc.**

No money has been raised by way of public issue, rights issue or preferential issue.

**E. Details of Non-compliance and instances of penalties**

The Company has complied with the requirements of the regulatory authorities on matters related to capital markets and no strictures of whatsoever nature have been imposed against the Company by Bombay Stock Exchange or SEBI or any other statutory authority during the last three years.

**F. Details of Compliance with mandatory requirements and adoption of non-mandatory requirements**

Regulation 27(2)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, requires the Company shall obtain a certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in this clause and annex the certificate to the directors' report, which is sent annually to all the shareholders of the company. The Company has obtained a certificate from its auditors to this effect and the same is given as an annexure to the Directors' report.

The Clause further states that the non-mandatory requirements may be implemented as per the discretion of the Company. However, the disclosures of compliance with mandatory requirement and adoption (and compliance)/ non-adoption of the non-mandatory requirements shall be made on need basis.

**III. MEANS OF COMMUNICATION**

1	Quarterly Results	Published in National and local dailies such as The Business Standard (English) and Jantecha Mahanayak (Marathi) and in official websites of Bombay Stock Exchange ( <a href="http://www.bseindia.com">www.bseindia.com</a> )
2	Publication in News Papers	Published in National and local dailies such as The Business Standard (English) and Jantecha Mahanayak (Marathi)
3	Publications in Websites	<a href="http://www.resonancesl.com">www.resonancesl.com</a> , <a href="http://www.bseindia.com">www.bseindia.com</a>
4	Displaying of official news releases	<a href="http://www.resonancesl.com">www.resonancesl.com</a> , <a href="http://www.bseindia.com">www.bseindia.com</a>

**IV. GENERAL SHAREHOLDER INFORMATION**

1	<b>Next Annual general Meeting</b> (The information regarding 27 <sup>th</sup> Annual General Meeting for the financial year ended 31 <sup>st</sup> March, 2016)	<b>Day, Date, Time and Venue</b> Saturday, 13 <sup>th</sup> Day of August, 2016 at 11.00am At Raheja Classique Club, Andheri (West), Mumbai -58
2	<b>Financial Year</b>	01 <sup>st</sup> April to 31 <sup>st</sup> March
3	<b>Future Calendar</b>	
	<b>Subject Matter</b>	<b>Date</b>
	Financial Reporting of 1 Quarter ended on 30th June 2016	Mid of Aug 2016
	Financial Reporting of 2 Quarter ended on 30th September 2016	Mid of Nov 2016
	Financial Reporting of 3 Quarter ended on 31st December 2016	Mid of Feb 2017
	Financial Reporting of 4 Quarter ended on 31st March 2017	During May 2017
	Date of Annual General Meeting	During Sep 2017
4	<b>Date of Book Closure</b>	5 <sup>th</sup> August, 2016 to 13 <sup>th</sup> August, 2016
5	<b>Dividend payment date</b>	Dividend is not declared for the year 2015-16.
6	<b>Listing on Stock Exchange at</b>	Bombay Stock Exchange (BSE)
7	<b>Listing Fees &amp; Custody Fees</b>	Company has paid Annual listing Fees to BSE and Custodial Fees to both NSDL & CDSL for year 2016-17
8	<b>Stock Code</b>	524218
9	<b>ISIN No.</b>	INE486D01017
10	<b>CIN No.</b>	L25209MH1989PLC051993
11	<b>Registrar and Transfer Agents</b>	<b>M/s. Adroit Corporate Services Pvt. Ltd.</b> Address: 17/18/19/20, Jaferbhoy Ind. Estate, 1st Floor, Makhwana Road, Marol Naka, Andheri East-59 Tel No: 022 4227 0400 / Fax: 022 28503748 Email: <a href="mailto:sales@adroitcorporate.com">sales@adroitcorporate.com</a> Website: <a href="http://www.adroitcorporate.com">www.adroitcorporate.com</a>
12	<b>Dematerialization of Shares</b>	90.26% of the total equity capital is held in Dematerialized form with National Securities Depository Ltd. and Central Depository Services (India) Ltd as on 31 <sup>st</sup> March, 2016.

13	<b>Outstanding ADRs/ GDRs</b>	The Company has not issued any ADRs/GDRs	For any other queries, correspondence please write to Registered office address of the Company, as below: 301, Evershine Mall, Chincholi Bunder Junction, Off. Malad Link Road, Malad (W), Mumbai -400 064. Designated e-mail id for investor correspondence: <a href="mailto:investor@resonancesl.com">investor@resonancesl.com</a>
14	<b>Plant Location</b>	T-140, MIDC, Tarapur , Dist - Palghar	
15	<b>Address for correspondence</b>	The Shareholders may send their correspondence relating to transfer/ dematerialization and other correspondence relating to shares of the company to the Registrar and Transfer Agents of the Company. Shareholders holding shares of Company in dematerialized form should address their correspondence to their respective Depository Participants.	
16	<b>Stock Price Data</b>	High, low Market Price on Bombay Stock Exchange during each month in the last Financial year in comparison with BSE Sensex are as follows:	

Rates per Equity share of the face value of ₹ 10/- each

Month	Share Price		BSE Sensex	
	High (₹)	Low (₹)	High	Low
April 2015	21.45	14.90	29,094.61	26,897.54
May 2015	21.90	16.00	28,071.16	26,423.99
June 2015	20.70	16.00	27,968.75	26,307.07
July 2015	26.95	16.00	28,578.33	27,416.39
August 2015	25.50	15.05	28,417.59	25,298.42
September 2015	20.35	15.65	26,471.82	24,833.54
October 2015	21.90	16.30	27,618.14	26,168.71
November 2015	28.40	17.60	26,824.30	25,451.42
December 2015	36.10	25.75	26,256.42	24,867.73
January 2016	39.35	25.05	26,197.27	23,839.76
February 2016	25.15	17.15	25,002.32	22,494.61
March 2016	21.00	17.90	25,479.62	23,133.18

**17 Shareholding Pattern and Distribution of Shareholding as on 31<sup>st</sup> March, 2016:**

1. Shareholding Pattern as on quarter ended 31 <sup>st</sup> March, 2016.				
	Category	No. of Shares held	Percentage of Shareholding	
<b>A</b>	<b>Promoters Holding</b>			
1.	Promoters			
	- Indian Promoters	7470902		64.72
	- Foreign Promoters	-		-
2.	Person Acting in Concert			
	<b>Sub-Total</b>	<b>7470902</b>		<b>64.72</b>
<b>B</b>	<b>Non- Promoter Holdings</b>			
1	Institutional Investors	-		-
2	Mutual Fund and UTI	3300		0.03
	<b>Sub-Total</b>	<b>3300</b>		<b>0.03</b>
<b>C</b>	<b>FII's Holdings</b>	5000		0.04

	<b>Sub-Total</b>	<b>5000</b>	<b>0.04</b>
<b>D</b>	<b>Others Holding</b>		
1	Private Body Corporate	329347	2.85
2	Indian Public	3712531	32.16
3	NRIs / OBC	20775	0.18
4	Director & Relative	245	0.00
5	Clearing Member	1900	0.02
	<b>Sub-Total</b>	<b>4064798</b>	<b>35.21</b>
	<b>Grand Total (A+B+C+D)</b>	<b>11544000</b>	<b>100</b>

#### Distribution of Shareholding as on 31<sup>st</sup> March, 2016.

Distribution of Shares (Slab Wise)	No. of Shareholders	Percentage to total No of Shareholders	Total Share	Percentage to Total Share Capital
UPTO - 500	9,469	91.89	13,09,211	11.34
501 - 1000	431	4.18	3,46,410	03.23
1001 - 2000	198	1.92	2,68,209	02.68
2001 - 3000	72	0.70	1,88,913	01.60
3001 - 4000	38	0.37	1,33,852	01.16
4001 - 5000	26	0.25	1,11,192	01.03
5001 -10000	27	0.26	2,28,424	01.70
10001 & Above	44	0.43	89,69,972	77.26
<b>Total</b>	<b>10,305</b>	<b>100.00</b>	<b>1,15,44,000</b>	<b>100.00</b>

#### 18. Share Transfer System

Applications for transfer of Shares held in physical form are received at the office of the registrar and share transfer agent of the Company, M/s. Adroit Corporate Services Pvt. Ltd. They attend to share transfer formalities at least once a week and forward the same to the Company for the Stakeholder's Relationship Committee's approval. In order to expedite the process of share transfers in physical mode, the members of the Stakeholder's Relationship Committee conduct their meetings more frequently, to the extent of weekly meetings of the Committees.

Shares held in dematerialized form are electronically traded in the depository and the registrar and share transfer agent periodically receives from the depository the details of beneficiary holdings so as to update the records for sending all corporate communications and other matters.

Application for dematerialization of physical shares are processed and completed within a period of 15 days from the date of receipt, provided they are duly completed. Incomplete applications are immediately returned to the depository participants under advice to the shareholders

#### 19. National Electronic Clearing Service (NECS) Facility:

The Company, with respect to payment of dividend to shareholders shall Endeavour to remit the dividend payment through National Electronic Clearing Service (NECS) to the shareholders having accounts with Branches of Banks covered under CBS (Core Banking Solution).

Equity Shareholders holding shares in physical form, who wish to avail the NECS facility, may send their NECS mandate to the Company's R & T Agents, in the event they have not done so earlier. Equity Shareholders holding shares in electronic mode may send the NECS mandate form to the concerned Depository Participant (DP) directly.

#### 20. Clerical errors in the 26th Annual Report:

**As a part of Corporate Governance Report, this is to inform the shareholders that on page No. 26 of the 26th Annual Report Governance Structure bears the following error:**

The Corporate Governance Structure at Arihant Multi Commercial Limited (Formerly known as Lifeline Drugs and Pharma Limited) is as under

We would like to inform that it's a mere clerical error and we request the shareholders to read it as

"The Corporate Governance Structure at Resonance Specialties Limited is as under"

#### 21. Green initiatives in Corporate Governance to receive documents through email by registering your email address:

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company is sending notices/documents such as Annual Reports and notices by email to the shareholders who have registered their email address with DP/RTA. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding, through the respective Depository Participant (DP) and in respect of physical holding, through the Registrar and Share Transfer Agent (RTA) M/s. Adroit Corporate Services Pvt. Ltd.

While every notice/document will be sent through email address registered with the Company/RTA/DP, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the E-governance initiative.

Place: Mumbai **For Resonance Specialties Limited**  
Date: May 30, 2016 sd/-

**Dr. A B Gupta**  
(Managing Director)  
DIN: 00025255

### DECLARATION – CODE OF CONDUCT

In compliance to regulation 17(5)(a) of the of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, all the Board members and senior management personnel have, for the year ended 31<sup>st</sup> March 2016, affirmed compliance with the Code of Conduct laid down by the Board of Directors.

Place: Mumbai **For Resonance Specialties Limited**  
Date: May 30, 2016 sd/-

**Dr. A B Gupta**  
(Managing Director)  
DIN: 00025255

### DECLARATION BY THE CFO – PURSUANT TO REGULATION 17(8)

We have reviewed financial statements and the Cash Flow Statement for the year ended 31<sup>st</sup> March 2016 and certify, to the best of our knowledge and belief, that:

- i. These statements present a true and fair view of the Company's affairs, and are in compliance with existing accounting standards, applicable laws and regulations;
- ii. These statements do not contain any materially untrue statement, or omit any material fact, or contain statements that might be misleading;
- iii. No transactions entered into by the Company during the year were fraudulent, illegal or violative of the Company's code of conduct and no instances of fraud took place;
- iv. We accept responsibility for establishing and maintaining internal controls for financial reporting;

- v. We have evaluated the effectiveness of the internal control systems of the Company, and 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 have taken steps to rectify the same, wherever found;
- vi. Significant changes in internal control over financial reporting, as well as changes in accounting policies, if any, have been intimated to the auditors and the Audit Committee, and been disclosed in the notes to the financial statements;

Place: Mumbai **For Resonance Specialties Limited**  
Date: May 30, 2016 sd/-

**Dwarika Agrawal**  
(Chief Financial Officer)

### CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 17 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015

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 31<sup>st</sup> March, 2016, as stipulated in Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchange.

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 statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 of the above mentioned Listing Regulation.

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

**For Paras Parikh and Associates**  
Company Secretaries

Date: May 30, 2016 sd/-  
Place: Mumbai **Proprietor**

**C.P No: 10669**

## INDEPENDENT AUDITORS' REPORT

To  
The Members Of,

### RESONANCE SPECIALTIES LIMITED,

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of RESONANCE SPECIALTIES LIMITED ("the company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the 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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, and the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements 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.

6. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

#### Report on other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in term of sub-section (11) of the section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Reports are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of

the Companies (Accounts) Rules, 2014.

- e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. In our opinion and to the best of our information and according to the explanations given to us, the Company has disclosed the impact, if any, pending litigation as at March 31, 2016 on its financial position in its financial statements (Refer note no. 29 to the financial statement).
  - ii. There are amounts need to be provided as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts
  - iii. The provisions to transfer the amounts to the Investor Education and Protection Fund by the Company are not applicable (Refer note no. 34e to the financial statement).

For **V.R. BHABHRA & CO.**  
**Chartered Accountants**  
 FRN: 112861W  
 Vimal R. Bhabhra  
 Proprietor

Place: Mumbai.

Date: May 30, 2016.

Membership No: - 046043

### **Annexure A to the Independent Auditors’ Report**

(Referred to paragraph (9) under ‘Report on other legal and regulatory requirements’ of our report of even date to the member of resonance specialties limited on the financial statements for the year ended March 31, 2016)

#### **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 fixed assets have been physically verified by the management in a phased manner, designed to cover all items over a period of three years , which in our opinion, is reasonable having regard to the size of the Company and the nature of its

business. Pursuant to the program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed asset have been noticed.

- c. The title deeds of immovable properties are held in the name of the company.

#### **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 189 of the Companies Act, 2013. Accordingly, the provision of clause 3(iii) (a) to (c) of the order are not applicable to the company and hence not commented upon.

- iv. In our opinion and according to the information and explanation given to us, the company has complied with the provisions of Section 185 and 186 of the companies act, 2013 in respect of loan, investments, guarantees and security.

- v. According to the information and explanations given to us, the company has not accepted any deposits from the public and hence the directives issued by the Reserve bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and Companies (Acceptance of deposit) Rule 2015 with regard to the deposits accepted from the public are not applicable.

- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the Central Government of India, the company is required to maintain cost records as specified under section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the same and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.

- vii. In respect of statutory dues:

- a. According to the information and Explanation given to us and records of the Company as produced and examined by us, in our opinion, there have been some delays in depositing undisputed statutory dues in respect of Provident Fund, Income-tax, Sales-tax, Service-tax, Excise Duty, cess and any other statutory dues with the appropriate authorities.
- b. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Custom Duty, Excise Duty, cess and any other statutory dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us and the records of the Company examined by 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 except as mentioned below:

Name of statute	Nature of the Dues	Amount Rs. in lakhs	Pending before	Nature of Dispute
Bombay Sales Tax Act / Maharashtra Value Added Tax	Vat and CST for FY 2005-06 to 2009-10	2001.44	Commissioner of Sales Tax (Appeal) Various	Original order passed exports
Finance Act 1994	Service Tax	27.11	Commissioner of Central Excise (Appeal)	Service tax Charged on Export of services
Income tax 1961	Income tax for the AY 2013-14	16.18	Commissioner of Income Tax (Appeal)	Unilateral additions

- viii. 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 and bank.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanation given to us and based on our examination of the records of the company, the company has provided/paid for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule V to the act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **V.R. BHABHRA & CO.**  
**Chartered Accountants**

FRN: 112861W

Vimal R. Bhabhra  
Proprietor

Place: Mumbai.

Date: May 30, 2016.

Membership No: - 046043

### Annexure B To The Independent Auditors' Report

(Referred to paragraph (10) (f) under 'Report on other legal and regulatory requirements' of our report of even date to the member of resonance specialties limited on the financial statements for the year ended March 31, 2016)

Report on the Internal Financial Controls under Clause (i) of Sub – section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Resonance Specialties Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountant of India (ICAI). These responsibilities include the design, Implementation and maintenance of adequate Internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls systems over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
  - i. Pertain to the maintenance of records that , in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
  - iii. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all materials respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For V.R. BHABHRA & CO.**  
**Chartered Accountants**

FRN: 112861W  
sd/-

Vimal R. Bhabhra  
Proprietor

Place: Mumbai.

Date: May 30, 2016.

Membership No: - 046043

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2016**

Particulars	Note no.	Amount (₹)	
		As at 31.03-2016	As at 31.03.2015
<b>EQUITY &amp; LIABILITIES</b>			
<b>1] SHARE HOLDERS' FUNDS :</b>			
Share capital	3	115,440,000	115,440,000
Reserves & Surplus	4	111,427,025	99,479,887
		<b>226,867,025</b>	<b>214,919,887</b>
<b>2] NON CURRENT LIABILITIES :</b>			
Long- term borrowing	5	-	85,737
Long term provisions	6	1,778,694	1,058,111
Deferred tax liabilities (Net)	7	10,665,800	12,512,986
		<b>12,444,494</b>	<b>13,656,834</b>
<b>3] CURRENT LIABILITIES :</b>			
Short- term borrowing	8	19,220,817	31,097,847
Trade payable	9	54,288,590	65,607,943
Other current Liabilities	10	4,889,992	7,666,054
Short-term provisions	11	5,839,575	12,528,666
		84,238,974	116,900,510
		<b>323,550,493</b>	<b>345,477,231</b>
<b>ASSETS</b>			
<b>1] NON CURRENT ASSETS :</b>			
Fixed assets	12		
Tangible assets		132,505,747	135,132,541
Intangible assets		6,129,890	7,441,541
Capital work in progress		1,324,284	323,655
Long-term loans & advances	13	12,714,551	3,864,971
		<b>152,674,472</b>	<b>146,762,708</b>
<b>2] CURRENT ASSETS :</b>			
Inventories	14	80,029,256	75,454,754
Trade receivable	15	69,925,299	102,773,675
Cash & Bank balances	16	8,615,323	8,540,109
Short term loans & advances	17	2,483,356	3,527,663
Other current assets	18	9,822,787	8,418,322
		170,876,021	198,714,523
		<b>323,550,493</b>	<b>345,477,231</b>
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****Sd/-****Proprietor**

Mem.No.046043

Place : Mumbai

Dated : May 30, 2016

**FOR AND ON BEHALF OF THE BOARD**

sd/-

**Mr. Rajnikant Worah**  
**Chairman & Director**

sd/-

**Dr. Atma B. Gupta**  
**Manging Director**

sd/-

**Miss. Soma Das**  
**Company Secretary**

sd/-

**CA Dwarka Agarwal**  
**Chief Financial Officer**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

Particulars	Note no.	Amount (₹)	Amount (₹)
		For year 2015-2016	For year 2014-2015
<b>INCOME</b>			
Revenue from operation(Gross)	19	413,992,942	396,681,375
Less: Excise duty		<u>24,821,239</u>	<u>16,619,038</u>
Revenue from operation(net)		389,171,703	380,062,337
Other Income	20	2,069,231	8,853,053
<b>Total:-</b>		<b><u>391,240,934</u></b>	<b><u>388,915,390</u></b>
<b>EXPENDITURE</b>			
Cost of raw material consumed	21	113,490,660	137,479,384
Purchases of Traded Goods	22	73,696,640	86,567,031
(Increase)/Decrease in inventories of Finished Goods, and stock in trade and work in process	23	(3,810,137)	(17,912,821)
Employees benefit Expenses	24	26,823,314	25,951,702
Others Expenses	25	148,306,655	135,477,214
<b>Total:-</b>		<b><u>358,507,132</u></b>	<b><u>367,562,510</u></b>
<b>Earning Before Interest, Depreciation &amp; Taxation</b>		<b>32,733,802</b>	<b>21,352,879</b>
Interest & Financial Cost	26	5,192,682	5,792,770
Depreciation	27	<u>11,153,899</u>	<u>11,550,109</u>
<b>Earning Before Exception items &amp;Taxation</b>		<b>16,387,221</b>	<b>4,010,000</b>
Exceptional Items	28	-	9,789,289
<b>Earning Before Taxation</b>		<b>16,387,221</b>	<b>13,799,289</b>
Less : Provision for			
Current Tax		(5,153,400)	(2,338,020)
Add/(Less): Taxation of earlier years		(1,029,290)	-
MAT Credit Utilised		(140,000)	-
Deferred Tax Asset/(Expenses)		1,847,186	1,296,771
Surplus After Taxation carried to Balance Sheet		<b><u>11,911,717</u></b>	<b><u>12,758,040</u></b>
<b>Earning per equity share</b>			
Basic earning per share		<b>1.03</b>	<b>1.11</b>
Diluted earning per share		<b>1.03</b>	<b>0.51</b>
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**  
Sd/-  
Proprietor  
Mem.No.046043

Place : Mumbai  
Dated : May 30, 2016

**FOR AND ON BEHALF OF THE BOARD**

Sd/-  
**Mr. Rajnikant Worah**  
Chairman & Director

Sd/-  
**Dr. Atma B. Gupta**  
Manging Director

Sd/-  
**Miss. Soma Das**  
Company Secretary

Sd/-  
**CA Dwarika Agarwal**  
Chief Financial Officer

**CASH FLOW STATEMENT**

Sr. no	Particulars	Amount (₹) For the year 2015-2016	Amount (₹) For the year 2014-2015
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit/(Loss) before tax	11,911,717	12,758,040
	Non Cash adjustments to reconcile profit/(loss) before tax to net cash flows		
	Depreciation	11,153,899	11,550,109
	Provision for Tax	5,153,400	2,338,020
	Provision for Deferred Tax assets	(1,847,186)	(1,296,771)
	Exceptional Non cash Items	-	(9,791,989)
	MAT Credit Utilised	140,000	
	Interest Expense	5,192,682	5,792,770
	<b>Operating Profit before Change in Working Capital Changes</b>	<b>31,704,512</b>	<b>21,350,179</b>
	<b>Movement in working Capital</b>		
	Increase/(Decrease ) in Trade payable	(11,319,353)	15,301,000
	Increase/(Decrease ) in Long term provisions	720,583	214,248
	Increase/(Decrease ) in Short term provisions	(511,269)	266,784
	Increase/(Decrease ) in other current liabilities	(2,776,062)	3,235,693
	Increase/(Decrease ) in other non current liabilities	-	(6,695,560)
	Decrease/(Increase) in inventories	(4,574,501)	(15,790,836)
	Decrease/(Increase) in Trade Receivables	32,848,377	(7,693,187)
	Decrease/(Increase) in short term advances	1,044,307	(2,693,627)
	Decrease/(Increase) in Long Term advances	(8,849,581)	120,207
	Decrease/(Increase) in other current assets	(1,544,466)	5,327,937
		<b>5,038,035</b>	<b>(8,407,340)</b>
	<b>Cash generated from operation</b>	<b>36,742,547</b>	<b>12,942,839</b>
	Direct Taxes paid	(4,404,822)	(1,835,768)
	<b>Net cash flows from operating activities</b>	<b>32,337,725</b>	<b>11,107,071</b>
<b>B</b>	<b>CASH FLOW USED IN INVESTMENTS ACTIVITIES</b>		
	Purchases of Fixed assets including capital advances	(8,180,662)	(2,831,431)
	<b>Net cash flows from Investment activities</b>	<b>(8,180,662)</b>	<b>(2,831,431)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds of Long term borrowings	(85,737)	(250,021)
	Proceeds from short term borrowings (Net)	(11,877,030)	(2,409,228)
	Dividend paid (Incl of DDT)	(6,926,400)	(6,752,951)
	Interest paid	(5,192,682)	(5,792,770)
	<b>Net cash flows /(used in)/from Investment activities</b>	<b>(24,081,848)</b>	<b>(15,204,971)</b>
	Net increase/(decrease) in cash and cash equivalents	75,215	(6,929,329)
	Add : Cash and cash equivalents at the beginning of the year	8,540,109	15,469,438
	Cash and cash equivalents at the end of the year	<b>8,615,324</b>	<b>8,540,109</b>
	Components of cash and cash equivalents		
	Cash on hand	57,584	74,755
	Cheque in hand	-	-
	Bank balance in current accounts	2,659,258	2,628,842
	Bank balance in Fixed deposit accounts	5,898,482	5,836,512
		<b>8,615,324</b>	<b>8,540,109</b>

As per our report of even date attached

**FOR V.R.Bhabhra & Co.**  
Firm Reg.no.112861W  
CHARTERED ACCOUNTANTS  
**Vimal R.Bhabhra**  
Sd/-  
Proprietor  
Mem.No.046043

Place : Mumbai  
Dated : May 30, 2016

**FOR AND ON BEHALF OF THE BOARD**

sd/-  
**Mr. Rajnikant Worah**  
Chairman & Director

sd/-  
**Dr. Atma B. Gupta**  
Managing Director

sd/-  
**Miss. Soma Das**  
Company Secretary

sd/-  
**CA Dwarika Agarwal**  
Chief Financial Officer

**NOTES TO FINANCIAL STATEMENTS****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 principles in India (Indian GAAP), including the Accounting standards notified under the relevant provisions of the companies Act, 2013. The financial statements have been prepared on accrual basis and under historical cost convention.

**NOTE 2.1 SIGNIFICANT ACCOUNTING POLICIES.****a) 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.

**b) 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.

Depreciation is provided at straight line method as prescribed under Schedule II to the Companies Act, 2013. pro-rata depreciation is charged for the additions/deletion made during the year.

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

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

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

**d) 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

**e) 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

**f) 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.

**g) 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.

**h) Export Incentives:**

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

**i) Depreciation /Amortisation:**

- a) Depreciation on tangible fixed assets has been provided on straight-line method at the rates specified in Schedule II of the Companies Act, 2013. In case of additions, pro-rata depreciation is charged.
- b) Intangible asset, are amortised over a period of ten years from the date of its development.

**j) 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.

**k) 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.

**l) 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.

**m) 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 borrowing cost is charged to revenue.

**n) 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.

**o) 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.

**p) Cash and cash equivalent**

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.

**NOTE-3**

<b>SHARE CAPITAL</b>	Amount (₹) As at 31 <sup>st</sup> March 2016	Amount (₹) As at 31 <sup>st</sup> March 2015
<b>AUTHORISED:</b>		
1,50,00,000 ( 1,50,00,000 )Equity shares of Rs. 10/- each	15,00,00,000	15,00,00,000
	<b>15,00,00,000</b>	<b>15,00,00,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
1,15,44,000 (1,15,44,000) Equity shares of Rs. 10/- each fully paid up	11,54,40,000	11,54,40,000
	<b>11,54,40,000</b>	<b>11,54,40,000</b>

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

Particulars	31-Mar-2016		31-Mar-2015	
	No of shares	Amount	No of shares	Amount
At the beginning of the period	11,544,000	115,440,000	11,544,000	115,440,000
Issued during the period		-		-
Outstanding at the end of the period	11,544,000	115,440,000	11,544,000	115,440,000

**b) Terms/ rights attached to equity shares**

1. 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 Rs 10/-each fully paid	31-Mar-2015		31-Mar-2014	
	No of shares	% of holding	No of shares	% of holding
Vista Finance & Leasing Pvt. Ltd.	3964100	34.34%	3964100	34.34%
Ushma 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	<b>20,00,000</b>	<b>20,00,000</b>

**b) REVALUATION RESERVE**

Balance as per last financial statements	56,326,923	57,226,570
Less: Depreciation on revaluation for the year	-	899,647
	56,326,923	56,326,923

**c) SURPLUS IN THE STATEMENT OF PROFIT & LOSS**

Balance as per year	41,152,964	35,321,324
Profit/(Loss) for the year	11,911,717	12,758,040
Less: Short Depreciation on Brought forward carrying amount	35,421	-
Less: Proposed Dividend	-	5,772,000
Less: Dividend Distribution Tax	-	-
	<b>53,100,102</b>	1,154,400
	<b>111,427,025</b>	<b>99,479,887</b>

**NOTE-5**

**LONG TERM BORROWING**

**SECURED TERM LOANS**

a) Vehicle loan from Bank (secured by hypothecation a Vehicles)	-	85,737
b) The Vehicles term loans are payable over a period of 5 years with interest @ 11.25%.	-	-
	<b>-</b>	<b>85,737</b>

**NOTE-6**

**LONG TERM PROVISIONS**

Provision for retirement benefit	1,778,694	1,058,111
	<b>1,778,694</b>	<b>1,058,111</b>

**NOTE-7**

**DEFERRED TAX LIABILITIES (NET)**

*Deferred Tax Liabilities*

Deference between tax and book depreciation	12,057,200	13,956,443
<i>Deferred Tax Assets</i>	<u>12,057,200</u>	<u>13,956,443</u>
Provision for doubtful advances	570,400	675,193
Timing Differences pursuant to sect 43B of the Income tax Act	821,000	768,264
	<u>1,391,400</u>	<u>1,443,457</u>
	<b><u>10,665,800</u></b>	<b><u>12,512,986</u></b>

**NOTE-8**

**SHORT TERM BORROWING - SECURED**

a) Cash Credit	-	11,120,151
b) Export Packing Credit	19,220,817	19,977,696
	<b><u>19,220,817</u></b>	<b><u>31,097,847</u></b>

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 Industrial Estate, Tarapur, Dist-Thane and further guaranteed by Managing Director of the company and is repayable on demand).

d) Working capital borrowing in form of cash credit account carry interest rate of 12.65% per annum and export packing credit at 10.90%.

**NOTE-9**

**TRADE PAYABLE**

Trade payable against goods and services	54,288,590	65,607,930
	<b><u>54,288,590</u></b>	<b><u>65,607,930</u></b>

**NOTE-10**

**OTHER CURRENT LIABILITIES**

Advances from customers	403,601	842,942
Outstanding salaries & expenses	2,686,669	6,395,937
Tax Deducted at source payable	352,828	300,609
Statutory dues payable	246,894	126,566
Excise duty Payable	1,200,000	-
	<b><u>4,889,992</u></b>	<b><u>7,666,054</u></b>

**NOTE-11**

**SHORT TERM PROVISION**

for Excise duty on Finished Goods	2,325,600	1,997,000
for income tax(Net of advance tax paid)	2,956,728	2,208,150
Provision for Proposed Dividend	-	5,772,000
Provision for Dividend Distribution Tax	-	1,154,400
For gratuity*	557,247	1,397,116
	<b><u>5,839,575</u></b>	<b><u>12,528,666</u></b>

\* Includes Rs. NIL ( P Y Rs. 1397116/-) for earlier year

**NOTE-12**

**FIXED ASSETS**

ASSETS DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As on 01.04.2015	Addition during the Year	Deductions Adustment	Block as on 31.03.16	As on 01.04.2015	For The Year	Deductions Adustment	Up to 31.03.16	Transferred to retained earning	As on 31.03.2016	As on 31.03.2015	
Lease Hold Land	39,949,055	-	-	39,949,055	5,614,389	706,196	-	-	6,320,585	33,628,470	34,334,666	
Buildings	19,441,271	-	-	19,441,271	15,831,452	517,071	-	-	16,348,523	3,092,748	3,609,819	
Plant & Machinery	272,948,513	4,800,226	-	277,748,739	181,734,342	6,880,180	80,073	-	188,694,595	89,054,144	91,214,171	
Furniture & Fixtures	1,708,611	16,300	-	1,724,911	1,289,471	79,324	865	-	1,369,660	355,251	419,141	
Office Equipment	4,408,100	111,500	-	4,519,600	4,033,160	231,844	17,925	-	4,282,929	236,671	374,940	
Motor Car	3,364,034	-	-	3,364,034	1,800,850	399,464	-	-	2,200,314	1,163,720	1,563,184	
Electric Installation	15,489,008	-	-	15,489,008	15,282,774	92,418	-	(35,421)	15,339,771	149,237	206,234	
R & D Equipment	8,208,141	2,252,005	-	10,460,146	4,797,752	741,345	95,543	-	5,634,639	4,825,507	3,410,389	
Intangible Assets	13,893,160	-	-	13,893,160	6,451,619	1,311,651	-	-	7,763,270	6,129,890	7,441,541	
<b>Total</b>	<b>379,409,893</b>	<b>7,180,031</b>	<b>-</b>	<b>386,589,924</b>	<b>236,835,809</b>	<b>10,959,494</b>	<b>194,406</b>	<b>(35,421)</b>	<b>247,954,287</b>	<b>138,635,637</b>	<b>142,574,084</b>	
	<b>(376,576,460)</b>	<b>(2,831,431)</b>	<b>-</b>	<b>(379,409,891)</b>	<b>(224,386,054)</b>	<b>(11,458,373)</b>	<b>(91,736)</b>	<b>(235,936,163)</b>	<b>(899,646)</b>	<b>(142,574,082)</b>	<b>(152,192,406)</b>	

Figures in bracket denotes previous year's figure

**NOTE-13**

**LONG TERM LOAN AND ADVANCES**

(Unsecured and considered good )

Security Deposits	7,621,502	1,625,162
Sales tax paid on protest	1,340,000	-
VAT Refundable	3,756,049	2,239,809
(Unsecured, considered Doubtful)	<u>12,714,551</u>	<u>3,864,971</u>
Other advances to suppliers	1,000,000	1,000,000
Less: Provision for doubtful advances	<u>(1,000,000)</u>	<u>(1,000,000)</u>
	<u>-</u>	<u>-</u>
	<u><b>12,714,551</b></u>	<u><b>3,864,971</b></u>

**NOTE-14**

**INVENTORIES**

(As taken, valued and certified by the Management)

Raw Material	1,330,654	-
Stock Work In Progress	10,293,675	10,794,135
Finished Goods	45,943,263	45,088,536
Traded Goods	20,930,316	17,974,905
Packing Material	244,342	162,452
Stores & Spares	628,498	626,496
Fuel	658,508	808,230
	<u>80,029,256</u>	<u>75,454,754</u>

**NOTE-15**

**TRADE RECEIVABLE**

(Unsecured and considered good) \*

Debts outstanding for a period exceeding six months from the date they are due for payment

	299,135	1,356,081
Other debts	69,626,164	101,417,594
	<u>69,925,299</u>	<u>102,773,675</u>

\* Subject to confirmation

(Unsecured and considered doubtful) \*

Debts outstanding for a period exceeding six months from the date they are due for payment

	846,090	1,185,089
Less : Provisions for doubtful debts	(846,090)	(1,185,089)
	<u>-</u>	<u>-</u>
	<u>69,925,299</u>	<u>102,773,675</u>

\* Subject to confirmation

**NOTE-16**

**CASH AND BANK BALANCES**

Cash on hand	57,583	74,755
Cheque on hand		
Balance with banks	2,613,163	-
in Current accounts	46,095	2,628,842
in Fixed Deposits (Margin Money)*	5,898,482	5,836,512
	<u>8,615,323</u>	<u>8,540,109</u>

\*(Under Lien towards margin of Letter of credits & Bank Guarantees)

**NOTE-17**

**SHORT TERM LOANS AND ADVANCES**

(Unsecured, considered good )

Staff advances	46,604	207,000
Vat Refunds Receivable	2,175,020	2,621,652
Custom duty Paid pending import Clearance	261,732	-
TDS Receivable	-	699,011
	<u>2,483,356</u>	<u>3,527,663</u>

**NOTE-18**

**OTHER CURRENT ASSETS**

(Unsecured and considered good )

Advances for supply of goods & services	1,728,309	29,849
Prepaid expenses	278,953	728,580
Balance with Excise Authorities	1,484,388	6,172,725
Excise rebate, drawback and MAT credits	6,331,137	1,487,168
	<u>9,822,787</u>	<u>8,418,322</u>

**NOTE-19**

	Amount (₹) For the year 2015-2016	Amount (₹) For the year 2014-2015
<b>REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Finished Goods	324,788,193	293,361,490
Traded Goods	77,179,899	92,359,255
Others Sale	-	-
	<u>401,968,092</u>	<u>385,720,745</u>
Less Excise duty on Sale	<u>24,821,239</u>	<u>16,619,038</u>
	377,146,853	369,101,707
<b>Sale of Service</b>		
Conversion (Job) Charges	12,024,850	10,960,630
	<u><b>389,171,703</b></u>	<u><b>380,062,337</b></u>

**NOTE-20****OTHER INCOME**

Interest on Fixed deposit with bank	491,401	481,488
Gain on exchange fluctuation	730,899	6,715,503
Export Benefit/Duty Drawback	846,931	1,653,777
Sundry Claims	-	2,285
	<u><b>2,069,231</b></u>	<u><b>8,853,053</b></u>

**NOTE-21****COST OF RAW MATERIAL CONSUMED**

Inventory at the beginning of the year	10,794,135	12,321,213
Add: Purchases	112,990,200	135,952,306
	<u>123,784,335</u>	<u>148,273,519</u>
Less: Inventory at the end of the year	10,293,675	10,794,135
	<u><b>113,490,660</b></u>	<u><b>137,479,384</b></u>

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 Rs.61,23,150 (P Y Rs.72,40,495) The conversion charges received, therefore, are also net of the said amount

**NOTE-22****PURCHASES OF TRADED GOOD**

Purchases	73,696,640	86,567,031
	<u><b>73,696,640</b></u>	<u><b>86,567,031</b></u>

**NOTE-23****(INCREASE) / DECREASE IN INVENTORIES**

Inventories at the end of the year			
Work in progress	45,943,263	45,088,536	
Traded goods	-	-	
Finished goods	<u>20,930,316</u>	<u>17,974,905</u>	63,063,441
Inventories at the beginning of the year			
Work in progress	45,088,536	28,806,211	
Traded goods	-	-	
Finished goods	<u>17,974,905</u>	<u>16,344,409</u>	45,150,620
	<u><b>(3,810,137)</b></u>	<u><b>16,344,409</b></u>	<u><b>(17,912,821)</b></u>

**NOTE-24****EMPLOYEE BENEFITS EXPENSES**

Salaries and wages	23,401,917	23,641,377
Workmen and staff welfare expenses	2,190,587	1,266,664
Contribution to Provident fund	878,761	761,629
Provision for Gratuity	352,049	282,032
	<u><b>26,823,314</b></u>	<u><b>25,951,702</b></u>

**NOTE-25**

**OTHER EXPENSES**

Store & Spare Part Consumed	6,990,531	9,650,813
Packing Material Consumed	5,416,728	4,058,872
Conversion Charges	46,852,959	35,744,130
Power & Fuel	37,260,251	39,479,971
Freight & Transport Charges	12,564,297	13,808,040
Excise duty expenses	457,574	267,167

**Repair & Maintenance**

For Plant & Machineries	6,039,436	3,740,868
For Buildings	457,261	3,661,414
For Others	819,528	406,259
Exchange Fluctuation	1,502,248	
Traveling, Conveyance, Lodging & Boarding	2,971,423	4,887,470
Postage, Telephone & Internet Charges	931,878	973,799
Professional & Legal Expenses	7,129,309	4,192,897
Insurance Premium	1,230,518	1,081,285
Rent	2,131,800	1,778,075
Rate & Taxes	2,015,189	698,256
Commission	1,472,110	1,843,946
Sales Discount	2,905,091	1,660,440
R & D Expenses	5,574,249	6,008,447
Director Sitting Fee	809,997	335,555
Audit Fees	527,310	400,000
Balances W/off	(487,015)	-
Other Expenses	2,733,983	799,509
	<b><u>148,306,655</u></b>	<b><u>135,477,214</u></b>

**NOTE-26**

**INTEREST & FINANCIAL COST**

Interest on fixed term Loan	2,036	25,355
Interest on others	2,978,220	2,906,534
Financial Charges	2,212,426	2,860,881
	<b><u>5,192,682</u></b>	<b><u>5,792,770</u></b>

**NOTE-27**

**DEPRECIATION**

Depreciation for the year (Ref note 13)	11,153,899	12,449,756
Less: Transferred to Revaluation reserve	-	899,647
	<b><u>11,153,899</u></b>	<b><u>11,550,109</u></b>

**NOTE-28**

**EXCEPTIONAL ITEMS**

Prior Period Items	-	(2,700)
Short Provision For Income Tax	-	9,993,757
Provision for doubtful advances	-	(201,768)
	<b><u>-</u></b>	<b><u>-</u></b>

**Note -29: Contingent Liabilities:**

- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL-net of advance (Previous year Rs. NIL).
- Bank Guarantees issued and outstanding on Balance Sheet date is Rs.41,00,000 (Previous year Rs. 42,50,000)
- Letters of credit outstanding Rs 1,42,79,919 (Previous year: Rs 3,48,83,514)
- Sale tax demand against which the company filed the appeals for the years 2005-06 to 2009-10 of Rs. 20,28,11,451 (Previous Year Rs: 20,28,11,451) for which permanent stay was granted on part payment of Rs. 80,35,000
- Demand from service tax authority contested in appeal Rs. 27,11,069 (Previous year Rs: 27,11,069).
- Demand from Income tax authority contested in appeal Rs. 16,18,770 (Previous year NIL).
- Claim against the company by a customer but not admitted, pending in High Court Rs. 33,63,214 (Previous year Rs: 33,63,214).

**Note-30: 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 Rs. 8,78,761 (P.Y. 7,58,725) in Profit and Loss Account for the year ended 31st March, 2016:

**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:

	2015-16	2014-15
Discount Rate (per annum)	7.5%	8.06%
Rate of increase in compensation levels (per annum)	5%	5%
Expected Average remaining working	3.68	3.75

**A. Change in the Present Value of Obligation**

	Year Ended March 31, 2016	Year Ended March 31, 2015
	Non - Funded Scheme (Rs.)	Non - Funded Scheme (Rs.)
Present Value of Defined Benefit Obligation as at beginning of the period	24,55,227	21,73,195
Interest Cost	1,66,467	1,95,588
Current Service Cost	2,40,909	2,72,399
Past Service Cost- (non vested benefits)	-	-
Past Service Cost- (vested benefits)	-	-
Benefits Paid	(4,71,335)	-
Actuarial (gain) / loss on Obligations	(55,327)	(185,955)
Present Value of Defined Benefit Obligation as at the end of the period	23,35,941	24,55,227

**B. Fair Value of Assets**

	Year Ended March 31, 2016	Year Ended March 31, 2015
	(Rs.)	(Rs.)
Present Value of Funded Obligation as at end of the period	-	-
Fair Value of Plan Assets as at end of the period	-	-
<b>Funded Asset recognized in the Balance Sheet</b>	-	-
Included in provision (Schedule )	-	-
Present Value of Unfunded Obligation as at end of the period	-	-
Unrecognized Actuarial gains / (losses)	-	-
<b>Unfunded Liability recognized in the Balance Sheet</b>	-	-
Included in provision (Schedule )	23,35,941	21,73,195

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

	Year Ended March 31, 2016	Year Ended March 31, 2015
	(Rs.)	(Rs.)
Present Value of Defined Benefit Obligation as at the end of the period (non current)	17,78,694	10,58,111
Current liability	5,57,247	13,97,116
Fair Value of Plan Assets as at end of the period	-	-

**D. Expenses recognized in Profit and Loss Account**

	Year Ended March 31, 2016 (Rs.)	Year Ended March 31, 2015 (Rs.)
Current Service Cost	2,40,909	2,72,399
Past Service Cost- (non vested benefits)	-	-
Past Service Cost- (vested benefits)	-	-
Interest Cost	1,66,467	1,95,588
Expected Return on Plan Assets	-	-
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (gain) / Loss recognized in the Period	(55,327)	(1,85,955)
Total Expenses recognized in the Profit and Loss Account	3,52,049	2,82,032

**Note-31. 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-32: 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.	Interest of Director's Relatives
ii)	Avignon Exim Pvt. Ltd.	Interest of Director's Relatives
iii)	Vista Finance & Leasing Pvt Ltd.	Interest of Director's Relatives
iv)	Avignon Chemicals P Ltd.	Interest of Director's Relatives
v)	Ushma Investments Pvt Ltd.	Interest of Director's Relatives
vi)	Ushma Technologies Pvt Ltd	Interest of Director's Relatives

b) Key Management Personnel

	NAME OF RELATED PARTY	NATURE OF RELATIONSHIP
i)	Dr Atma Gupta	Managing director
ii)	®Mr. Kamlesh Yadav	Wholetime Director
iii)	#Mr. Satish Mathur	Wholetime Director
iv)	Mr. Dwarika Agrarwal	Chief Financial officer

®Resigned w.e.f. 14<sup>th</sup> November, 2015 #Appointed w.e.f. 8<sup>th</sup> February, 2016

c) Transactions with Related Parties:

Name of party, Nature of relationship	Nature of Transaction	Value of Transaction (Rs.)	Outstanding amount. (Rs.)
Vista organics Pvt. Ltd.	Conversion Charges Paid.	4,65,12,969 (3,54,64,130)	1,03,01,791 Cr (25,30,525-Cr.)
Avignon Exim Pvt. Ltd.	Sales*	12,56,67,843 (15,97,24,133)	4,54,18,114-Dr (6,60,82,448-Dr)
Avignon Exim Pvt. Ltd.	Conversion Charges **	1,20,24,850 (1,09,60,630)	- (31,33,869-Dr)
Avignon Exim Pvt. Ltd.	Purchases*	3,45,69,900 (5,34,79,302)	Nil (Nil)
Vista Finance & Leasing Pvt Ltd.	Rent	7,20,000 (6,00,000)	3,15,000-Cr (3,15,000- Cr)
Ushma Investment Pvt Ltd.	Rent	7,20,000 (6,00,000)	3,15,000-Cr (3,15,000-Cr)

Avignon Chemicals Pvt Ltd.	Rent	7,20,000 (6,00,000)	3,15,000-Cr (3,15,000-Cr)
Dr. Atma B. Gupta	Salary, PF & Others	31,10,400 (31,10,400)	Nil (Nil)
Mr. Kamlesh Yadav	Salary, PF & Others	4,63,959 (10,95,118)#	Nil (Nil)
Mr. Dwarika Agarwal	Salary, PF & Others	8,40,923 (84,345)#	Nil (Nil)
Mr. Navin Agarwal	Salary, PF & Others	3,17,000# (2,27,791)	Nil (Nil)
Mr Bhupesh Atkari	Salary, PF & Others	72,044	Nil
Ms. Varsha Malkani	Salary, PF & Others	78,100	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.

# For part of the year.

#### Remarks:

- Related parties are as identified by the management and relied upon by the auditors.
- Reimbursement of expenses in normal course of business are not considered hereinabove.

#### Note-33: Disclosure pursuant to the Accounting standard -20 : Earning per share

	2015-16	2013-14
Net Profit attributable to equity shareholders (Rs.)	1,19,11,717	127,58,040
Total No. of Equity shares outstanding during the year	11,544,000	11,544,000
Basic Earning Per share	1.03	1.11
Diluted Earning Per share	1.03	0.51
<b>Face value per share</b>	<b>10.00</b>	<b>10.00</b>

#### Note -34 Reporting on other disclosures

- 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.
- 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.
- 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 Rs.55,74,259 /- (P.Y. 60,08,447/-) as Research & Development expenditure which have been accounted as follows :

Particulars	2015-16 (Rs.)	2014-15 (Rs.)
<b>Charged to Profit &amp; Loss account</b>		
As revenue expenditure	55,74,259	60,08,847
Capitalized under Lab Equipment	22,52,005	8,69,325
<b>Total</b>	<b>78,26,254</b>	<b>77,31,450</b>

- Provision for Income Tax has been made considering the benefits available u/s 35 of the Income tax act.
- The unclaimed dividend of Rs. 814,866 (PY Rs. 398,386.50) is not due to be transferred in investor education and protection fund and adequate funds are available in unclaimed dividend bank account.
- 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 Rs.61,23,150 (P Y Rs. 72,40,495). The conversion charges received, therefore, are also adjusted by the said amount.

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

	%	2015 -16	%	2014 -15
		Amount In Rs.		Amount In Rs.
<b>A. Raw material</b>				
Indigenous	65.00	7,37,24,447	66.00	16,63,02,279
Imported	35.00	3,97,66,212	34.00	8,42,77,407
<b>Total</b>	<b>100</b>	<b>11,34,90,660</b>	<b>100</b>	<b>25,05,79,868</b>
<b>B. Others/Stores spares</b>				
Indigenous	100	69,90,531	100	96,05,446
Imported	-	-	-	--
<b>Total</b>		<b>12,04,81,191</b>		<b>96,05,446</b>

**h) Earnings in foreign exchange on account of :**

	2015-16 (Rs.)	2014-15 (Rs.)
FOB Value of Exports (Service)	Nil	Nil
FOB Value of Exports (Material)*	9,32,21,197	19,37,08,988
*Net of Re-import		

**i) Expenditure in Foreign currency:**

	2015-16 (Rs.)	2014-15 (Rs.)
CIF Value of Imports of materials	8,44,59,088	8,42,77,407
Traveling Expenses	3,56,567	2,26,621
Sales Commission	11,44,860	-

**j) Managerial Remuneration to Managing Director**

	2015-16 (Rs.)	2014-15 (Rs.)
Salary	19,20,000	19,20,000
House rent allowance	9,60,000	9,60,000
Company's contribution to P.F	2,30,400	2,30,400
Other monetary benefits	0	0
<b>Total</b>	<b>31,10,400</b>	<b>31,10,400</b>

As per our report of even date attached

**FOR V.R.Bhabhra & Co.**  
Firm Reg.no.112861W  
CHARTERED ACCOUNTANTS  
**Vimal R.Bhabhra**  
Sd/-  
**Proprietor**  
Mem.No.046043

Place : Mumbai  
Dated : May 30, 2016

**FOR AND ON BEHALF OF THE BOARD**

sd/-  
**Mr. Rajnikant Worah**  
Chairman & Director

sd/-  
**Dr. Atma B. Gupta**  
Managing Director

sd/-  
**Miss. Soma Das**  
Company Secretary

sd/-  
**CA Dwarika Agarwal**  
Chief Financial Officer

# RESONANCE SPECIALTIES LIMITED

**Registered Office:** 301, Evershine Mall, Chincholi Bunder Junction, Off. Malad Link Road, Malad (West), Mumbai - 400064.

**Tel No:** 022 42172222, **Fax:** 022 42172233, **Email:** investor@resonancesl.com, **Website:** www.resonancesl.com

**CIN:** L25209MH1989PLC051993

## ATTENDANCE SLIP

### 27th Annual General Meeting – 13th August, 2016

Registered Folio No. / DP ID & Client ID : \_\_\_\_\_

Name(s) of Shareholder(s) (Including joint holders if any) : \_\_\_\_\_

\_\_\_\_\_ Registered Address of the

Sole/ First Named Shareholders : \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

I certify that I am a registered Member / Proxy for the registered Member of the Company. I hereby record my presence at the 27th Annual General Meeting of the Company held at Raheja Classique Club, Infinity Mall, New Link Road, Andheri (West), Mumbai 400 058, on Saturday, 13th August, 2016 at 11.00 am.

Name of the Member / Proxy :

Sign of the Member / Proxy\*

(\* in case of authorized representative of a body corporate, certified true copy of the relevant authorization viz. Board Resolution/power of attorney should be sent along with ballot form)

**Note:** Shareholder/ Proxy are requested to bring this Attendance slip at the meeting and handover the same at the entrance duly signed

EVSN (E-Voting System Number)	USER ID	PASSWORD / PIN
160630003	Please Refer Note no.16 in the notice	

# RESONANCE SPECIALTIES LIMITED

**Registered Office:** 301, Evershine Mall, Chincholi Bunder Junction, Off. Malad Link Road, Malad (West), Mumbai - 400064.

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**CIN:** L25209MH1989PLC051993

## FORM NO. MGT - 11

### PROXY FORM

[PURSUANT TO SECTION 105(6) OF THE COMPANIES ACT, 2013 AND RULE 19(3) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

Name of the member (s):			
Registered address :			
E-mail Id :			
Folio No / Client ID / DP ID:		No. of shares held :	

I/We, being the member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name \_\_\_\_\_ of \_\_\_\_\_  
Email id \_\_\_\_\_ signature \_\_\_\_\_ or failing him
2. Name \_\_\_\_\_ of \_\_\_\_\_  
Email id \_\_\_\_\_ signature \_\_\_\_\_ or failing him
3. Name \_\_\_\_\_ of \_\_\_\_\_  
Email id \_\_\_\_\_ signature \_\_\_\_\_ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on the Saturday, August 13, 2016 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 No.	RESOLUTIONS	For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2016, including the audited Balance Sheet as at March 31, 2016, the statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon;		
2	To appoint a Director in place of Ms. Urvi Gupta (DIN: 02378375), who retires by rotation and being eligible, offers himself for re-appointment.		
3	To ratify the appointment of M/s. V. R Bhabhara &Co., Chartered Accountant (Firm Registration No.112861W) as Statutory Auditors of the Company.		
<b>Special Business</b>			
4	Appointment of Mrs. Archana S. Yadav (DIN 07335198) as Non-Executive Independent Director for a period of 5 (five) years.		
5	Appointment of Mr. Satish Chander Mathur (DIN: 02847887) as a Whole-Time Director.		
6	Approval for entering into Related Party Transaction by the Company		

Signed this.....day of .....2016

Signature of Shareholder..... Signature of Proxy holder(s).....

Note :

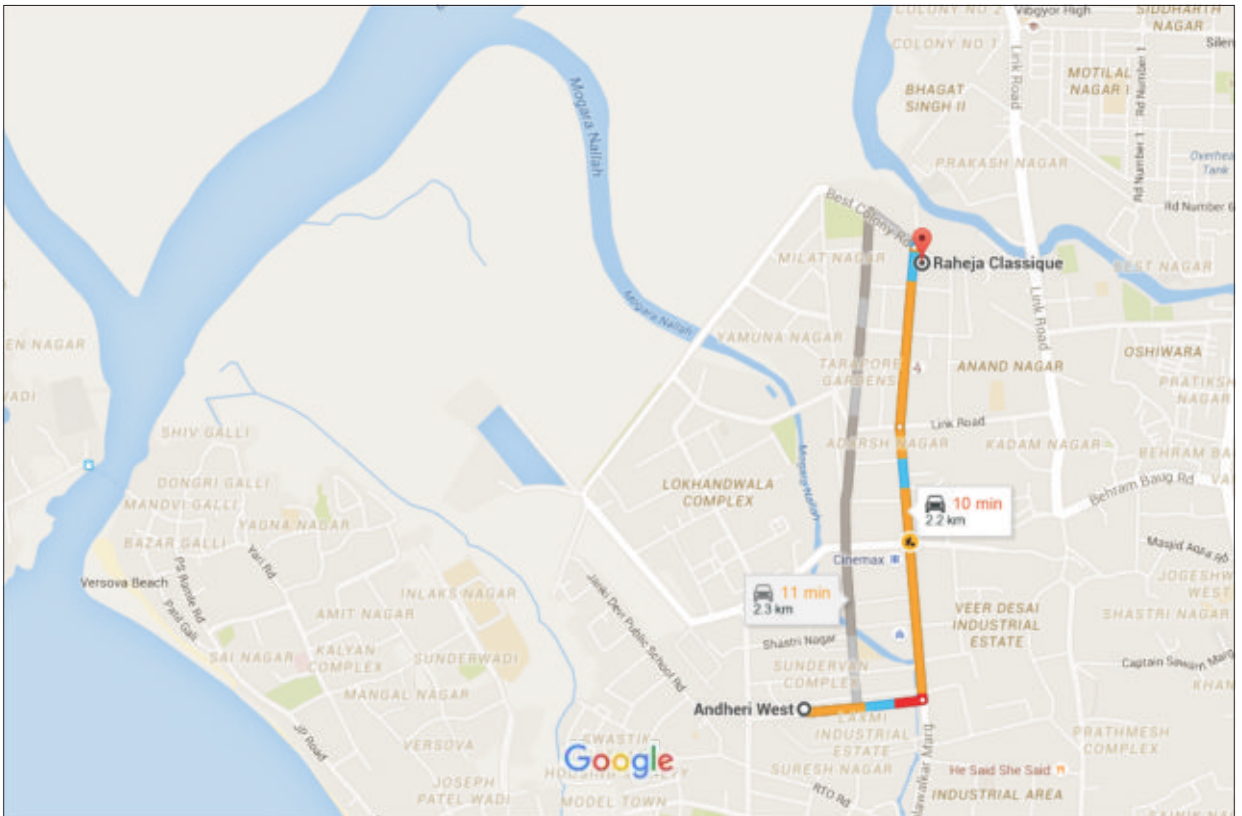
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please put X in the appropriate column against the resolutions indicated in the Box. If you leave the columns blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Affix  
Revenue  
Stamp of Re.  
1/-

# Road map to venue



Andheri West, Mumbai, Maharashtra to Oshiwara Drive 2.2 km, 10 min  
Link Road Andheri West Mumbai 400053



Map data ©2015 Google 500 m

# BOOK POST

*If undelivered please return to :*



*Resonance Specialties Limited*

301, Evershine Mall, Chincholi Bunder Junction, Off. Malad Link Road, Malad (W), Mumbai - 400064.

Tel.: +91 (22) 4217 2222 • Fax : +91 (22) 4217 2233

E-mail: [info@resonancesl.com](mailto:info@resonancesl.com) • Website : [www.resonancesl.com](http://www.resonancesl.com)