

29th Annual Report

2017-2018



HEALTHY & HAPPY

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Resonance Specialties Limited

Resonance Specialties Limited

BOARD OF DIRECTORS

| | |
|----------------------------------|--|
| Mr. Rajnikant Worah | - Chairman - Independent Director (resigned w.e.f. 14/11/2017) |
| Dr. A.B. Gupta | - Managing Director (appointed as Chairman w.e.f. 14/11/2017) |
| Mr. B.P. Agrawal | - Non-Executive Director |
| Mr. L.R. Daga | - Independent Director |
| Mr. Satish Chander Mathur | - Whole-time Director |
| Ms. Archana Yadav | - Independent Director |
| Dr. Yaqoob Ali | - Independent Director |

REGISTERED OFFICE

301, Evershine Mall, Chincholi Bunder Junction,
Link Road, Malad (W) Mumbai 400 064.
Tel: +91 (22) 4217 2222 | Fax: +91 (22) 4217 2233
Email: info@resonancesl.com
Website: www.resonancesl.com

STATUTORY AUDITORS

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

INTERNAL AUDITORS

Leela Fintech Services LLP
E-3/804, DheerajUpvan III CHS Ltd,
Off W. Exp Highway, Nr. SiddharthNgr,
Borivali East, Mumbai - 400066

BANKERS

BANK OF BARODA
Vile Parle (E),
Mumbai 400057

PLANT

T-140 MIDC Industrial Estate Tarapur,
Maharashtra

SECRETARIAL AUDITORS

Alok Khairwar & Associates,
101, Sapphire, Triveni Nagar,
Malad - East, Mumbai- 400097

CORPORATE IDENTITY NUMBER

L25209MH1989PLC051993

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 -
Tel No: 022 4227 0400 Fax: 28503748
Email: sales@adroitcorporate.com
Website: www.adroitcorporate.com

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NOTICE

Notice is hereby given that the Twenty Ninth (29th) Annual General Meeting of the Members of **RESONANCE SPECIALTIES LIMITED** will be held on Tuesday, 14th August, 2018 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, 2018, including the Audited Balance Sheet as at March 31, 2018, 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 Mr. B. P. Agrawal, DIN (02724594), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of V. R. Bhabhra & Co., Chartered Accountants (Firm Registration No. 112861W) as Statutory Auditors of the Company.

SPECIAL BUSINESS:

4. **Reappointment of Dr. A.B. Gupta (DIN: 00025255) as the Managing Director of the Company for a period of 3 (three) years.**

To consider and if thought fit to pass with or without modifications the following resolution as a Special resolution:

“RESOLVED THAT Pursuant to the provisions of Section 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with schedule V of the Companies Act, 2013 (“the Act”) (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 and Article of Association of the Company and subject to such approval, permission and sanction as may be required and subject to such conditions and modifications, as maybe prescribed or imposed by any of the Authorities including the Central Government in granting such approval, permissions and sanctions, approval of the Company be and is hereby accorded to the reappointment and remuneration of Dr. A. B. Gupta (DIN : 00025255), as Chairman and Managing Director of the Company for the period of 3 Years effective from 01st September 2018 to 31st August, 2021

(both days inclusive), on terms and condition including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Dr. A. B. Gupta, subject to the same not exceeding the limits specified under schedule V of the Companies Act, 2013 or any statutory modification(s) or reenactment thereof.

“RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the CMD, the Company has no profit or its profits are inadequate, the Company may subject to receipt of the requisite approval including approval of Central Government, if any, pay to the CMD remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified in the Explanatory Statement annexed to the notice convening this meeting and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment shall not be included in the computation of the ceiling on remuneration specified in section II and Section III of part II of Schedule V of the Companies Act, 2013.

“RESOLVED FURTHER THAT any one of the 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. **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 members 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 / Conversion |
| 1. | Sale and purchase/Conversion of goods | Dr. A.B Gupta is Member /Relative of Member of the Co. | Avignon Exim Pvt. Ltd. | 12,00,00,000# (36,27,435)* | 8,00,00,000# (79,10,325)* |
| 2. | Sale and purchase of goods/ Conversion of Goods | Dr. A.B Gupta is Member /Relative of Member of the Co.; S C. Mathur– Common Director | Vista Organics Pvt. Ltd. | - | 12,00,00,000# (6,32,20,738)* |
| 3. | Leasing of Property | Dr. A.B Gupta is Member /Relative of Member of the Co.; S C. Mathur– Common Director | Vista Finance & Leasing Pvt. Ltd. | - | 10,00,000# (7,20,000)* |
| 4. | Leasing of Property | Dr. A.B Gupta is Member /Relative of Member of the Co.; S C. Mathur– Common Director | Avignon Chemicals Pvt. Ltd. | - | 10,00,000# (7,20,000)* |
| 5. | Leasing of Property | Dr. A.B Gupta is Member /Relative of Member of the Co.; S C. Mathur– Common Director | Ushma Investments Pvt. Ltd. | - | 10,00,000# (7,20,000)* |

Approval for the year 2018-19

* reporting for the year 2017-18

“**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, 2018 | For and on behalf of the Board of Directors |
| Registered Office: 301, Evershine Mall, Chincholi Bunder Junction, Off. Malad Link Road, Malad (W). Mumbai – 400064. | Dr. A. B. Gupta Chairman & 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. up to the date of the Annual General Meeting.
8. The Register of Members and the Share Transfer Book of the Company will remain closed from 7th August, 2018 to 14th August, 2018 (both days inclusive).
 9. The members are re-requested to:
 - a. Intimate to the Company's Registrars and Share Transfer Agents, 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, 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 under 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 A 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 **Alok Khairwar and Associates**, Company Secretaries, Mumbai as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
 16. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on Saturday, 11th August, 2018 at 9.00 a.m. and ends on Monday 13th August, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-of date (record date) of 16th August, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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 8 digits of the sequence number in the PAN Field. • In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN Field. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through

- CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN for the Resolution Specialties Limited on which you choose to vote.
 - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - (xix) 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 and register themselves as Corporate.
 - 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.
- (xx) 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- 4

Reappointment of Dr. A.B. Gupta (DIN: 00025255) as the Managing Director of the Company for a period of 3 (three) years.

Dr. A.B. Gupta, aged 74 years, is a Managing Director of the Company. He has done his Ph.D. in Organic Chemistry and Post Doctorate from John Haffkins University & Brookhaven National Laboratory, USA and having vast industry experience in the field of manufacturing of Chemical products which has the application in the industrial segments like pharmaceutical, Agrochemicals etc. He has excellent grasp and thorough knowledge and experience of not only manufacturing but also of general management.

He was appointed as Managing Director of the Company in the Annual General Meeting held on September 28, 2015 for a period of three years commencing from September 1, 2015 and his term of appointment as a Managing Director of the Company will expire on 31st August, 2018. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Dr. A B Gupta should be available to the Company for a further period of three years with effect from September 01, 2018. The Company has received from Dr. A. B. Gupta –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 subsection(2) of Section 164 of the Companies Act, 2013.

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 30/05/2018, reappointed him as Managing Director of the Company for a further period of three years with effect from September 01, 2018 to August 31, 2021 on following terms & conditions.

1. Salary: Rs. 3,00,000/- per month and with authority to the Board to increase the remuneration from time to time.
2. Perquisites and allowances: Dr. A. B. Gupta shall be entitled to the following perquisites
 - a) House Rent Allowance Rs.1,00,000/- per month.
 - b) Helper Allowance Rs.10,000/- per month.
 - c) Medicinal benefits Cost of which shall not exceed one month's salary for every year of service
 - d) Leave Travel concessions Expenditure incurred on travel for self and family anywhere in India and back once a year shall be reimbursed to Dr. A. B. Gupta.
 - e) Hospitalization benefits as per the rules of the Company.
 - f) Conveyance: Free use of the Company's car with driver for official purpose.
 - g) Telephone: Free telephone, fax, and internet facility at residence for official purpose.
Explanation: Provision of car for the use of Company's business and telephone at residence will not be considered in computing the value of perquisites.
 - i) Club Fees: The Company shall pay fees of two clubs excluding admission and the life membership.
3. In addition to the perquisites as aforesaid Dr. A.B. Gupta shall also be entitled to the following annual benefits which shall not be included in the computation of his remuneration.
 - a) Benefits of Provident Fund as per the rules of the Company to the extent not taxable under the Income Tax Act, 1961.
 - b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service as per rules of the Company.
4. Leave as per rules of the Company but not exceeding one month's leave with full salary for every 11 months of service leave accumulated but not availed during the tenure as Managing Director may be allowed to be encashed at the end of the tenure, in accordance with the policy of the Company.
5. Reimbursement of expenses: Reimbursement of all entertainment, travelling, hotel and other expenses incurred by Dr. A. B. Gupta during the course of his employment in connection with the business of the Company.-
During the year 2017-18, due to resignation of the Chairman Mr. Rajnikant Worah, Dr. A. B. Gupta is also designated as the Chairman of the Company hence, he

is holding the designation of Chairman and Managing Director of the Company. The Resolution seeks the approval of members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made there under for the appointment of Dr. A. B. Gupta, Managing Director of the Company for a period of 3 years commencing from 01/09/2018. Dr. A. B. Gupta holds 1 (one) Equity Shares of the Company. Keeping in view the experience and expertise of the proposed appointees, your Directors recommend the resolution for their appointment, as set out in Item No. 4 of the Notice, for approval of Members. Dr. A B Gupta 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.

The Board of Directors recommends the Special Resolution set out at item no.4 of the Notice for approval by the Members.

ITEM NO- 5

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 having 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 particular 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 and practices and stringent operational control processes and with complete transparency may extend the good governance.

As per the provisions of the Companies Act, 2013, the Board of Directors of your Company have 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) | |
|---------|--|--|-----------------------------------|-------------------------------|---------------------------------|
| | | | | Receipts / Credits | Payments/ Debits / Conversion |
| 1 | Sale and purchase / Conversion of goods | Dr. A.B Gupta is Member /Relative of Member of the Co. | Avignon Exim Pvt. Ltd. | 12,00,00,000# (36,27,435)* | 8,00,00,000# (79,10,325)* |
| 2 | Sale and purchase of goods/ Conversion of Goods | Dr. A.B Gupta is Member /Relative of Member of the Co.; S C. Mathur– Common Director | Vista Organics Pvt. Ltd. | | 12,00,00,000# (6,32,20,738)* |
| 3 | Leasing of Property | Dr. A.B Gupta is Member /Relative of Member of the Co.; S C. Mathur– Common Director | Vista Finance & Leasing Pvt. Ltd. | - | 10,00,000# (7,20,000)* |
| 4 | Leasing of Property | Dr. A.B Gupta is Member /Relative of Member of the Co.; S C. Mathur– Common Director | Avignon Chemicals Pvt. Ltd. | - | 10,00,000# (7,20,000)* |
| 5 | Leasing of Property | Dr. A.B Gupta is Member /Relative of Member of the Co.; S C. Mathur– Common Director | Ushma Investments Pvt. Ltd. | - | 10,00,000# (7,20,000)* |

approval for the year 2018-19

* reporting for the year 2017-18

- (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. 5 shall be entitled to vote on this special resolution.

Except above named 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.5 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 Clause 49 of the Listing Agreement, details of director seeking appointment / re-appointment are given below.

1.

| | |
|---|---|
| Name | Mr. B. P. Agrawal |
| Fathers' Name | Mr. Lakshmidhand Agrawal |
| Date of Birth | 23/01/1944 |
| Date of Appointment | 30/06/2009 |
| DIN: | 02724594 |
| Expertise in specific functional areas | He was associated with Department of Atomic Energy for long term thereafter he worked with well-known fertilizers and Petrochemical plant in Iran. He has strong hold on the functioning of chemical plant. |
| Years of Experience | 52 years |
| Qualifications | He is Mechanical Engineer from Bhagalpur University |
| List of outside Directorship held in other Listed Cos. | NIL |
| Member of Committee on the Board | 2 (two) |
| Member / Chairman of Committee in other Listed Companies | NIL |
| No. of Board Meetings attended during the year | 3 |
| No of Shares held in own name or in the name of Relatives. | Nil |

| Name | Dr. Atma Bandhu Gupta | | | | | | | | | | | | | | | |
|---|---|-------------------|------|-------------------|---|-------------------|---|---|------------|-------|---|------------------|-------|---|------------|---|
| Fathers' Name | Mr. Pyarelal Gupta | | | | | | | | | | | | | | | |
| Date of Birth | 04/11/1943 | | | | | | | | | | | | | | | |
| Date of Appointment | 01/06/1989 | | | | | | | | | | | | | | | |
| DIN | 00025255 | | | | | | | | | | | | | | | |
| Expertise in specific functional areas | > Manufacturing of various Chemical products which has the application in the industrial segments like pharmaceutical, Agrochemicals etc. > Exporting worldwide. > General Management | | | | | | | | | | | | | | | |
| Years of Experience | 53 Years | | | | | | | | | | | | | | | |
| Qualifications | Ph.D in organic Chemistry and Post Doctorate experience in John Haffkins university & Brookhaven National Laboratory, USA | | | | | | | | | | | | | | | |
| List of outside Directorship held in other Listed Cos. | Nil | | | | | | | | | | | | | | | |
| Member of Committee on the Board | 1 (One) | | | | | | | | | | | | | | | |
| Member / Chairman of Committee in other Listed Companies | Nil | | | | | | | | | | | | | | | |
| No of Shares held in own name or in the name of Relatives. | <table border="1"> <thead> <tr> <th>Sr. no.</th> <th>Name</th> <th>No of Shares Held</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Atma Bandhu Gupta</td> <td>1</td> </tr> <tr> <td>2</td> <td>Alok Gupta</td> <td>41800</td> </tr> <tr> <td>3</td> <td>Anoop Atma Gupta</td> <td>23200</td> </tr> <tr> <td>4</td> <td>Usha Gupta</td> <td>1</td> </tr> </tbody> </table> | Sr. no. | Name | No of Shares Held | 1 | Atma Bandhu Gupta | 1 | 2 | Alok Gupta | 41800 | 3 | Anoop Atma Gupta | 23200 | 4 | Usha Gupta | 1 |
| Sr. no. | Name | No of Shares Held | | | | | | | | | | | | | | |
| 1 | Atma Bandhu Gupta | 1 | | | | | | | | | | | | | | |
| 2 | Alok Gupta | 41800 | | | | | | | | | | | | | | |
| 3 | Anoop Atma Gupta | 23200 | | | | | | | | | | | | | | |
| 4 | Usha Gupta | 1 | | | | | | | | | | | | | | |

Dated: May 30, 2018

Registered Office:

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

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

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

DIRECTORS' REPORT

To,
The Members,
Resonance Specialties Limited.

The directors submit 29th annual report of Resonance Specialties Limited (the "Company" or "RSL") along with the audited financial statements for the financial year (FY) ended March 31, 2018.

1. Financial Results:

The financial performance of the Company for the year ended March 31, 2018 is summarized as under:

| | 2017-18 | 2016-17 |
|---|-------------------|-------------------|
| | ₹ In Lakhs | ₹ In Lakhs |
| Turnover | 3596.07 | 3418.34 |
| Other Operating Income | 110.79 | 83.76 |
| Profit/ (Losses) Before Interest, Depreciation and Taxation | 175.45 | 284.27 |
| Depreciation | 114.62 | 106.00 |
| Exceptional Items | 2.60 | - |
| Profit/ (Losses) after taxes including deferred tax | (76.81) | 102.64 |
| Balance in P&L account brought forward | 658.63 | 530.99 |
| Balance in the P&L account carried forward to the Balance Sheet | (69.41) | 102.64 |

2. Revenues:

During the year under review, your Company's:

- Total Operational Revenues stood at Rs. 3596.07 lakhs;
- Operational Expenditure was Rs. 3189.29 lakhs;
- Operating Profit (EBITDA) was Rs. 175.45 lakhs;
- Profit before Tax stood at Rs. 3.38 lakhs;

Operational Revenues stood at Rs. 3596.07 lakhs and is increased by 5.20% from last year's turnover of 3418.34 Lakhs, but due to expenditure EBITDA is lowered by 38.28% i.e. for 2017-18 EBITDA is at 175.45 Lakhs compare to last years of 284.27 Lakhs resulting PAT of (76.81) Lakhs for the reporting year 2017-18.

3. Dividend:

As a prudent economic measure and in order to conserve the scarce liquid resources of the Company, the Directors do not recommend any dividend on the equity shares for the year under review.

4. Share Capital:

During the year under review, the Company has not issued nor redeemed any shares; so the share capital stands at par with the last year, which stood at Authorized Share capital at 1500.00 Lakhs divided into 150.00

Lakhs equity shares of 10/- each as on 31st March 2018 and Paid up Share capital at 1154.40 Lakhs. Divided into 115.44 Lakhs equity shares of 10/- each.

5. Directors:

In the Meeting of the Board of Directors held on 14th November, 2017, Mr. Rajnikant Worah, resigned from the post of Director and Chairman W.e.f. 14th November, 2017, and thereafter Dr. Atma Gupta, the Managing Director of the Company was appointed as the chairman for the Board meeting held on 14th November, 2017.

Mr. B. P. Agarwal, Non-Executive Director retires by rotation and, being eligible, offers himself for re-appointment at the ensuing Annual General Meeting of the Company. Your Directors recommend his appointment at Item No 2 of the Notice convening the Annual General Meeting.

Pursuant to the provisions of section 149 of the Act, Mr. Laxmi Ratan Daga, Ms. Archana Surendra Yadav, and Mr. Yaqoob Ali, are the independent directors of the Company. All the Independent Director have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

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. Key Managerial Personnel

Following Persons are the Key Managerial Personnel (KMP) of the Company, Pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed thereunder:

1. Mr. Atma Bandhu Gupta, Chairman and Managing Director.
2. Mr. Satish Chander Mathur, Whole Time Director of the Company
3. Mr. Shital Churi, Chief Financial Officer
4. Ms. Minal Bhosale, Company Secretary

7. No. of Meeting of the Board:

The Board met five times during the financial year, the details of which are given in the Corporate Governance report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

8. Board Committees:

Currently, the Board has three committees: the audit committee, the nomination and remuneration committee, the stakeholder's relationship committee. Also the Independent Director meeting is held once in the year to discuss the overall performance of each Director and board as a whole. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance report section of this Annual Report.

9. 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

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

10. Reporting of Frauds

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

11. 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 31st March, 2018, 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, 2018, 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 31st March, 2018 on a going concern basis;
- e. 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. The details of the same forms part of Management discussion and analysis Report;

- f. 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.

12. 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.

13. Public Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

14. Statutory Auditors

V. R. Bhabhara & Co., Chartered Accountants (Registration No.112861W) were appointed by the shareholders at the 28th Annual General Meeting to hold office until the conclusion of 32nd Annual General Meeting subject to ratification by shareholders at each Annual General Meeting. Company has obtained from the Auditors, a certificate as required under Section 139 of the Companies Act, 2013 to the effect that they are eligible to continue as statutory auditor of the Company. The Board considered the matter and thereafter decided that the ratification of the above named Auditors be recommended to the shareholders at the forthcoming Annual General Meeting, on such remuneration, fee and out of pocket expenses as shall be fixed by the board of Directors of the Company in consultation with Auditors.

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.

15. Secretarial Auditor

Secretarial Audit for the financial year 2017-18 was conducted by Alok Khairwar & Associates, Company Secretaries (COP 12880) in accordance with the provisions of Section 204 of the Companies Act, The Secretarial Auditor's Report is attached to this Report as Annexure III.

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

16. 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 has also not

given any guarantee during the year.

17. Subsidiary Companies

The Company does not have any Subsidiary, Joint venture or Associate Company.

18. 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. | Sale and purchase | 3,627,435 |
| 2 | Avignon Exim Pvt. Ltd. | Conversion Charges | 7,910,325 |
| 3 | Vista Organics Pvt. Ltd. | Conversion Charges | 51,094,918 |
| 5 | Vista Organics Pvt. Ltd. | Purchase of Raw Materials | 12,125,820 |
| 6 | Ushma Investment Pvt. Ltd. | Rent | 720,000 |
| 7 | Avignon Chemical Pvt. Ltd. | Rent | 720,000 |
| 8 | Vista finance & Leasing Pvt. Ltd. | Rent | 720,000 |
| 9. | Usha Gupta | Salary | 8,00,000 |
| 10. | Ascent Financial Services - Interest of Mr. L.R. Daga | Professional Fees | 156,000 |
| 11. | Ramanand Associates - Interest of Mrs. Archana Surendra Yadav | Professional Fees | 59,000 |
| 12. | Y-Chem Consulting Interest of Dr. Yaqoob Ali | Professional Fees | 236,000 |
| 13. | Neha Consulting Agency - Interest of Mr. Bishwanath Prasad Agrawal | Professional Fees | 196,200 |
| 14. | Bishwanath Prasad Agrawal | Professional Fees | 105,000 |

19. Details of Policy Developed and Implemented 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.

20. Criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel:

The Nomination and Remuneration Committee has laid down a well-defined criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and Remuneration policy recommended by them and approved by Board of Directors.

21. Vigil Mechanism Policy:

The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement, if any. The vigil mechanism policy is uploaded on the website of the Company at the website www.resonancesl.com

22. Policy on Documents Retention:

The Company has a policy on Documents Retention and the same has been displayed on the Company's website: www.resonancesl.com

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: www.resonancesl.com

24. Adoption of Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified applicability of Ind AS (Indian Accounting Standard) to a certain class of Companies. Accordingly, Ind AS was applicable to your Company for the accounting period beginning April 1, 2017 with a transition date on April 1, 2016. Your Company has adopted the Ind AS and the financial statements comply with all aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in the Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) and adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS.

25. Internal Control Systems and their adequacy

The Company has Internal Control Systems, commensurate with the size, scale, and complexity of its operation. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control

systems in the Company, its compliance with operating systems, accounting procedures and policies within the Company. Based on the report of internal audit function process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant observations and corrective actions thereon are presented to the Audit Committee from time to time.

26. Internal Financial Controls and their adequacy

The Company has in place adequate internal financial control commensurate with the size, scale, and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Company has adopted accounting policies, which are in line with Indian Accounting Standards and the Companies Act 2013.

27. 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. During the year no complaint has been received.

28. Extract of the Annual Return

An extract of the Annual Return as of 31st March, 2018 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 to the Board's Report.

29. Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Employees:

The Nomination and Remuneration Committee has laid down the policy for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and Remuneration policy recommended by them and approved by Board of Directors which can be accessed by web link <http://www.resonancesl.com/policies.html>.

30. The Details of Familiarization Programme arranged for Independent Directors have been disclosed

on website of the Company: The Familiarization Programme for Independent Directors is hosted on the Company's website at investors@resonancesl.com

31. Employees

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel), 2014 has been appended as Annexure 'I' to this Report. The information as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request by any member of the Company. In terms of Section 136 (1) of the Companies Act, 2013, the Report and the Accounts are being sent to the members excluding the said Annexure. Any member interested in obtaining copy of the same may write to the Company Secretary at the Registered Office of the Company.

32. 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 'II' to the Board's Report hereto and forms part of this report.

33. Industrial Relations

The industrial relations continued to be generally peaceful and cordial during the year

34. Transfer to Investor Education and Protection Fund (IEPF)

Your Company has during the year under consideration not transferred any sum to IEPF as the dividend was declared for the year 2013-14 and 2014-15, hence it is kept open for the period of 7 years for the Investors to claim the same and it is due for transfer in the year 2021 and 2022 respectively

35. 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:- 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.

36. 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.

37. 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.

For & on behalf of the board of Directors

| | |
|--|---|
| sd/- Mr. Laxmi Ratan Daga Director (DIN: 05211735) | sd/- Dr. A. B. Gupta Chairman & Managing Director (DIN: 00025255) |
|--|---|

Place: Mumbai
Dated: 30th May, 2018

Annexure I to the Director's Report

Particulars of Employees pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year.
Dr. Atma Bandhu Gupta (CMD): 1:15.87
Mr. Satish Chander Mathur (WTD): 1:4.42
- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Directors:

- Dr. A. B. Gupta (CMD): N. A.
- Mr. Satish Chander Mathur (WTD): N. A.

Key Managerial Personnel:

- Ms. Minal Bhosale (CS): N. A.
- Ms. Shital Churi (CFO): N. A.

- iii. The percentage increase in the median remuneration of employees in the financial year – N. A.
- iv. The number of permanent employees on rolls of the company: 53 employees as on 31 March, 2018.
- v. 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 point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average Salary increase for KMP other than MD and WTD: N. A.

Average Salary increase for non KMPs: 1.55%

- i. Affirmation that the remuneration is as per the Remuneration policy of the Company. The remuneration paid to employees is as per the remuneration policy of the Company.

Annexure II to the Director'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, 2018.

A. Conservation of Energy

- i. Steps taken or impact on conservation of energy:
 - Optimized power consumption via development in existing processes by change in catalyst, stabilization of operating variables and improvisation of downstream operations.
 - Increase in plant capacity by increasing feed rates without affecting yield efficiencies with necessary changes in fixed bed and fluidized bed reactors.

ii. The capital investment on energy conservation investments

- In-house preparation of commercial grade catalyst for Fluidized bed process.
- Modification in Reactor stream to increase its capacity.
- Modification in Extraction unit for increased extraction capacity.
- Modification in continuous solvent recovery system to handle higher volume of distillate

iii. Impact of the Above Measures:-

- Conservation of energy by increase in yield and volume of production.
- 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
 - In-house catalyst synthesis and its optimization for our reactions to increase yield and efficiency.
 - Increasing the plant capacity for all our reactions and distillations
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution
 - The Company has improved the quality of final product to meet the requirement of export market and introduced new grades.
 - There is a cost reduction.
 - Better efficiency in product formation/process development
 - New 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 the last 3 years.

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

v. **The Company incurred following expenses for research and development.**

- Capital : Rs. 25.86 Lakhs
- Recurring Rs. 67.63 Lakhs
- Total R&D Expenditure as a percentage of the total turnover is 2.60% (P Y 1.79 %).

C. Foreign Exchange Earnings and Outgo

- 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 Rs.1655.76 Lakh as against Rs. 2009.99 Lakh in the international market during the previous year.

Foreign exchanges earned and out-go during the year ended March 2018. Rs. In Lakhs

| Particulars | 2017-2018 | 2016-2017 |
|---|---------------|---------------|
| Foreign Exchanges Earned : FOB Value of Exports | 1,655.76 | 1034.28 |
| Total | 1,655.76 | 1034.28 |
| Foreign Exchanges Outgo: CIF Value of Imports | 734.18 | 685.86 |
| Travelling Expenses | 7.55 | 11.09 |
| Total | 741.73 | 696.95 |

FORM-A

Form for Disclosure of particulars with respect of conservation of energy

| Particulars | 2017-18 | 2016-17 |
|---------------------------------------|---------------|---------------|
| 1. Total Energy Consumption | | |
| A. Electricity | | |
| (a) Purchased Units (Nos.) | 20,69,120 | 20,68,084 |
| Total amount Rs. (Lakhs) | 161.27 | 175.78 |
| Average rate Rs. /Unit | 7.70 | 7.70 |
| (b) Own Generation | | |
| Through diesel generation unit (Nos.) | 18,973 | 20,611 |
| Units per litre of diesel | 4.36 | 3.40 |
| Average cost Rs./Unit | 15.57 | 15.67 |
| B. Coal (Quantity - MT) | 3,288 | 3,367 |
| Total Amount (in Lakhs) | 226.87 | 252.52 |
| Average Rate Rs. /KG | 6.9 | 7.0 |

2. Consumption per unit of production

| Pyridine & Cyanopyridines | | |
|---------------------------|------|------|
| Electricity | 3936 | 3540 |
| Coal (Units/MT) | 2500 | 2071 |
| HSD (Liters/MT) | 24 | 20 |

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.

- Development of improved version / new catalyst for the better yield and quality.
- Development Improvement in process of value added products to reduce cost and increase productivity
- Development of New products and esters of different acids,
- Distillation technique development.

II. Benefits derived as a result of above.

- Cost Reduction
- Better efficiency in product formation/process development
- Newer products/process development

III. Future Plan of Action.

- Development of distillation skill to improve time cycle, efficiency & yield
- Further improvising effluent treatment plant and zero sample failing.
- Reduce cost of steam and power.
- Zero breakdown in production due to raw material or machinery; proper preventive schedule is set to re-engine the machinery to increase its working life and wherever required changes in system is to be made The budget for the same is also been fixed.
- To maintain the practice of keeping pace with the statutory compliance

IV. Expenses on R & D

- Capital Rs. 25.86 Lakhs
- Recurring Rs. 67.63 Lakhs
Total R & D Expenditure as a percentage of the total turnover is 2.60% (P.Y. 1.79%)

(B) TECHNOLOGY ABSORPTION / ADOPTION AND INNOVATION.

- Efforts in brief made towards technology absorption/adoption: On-going Technology was entirely developed in-house.
- 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.

**ANNEXURE "A" TO THE BOARD'S REPORT
FORM MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2018
[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: investors@resonancesl.com Website: www.resonancesl.com |
| Whether listed Company | Yes |
| Name, address and contact details of Registrar and Transfer Agent, if any | Adroit Corporate Services Pvt. Ltd. Address: 17/18/19/20, Jaferbhoy Ind. Estate, 1 st Floor, Makhwana Road, Marol Naka, Andheri East-59 Tel No: 022 4227 0400 Fax:022 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:-

| Sl. No | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the Company |
|--------|---|----------------------------------|------------------------------------|
| 1 | Pyridines & its derivatives | 29333918 & 29333990 | 100% |

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 st April, 2017} | | | | No. of Shares held at the end of the year {As on 31 st March, 2018} | | | | % Change during the year |
|---|---|------------|----------------|-------------------|---|------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| 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 | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter (A) | 7470802 | 100 | 7470902 | 64.72 | 7470802 | 100 | 7470902 | 64.72 | 0 |
| (2) Foreign | - | - | - | - | - | - | - | - | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | - | - | - | - | - | - | - | - | - |
| a) Mutual Funds | 0 | 3300 | 3300 | 0.03 | 0 | 3300 | 3300 | 0.03 | 0 |
| b) Bank/ FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |

| Category of Shareholders | No. of Shares held at the beginning of the year {As on 01 st April, 2017} | | | | No. of Shares held at the end of the year {As on 31 st March, 2018} | | | | % Change during the year |
|---|---|----------------|----------------|-------------------|---|----------------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| 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) | - | - | - | - | - | - | - | - | - |
| Sub-total (B) (1):- | 0 | 8300 | 8300 | 0.07 | 0 | 8300 | 8300 | 0.07 | 0 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 323190 | 6825 | 330015 | 2.86 | 304984 | 6825 | 311809 | 2.70 | -0.16 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders | | | | | | | | | |
| holding nominal share | | | | | | | | | |
| capital upto 2 lakh | 1749752 | 1076849 | 2826601 | 24.49 | 1989829 | 1062249 | 3052078 | 26.44 | 1.95 |
| ii) Individual shareholders | | | | | | | | | |
| holding nominal share | | | | | | | | | |
| capital in excess of 2 Lakh | 802261 | 20100 | 822361 | 7.12 | 588266 | 20100 | 608366 | 5.27 | -1.85 |
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| Non Resident Indians | 83764 | 400 | 84164 | 0.73 | 78141 | 400 | 78541 | 0.68 | -6.49 |
| Clearing Members | 1657 | - | 1657 | 0.01 | 3144 | - | 3144 | 0.03 | 0.01 |
| Corporate Body - Broker | - | - | - | - | 10860 | - | 10860 | 0.09 | 0.09 |
| Trusts(2014) / Qualified Foreign Investor(2015) | - | - | - | - | - | - | - | - | - |
| Sub-total (B) (2):- | 2960624 | 1104174 | 4064798 | 35.21 | 2975224 | 1089574 | 4064798 | 35.21 | 0 |
| Total Public Shareholding | | | | | | | | | |
| (B)=(B)(1)+(B)(2) | 2960624 | 1112474 | 4073098 | 35.28 | 2975224 | 1097874 | 4073098 | 35.28 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 10431426 | 1112574 | 11544000 | 100 | 10446026 | 1097974 | 11544000 | 100 | 0 |

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, 2018.

(ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year {As on 01st April, 2017} | | | Shareholding at the end of the year {As on 31st March, 2018} | | | % 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 | - | - |
| | Total | 7470902 | 64.72 | - | 7470902 | 64.72 | - | - |

(iii) Change in Promoters' Shareholding:-

| Particulars | 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 |
| At the beginning of the year | | | | |
| Date wise Increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) | There is no change in promoter holding. | | | |
| At the end of the year | | | | |

(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 | Subramanian P | 203000 | 1.75% | 202390 | 1.75% |
| 2 | Prashant Hansraj Thaman | 101585 | 0.88% | 101585 | 0.88% |
| 3 | Mantra Magic Enterprises Pvt Ltd | 99600 | 0.86% | 99600 | 0.86% |
| 4 | Ajay Anantrai Patadia | 125933 | 1.09% | 70459 | -0.61% |
| 5 | Anuj Shah | 55260 | 0.48% | 55260 | 0.48% |
| 6 | Motilal Oswal Securities Ltd | 0 | 0% | 40000 | 0.34% |
| 7 | Girdharilal Seksaria | 38506 | 0.33% | 38506 | 0.33% |
| 8 | Deepak Kalyanji Bheda | 36565 | 0.32% | 36565 | 0.32% |
| 9 | Aditya Mittal | 25000 | 0.22% | 33000 | 0.29% |
| 10 | Kishan Lal Mittal | 25200 | 0.22% | 32875 | 0.28% |

(iv) 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& | 300 | 0% | 450 | 0% |
| 3 | Mr. B.P. Agrawal | NIL | 0% | NIL | 0% |
| 4 | Mr. L. R. Daga | NIL | 0% | NIL | 0% |
| 5 | Ms. Archana Surendra Yadav | NIL | 0% | NIL | 0% |
| 6 | Mr. Satish Chander Mathur | 25 | 0% | 25 | 0% |
| 7 | Dr. Yaqoob Ali | NIL | NIL | Nil | 0% |
| 8 | Ms. Shital Churi§ | 25 | 0% | 25 | 0% |
| 9 | Ms. Minal Bhosale | NIL | 0% | 5 | 0% |

& Mr. Rajnikant Worah resigned from the Board w.e.f. 14th November, 2017

§ Ms. Shital Churi was appointed as CFO w.e.f. 30th May, 2017

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 4,07,28,019 | - | - | 4,07,28,019 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 4,07,28,019 | - | - | 4,07,28,019 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 40,20,002 | - | - | 40,20,002 |
| • Reduction | 1,07,08,803 | - | - | 1,07,08,803 |
| Net Change | 66,88,801 | - | - | 66,88,801 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 3,40,39,218 | - | - | 3,40,39,218 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 3,40,39,218 | - | - | 3,40,39,218 |

• REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**• Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹)

| Sl. No. | Particulars of Remuneration | Name of MD/WTD / Manager Total Amount | | Total |
|---------|---|--|---|------------------|
| | | Dr. A. B. Gupta (Chairman & Managing Director) | Mr. Satish Chander Mathur (Whole Time Director) | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 41,28,725 | | 41,28,725 |
| | (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 | 700,000 | | 700,000 |
| | -Others, specify... Consultancy charges | | 1,344,918 | 1,344,918 |
| 5 | Others, please specify (PF contribution) | | | |
| | Total (A) | 48,28,725 | 1,344,918 | 6,173,643 |
| | Ceiling as per the Schedule V of the Companies, Act, 2013. | | | |

Note: the remuneration are within the limit prescribed by schedule V of the companies Act, 2013**• Remuneration to other directors:**

| Particulars of Remuneration | Name of Directors | | | | | Total Amount (In |
|---|---------------------|----------------|-----------------|--------------------|----------------|------------------|
| | Mr. Rajnikant Worah | Mr. L R Daga | Mr. B P Agrawal | Mrs. Archana Yadav | Dr. Yaqoob Ali | |
| Fee for attending board/ committee meetings | Nil | 177,780 | 133,335 | 177,780 | 133,335 | 622,230 |
| Commission | - | - | - | - | - | - |
| Professional Fee | - | 156,000 | 301,200 | 59,000 | 236,000 | 752,200 |
| Total Managerial Remuneration | - | 333,780 | 434,535 | 236,780 | 369,335 | 13,74,430 |

• **Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(₹)

| Sr. No. | Particulars of Remuneration | | | Total |
|---------|---|------------------------|------------------------|----------------|
| | | Ms. Minal Bhosale (CS) | Ms. Shital Churi (CFO) | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 473,211 | 406,822 | 880,033 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | - | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | - | |
| 2 | Stock Option | | - | |
| 3 | Sweat Equity | | - | |
| 4 | Commission | | - | |
| | - as % of profit | | - | |
| | - Others, specify... | | - | |
| 5 | Others, please specify | | - | |
| | Total | 473,211 | 406,822 | 880,033 |

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

The Company paid the penalty of Rs. 47,200/- for delay of publishing of financial result for the quarter ended 30.06.2017

ANNEXURE "III" TO THE DIRECTOR'S REPORT

Form No. MR-3

proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2018**

[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, 2018, generally complied with the statutory provisions listed hereunder and also that the Company has

- We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure III, for the financial year ended on 31st March, 2018, according to the provisions of:
- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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,
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; to the extent applicable,
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; to the extent applicable,
- 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;
- 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.
- We have also examined compliance with the applicable clauses of the following:
- Secretarial Standards issued by The Institute of Company Secretaries of India.
- 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:

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

Place : Mumbai

Date : May 30, 2018

Alok Khairwar

Proprietor

ALOK KHAIRWAR & ASSOCIATES

ACS No.: 34555, C P No.: 12880

ANNEXURE – 1 to the Secretarial Audit Report

List of documents verified:

- Memorandum & Articles of Association of the Company.
- Annual Report for the financial year ended 31st March, 2018.
- 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.
- Minutes of General Body Meetings held during the financial year under report.
- 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.
- Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
- Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
- Intimations received from directors under the Prohibition of Insider Trading Code.
- 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.
- 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,

- 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.
- 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.

- I have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
- Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.
- 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INTRODUCTION

Being in an industry which is a part of integrated global specialty chemicals, the company enjoys a special pride and privilege. Specialty chemicals are based on Pyridine chemistry, such as Lutidine, Cyano pyridines, Picoline, Collidines, Nutritional product, feed supplements, API, and vitamins etc. at their G.M.P. plant. Posing a backward integration, we have upper hand over other global companies for most of our products.

Our pride words is quality of product, dependable supply and competitive cost.

INDUSTRY STRUCTURE AND DEVELOPMENT

The specialty chemicals we manufacture have a varied application in the field of Pharmaceuticals, agricultural, sector industries. The pharmaceuticals industries globally are likely to grow 6.3 %. Due to implementation of various reforms, the economy of India is growing a strong pace, and India's pharmaceuticals industries have a special status in global market.

The company is engaged in vital intermediates for pharmaceuticals Industries hence company's performance will be improving further in coming years. Being a part of sustainable Industry, our company has accelerated its research and development activity to enable us to grab the opportunity at the appropriate time.

The growth of Specialty chemicals industry was very slow in near past with a low margin of profit. Specialty chemicals are the product which needs performance; there can be single entity or composition of more products. The industry requires deep knowledge and innovation.

BUSINESS STRATEGY

To grow in industry the strategy is to work hard in established field of manufacturing. The company's business have three sectors:-

1. Active Pharmaceutical Ingredient (A.P.I.)
2. Nutritional and Feed supplements and
3. Intermediates for A.P.I., Agriculture, Nutritional and feed industry.

Our business module is export oriented, although we have many local valued customers. Our core business strategy is our positioning as an integrated Product Development Resonance has proven capabilities in integrated product development. We have successfully researched test batches at the laboratory, at our pilot plant and finally on commercial scales at our factory. Our knowledge of organic chemistry and our expertise in catalysis are key strengths that have stood by us through time.

- Client Relationship – We have strong and established business relationship with our clients across Pharmaceuticals, Agrochemicals and Specialty Ingredients industries.

Our manufacturing facilities adhere to GMP and are ISO 9000:2001 certified. Our products are Kosher, Halal, FSSC certified.

In addition, our manufacturing facility have undergone successful audit and got approved by USFDA

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.

MANUFACTURING

We provide opportunity to our young team to develop themselves in the different areas of production through their expertise. Along with the grooming in-house talent the company has availed the services of outside experts in the field of reaction and distillation to give the mentoring support to the executives and heads of the production department. Working frontward the on the enduring ideas of previous year and identifying new initiatives throughout the year in capacity enhancements, capability improvements, yield, costs, production efficiencies & Environment, Health and Safety (EHS), manufacturing has played crucial role in contributing to the growth of the organisation in the market. The Company worked on semi-continuous column and continuous column and trail are taken for one of product for better separation at semi continuous column. Work is ongoing, positive results are achieved. Upgradation of the amoxidation unit has benefited the company largely and it enabled the company to commission the reaction at improved conversion. Though the targeted yield is still to achieve and efforts to reach the level is certain. Productivity improvement tools and techniques have been implemented. We also modified the regenerator for fluidized bed reaction and our production yield in reaction also improved due to improvised process and catalyst, while in distillation further lot of work is planned to be done. Other preventive course of action was taken to evade corrosion or erosion.

EHS (Environment Health and Safety): we have upgraded our E.T.P (Effluent Treatment Plant) system and also installed M.E.E (Multi effect evaporator) and commissioned. The Company aims to become a Zero discharge unit; although it is not required by any regulatory body but we are performing the course of action voluntarily to nullify the liquid discharge from plant, to become a responsible corporate citizen, as pollution is major problem across Tarapur and individual has to take action / initiatives to be ecofriendly to have a sustainable growth in the Industry. As a principle, we go beyond mere compliance and assimilate health, safety and environment consciousness as part of our daily regimen.

In conjunction with this, we are also working on full recovery of some of the secondary / by-products which can be recycled in the production process or can be sold in the open market to make optimum usage of the resources. Water hydrant system is also revamped. Air monitoring of area is also carried out periodically Safety committee is active and it comprises of EHS members, HR Manager, Engineering Department head along with 3-4 floor level staff. Health camp organised and all employees health checkup is done by doctors' team.

All safety and personal protective apparels are provided to the employees working in the related field in order to ensure their life security and surety. Regular safety training is provided to all employees as well as external professional expert was hired to empower the employees to work with managers to create easy-to-understand safety procedures and protocols. Encourage people to think first, act second, and consider safety protocols as not just a rote function, but an essential fact of daily practice that will ensure to save their lives.

PROJECTS:

1. Installation of Semi continuous column for some mixtures were bought for separation of each component with best purity and yield and it also reduced time cycle.
2. Our Pilot plant capacities is enhanced and is under operation.
3. In R & D new fixed bed-fluidized and reactor is installed with latest automatic technology to monitor and record the reaction.

RESEARCH & DEVELOPMENT:

The company takes pride in innovation and excellence in devolving the different plant process for Reaction and Distillation. Company's R & D work in the field of catalyst for fluidized bed and fixed bed reactions for Amoxidation of Picoline and also for Lutidine and Collidines is of a great pride. The research and development center of company is recognized by Department Of Scientific and Industrial Research, Govt. Of India and Management is making considerable expenses to undertake major R & D projects to develop alternate and efficient process for making pyridine based products. The R & D center is having collaboration with emeritus scientist from reputed research laboratories in India. Development of continuous distillation system shall certainly prove a bred through to the production of different products from their crudes.

Company is continued to conduct R & D work related to:

1. Development of improved version / new catalyst for the better yield and quality.
2. Improvement in process of value added products to reduce cost and increase productivity
3. Development of New products and esters of different acids,
4. Distillation technique development.

FUTURE PROSPECT

- Development of distillation skill to improve time cycle, efficiency & yield
- Further improvising effluent treatment plant and zero sample failing.
- Reduce cost of steam and power.
- Zero breakdown in production due to raw material or machinery; proper preventive schedule is set to re-engine the machinery to increase its working life and wherever required changes in system is to be made The budget for the same is also been fixed.

- To maintain the practice of keeping pace with the statutory compliance.

HUMAN RESOURCE MANAGEMENT

At Resonance, we believe that our success is the end results of the achievement of our team. Our performance metrics are clearly defined and for real achievers we offer an accelerated career growth unhindered by any hierarchy. Resonance offers a merit led environment where talent is respected and achievements are rewarded. Our flat management structure allows genuine appreciation of good work and we believe in delegating responsibilities.

We continually empower our team members to better themselves and offer clear career paths for advancement. The Company takes extreme pride in its greatest resource and asset - the employees. Our constant endeavors have been towards encouraging a culture of employee recognition & motivation and we are able to achieve this through well designed policies & processes like Rewards & Recognition and other various employee benefit schemes. We also believe that the young talent has out of the box creativity and we nurture them to have become a proficient leader. We ensure that there is full adherence to the code of business conduct and fair business practices.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT STRATEGY:

Risk-taking is an inherent trait of any enterprise. It is essential for growth or creation of value in a Company. At the same time, it is important that the risks are properly managed and controlled, so that the Company can achieve its objectives effectively and efficiently. Accordingly the Risk management Policy is laid down and the proper implementation is ensured by the company.

INTERNAL FINANCIAL CONTROL FRAMEWORK:

Section 134(5)(e) of the Companies Act, 2013 requires a company to lay down Internal Financial Controls system (IFC) and to ensure that these are adequate and operating effectively. Internal financial controls, here, means the policy and procedure adopted by the company for ensuring the orderly and efficient conduct of its business including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The above requirement has the following elements:

- Orderly and efficient conduct of business.
- Safeguarding of its assets.
- Adherence to company's policies.
- Prevention and detection of frauds and errors.
- Accuracy and completeness of the accounting records and timely preparation of reliable financial information.

At Resonance Specialties Limited, the internal financial controls system is in place and incorporates all the five elements as mentioned above. In addition, the Company has a transparent framework for periodic evaluation of the internal financial controls in the form of internal audit exercise carried out through the year and online controls self-assessment through Controls Manager Software, thereby reinforcing the commitment to adopt best corporate governance practices.

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.

| FINANCIAL SUMMARY | As on 31.03.2018 | As on 31.03.2017 | % Change |
|--|---------------------|---------------------|----------|
| Net sales/ income from operations | 359,607,348 | 341,833,704 | 5.20 |
| Other income | 11,078,722 | 8,376,352 | 32.26 |
| Total income | 370,686,070 | 350,210,056 | 5.85 |
| Total expenditure | 370,086,754 | 336,328,046 | 10.04 |
| Profit/Loss before tax | 3,38,391 | 13,882,010 | 97.56 |
| Provision for | | | |
| -Current tax | (2,50,000) | (4,178,010) | -94.02 |
| -Deferred tax | 7,769,670 | 559,800 | 1287.94 |
| Total | 7,519,670 | 3,618,210 | 107.83 |
| Profit/Loss after tax | (7,681,278) | 10,263,801 | -25.16 |
| OCI | 7,39,802 | N. A. | |
| Total Comprehensive Income for the period (comprising profit/loss) and other comprehensive income for the period | (69,41,477) | N. A. | |

For & on behalf of the board of Directors

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

Mr. Laxmi Ratan Daga
Director
(DIN: 05211735)

Place: Mumbai
Date: 30/05/2018

CORPORATE GOVERNANCE REPORT

[Pursuant to Schedule V C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Enhancing stakeholders' value is the core philosophy of the Company. Corporate Governance is all about conducting business in a fair and transparent manner and the Company will continue to focus on its resources, strengths and strategies for creation and safeguarding of shareholders' wealth and interests.

The imperative to continue to develop and implement best practices throughout our corporate governance structure is fundamental to our strategy to enhance performance by creating an environment that increases operational efficiency and ensures long-term productivity and growth. The Company is committed to fair and ethical business practices with transparency, accountability for performance, compliance with applicable laws and timely disclosure of reliable information.

The Company implemented the norms of governance as provided in Chapter IV and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. BOARD OF DIRECTORS

The Board of Directors has combination of Executive and Non-Executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations) which inter alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and not less than one third of the Board directors shall comprise of Independent Directors, if the Chairman of the Board is an Non-Executive Director. The Board of Directors as on 31.03.2018 consists of 6 directors, comprising of 4 Non-Executive Directors and 2 Executive Director which is more particularly shown as under:

| Name | DIN | Category | No. of Board Meetings | | Attendance at the last AGM | No. of director ships in other Co. | | Chairman ships / memberships in other Companies | |
|---------------------------|----------|--|-----------------------|----------|----------------------------|------------------------------------|--------|---|-------------|
| | | | Held | attended | | Pvt. | Public | Chairmanships | Memberships |
| Dr. A B. Gupta | 00025255 | Executive /CMD/ Promoter | 5 | 5 | Yes | 0 | 0 | 0 | 0 |
| Mr. Rajnikant Worah* | 00054336 | Non-Executive - Independent Director | 3 | 0 | No | 2 | 0 | 0 | 0 |
| Mr. B. P. Agrawal | 02724594 | Non-Executive - Non Independent Director | 5 | 4 | Yes | 0 | 0 | 0 | 0 |
| Mr. Laxmi Ratan Daga | 05211735 | Non-Executive, Independent Director | 5 | 5 | Yes | 0 | 0 | 0 | 0 |
| Ms. Archana S. Yadav | 07335198 | Non- Executive, Independent Director | 5 | 5 | Yes | 0 | 0 | 0 | 0 |
| Mr. Satish Chander Mathur | 02847887 | Whole-time Director | 5 | 4 | No | 0 | 5 | 0 | 0 |
| Mr. Yaqoob Ali | 07655705 | Non- Executive, Independent Director | 5 | 4 | Yes | 0 | 0 | 0 | 0 |

* Mr. Rajnikant Worah resigned on 14/11/2017 and could not attend any meeting during the year 2017-18. The meeting held during his tenure is considered.

@ Dr. Atma Gupta, Managing Director was appointed as Chairman of the Company in the meeting held on 14.11.2017 after the resignation of the Chairman of the company Mr. Rajnikant Worah.

% Mr. B. P. Agarwal (DIN: 02724594), Non-Executive – Non Independent Director who retires by rotation and being eligible has offered himself for re-appointment.

2. No. of Board Meetings and Attendance:

Five Board Meetings were held during the financial year 2017-18 on the following dates: 30.05.2017, 14.09.2017, 22.09.2017, 14.11.2017 and 13.02.2018, and the maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

All the Directors possess the requisite qualifications and experience in general corporate management, finance, banking, insurance and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company. None of the Directors of the Company are related to each other. Convertible instruments are not held by any of the directors:

Web link where details of familiarisation programmes imparted to Independent directors: The details of the programmes conducted by the Company are posted on the Company's website under the web link http://www.resonancesl.com/i_reports.html

3. Audit Committee

The Company has constituted a qualified and independent Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The Committee possesses accounting and financial management knowledge and is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits.

Consequently after the resignation of Mr. Rajnikant Worah the committee comprised of only three members Mr. L R. Daga (Chairman), Ms. Archana Yadav and Mr. B. P. Agarwal. The Audit Committee met five times during the year, i.e. on 30.05.2017, 14.09.2017, 22.09.2017, 14.11.2017 and 13.02.2018. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The minutes of the meetings of the Audit Committee are noted by the Board. The committee waived the sitting fees for the meeting held on 22.09.2017.

The Audit committee of the Board of directors was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

(a) Brief description of terms of reference:

The role of the Audit Committee is as prescribed under the Act and SEBI (LODR) Regulations, 2015 and includes the following:

i. Overseeing the Company's financial reporting process and the disclosure of its financial information

to ensure that the financial statements are correct, sufficient and credible;

- ii. Recommendation of appointment etc., of the statutory auditors and their fee for audit and other services;
- iii. Examination and review of annual financial statements/ audit report with particular reference to directors' responsibility statement, changes in accounting policies, major accounting entries estimates, disclosure of related party transactions, qualifications in the draft audit report, etc.;
- iv. Discussions with internal auditors on significant findings and with Statutory Auditors on the nature and scope of audit and on areas of concern;
- v. Review of quarterly financial statements, uses and application of funds raised, performance of statutory and internal auditors, adequacy of internal control system and internal audit function;
- vi. Review of management discussion and analysis report on financial condition and results of operations, significant related party transactions, internal control weaknesses reported by the statutory auditors and internal auditors and the appointment and remuneration of internal auditors;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Evaluation of internal financial controls and risk management systems; and
- xi. Review of the functioning of the Whistle Blower mechanism.

(b) Composition:

The composition of the Audit committee and the details of meetings attended by its members are given below:

| Name of the Member | Category | Position | No. of meetings held | No. of meetings attended | Sitting fees paid () |
|--------------------|----------------------|----------|----------------------|--------------------------|-----------------------|
| Mr. L R. Daga | Independent Director | Chairman | 5 | 5 | 26,667/- |
| Ms. Archana Yadav | Independent Director | Member | 5 | 5 | 26,667/- |
| Mr. B. P. Agarwal | Non-Executive | Member | 5 | 3 | 20,000/- |

(c) Meetings and attendance:

During the year, five meetings of the committee were held on the dates 30.05.2017, 14.09.2017, 22.09.2017, 14.11.2017 and 13.02.2018. All members attended all the meetings. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 14.09.2017 to answer the members' queries.

4. Nomination and Remuneration Committee

The Nomination and Remuneration committee of the Board of directors was constituted in conformity with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015 and its role has been the same as stipulated in the Act and the Regulations mentioned above. (a) Brief description of terms of reference: The functioning and terms of reference of the Nomination and Remuneration committee are as prescribed under the erstwhile listing agreement and SEBI (LODR) Regulations, 2015. It determines the Company's policy on all elements of the remuneration packages of the directors including the executive directors. The role of the committee includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board of directors a policy relating to, the remuneration of the directors, Key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent directors and the Board of directors;
3. Devising a policy on diversity of Board of directors;
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 recommending to the Board of directors for their appointment and removal.
5. Evaluation of every director's performance.

The Committee met four times during the financial year i.e. on 30.05.2017, 14.09.2017, 14.11.2017 and 13.02.2018. The Minutes of the Nomination and Remuneration Committee Meetings are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in Table below:

| Name of the Member | Category | Position | No. of meetings held | No. of meetings attended | Sitting fees paid () |
|--------------------|----------------------|----------|----------------------|--------------------------|-----------------------|
| Mrs. Archana Yadav | Independent Director | Chairman | 4 | 4 | 26,667/- |
| Mr. L R. Daga | Independent Director | Member | 4 | 4 | 26,667/- |
| Mr. Yaqoob Ali | Independent Director | Member | 4 | 3 | 20,000/- |

(d) Performance evaluation criteria for Independent directors:

Independent directors have three key roles – governance, control and guidance. Some of the performance indicators, based on which the Independent directors are evaluated, are:

- Contribution to and monitoring Corporate Governance practices.
- Ability to contribute to address top management issues.
- Active participation in long term strategic planning.
- Commitment to the fulfillment of obligations and responsibilities.

The performance evaluation of independent or non-executive members is done by the Board annually based on criteria of attendance and contributions at Board/Committee meetings and also the role played by them other than at meetings. Criteria formulated by Nomination and Remuneration committee for evaluation of Board committees and individual directors:

In line with corporate governance guidelines, evaluation of all Board members is done on an annual basis. This evaluation is done by the entire Board led by the Chairman of the Board with specific focus on the performance and effective functioning of the Board, committees of the Board and individual directors and reported to the Board. The evaluation process also considers the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise. The entire Board of directors (excluding the director being evaluated) held the performance evaluation of Independent directors and on the basis of performance evaluation, the Board decided to continue the term of appointment of Independent directors. Performance evaluation was done by the respective bodies on March 24, 2018.

(5) Remuneration of Directors:

The Company's remuneration policy for directors, key managerial personnel and other employees is hosted on the website of the Company. Further, the Company has adopted specific criteria for performance evaluation of Independent directors, Board, Committees and other individual directors.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

(a) All pecuniary relationship or transactions of the non-executive directors:

The Board, at its meeting held on May 30, 2015 and annual general meeting on 28th September, 2015 approved payment of remuneration/ commission to the Managing Director for a period of 3 years commencing from 1st September, 2015 to 31st August, 2018. The re-appointment of the Managing Director is proposed from 1st September 2018 to 31st August, 2021 which is approved by board and recommended to the members for their approval. Remuneration was paid to Dr. A. B. Gupta Managing Director, as per the limits prescribed

under Schedule V of the Companies Act, 2013, pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors and as per the approval of the members of the Company. In respect of Mr. Satish Chander Mathur Whole-time Directors, remuneration was also paid, pursuant to the approval of the Nomination and Remuneration Committee, the Board of Directors and approval of the Members.

(b) Criteria of making payments to non-executive directors:

Keeping in view the size, scale and complexity of the Company's operations and the level of involvement

of the non-executive directors in the supervision and control of the Company, their guidance for the growth of the Company as Members of the Board and also as Chairman or Members of the relevant Committees of the Board has proved to be of immense support.

(c) Disclosures with respect to remuneration in addition to disclosures required under the Companies Act, 2013:

- (i) All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, pension etc for the FY 2017-18:

(Amount in Rs.)

| Name | Salary, PF Perquisites & other allowances | Commission | *Sitting fees Board & Committee | Others | Total | Shareholding (No. of Shares) |
|---------------------------|---|------------|---------------------------------|----------|-----------|------------------------------|
| Dr. A B. Gupta | 4,128,725 | 700,000 | 0 | 0 | 4,828,725 | 1 |
| Mr. Satish Chander Mathur | 1,344,918 | 0 | 0 | 0 | 1,344,918 | 25 |
| Mr. L R Daga % | 0 | 0 | 177,780 | 156,000 | 333,780 | 0 |
| Mr. Rajnikant Worah | 0 | 0 | 0 | 0 | 0 | 750 |
| Mr. B P Agrawal % | 0 | 0 | 133,335 | 3,50,000 | 483,335 | 0 |
| Ms. Archana Yadav % | 0 | 0 | 177,780 | 59,000 | 236,780 | 0 |
| Mr. Yaqoob Ali % | 0 | 0 | 133,335 | 2,36,000 | 369,335 | 0 |

% Consultancy Fees by the relative or by the firm in which he/she is interested

* Sitting fees comprises payment made to Non-Executive Directors for attending Board meetings and/or Board Committee meetings and for the period of association.

- Note: 1. The Company has never given stock options and hence no outstanding stock options are held by any of the Directors.
2. The service contracts details and the notice periods had been mentioned in the agreement entered with the Managing Director and Whole-time Director.
3. The members of the board /Audit Committee waived the sitting fees for the meeting held on 22.09.2017.

6) Stakeholders' Relationship committee:

This Committee comprised of three Directors. Mr. B. P. Agrawal (Chairman) (Non-Executive Director), Mr. Rajnikant Worah and Dr. Yaqoob Ali. The Company Secretary, is the Compliance Officer of the Company.

Consequently after the resignation of Mr. Rajnikant Worah the committee comprised of only two members Mr. B. P. Agrawal (Chairman) and Dr. Yaqoob Ali. The Committee met two times during the financial year i.e. on 30th May, 2017, and 14th August, 2017, for other two dates i.e. on 14.11.2017 and 13.02.2018 the meetings were scheduled but due to want of quorum could not take place. The Minutes of the Stakeholders Relationship Committee Meetings are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in Table below:

The committee stands as follows as on 31.03.2018:

| Name of the Member | Category | Position | No. of meetings held | No. of meetings attended | Sitting fees paid () |
|--------------------|------------------------|----------|----------------------|--------------------------|-----------------------|
| Mr. B. P. Agarwal | Non-Executive Director | Chairman | 2 | 2 | 20,000/- |
| Dr. Yaqoob Ali | Independent Director | Member | 2 | 2 | 20,000/- |

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.

During the financial year 2017-18, queries/complaints were received by the Company from members/investors/

authorities, majority of which have been redressed / resolved to date, satisfactorily as shown in Table 7 below:

| Nature of Queries/ Complaints | Pending as on April 1, 2017 | Received during the year | Redressed during the year | Pending as on March 31, 2018 |
|--|-----------------------------|--------------------------|---------------------------|------------------------------|
| 1. Transfer / Transmission / Issue of Duplicate Share Certificates | 0 | 34 | 34 | 0 |
| 2. Non-receipt of Dividend | 0 | 5 | 3 | 0 |
| 3. Dematerialisation / Dematerialisation of Shares | 0 | 94 | 94 | 0 |
| 4. Complaints received from: | | | | |
| a. Securities and Exchange Board of India | 0 | 0 | 0 | 0 |
| b. Stock Exchange(s) / NSDL / CDSL | 0 | 0 | 0 | 0 |
| c. Registrar of Companies / Ministry of Corporate Affairs / Others | 0 | 0 | 0 | 0 |
| d. Advocates | 0 | 0 | 0 | 0 |
| e. Consumer Forum/Court Case | 0 | 0 | 0 | 0 |
| 5. Others | 0 | 9 | 9 | 0 |
| Grand Total | 0 | 95 | 93 | 2 |

5. Code of Conduct

Your Company has adopted a revised Code of Conduct for members of the Board and the Senior Management personnel. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. Your Company has received confirmations from all concerned regarding their adherence to the said Code. Pursuant to the SEBI Listing Regulations, MD of the Company confirmed compliance with the Code by all members of the Board and the Senior Management personnel. The Code has been hosted on the Company's website under the web link <http://www.resonancesl.com/policies.html>.

c) General Body Meetings Details :

The last three years AGM along with special resolutions passed thereat:

| Financial Year | Day, Date & Time | Venue | Particulars of special resolution passed |
|-----------------------|---|---|---|
| 2014-2015 26th AGM | Monday, 28th September, 2015, 11.00 A.M | Raheja Classique Club, Andheri (West), Mumbai -58 | 1. Reappointment of Dr. A.B. Gupta (DIN: 00025255) as the Managing Director of the Company for a period of 3 (three) years. 2. Approval for entering into Related Party Transactions by the Company 3. Adoption of new Article Of Association of the Company containing Regulation in conformity with the Companies Act, 2013 |
| 2015-2016 27th AGM | Saturday, 13th August, 2016, 11.00 A.M | Raheja Classique Club, Andheri (West), Mumbai -58 | 1. Approval for entering into Related Party Transactions by the Company |
| 2016-2017 28th AGM | Thursday, 14th September, 2017, 11.00 A.M | Raheja Classique Club, Andheri (West), Mumbai -58 | 1. Approval for entering into Related Party Transactions by the Company |

No resolutions are proposed to be conducted through postal ballot in the Above AGM. (f) Procedure for postal ballot: The procedure for postal ballot will be as per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Means of communication:

- (a) Quarterly results: The quarterly, half-yearly and annual results of the Company were normally published by the Company in the newspapers. Annual reports with audited financial statements are sent to the shareholders through electronic/ physical mode.
- (b) Newspapers wherein results normally published: The results are normally published by the Company in the newspapers (Business Standard) in English version, circulating in the whole of India and in regional newspaper (Jantecha Mahanayak Or Mumbai Mitra) in the vernacular language.
- (c) Any website, where displayed: The results are also displayed on the Company's website: www.resonancesl.com
- (d) Whether it also displays official news releases: The newsletters and press releases from time to time were also displayed on the Company's website and the exchange.
- d) General Shareholder Information

| 1 | Forthcoming Annual general Meeting | Day, Date, Time and Venue (The information regarding 29th Annual General Meeting for the financial year ended 31st March, 2018) Tuesday, 14th Day of August, 2018 at 11.00 am At Raheja Classique Club, Andheri (West), Mumbai -58 | | | | | | | | | | | | |
|---|---|--|----------------|------|--|-----------------|---|-----------------|--|-----------------|---|-----------------|--------------------------------|-----------------|
| 2 | Financial Year | 01st April 2017 to 31st March 2018 | | | | | | | | | | | | |
| 3 | Future Calendar | <table border="1"> <thead> <tr> <th>Subject Matter</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Financial Reporting of 1 Quarter ended on 30th June 2018</td> <td>Mid of Aug 2018</td> </tr> <tr> <td>Financial Reporting of 2 Quarter ended on 30th September 2018</td> <td>Mid of Nov 2018</td> </tr> <tr> <td>Financial Reporting of 3 Quarter ended on 31st December 2018</td> <td>Mid of Feb 2019</td> </tr> <tr> <td>Financial Reporting of 4 Quarter ended on 31st March 2019</td> <td>During May 2019</td> </tr> <tr> <td>Date of Annual General Meeting</td> <td>During Aug 2019</td> </tr> </tbody> </table> | Subject Matter | Date | Financial Reporting of 1 Quarter ended on 30th June 2018 | Mid of Aug 2018 | Financial Reporting of 2 Quarter ended on 30th September 2018 | Mid of Nov 2018 | Financial Reporting of 3 Quarter ended on 31st December 2018 | Mid of Feb 2019 | Financial Reporting of 4 Quarter ended on 31st March 2019 | During May 2019 | Date of Annual General Meeting | During Aug 2019 |
| Subject Matter | Date | | | | | | | | | | | | | |
| Financial Reporting of 1 Quarter ended on 30th June 2018 | Mid of Aug 2018 | | | | | | | | | | | | | |
| Financial Reporting of 2 Quarter ended on 30th September 2018 | Mid of Nov 2018 | | | | | | | | | | | | | |
| Financial Reporting of 3 Quarter ended on 31st December 2018 | Mid of Feb 2019 | | | | | | | | | | | | | |
| Financial Reporting of 4 Quarter ended on 31st March 2019 | During May 2019 | | | | | | | | | | | | | |
| Date of Annual General Meeting | During Aug 2019 | | | | | | | | | | | | | |
| 4 | Date of Book Closure | 7th August, 2018 to 14th August, 2018 | | | | | | | | | | | | |
| 5 | Dividend payment date | Dividend is not declared for the year 2017-18. | | | | | | | | | | | | |
| 6 | Listing on Stock Exchange at | Bombay Stock Exchange (BSE) | | | | | | | | | | | | |
| 7 | Listing Fees & Custody Fees | Company shall pay Annual listing Fees to BSE and Custodial Fees to both NSDL & CDSL for year 2017-18 | | | | | | | | | | | | |

| | | |
|----|--------------------------------------|---|
| 8 | Stock Code | 524218 |
| 9 | ISIN No. | INE486D01017 |
| 10 | CIN No. | L25209MH1989PLC051993 |
| 11 | Registrar and Transfer Agents | 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:28503748 Email: sales@adroitcorporate.com Website: www.adroitcorporate.com |
| 12 | Dematerialization of Shares | 90.49% of the total equity capital is held in Dematerialized form with National Securities Depository Ltd. and Central Depository Services (India) Ltd as on 31st March, 2018. |
| 13 | Outstanding ADRs/ GDRs | The Company has not issued any ADRs/GDRs |
| 14 | Plant Location | T-140, MIDC, Tarapur , Dist – Palghar |
| 15 | Address for correspondence | 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. For any other queries, correspondence please write to Registered office address of the Company, as below: 301, Evershine Mall, Chincholi Bunder Junction, Malad (W), Mumbai -400 064. Designated e-mail id for investor correspondence: investors@resonancesl.com |
| 16 | Stock Price Data | High, low Market Price on Bombay Stock Exchange during each month in the last Financial year in comparison with BSE Sensex are as follows: |

Share Price Data: High/Low and Volume during each month of 2017-2018 at BSE Month Table

| Month | Share Price | | BSE Sensex | |
|----------------|-------------|---------|------------|-----------|
| | High () | Low () | High | Low |
| April 2017 | 55.25 | 36.20 | 30,184.22 | 29,241.48 |
| May 2017 | 55.00 | 41.65 | 31,255.28 | 29,804.12 |
| June 2017 | 48.00 | 33.80 | 31,522.87 | 30,680.66 |
| July 2017 | 45.95 | 36.10 | 32,672.66 | 31,017.11 |
| August 2017 | 39.15 | 31.85 | 32,686.48 | 31,128.02 |
| September 2017 | 41.50 | 32.25 | 32,524.11 | 31,081.83 |
| October 2017 | 35.70 | 29.65 | 33,340.17 | 31,440.48 |
| November 2017 | 35.50 | 30.30 | 33,865.95 | 32,683.59 |
| December 2017 | 37.85 | 30.20 | 34,137.97 | 32,565.16 |
| January 2018 | 51.70 | 35.35 | 36,443.98 | 33,703.37 |
| February 2018 | 39.30 | 30.25 | 36,256.83 | 33,482.81 |
| March 2018 | 35.75 | 26.90 | 34,278.63 | 32,483.84 |

Shareholding Pattern and Distribution of Shareholding as on 31st March, 2018:

| 1. Shareholding Pattern as on quarter ended 31st March, 2018. | | | |
|---|------------------------------|-------------------|----------------------------|
| | Category | No of Shares held | Percentage of Shareholding |
| A | Promoters Holding | | |
| 1. | Promoters | | |
| | - Indian Promoters | 7470902 | 64.72 |
| | - Foreign Promoters | - | - |
| 2. | Person Acting in Concert | | |
| | Sub-Total | 7470902 | 64.72 |
| B | Non- Promoter Holdings | | |
| 1 | Institutional Investors | - | - |
| 2 | Mutual Fund and UTI | 3300 | 0.03 |
| | Sub-Total | 3300 | 0.03 |
| C | FII's Holdings | 5000 | 0.04 |
| | Sub-Total | 5000 | 0.04 |
| D | Others Holding | | |
| 1 | Private Body Corporate | 311484 | 2.70 |
| 2 | Indian Public | 3660444 | 31.71 |
| 3 | NRIs / OBC | 78541 | 0.68 |
| 4 | Director & Relative | 325 | 0.00 |
| 5 | Clearing Member | 3144 | 0.03 |
| 6 | Body Corporate Broker | 10860 | 0.09 |
| | Sub-Total | 4064798 | 35.21 |
| | Grand Total (A+B+C+D) | 11544000 | 100.00 |

List of Top 20 Shareholders of the Company as on March 31, 2018

| Sr. no | Name of the Shareholder | Category | No. of the Shares held | % to the Capital |
|--------|-----------------------------------|----------------------|------------------------|------------------|
| 1 | Vista Finance & Leasing Pvt.Ltd. | Corporate Bodies | 3,964,100 | 34.34 |
| 2 | Ushma Investments Private Limited | Corporate Bodies | 3,295,200 | 28.54 |
| 3 | Subramanian P | Resident Individuals | 202,390 | 1.75 |

| | | | | |
|----|--|------------------------------------|---------|------|
| 4 | Avignon Chemicals Pvt Ltd | Corporate Bodies | 146,600 | 1.27 |
| 5 | Prashant Hansraj Thaman | Resident Individuals | 101,585 | 0.88 |
| 6 | Mantra Magic Enterprises Pvt Ltd | Corporate Bodies | 99,600 | 0.86 |
| 7 | Ajay Anantrai Patadia | Resident Individuals | 70,459 | 0.61 |
| 8 | Anuj Shah | Non Resident Indians (Individuals) | 55,260 | 0.48 |
| 9 | Alok Gupta | Directors Relatives | 41,800 | 0.36 |
| 10 | Motilal Oswal Securities Ltd - Client Ac | Corporate Bodies | 40,000 | 0.35 |
| 11 | Girdharilal Seksaria | Resident Individuals | 38,506 | 0.33 |
| 12 | Deepak Kalyanji Bheda | Resident Individuals | 36,565 | 0.32 |
| 13 | Aditya Mittal | Resident Individuals | 33,000 | 0.29 |
| 14 | Kishan Lal Mittal | Resident Individuals | 32,875 | 0.28 |
| 15 | Hem Securities Limited | Corporate Bodies | 26,979 | 0.23 |
| 16 | Vipul Priyakant Dalal. | Resident Individuals | 25,000 | 0.22 |
| 17 | Nainish Babubhai Shah | Resident Individuals | 25,000 | 0.22 |
| 18 | Anoop Atma Gupta | Directors Relatives | 23,200 | 0.20 |
| 19 | Rajan Bhasin | Resident Individuals | 22,886 | 0.20 |
| 20 | Shashi Kala Anupindi | Resident Individuals | 20,100 | 0.17 |

Distribution of Shareholding as on 31st March, 2018.

| Distribution of Shares (Slab Wise) | No. of Shareholders | Percentage to total No. of Shareholders | Total Share | Percentage to Total Share Capital |
|------------------------------------|---------------------|---|--------------------|-----------------------------------|
| UPTO - 100 | 7429 | 70.51 | 707,947 | 6.13 |
| 101 - 500 | 2146 | 20.37 | 630,869 | 5.46 |
| 501 - 1000 | 493 | 4.68 | 423,442 | 3.67 |
| 1001 - 2000 | 219 | 2.08 | 346,636 | 3.00 |
| 2001 - 3000 | 76 | 0.72 | 197,502 | 1.71 |
| 3001 - 4000 | 54 | 0.51 | 195,445 | 1.69 |
| 4001 - 5000 | 32 | 0.30 | 147,708 | 1.28 |
| 5001 -10000 | 49 | 0.47 | 346,146 | 3.00 |
| 10001 - 20000 | 18 | 0.17 | 247,300 | 2.14 |
| 10001 - 20000 | 12 | 0.11 | 365,811 | 3.17 |
| 50001 & Above | 8 | 0.08 | 7,935,194 | 68.74 |
| Total | 10536 | 100.00 | 1,15,44,000 | 100.00 |

IV) Disclosures

(a) Related Party Transactions

The Audit Committee grants omnibus approval for the proposed related party transactions which will be valid for a year. The Audit Committee lays down the criteria for granting omnibus approvals in line with the policy for transactions which are repetitive in nature. In such cases where the volume for Related Party Transaction cannot be foreseen and details as required above are not available, the Audit Committee grants omnibus approval for such transactions subject to their value not exceeding Rupees One Crore per transaction. The Audit Committee reviews, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given. Where it requires, the Audit Committee will report the related party transaction for the approval of the

Board. If the Board feels that shareholders' approval is required, then the same shall be put up for approval by the shareholders of the Company.

Details of materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the management or relatives, etc. are presented in the Notes to the Financial Statements. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During the financial year 2017-18, there were no material related party transactions entered by the Company that may have a potential conflict with the interests of the Company.

The Company has formulated a policy on Related Party Transactions and the said Policy is available on the website of the Company at ([www.resonancesl.com/pdf/Resonance Specialties Limited_Policy_for_Related_Party_Transactions.pdf](http://www.resonancesl.com/pdf/Resonance%20Specialties%20Limited_Policy_for_Related_Party_Transactions.pdf))

b) Accounting treatment in preparation of financial statements.

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

(c) Subsidiary Companies

The Company does not have any subsidiary company.

(d) Code for Prevention of Insider Trading Practices & other Policies

In January, 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a revised Code for Prevention of Insider Trading. The Codes viz “Code of Conduct for Prevention of Insider Trading” and the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” allows the formulation of trading plan subject to certain conditions as mentioned in the said Regulations and requires pre-clearance for dealing in the Company’s shares. It also prohibits the purchase or sale of Company’s securities by the Directors, designated person and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Company Secretary of the Company, is designated as the Compliance Officer for this Code.

(e) Vigil Mechanism / Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism Policy under which the employees are free to report violations of applicable laws and regulations.

The same is posted on the website of the Company www.resonancesl.com

(f) CEO/CFO Certification

As required under Regulation 17(8) of the SEBI Listing Regulations, Managing Director and Chief Financial Officer of the Company have submitted a Compliance Certificate for the financial year ended March 31, 2018, which is annexed to this Report.

(g) Disclosure of Pending Cases/Instances of Non-Compliance

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

IV) Shareholder Information

a) Disclosures regarding the Board of Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI Listing Regulations.

b) Means of Communication

In accordance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a functional website at investors@resonancesl.com containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, details of the policies approved by the Company, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time. The quarterly and annual results are published in Business Standard (English) and Mahanayak (Marathi) or Mumbai Mitra, which are national and local dailies respectively and also displayed on the Company’s website for the benefit of the public at large.

Further, the Company disseminates to the Stock Exchanges (i.e. BSE), wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and / or have a bearing on its performance/ operations and issues press releases, wherever necessary, for the information of the public at large. For the benefit of the members, a separate email id has been created for member correspondence viz., investors@resonancesl.com.

Dematerialization of Shares and Liquidity

As on March 31, 2018, 10,446,026 equity shares representing 90.49% of the total equity share capital of the Company, were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company’s equity shares are regularly traded on the BSE. The break-up of equity shares held in Physical and dematerialised form as on March 31, 2018, is given below:

| Particulars | No. of equity shares | Percentage |
|------------------|----------------------|------------|
| Physical Segment | 10,97,974 | 9.51 |
| Demat Segment:- | | |
| NSDL | 18,51,506 | 16.04 |
| CSDL | 85,94,520 | 74.45 |
| Total | 1,15,44,000 | 100.00 |

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, 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 has authorised the Company Secretary and the Whole time Director to conduct their meetings more frequently, to the extent of weekly meetings of the Committees and thereafter the Stakeholder's Relationship Committee ratifies the same.

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.

Address for members' correspondence

Members are requested to correspond with the Registrars and Share Transfer Agents at the below given address on all matters relating to transfer/ dematerialization of shares, payment of dividend and any other query relating to Equity Shares or Debentures of the Company.

Registrars and Share Transfer Agents:

Contact Officer: Mr. Sandeep Holam
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.

The Company has maintained an exclusive email id: investors@resonancesl.com which is designated for investor correspondence for the purpose of registering any investor related complaints and the same have been displayed on the Company's website: www.resonancesl.com Members

are required to note that, in respect of shares held in dematerialized form, they will have to correspond with their respective Depository Participants (DPs) for related matters. Members may contact the Compliance Officer and/or the Investor Relations Officer at the following address:

Compliance Officer & Investor Relations Officer:

Contact Officer: Mrs. Minal Bhosale
301, Evershine Mall, Chincholi Bunder Junction,
Off. Malad Link Road, Malad (W), Mumbai - 400 064.
Tel no: 02242172222
Email: investors@resonancesl.com

V) Compliance:

- (a) (i) **Details of non-compliance, if any**
There is no Non-Compliance of any requirement of Corporate Governance Report of sub para (2) to (10) of the Part C of Schedule V of the SEBI Listing Regulations.
- (ii) **Compliance with mandatory requirements**
The Company has complied with all the mandatory items of the SEBI Listing Regulations.
- (iii) **Compliance with the Discretionary**
Requirements under SEBI Listing Regulations Adoption of discretionary requirements of SEBI Listing Regulations is being reviewed by the Company from time to time.
- (iv) **Auditors' Certificate on Corporate Governance**
The Company has obtained a Certificate from its Secretarial Auditors regarding compliance of the conditions of Corporate governance, as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D, and E of Schedule V to the SEBI Listing Regulations, which together with this Report on Corporate Governance is annexed to the Directors' Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.
- (b) **Compliance with Regulation 39(4) read with Schedule V and VI of SEBI Listing Regulations – Uniform procedure for dealing with unclaimed shares:**
Pursuant to the General Circulars issued by the Ministry of Corporate Affairs with respect to Section 124 (6) of the Companies Act, 2013 read with Rules made thereunder in relation to transfer of Unclaimed shares to Investor Education and Protection Fund (IEPF), The Company has comply with the formalities, as may be necessary, in this regard.

VI) Investor safeguards and other information:**Dematerialisation of shares**

Members are requested to convert their physical holdings to demat /electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

Revalidation of Dividend warrants

Members who have either not opted for NECS/ECS mandate or do not have such a facility with their bankers and who have not encashed earlier dividends paid by the Company, are requested to write to the Company's Share Transfer Agents for revalidation of expired dividend warrants and failing their encashment for a period of seven years, they stand to lose the right to claim such dividend owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund. The Form for such application is attached at the end of the Report.

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 of Declaration of Dividend | No. of Shareholders | Amount () | Due date of transfer to Investor Education and Protection Fund (IEPF) |
|---------------------------------|---------------------|-------------|---|
| 2013-14 | 4,552 | 3,97,336.50 | 14.08.2021 |
| 2014-15 | 4,816 | 4,16,979.00 | 28.09.2022 |

Update Address / E-Mail Address / Bank Details

To receive all communications/corporate actions promptly, members holding shares in dematerialized form are requested to please update their address/email address/ bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents. The Form for such application is attached at the end of the Report.

Electronic Service of Documents to Members at the Registered Email Address As a responsible corporate citizen, your Company has been continuously supporting the

"Green Initiatives" taken by the Ministry of Corporate Affairs, Government of India (MCA) and Securities and Exchange Board of India (SEBI).

Accordingly, in respect of Members / Members who have registered their email addresses, the Company has been dispatching all documents vide electronic form.

In accordance with Rule 18 of the Companies (Management and Administration) Rules, 2014 notified under the Companies Act, 2013, the Companies may give Notice of the General Meetings through electronic mode. Further, the said Rule provides that advance opportunity should be given at least once in a financial year to the Members / Members for registering their email address and changes therein, as may be applicable. Further Rule 11 of the Companies (Accounts) Rules, 2014 notified under the Companies Act, 2013 provides that in case of listed companies, financial statements may be sent by electronic mode to such Member / Members whose shareholding is in dematerialized form and whose email Ids are registered with the Depository Participant for communication purposes. As regards Member / Members whose shareholding is held in physical form, the financial statements may be sent in electronic mode to those members who have positively consented in writing for receiving by electronic mode.

In view of the above, the Company shall send all documents to Members like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those members, whose email address is registered with Depository Participant (DP)/Registrars & Share Transfer Agents (RTA) (hereinafter "registered email address") and made available to us, which has been deemed to be the member's registered email address for serving the aforesaid documents. To enable the servicing of documents electronically to the registered email address, we request the members to keep their email addresses validated/ updated from time to time. We wish to reiterate that Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Members holding shares in physical form have to write to our RTA, Adroit Corporate Services Private Limited at their specified address, so as to update their registered email address from time to time.

It may be noted that the Annual Report of the Company is available on the Company's website www.resonancesl.com for ready reference. Members are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of requisition from the members, any time, as a member of the Company. The Form for such application is attached at the end of the Report.

E- Voting Facility to members

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by CDSL

Register Nomination(s) and Consolidate Folios

Members holding shares in physical form, are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, they may obtain/submit the prescribed form from the Registrars & Share Transfer Agents. Members holding shares in dematerialized form are requested to register their nominations directly with their respective DPs. **Consolidate multiple folios** Members are requested to consolidate their shareholdings under multiple folios to eliminate the receipt of multiple communications and this would ensure that future correspondence/corporate benefits could then be sent to the consolidated folio.

Dealings of securities with registered intermediaries

In respect of dealings in securities, members must ensure that they deal only with SEBI registered intermediaries and must obtain a valid contract note/ confirmation memo from the broker/sub-broker within 24 hours of execution of the trade(s) and it should be ensured that the contract note/ confirmation memo contains details about order no., trade no., trade time, quantity, price and brokerage.

By the order of Board of Director

A B Gupta
(Chairman & Managing Director)
DIN: 00025255

Place: - Mumbai

Date: - 30th May, 2018

DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 34(3) READ WITH PART D OF SCHEDULE V THE SEBI LISTING REGULATIONS

To,
The Members

Resonance Specialties Limited

I hereby declare that all the Directors and the designated employees in the Senior Management of the Company have affirmed compliance with their respective Codes for the financial year ended March 31, 2018.

For Resonance Specialties Limited

A B Gupta
Chairman & Managing Director
DIN: 00025255

Date: 30th May, 2018

Place: Mumbai

CERTIFICATION BY MD AND CFO UNDER REGULATION 17(8) OF SEBI LISTING REGULATIONS

The Board of Directors

Resonance Specialties Limited

We have reviewed the financial statements and the cash flow statement of Resonance Specialties Limited for the year ended March 31, 2018 and that to the best of our knowledge and belief:

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

Shital Churi
Chief Financial Officer

A B Gupta
Chairman &
Managing Director
DIN: 00025255

Date: 30th May, 2018

Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To The Members of RESONANCE SPECIALTIES LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of RESONANCE SPECIALTIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on

Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

- e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For V.R.BHABHRA & CO.

Chartered Accountants
(Firm's Registration No. 112861W)

VIMAL R .BHABHRA

Partner
(Membership No. 046043)
Mumbai,
Date: 30th May, 2018

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 Ind AS financial statements for the year ended March 31, 2018)

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 provisions 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, Goods and Services Tax, cess and any other statutory dues with the appropriate authorities.
- b. 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, Goods and services Tax 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 | 2028.12 | Remanded Back to Assessing authority, Deputy Commissioner of Palghar of the Sales tax | Original order passed exports |
| Income tax 1961 | Income tax for the AY 2013-14 | 16.18 | ITAT | Additions of Sundry Balance W/off |
| Income tax 1961 | Penalty u/s 271(1)© | 28.55 | CIT(Appeal) | Penalty |
| Central Excise Act | Excise duty | 5.79 | Joint Commissioner | common input matter of INH CESTATE |
| Central Excise Act | Excise duty | 32.00 | Commissioner of Appeal -Mumbai | Appeal against the EA-1 Audit Order of Cenvat Credit availment on xerox copy and without documents |

- vii. 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 paid and provided 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 and Companies Act,2013.
- xiv. According to the information and explanations given 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

(Partner)
Membership No: - 046043
Place: Mumbai.
Date: 30th May, 2018

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 5(f) of the Independent Auditors' Report of even date to the members of Resonance Specialties Limited on the financial statements for the year ended March 31, 2018)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Resonance Specialties Ltd. ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 frauds and errors, the accuracy and completeness

of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (3) 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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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

Vimal R. Bhabhra

(Partner)

Membership No: - 046043

Place: Mumbai.

Date: 30th May, 2018

BALANCE SHEET AS AT 31ST MARCH 2018

| Particulars | Note No. | As at 31st March, 2018 Amount (Rs.) | As at 31st March, 2017 Amount (Rs.) |
|-------------------------------------|----------|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2 | 14,22,42,562 | 14,56,92,739 |
| Capital work-in-progress | | 59,92,340 | 20,11,279 |
| Other intangible assets | 2 | 37,43,616 | 49,38,390 |
| Financial assets | | | |
| i. Other financial assets | 3 | 1,45,00,576 | 1,54,24,775 |
| Other Non Current Asset | 4 | 2,55,010 | 5,010 |
| Total non-current assets | | 16,67,34,104 | 16,80,72,193 |
| Current assets | | | |
| Inventories | 5 | 9,93,05,607 | 13,56,52,701 |
| Financial assets | | | |
| i. Trade receivables | 6 | 6,65,19,624 | 7,40,82,507 |
| ii. Cash and cash equivalents | 7 | 81,709 | 42,384 |
| iii. Bank balances | 8 | 57,47,116 | 55,60,026 |
| iv. Other financial assets | 9 | 8,70,981 | 41,86,271 |
| Other current assets | 10 | 2,92,53,606 | 1,02,77,718 |
| Total current assets | | 20,17,78,643 | 22,98,01,607 |
| Total assets | | 36,85,12,748 | 39,78,73,800 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 11 | 11,54,40,000 | 11,54,40,000 |
| Other equity | 12 | 11,71,81,620 | 12,41,89,987 |
| Total Equity | | 23,26,21,620 | 23,96,29,987 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| i. Borrowings | 13 | 4,65,103 | 7,84,642 |
| Provisions | 14 | 20,43,463 | 22,34,979 |
| Deferred tax liabilities | 15 | 1,59,70,438 | 1,01,06,000 |
| Total Non-Current Liabilities | | 1,84,79,004 | 1,31,25,621 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 16 | 3,35,74,115 | 3,99,43,377 |
| ii. Trade payables | 17 | 5,97,37,352 | 8,95,86,087 |
| iii. Other financial liabilities | 18 | 2,14,01,661 | 60,62,556 |
| Provisions | 19 | 11,33,046 | 90,47,802 |
| Other current liabilities | 20 | 15,65,951 | 4,78,370 |
| Total Current Liabilities | | 11,74,12,124 | 14,51,18,192 |
| Total Liabilities | | 13,58,91,128 | 15,82,43,813 |
| Total Equity and Liabilities | | 36,85,12,748 | 39,78,73,800 |

As per our report of even date attached

For V.R.Bhabhra & Co

Firm Registration No. 112861W

Chartered Accountants

CA Vimal R Bhabhra**Partner**

Membership No.046043

Place: Mumbai,

Dated 30-May-2018

For & on behalf of the Board**For RESONANCE SPECIALTIES LIMITED****Dr. A B GUPTA****Chairman & Managing Director****DIN: 00025255****Mrs. Minal Bhosale****Company Secretary****Mr. L. R. Daga****Director****DIN:05211735****Mrs. Shital Churi****Chief Financial Officer**

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH 2018

| Particulars | Note No. | For the year ended 31st March, 2018 Amount (Rs.) | For the year ended 31st March, 2017 Amount (Rs.) |
|--|----------|--|--|
| INCOME | | | |
| Revenue from operation(Gross) | 21 | 38,83,93,344 | 37,04,39,915 |
| Less: Excise duty | | 2,87,85,996 | 2,86,06,211 |
| Revenue from operation(net) | | 35,96,07,348 | 34,18,33,704 |
| Other Income | 22 | 1,10,78,722 | 83,76,352 |
| | | 37,06,86,070 | 35,02,10,056 |
| EXPENDITURE | | | |
| Cost of raw material consumed | 23 | 11,99,20,286 | 18,13,67,993 |
| Purchases of Traded Goods | 24 | 1,20,80,224 | - |
| (Increase)/Decrease in inventories of Finished Goods, and stock in trade and work in process | 25 | 3,92,77,118 | (5,66,52,727) |
| Employees benefit Expenses | 26 | 3,50,84,153 | 3,20,92,315 |
| Others Expenses | 27 | 14,67,79,094 | 16,49,75,121 |
| | | 35,31,40,876 | 32,17,82,701 |
| Earning Before Interest, Depreciation & Taxation | | 1,75,45,195 | 2,84,27,355 |
| Interest & Financial Cost | 28 | 54,83,872 | 39,45,137 |
| Depreciation | 29 | 1,14,62,006 | 1,06,00,208 |
| Profit/(Loss) Before Exception items &Taxation | | 5,99,316 | 1,38,82,011 |
| Exceptional Items | 30 | 2,60,925 | - |
| Profit/(Loss) Before Tax | | 3,38,391 | 1,38,82,011 |
| Less : Provision for | | | |
| Current Tax | | (2,50,000) | (41,78,010) |
| MAT Credit Entitlement | | 2,50,000 | - |
| Taxation of earlier years | | (21,55,232) | - |
| Deferred Tax Asset/(Expenses) | 15 | (58,64,438) | 5,59,800 |
| Profit/(Loss) for the period from Continuing Operations | | (76,81,278) | 1,02,63,801 |
| Other Comprehensive Income | | | |
| A (i) items that will not be reclassified to profit or loss | | 9,96,366 | |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 2,56,564 | |
| B (i) items that will be reclassified to profit or loss | | | |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | | |
| Total Comprehensive Income for the period (Comprising Profit/(Loss) and other comprehensive Income for the period) | | (69,41,477) | 1,02,63,801 |
| Earning per equity share | | | |
| Basic & Diluted earning per share | | (0.60) | 0.89 |
| Face value per share | | 10.00 | 10.00 |

As per our report of even date attached

For V.R.Bhabhra & Co

Firm Registration No. 112861W

Chartered Accountants

CA Vimal R Bhabhra**Partner**

Membership No.046043

Place: Mumbai,

Dated 30-May-2018

For & on behalf of the Board**For RESONANCE SPECIALTIES LIMITED****Dr. A B GUPTA****Chairman & Managing Director****DIN: 00025255****Mrs. Minal Bhosale****Company Secretary****Mr. L. R. Daga****Director****DIN:05211735****Mrs. Shital Churi****Chief Financial Officer**

Cash Flow Statement For the period Ended 31st March'18

| Particulars | 2017-18 (Rs.) | 2016-17 (Rs.) |
|---|------------------|----------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before tax | 3,38,391 | 1,38,51,264 |
| Non Cash adjustment to reconcile profit/(loss) before tax to net cash flows | | |
| Depreciation | 1,14,62,006 | 1,06,00,208 |
| Loss on sales of Fixed Assets | - | 2,21,712 |
| Interest Expense | 34,38,930 | 39,45,137 |
| Foreign Exchange Gain/Loss | - | 6,99,145 |
| Provision for Gratuity | 12,41,604 | 3,50,000 |
| Provision for Gratuity in OCI (net of tax) | 7,39,802 | |
| Interest Income | (4,98,124) | |
| Unwinding interest income | (4,34,239) | |
| Operating Profit before Change in Working Capital Changes | 1,62,88,370 | 2,96,67,465 |
| Movement in working Capital | | |
| Increase(Decrease) in Trade payable | (2,98,48,735) | 3,52,97,496 |
| Increase(Decrease) in Long term provisions | (90,55,011) | 36,64,512 |
| Increase(Decrease) in other current liabilities | 3,10,590 | 16,50,934 |
| Increase(Decrease) in other current financial liabilities | 1,53,39,105 | - |
| Decrease/(Increase) in inventories | 3,63,47,094 | (5,56,23,445) |
| Decrease/(Increase) in Trade Receivables | 75,62,883 | (41,57,208) |
| Decrease/(Increase) in short term advances | - | 24,79,187 |
| Decrease/(Increase) in Long Term advances | - | (26,84,486) |
| Decrease/(Increase) in other current assets | (1,89,75,888) | (46,37,033) |
| Decrease/(Increase) in Other Financial Assets | 55,47,212 | |
| Development Expenses Capitalised | - | - |
| | 72,27,250 | (2,40,10,044) |
| Cash generated from operation | 2,35,15,619 | 56,57,421 |
| Direct Taxes paid | (20,84,490) | (66,485) |
| Net cash flows from operating activities | 2,14,31,129 | 55,90,936 |
| B CASH FLOW USED IN INVESTMENTS ACTIVITIES | | |
| Purchases of Fixed assets including capital advances | (1,15,75,107) | (2,61,65,916) |
| Interest received | 4,98,124 | |
| Net cash flows from Investment activities | (1,10,76,983) | (2,61,65,916) |
| C Cash flow from financing activities | | |
| Proceeds of Long term borrowings | (3,19,539) | 7,84,642 |
| Proceeds from borrowings (Net) | (63,69,262) | 2,07,22,560 |
| Dividend paid | - | - |
| Interest paid | (34,38,930) | (39,45,137) |
| Net cash flows /(used in)from Investment activities | (1,01,27,731) | 1,75,62,065 |
| Net cash increase/(decrease) in cash and cash equivalents | 2,26,415 | (30,12,915) |
| Add : cash and cash equivalents at the beginning of the year | 56,02,410 | 86,15,325 |
| cash and cash equivalents at the end of the year | 58,28,825 | 56,02,410 |
| Components of cash and cash equivalents | | |
| Cash on hand | 30,645 | 597 |
| Cheque in hand | - | - |
| Bank balance in current accounts | 51,064 | 41,787 |
| Bank balance in Fixed deposit accounts | 57,47,116 | 55,60,026 |
| | 58,28,825 | 56,02,410 |
| | 0 | 0 |

As per our report of even date attached

For V.R.Bhabhra & Co

Firm Registration No. 112861W

Chartered Accountants

CA Vimal R Bhabhra**Partner**

Membership No.046043

Place: Mumbai,

Dated 30-May-2018

For & on behalf of the Board**For RESONANCE SPECIALTIES LIMITED****Dr. A B GUPTA****Chairman & Managing Director****DIN: 00025255****Mrs. Minal Bhosale****Company Secretary****Mr. L. R. Daga****Director****DIN:05211735****Mrs. Shital Churi****Chief Financial Officer**

RESONANCE SPECIALTIES LIMITED**Note: 1**

Accompanying notes to financial statements for the year ended March 31, 2018

1.1 CORPORATE INFORMATION:

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 frictional distillation in batches, overall average product cycle is around 2 to 4 months from the procurement till the disposal.

1.2 BASIS OF PREPARATION:**Compliance with Ind-AS:**

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2017 are the first the Company has prepared in accordance with the Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- a) Land and Building classified as Property, Plant and equipments
- b) Certain financial assets and liabilities measured at fair value.

The Financial Statements are presented in Indian Rupees (INR) which is the functional currency for the company. All amounts have been rounded-off to the nearest rupee, unless otherwise indicated.

1.3 SIGNIFICANT ACCOUNTING POLICIES:

The following are the significant accounting policies applied by the Company in preparing its financial statements:

a) Property, Plant and Equipment:

- Leasehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost

less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of item can be measured reliably.
- The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.
- Capital Work in Progress: Assets under installation/ commissioning are shown under the head Capital Work –in Progress.
- Depreciation on the property, plant and equipment is provided on the written down value basis over the useful life of assets as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion.

b) Current and Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on Current/Non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Deferred tax Assets and Liabilities are classified as Non-Current Assets and Liabilities.

c) Cash and cash equivalents:

For the purpose of presentation in statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institution, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdraft. Fixed Deposit in the form of margin money for Letter of Credit and Guarantee are classified as other bank balances.

d) Financial Instruments:

Financial Assets:

➤ **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

➤ **Subsequent Measurement**

For purposes of subsequent measurement financial assets are classified in two broad categories:

Financial assets at fair value

Financial assets at amortised cost.

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset

is designated at fair value through profit or loss under the fair value option.

Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss. All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in other comprehensive income.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

➤ **Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset.

➤ **Impairment of Financial Assets:**

The Company assesses impairment based on expected credit losses model to the following:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

➤ **Expected credit losses are measured through a loss allowance at an amount equal to:**

- The 12- months expected credit losses (expected

credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- Full lifetime expected credit losses (expected credit losses that result from default events over the life of the financial instruments).

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

Under simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition.

The Company uses provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on the historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly, 12 month expected credit losses is used to provide for impairment loss. However, if the credit risk has increased significantly, lifetime expected credit losses is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-month expected credit losses.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk to be identified on a timely basis.

(II) Financial liabilities:

➤ Initial Recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

➤ Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) Financial liabilities at fair value through profit and loss:

It includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated upon initial recognition, and only if the criteria in Ind AS 109 are satisfied.

b) Loans and Borrowings:

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings using EIR method/ Straight line method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fees is deferred until the drawn down occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a prepayment of liquidity services and amortised over the period of the facilities to which it relates.

➤ Derecognition of Financial Liabilities:

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash asset transferred or liabilities assumed, is recognised in profit or loss as other gain/(losses).

(III) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities

- simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company, or the counter party.
- e) **Fair value measurement:**
Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/profit in case of financial assets or liabilities.
- f) **Revenue Recognition:**
- **Sale of Goods**
Revenue is recognized only when there is no significant uncertainty as to its measurability or collectability of the amount. Turnover includes sale of goods, and excise duty/GST and are net of discounts and claims. Revenue for technical assistance is recognized on accrual basis as per the terms of contract.
 - **Interest income**
Interest income is accounted on accrual basis. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
Interest income is included in other income in the statement of profit and loss.
 - **Dividend income:**
Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.
- g) **Inventories:**
In general, all inventories of finished goods, work in progress 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 stocks and valued accordingly. Cost of inventories comprises of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory of 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.
- h) **Export incentives**
Export benefits are accounted for on accrual basis to the extent considered receivable.
- i) **Employee benefits:**
- i. **Short term employee benefits:**
All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short - term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.
- ii. **Defined Benefit plans:**
The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Measurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payable during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.
- iii. **Other long-term employee benefits**
The Company's net obligation in respect of long - term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re- measurement is recognised in Statement of Profit and Loss in the period in which they arise.
Entitlements to annual privilege leave are recognized when they accrue to employees. Privilege leave can

be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the projected unit credit method with actuarial valuations being carried out at each reporting date.

j) Borrowing Cost

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. All other borrowing costs are expensed in the period in which they occur.

k) Leases:

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, and whether the fulfilment of the arrangement is dependent on the use of the specific assets or the arrangements conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

As Lessee (expenses)

Assets leased by the Company in its capacity as lessee where significant portion of risks and rewards of ownership are retained by lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases.

l) Segment Reporting:

The operations of the Company are limited to one segment, namely manufacturing of Chemicals and there are no other reportable segments. All the assets and revenue earned by the Company are in India. In view of a single business and geographical segment, no further disclosure as per Ind AS 108 needs to be made.

m) Taxation:

i. Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

- ii. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
- iii. Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- iv. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- v. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- vi. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
- vii. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
- viii. The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.
- ix. The Company review the applicability of Minimum Alternative Tax (MAT) at the end of each reporting date. Credit of MAT, if any is recognised as a part of deferred tax assets. As deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.
- x. Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- (a) Deductible temporary differences;
- (b) The carry forward of unused tax losses; and
- (c) The carry forward of unused tax credits .The Company reviews the same at each reporting date and written down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

n) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

o) Provisions and contingencies:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed in case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
 - A present obligation arising from past events, when no reliable estimate is possible;
 - A possible obligation arising from past events, unless the probability of outflow of resources is remote.
- Commitments include capital expenditure (net of advances) in relation to solar power plant. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

p) 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 recognised 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 estimate of recoverable amount.

q) Research And Development

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 the 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 process/product so developed is amortized over a period of ten years from the year of successful development .

1.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments, which have significant effect on the amounts recognized in the financial statement:

- **Property, plant and equipment and intangible assets.** Management has assessed the remaining useful lives and residual value of fixed assets. Management believes that the assigned useful life is reasonable.
- **Defined Benefit Obligation** The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined obligation is highly sensitive to changes in these assumptions. All assumption are reviewed at each reporting date.
- **Fair value measurement of financial instruments** When the fair value of financial asset and liabilities recorded in balance sheet cannot be measured based on quoted price in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree

of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risks and volatility. Changes in assumption about these factors could affect the reported fair value of financial instruments.

• **Operating lease commitments – As a lessee**

The Company has entered into lease agreement of its registered office, located at 301, Evershine Mall, Off Malad Link Road, Malad West, Mumbai-64. -The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

• **Income taxes**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

• **Contingencies**

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

NOTE-2

| ASSETS DESCRIPTION | Gross Block | | | | Depreciation | | | | Net Block | |
|--------------------------|---|--------------------------------|----------------------------------|----------------------------------|---|---------------------------------------|--|-----------------------|--------------------------------|--------------------------------|
| | Opening balance as on 01.04.2017 | Addition during the Year | Deductions during the year | Gross Block as on 31.03.18 | Opening balance as on 01.04.2017 | Depreciation on opening balance | Depreciation on additions during the year | Total Depreciation | Net Block as on 31.03.18 | Net Block as on 31.03.17 |
| Lease Hold Land | 3,99,49,055 | - | - | 3,99,49,055 | 69,84,461 | 6,65,701 | - | 76,50,162 | 3,22,98,893 | 3,29,64,594 |
| Buildings | 1,94,41,271 | - | - | 1,94,41,271 | 1,68,62,256 | 5,15,143 | - | 1,73,77,399 | 20,63,872 | 25,79,015 |
| Plant & Machinery | 29,84,24,871 | 40,96,157 | - | 30,25,21,028 | 19,53,14,606 | 75,16,657 | 1,47,995 | 20,29,79,258 | 9,95,41,770 | 10,31,10,265 |
| Furniture & Fixtures | 21,42,011 | - | - | 21,42,011 | 14,77,366 | 1,09,390 | - | 15,86,756 | 5,55,255 | 6,64,645 |
| Office Equipment | 45,78,561 | 1,34,494 | - | 47,13,055 | 43,22,846 | 48,364 | 21,843 | 43,93,053 | 3,20,002 | 2,55,715 |
| Motor Car | 33,07,940 | - | - | 33,07,940 | 15,88,240 | 2,81,400 | - | 18,69,640 | 14,38,300 | 17,19,700 |
| Electric Installation | 1,54,89,008 | - | - | 1,54,89,008 | 1,54,26,577 | 48,411 | - | 1,54,74,988 | 14,020 | 62,431 |
| R & D Equipment | 1,08,13,646 | 25,86,404 | - | 1,34,00,050 | 64,77,271 | 7,36,461 | 1,75,867 | 73,89,599 | 60,10,451 | 43,36,375 |
| Intangible Assets | 1,38,93,160 | - | - | 1,38,93,160 | 89,54,770 | 11,94,774 | - | 1,01,49,544 | 37,43,616 | 49,38,390 |
| Total | 40,80,39,523 | 68,17,055 | - | 41,48,56,578 | 25,74,08,394 | 1,11,16,301 | 3,45,705 | 26,88,70,400 | 14,59,86,178 | 15,06,31,129 |

Particulars

**As on 31.03.2018
Amount (Rs.)**

**As on 31.03.2017
Amount (Rs.)**

NOTE-3

FINANCIAL ASSETS - Other Non- current Financial Asset

| | | |
|---------------------------|--------------------|--------------------|
| Security Deposits | 76,92,578 | 76,92,579 |
| Sales tax paid on protest | 13,40,000 | 13,40,000 |
| VAT Refundable | 54,67,998 | 63,92,196 |
| | 1,45,00,576 | 1,54,24,775 |

| Particulars | As on 31.03.2018 Amount (Rs.) | As on 31.03.2017 Amount (Rs.) |
|--|----------------------------------|----------------------------------|
| NOTE-4 | | |
| OTHER NON-CURRENT ASSETS | | |
| (Unsecured and considered good) | | |
| MAT Credit Entitlement | 2,50,000 | - |
| Other advances | 5,010 | 5,010 |
| | 2,55,010 | 5,010 |
| (Unsecured, considered Doubtful) | | |
| Other advances to suppliers | 10,00,000 | 10,00,000 |
| Less: Provision for doubtful advances | (10,00,000) | 10,00,000 |
| | - | - |
| | 2,55,010 | 5,010 |
| NOTE-5 | | |
| INVENTORIES | | |
| (As taken, valued and certified by the Management) | | |
| Raw Material | 1,50,56,419 | 99,90,505 |
| Stock Work In Progress | 6,38,68,264 | 5,15,45,126 |
| Finished Goods | 2,03,80,924 | 7,19,81,180 |
| Traded Goods | | - |
| Packing Material | | 4,68,727 |
| Stores & Spares | | 9,38,786 |
| Fuel | | 7,28,377 |
| | 9,93,05,607 | 13,56,52,701 |
| NOTE-6 | | |
| TRADE RECEIVABLE | | |
| (Unsecured and considered good) * | | |
| Debts outstanding for a period exceeding six months from the date they are due for payment | | |
| | 8,46,090 | 8,46,090 |
| Less : provision for doubtful debts | (8,46,090) | (8,46,090) |
| (Unsecured and considered good) * | - | - |
| Debts outstanding for a period exceeding six months from the date they are due for payment | | |
| Other debts | 6,65,19,624 | 7,40,82,507 |
| * Subject to confirmation | 6,65,19,624 | 7,40,82,507 |
| NOTE-7 | | |
| CASH AND CASH & EQUIVALENTS | | |
| Cash on hand | 30,645 | 597 |
| Balance with banks | | |
| in Cash credit accounts | | |
| in Current accounts | 51,064 | 41,787 |
| | 81,709 | 42,384 |
| NOTE-8 | | |
| OTHER BANK BALANCES | | |
| in Fixed Deposits (Margin Money)* | 57,47,116 | 55,60,026 |
| *(Under Lien towards margin of Letter of credits & Guarantees) | 57,47,116 | 55,60,026 |
| NOTE-9 | | |

| Particulars | As on 31.03.2018 Amount (Rs.) | As on 31.03.2017 Amount (Rs.) |
|--------------------------------------|----------------------------------|----------------------------------|
| OTHER CURRENT FINANCIAL ASSET | | |
| (Unsecured, considered good) | | |
| IT Refund receivable | 8,70,981 | - |
| Balance with Government Authorities | - | 41,86,271 |
| | 8,70,981 | 41,86,271 |

NOTE-10**OTHER CURRENT ASSETS****(Unsecured and considered good)**

| | | |
|---|--------------------|--------------------|
| Prepaid expenses | 20,85,030 | 10,12,152 |
| Advances for supply of goods & services | 33,06,986 | 38,68,557 |
| Advances for capital Goods | 2,96,400 | 2,27,876 |
| Staff advances | 71,951 | 4,169 |
| Excise rebate, drawback and MAT & GST credits | 2,34,93,238 | 51,64,964 |
| | 2,92,53,606 | 1,02,77,718 |

NOTE-11**EQUITY****i) SHARE CAPITAL**

| | | |
|--|---------------------|---------------------|
| AUTHORISED: | | |
| 1,50,00,000 (1,50,00,000)Equity shares of Rs. 10/- each | 15,00,00,000 | 15,00,00,000 |
| | 15,00,00,000 | 15,00,00,000 |
| ISSUED, SUBSCRIBED & PAID UP | | |
| 1,15,44,000 (1,15,44,000) Equity shares of Rs. 10/- each fully paid up | 11,54,40,000 | 11,54,40,000 |
| | 11,54,40,000 | 11,54,40,000 |

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

| Particulars | 31.3.18 | 31.3.17 |
|--------------------------------------|--------------|--------------|
| | Amount | |
| At the beginning of the period | 11,54,40,000 | 11,54,40,000 |
| Issued during the period | - | - |
| Outstanding at the end of the period | 11,54,40,000 | 11,54,40,000 |

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**

| Particulars | No. of Shares | % of holding | % of holding |
|---------------------------------|---------------|--------------|--------------|
| Vista Finance & Leasing Pvt.Ltd | 3964100 | 34.34 | 34.34 |
| Usma Investment Pvt.Ltd | 3295200 | 28.54 | 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

| Particulars | As on 31.03.2018 Amount (Rs.) | As on 31.03.2017 Amount (Rs.) |
|---|----------------------------------|----------------------------------|
| NOTE-12 | | |
| RESERVE & SURPLUS | | |
| a) CAPITAL RESERVE | | |
| State Subsidy | | |
| Balance as per last financial statements | <u>20,00,000</u> | <u>20,00,000</u> |
| b) REVALUATION RESERVE | | |
| Balance as per last financial statements | 5,63,26,923 | 5,63,26,923 |
| Less: Depreciation on revaluation for the year | - | - |
| Closing Balance | <u>5,63,26,923</u> | <u>5,63,26,923</u> |
| c) SURPLUS IN THE STATEMENT OF PROFIT & LOSS | | |
| Balance as per Last year | 6,58,63,064 | 5,30,99,567 |
| Profit/(Loss) for the year | (69,41,477) | 1,02,63,801 |
| Less: IND AS Adjustments | (66,890) | |
| Add: Excess Provision of earlier years | | 24,99,696 |
| Less: Depreciation Written Back | | - |
| Closing Balance | <u>5,88,54,697</u> | <u>6,58,63,064</u> |
| | 11,71,81,620 | 12,41,89,987 |
| NOTE-13 | | |
| NON-CURRENT FINANCIAL LIABILITIES | | |
| i) BORROWING | | |
| SECURED TERM LOANS (LONG TERM BORROWING) | | |
| a) Vehicle loan from Banks (secured by hypothecation of Vehicles) | <u>4,65,103</u> | <u>7,84,642</u> |
| | 4,65,103 | 7,84,642 |
| b) The Vehicles term loans are payable over a period of 5 years with interest @ 11.25% | | |
| c) Note on Nature of Security on secured loan (The above borrowing from Bank is secured by hypothecation of present and future stock of raw material, stock in process and Finished goods and book debts of the company, and further secured by first charge by way of equitable mortgage of land and building, plant and machineries and all immovable properties of the company situated at T 140 MIDC Tarapur, Dist-Thane and further guaranteed by Managing Director of the company and is repayable on demand) | | |
| d) Working capital borrowing carry interest rate of 12.65% per annum | | |
| NOTE-14 | | |
| PROVISIONS - Non Current | | |
| Provision for Gratuity | <u>20,43,463</u> | <u>22,34,979</u> |
| | 20,43,463 | 22,34,979 |
| NOTE-15 | | |
| DEFERRED TAX LIABILITIES (NET) | | |
| Deferred Tax Liabilities | | |
| Deference between tax and book depreciation | 1,64,38,361 | 1,16,67,400 |
| Deferred Tax Assets | 1,64,38,361 | 1,16,67,400 |
| Provision for doubtful advances | 2,57,500 | 5,70,400 |
| Business Loss | | - |
| Timing Differences pursuant to sect 43B of the Income tax Act | 2,10,423 | 9,91,000 |
| | <u>4,67,923</u> | <u>15,61,400</u> |
| | 1,59,70,438 | 1,01,06,000 |
| NOTE-16 | | |
| SECURED CURRENT BORROWING) | | |
| a) Cash Credit | 95,94,115 | 1,99,83,379 |
| b) Export Packing Credit | <u>2,39,80,000</u> | <u>1,99,59,998</u> |
| | 3,35,74,115 | 3,99,43,377 |

| Particulars | As on 31.03.2018 Amount (Rs.) | As on 31.03.2017 Amount (Rs.) |
|--|----------------------------------|----------------------------------|
| NOTE-17 | | |
| TRADE PAYABLE | | |
| Trade payable against goods and services | 5,97,37,352 | 8,95,86,087 |
| | 5,97,37,352 | 8,95,86,087 |
| NOTE-18 | | |
| OTHER CURRENT FINANCIAL LIABILITIES | | |
| Tax Deducted at source payable | 12,02,954 | 20,72,095 |
| Statutory dues payable | 1,56,503 | 1,58,812 |
| Outstanding salaries & expenses | 2,00,42,205 | 38,31,649 |
| | 2,14,01,661 | 60,62,556 |
| NOTE-19 | | |
| Provision - Current | | |
| for Excise duty on Finished Goods | - | 79,97,909 |
| for Income tax(Net of advance tax paid) | 3,06,066 | 5,98,931 |
| Provision for Retirement Benefit | 8,26,980 | 4,50,962 |
| | 11,33,046 | 90,47,802 |
| NOTE-20 | | |
| OTHER CURRENT LIABILITIES | | |
| Advances from customers | 7,88,960 | 4,78,370 |
| Creditors for Capital Goods | 7,76,991 | |
| | 15,65,951 | 4,78,370 |
| NOTE-21 | | |
| REVENUE FROM OPERATIONS | | |
| Sale of Products | | |
| Finished Goods | 38,04,83,019 | 36,77,18,915 |
| Traded Goods | | - |
| Others Sale | | - |
| | 38,04,83,019 | 36,77,18,915 |
| Less GST & Excise duty on Sale | 2,87,85,996 | 2,86,06,211 |
| | 35,16,97,023 | 33,91,12,704 |
| Sale of Service | | |
| Conversion (Job) Charges | 79,10,325 | 27,21,000 |
| | 35,96,07,348 | 34,18,33,704 |
| NOTE-22 | | |
| OTHER INCOME | | |
| Interest on Fixed deposit with bank | 4,98,124 | 5,95,511 |
| Gain on exchange fluctuation | 25,96,103 | 23,00,756 |
| Unwinding Interest Income | 4,65,681 | 4,29,538 |
| Export Benefit/Duty Drawback | 74,26,890 | 42,81,599 |
| Other Receipts | 91,924 | 7,68,948 |
| | 1,10,78,722 | 83,76,352 |
| NOTE-23 | | |
| COST OF RAW MATERIAL CONSUMED | | |
| Inventory at the beginning of the year | 99,90,505 | 1,02,93,675 |
| Add : Purchases | 12,49,86,200 | 18,10,64,823 |
| | 13,49,76,705 | 19,13,58,498 |
| Less: Inventory at the end of the year | 1,50,56,419 | 99,90,505 |
| | 11,99,20,286 | 18,13,67,993 |

| Particulars | As on 31.03.2018 Amount (Rs.) | As on 31.03.2017 Amount (Rs.) |
|---|----------------------------------|----------------------------------|
| 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.1800400 (P Y Rs.7240495) The conversion charges received, therefore, are also net of the said amount Additional information pursuant to provisions of para 3 and 4 of the part II of the schedule VI to the companies act 1956 Value of the productwise material consumed Basic Chemicals Solvents | | |
| NOTE-24 | | |
| PURCHASES OF TRADED GOOD | | |
| (a) Purchases | 1,20,80,224 | - |
| | 1,20,80,224 | - |
| NOTE-25 | | |
| (INCREASE) / DECREASE IN INVENTORIES | | |
| Inventories at the end of the year | | |
| Work in progress | 6,38,68,264 | 5,15,45,126 |
| Finished goods | 2,03,80,924 | 7,19,81,180 |
| | 8,42,49,188 | 12,35,26,306 |
| Inventories at the beginning of the year | | |
| Work in progress | 5,15,45,126 | 4,59,43,263 |
| Finished goods | 7,19,81,180 | 2,09,30,316 |
| | 12,35,26,306 | 6,68,73,579 |
| | 3,92,77,118 | (5,66,52,727) |
| NOTE-26 | | |
| EMPLOYEE BENEFITS EXPENSES | | |
| Salaries and wages | 3,13,42,514 | 2,85,45,845 |
| Workmen and staff welfare expenses | 12,11,686 | 20,79,294 |
| Contribution to Provident fund and ESIC | 12,88,349 | 10,16,214 |
| Provision for Gratuity | 12,41,604 | 4,50,962 |
| | 3,50,84,153 | 3,20,92,315 |
| NOTE-27 | | |
| OTHER EXPENSES | | |
| Stores & Spares Part Consumed | 72,18,823 | 75,37,220 |
| Packing Material Consumed | 26,99,484 | 31,84,206 |
| Conversion Charges | 4,47,86,167 | 5,59,47,348 |
| Power & Fuel | 4,54,09,196 | 3,82,59,894 |
| Freight & Transport Charges | 1,53,84,774 | 1,33,48,667 |
| Excise duty expenses | (63,54,750) | 66,17,042 |
| Repair & Maintenance | | |
| For Plant & Machineries | 46,27,890 | 69,36,052 |
| For Buildings | 8,41,045 | 5,84,508 |
| For Others | 14,07,681 | 19,16,970 |
| Traveling, Conveyance, Lodging & Boarding | 38,35,111 | 30,55,221 |
| Postage, Telephone & Internet Charges | 8,13,527 | 7,11,301 |
| Foreign Exchange Fluctuation | - | - |
| Professional & Legal Expenses | 65,52,595 | 69,41,259 |
| Insurance Premium | 9,67,679 | 10,77,584 |
| Rent | 24,83,394 | 25,05,900 |
| Rates & Taxes | 11,75,253 | 11,43,085 |
| Commission | 12,83,175 | 15,09,830 |
| Discount | 24,95,152 | 26,76,958 |

| Particulars | As on 31.03.2018 Amount (Rs.) | As on 31.03.2017 Amount (Rs.) |
|--|----------------------------------|----------------------------------|
| R & D Expenses | 67,63,468 | 57,90,485 |
| Director Sitting Fee | 6,83,342 | 9,22,233 |
| Audit Fees | 7,73,225 | 5,00,000 |
| Loss on sale of Fixed Assets | - | 2,21,712 |
| Other Expenses | 29,32,864 | 35,87,646 |
| | 14,67,79,094 | 16,49,75,121 |
| NOTE-28 | | |
| INTEREST & FINANCIAL COST | | |
| Interest on fixed term Loan | 62,714 | 53,790 |
| Interest on others | 33,76,215 | 17,33,634 |
| Financial Charges | 20,44,943 | 21,57,713 |
| | 54,83,872 | 39,45,137 |
| NOTE-29 | | |
| DEPRECIATION | | |
| Depreciation for the year (Ref note 3) | 1,14,62,006 | 1,06,00,208 |
| Less: Transferred to Revaluation reserve | | - |
| | 1,14,62,006 | 1,06,00,208 |
| NOTE-30 | | |
| EXCEPTIONAL ITEMS | | |
| Prior Period Item | 2,60,925 | - |
| | 2,60,925 | - |

NOTE-31**Components of Other Comprehensive Income**

The disaggregation of changes to OCI by each type of reserve in equity is shown below
During the year ended 31st March 2018

| Particulars | Retained Earnings |
|--|-------------------|
| Remeasurement gains/(losses) on defined benefit plans (Net of Taxes) | 7,39,802 |

NOTE-32**Segment Reporting as per Ind AS 108**

The company does not have any reportable segment as per Ind AS 108 and thus Segment Reporting is not applicable

NOTE-33**First-time adoption of Ind AS****Transition to Ind AS**

These financial statements, for the year ended 31st March 2018, are the first the company has prepared in accordance with Ind AS. For the periods upto and including the Year ended 31st March 2017, the company has prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly the company has prepared financial statements which comply with Ind AS applicable for the periods ending 31st March 2018, together with the comparative period data as at for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1st April 2016, the company's date of transition into Ind AS. This note explains the Principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statement for the year ended 31st March 2017.

A. Exceptions and Exemptions availed

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

- Since there is no change in the functional currency, the company has elected to continue with the carrying value for all its investment property as recognized in its Indian GAAP financials as deemed cost at the transition date. Accordingly, the Company has not revalued the property, plant & equipment as on 1st April 2016

Ind AS mandatory exceptions:

1. Estimates

"An entity's estimates in accordance with IndASs at the date of transition to IndAS shall be consistent with estimates made for the same date in accordance with previous GAAP. As there is no objective evidence that those estimates were in error, Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date in conformity with the previous GAAP."

2. Classification and measurement of Financial assets

Ind AS 101 requires classification and measurement of Financial assets on the basis of facts and circumstances existing as on date of transition to Ind AS.

A. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (April 1, 2017)

(Amount in Rupees)

| Particulars | Notes to first time adoption | Previous GAAP | Adjustments | Ind AS |
|---------------------------------|------------------------------|---------------------|----------------|---------------------|
| ASSETS | | | | |
| Non-Current Assets | | | | |
| Property, Plant and Equipment | | 14,56,92,739 | - | 14,56,92,739 |
| Intangible Assets | | 49,38,390 | - | 49,38,390 |
| Capital Work In Progress | | 20,11,279 | - | 20,11,279 |
| Financial Assets | | | | |
| (i) Investments | | - | - | - |
| (ii) Loans | 1 | 1,53,99,038 | 1,53,99,038 | - |
| (iii) Other Financial Assets | 1 | - | (1,54,24,775) | 1,54,24,775 |
| Other non-current assets | 1 | - | (5,010) | 5,010 |
| Current assets | | | | |
| Inventories | | 13,56,52,701 | - | 13,56,52,701 |
| Financial Assets | | | | |
| (i) Trade receivables | | 7,40,82,507 | - | 7,40,82,507 |
| (ii) Cash and cash equivalents | 1 | 56,02,410 | 55,60,026 | 42,384 |
| (iii) Other Balances with Banks | 1 | - | (55,60,026) | 55,60,026 |
| (iv) Loans | 1 | 4,169 | 4,169 | - |
| (v) Other financial asset | 1 | - | (41,86,271) | 41,86,271 |
| Current tax Assets (net) | | - | - | - |
| Other current assets | 1 | 1,44,59,820 | 41,82,102 | 1,02,77,718 |
| Total assets | | 39,78,43,053 | -30,747 | 39,78,73,800 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| Equity share capital | | 11,54,40,000 | - | 11,54,40,000 |
| Other equity | | - | - | - |
| Reserves and Surplus | 1 | 12,41,59,240 | 30,747 | 12,41,89,987 |

| Particulars | Notes to first time adoption | Previous GAAP | Adjustments | Ind AS |
|---|------------------------------|---------------|-------------|--------------|
| LIABILITIES | | - | - | - |
| Non-current liabilities | | - | - | - |
| (a) Financial Liabilities | | - | - | - |
| (i) Borrowings | | 7,84,642 | - | 7,84,642 |
| (ii) Trade Payable | | - | - | - |
| (iii) Other financial liabilities (other than those specified in item (b), to be specified) | | - | - | - |
| (b) Provisions | | 22,34,979 | - | 22,34,979 |
| (c) Deferred Tax Liabilities | | 1,01,06,000 | - | 1,01,06,000 |
| Current liabilities | | - | - | - |
| (a) Financial Liabilities | | - | - | - |
| (i) Borrowings | | 3,99,43,377 | - | 3,99,43,377 |
| (ii) Trade Payable | | 8,95,86,086 | 1 | 8,95,86,087 |
| (iii) Other financial liabilities (other than those specified in item (c), to be specified) | 1 | - | 60,62,556 | 60,62,556 |
| (b) Other Current Liabilities | 1 | 65,40,926 | (60,62,556) | 4,78,370 |
| (c) Provisions | | 90,47,802 | - | 90,47,802 |
| (d) Current Tax Liabilities | | - | - | - |
| Other Current liabilities | | - | - | - |
| Provisions | | - | - | - |
| Total equity and liabilities | | 39,78,43,053 | 30,748 | 39,78,73,800 |

Reconciliation of total comprehensive income for the year ended March 31, 2017

(Amount in Rupees)

| Particulars | Notes to first time adoption | Previous GAAP | Adjustments | Ind AS |
|--|------------------------------|---------------|-------------|---------------|
| Continuing operations | | | | |
| Revenue from operations | | 34,18,33,704 | - | 34,18,33,704 |
| Other income | 2 | 79,46,814 | 4,29,538 | 83,76,352 |
| Total income | | 34,97,80,518 | 4,29,538 | 35,02,10,056 |
| Expenses | | | | |
| Cost of Raw Materials Consumed | | 18,13,67,993 | 0 | 18,13,67,993 |
| (Increase)/Decrease in Inventories of Finished Goods, and Stock in trade and Work in Process | | (5,66,52,727) | 0 | (5,66,52,727) |
| Employee benefit expense | | 3,20,92,315 | - | 3,20,92,315 |
| Finance costs | | 39,45,137 | - | 39,45,137 |
| Depreciation and amortisation expense | | 1,06,00,208 | 0 | 1,06,00,208 |
| Other expenses | 2 | 16,45,76,329 | (3,98,792) | 16,49,75,121 |
| Total expenses | | 33,59,29,255 | (3,98,791) | 33,63,28,046 |
| Profit before exceptional items and tax | | 1,38,51,263 | (30,748) | 1,38,82,011 |
| Exceptional items | | | | |
| Profit before tax from continuing operations | | | | |
| Income tax expense | | | | |
| - Current Tax | | 41,78,010 | - | 41,78,010 |
| - Deferred Tax | | (5,59,800) | - | (5,59,800) |
| Total Tax expense | | 36,18,210 | - | 36,18,210 |

| | | | | |
|-----------------------------------|--|--------------------|-----------------|--------------------|
| Profit for the year | | 1,02,33,053 | (30,748) | 1,02,63,801 |
| Other comprehensive income | | - | - | - |
| Total comprehensive income | | 1,02,33,053 | (30,748) | 1,02,63,801 |

Impact of Ind AS adoption on the statement of cash flow for the year ended March 31, 2017 (Amount in Rupees)

| Particulars | Previous GAAP | Adjustments | Ind AS |
|--|---------------|-------------|---------------|
| Net cash flow from operating activities | 55,90,936 | 0 | 55,90,936 |
| Net cash flow from investing activities | (2,61,65,916) | - | (2,61,65,916) |
| Net cash flow from financing activities | 1,75,62,065 | - | 1,75,62,065 |
| Net increase/(decrease) in cash and cash equivalents | (30,12,915) | (0) | (30,12,915) |
| Cash and cash equivalents as at 1st April, 2016 | 86,15,325 | - | 86,15,325 |
| Cash and cash equivalents as at 31st March, 2017 | 56,02,410 | (0) | 56,02,410 |

Figures of previous year have been regrouped wherever necessary, to confirm to current year's presentation.

Note 1- Classification and presentation of assets and liabilities

Under previous GAAP, the Company was not required to present its assets and liabilities bifurcating between financial assets / financial liabilities and non financial assets / non financial liabilities. Under Ind AS, the Company is required to present its assets and liabilities bifurcating between financial assets / financial liabilities and non financial assets / non financial liabilities. Accordingly, the Company has classified and presented its assets and liabilities.

Note 2- Reassessment of lease rent

Under Indian GAAP, lease security deposit (that are refundable in the nature on the completion of the lease term) are recorded at the transaction value. As per Ind AS 109, Financial Instruments, all financial assets and liabilities are required to be recognised at fair value. Since lease security are refundable in cash, they would generally meet the definition of financial asset under Ind AS 109. As the security deposits are interest free, the difference between the deposit amount and the fair value would then be recognised in the statement of profit and loss on straight line basis over the lease term.

NOTE-34

Employee benefit obligation Post Employment Benefit Plans

(a) Gratuity:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for the period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee last drawn salary per month computed proportionately for 15 days salary multiplied for the number of services.

Movement in Obligation

(Amount in Rupees)

| Particulars | "As at March 31, 2018" | "As at March 31, 2017" |
|---------------------------------------|------------------------|------------------------|
| PVO at the beginning of the Year | 26,85,941 | 23,35,941 |
| Interest Cost | 1,73,675 | 1,70,495 |
| Past Service Cost (unvested benefits) | - | - |
| Current Service Cost | 3,57,048 | 3,40,173 |
| Past Service Cost – Vested Benefit | 8,29,958 | - |
| Current Cost/ (Credit) | - | - |
| Benefits Paid | (1,79,813) | (1,00,962) |
| Actuarial (Gain) / Loss | (9,96,366) | (59,706) |
| PVO at the end of the Year | 28,70,443 | 26,85,941 |

Recognised in Profit and loss

| Particulars | “As at March 31, 2018” | “As at March 31, 2017” |
|---|---------------------------|---------------------------|
| Current Service Cost | 3,57,048 | 3,40,173 |
| Past Service Cost (non vested benefits) | - | - |
| Net Interest Cost | 1,73,675 | 1,70,495 |
| Past Service Cost – Vested Benefit | 8,29,958 | - |
| Employees' Contribution | - | - |
| Total Expenses recognized in Profit and Loss A/c | 13,60,681 | 5,10,668 |

Other Comprehensive Income for the period

| Particulars | “As at March 31, 2018” | “As at March 31, 2017” |
|---|---------------------------|---------------------------|
| Component of actuarial gain/losses on obligation: | | |
| Due to change in financial assumption | (32,954) | 35,334 |
| Due to change in demographic assumption | - | - |
| Due to change in experience adjustment | (9,63,412) | (95,040) |
| Return on plan assets excluding amounts included in interest income | - | - |
| Total Expenses recognized in Other Comprehensive Income A/c | (9,96,366) | (59,706) |

Reconciliation of net defined benefit - Gratuity Liability

| Particulars | “As at March 31, 2018” | “As at March 31, 2017” |
|--|---------------------------|---------------------------|
| Net opening provisions in books of accounts | 26,85,841 | 23,35,941 |
| Transfer in/(out) obligation | (9,96,366) | (59,806) |
| Transfer in/(out) plan asset | - | - |
| Employee benefit expenses | 13,60,681 | 5,10,668 |
| Amounts recognized in Other Comprehensive Income | - | - |
| Benefits paid by the Company | (1,79,813) | (1,00,962) |
| Contributions to plan assets | - | - |
| Closing provisions in books of accounts | 28,70,343 | 26,85,841 |

Funded status of the plan

| Particulars | “As at March 31, 2018” | “As at March 31, 2017” |
|--------------------------------------|---------------------------|---------------------------|
| Present value of unfunded obligation | - | - |
| Present value of funded obligation | 28,70,343 | 26,85,841 |
| Fair value of plan asset | - | - |
| Net Liability/(Asset) | 28,70,343 | 26,85,841 |

Sensitivity Analysis of Gratuity:

| Particulars | Impact on defined benefit obligation(in %) | |
|-----------------------------------|---|---------------------------|
| | “As at March 31, 2018” | “As at March 31, 2017” |
| 1% Increase in Discount rate | 27,87,344 | - |
| 1% Decrease in Discount rate | 29,58,884 | - |
| 1% Increase in Salary growth rate | 29,13,310 | - |
| 1% Decrease in Salary growth rate | 28,30,098 | - |

Sensitivity Analysis Method

Sensitivity analysis is performed by varying a single parameter while keeping all other parameters unchanged. Hence, the result may vary if two or more variables are changed simultaneously. It fails to focus on the interrelationship between underlying parameters. The methods used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

Following are the Principal Actuarial Assumptions used as at the Balance Sheet date :

| Particulars | “As at March 31, 2018” | “As at March 31, 2017” |
|---|---------------------------|---------------------------|
| Discount Rate | 7.24% | 6.69% |
| Salary Escalation Rate – Management Staff | 5.00% | 4.65% |
| Turnover Rate | 20.00% | 20.00% |
| Mortality Table | 0.0018030% | 0.0016670% |

(C) Risk Exposure

Though its defined benefit plans, the Company is expose to number of risks, the most significant of which are detailed below:

1. Acturial risk :

“It’s the risk that benefit will cost more than expected. This can arise due to following reasons:“

- Adverse salary growth experience : salary hikes that are higher than the assumed salary escalation will result in an increase in obligation at a rate that is higher than expected.
- Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
- Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

2. Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

3. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cashflows.

4. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

5. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

NOTE-35**Fair values**

Fair value measurement include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

NOTE-36**Financial risk management objectives and policies**

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

Carrying amount of financial assets and liabilities:

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the period by categories:

(Amount in Rs.)

| Particulars | "As at 31-March-2018" | "As at 31-March-2017" |
|-----------------------------|--------------------------|--------------------------|
| Financial assets | | |
| Cash and bank balances | 58,28,825 | 56,02,410 |
| At end of the year | 58,28,825 | 56,02,410 |
| Financial liabilities | | |
| Borrowings | 4,65,103 | 7,84,642 |
| Other financial liabilities | 2,14,01,661 | 60,62,556 |
| At end of the year | 2,18,66,765 | 68,47,198 |

Credit risk on financial assets

The company is engaged in business of manufacturing of Pyridine, Picoline, Cynopyridine and derivatives of the same. Bulks drugs and nutritional products are toll converted. Receivables are typically not secured by any form of credit support such as letters of credit, performance guarantees or escrow arrangements. Credit risk is the risk that counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and other financial instruments.

Financial assets that are potentially subject to concentrations of credit risk and failures by counter-parties to discharge their obligations in full or in a timely manner consist principally of cash, cash equivalents and other receivables. Credit risk on cash balances with Bank are limited because the counterparties are entities with acceptable credit ratings. The exposure to credit risk for loan to related parties is limited because the related parties are entities with acceptable credit rating.

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(Amount in Rs.)

| Particulars | “ As at | |
|---|---------------|---------------|
| | 31-March-2018 | 31-March-2017 |
| Borrowings | 4,65,103 | 7,84,642 |
| Other financial liabilities | 2,14,01,661 | 60,62,556 |
| Less: cash and cash equivalents | (58,28,825) | (56,02,410) |
| Net debt | 1,60,37,940 | 12,44,788 |
| Equity share capital | 11,54,40,000 | 11,54,40,000 |
| Equity component of financial instruments | 11,71,81,620 | 12,41,89,987 |
| Total equity | | |
| Total member's capital | 23,26,21,620 | 23,96,29,987 |
| Capital and net debt | 24,86,59,559 | 24,08,74,775 |
| Gearing ratio (%) | 6.45 | 0.52 |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2016 and 31 March 2015.

NOTE-37**Related Party Disclosures**

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are:

a) List of the related party

| Particulars | Relationship | (% of holding) | |
|---------------------------------|--------------|---------------------------|---------------------------|
| | | “As at March 31, 2018” | “As at March 31, 2017” |
| Mr. Alok Gupta | Promoters | 0.36% | 0.36% |
| Mr. Anoop Gupta | Promoters | 0.20% | 0.20% |
| Dr. Atma Bandhu Gupta | Promoters | 0.00% | 0.00% |
| Avignon Chemicals Pvt Ltd | Promoters | 1.27% | 1.27% |
| Mrs. Usha Gupta | Promoters | 0.00% | 0.00% |
| Ushma Investments Pvt Ltd | Promoters | 28.55% | 28.55% |
| Vista Finance & Leasing Pvt Ltd | Promoters | 34.34% | 34.34% |
| Mr. Satish Chander Mathur | Director | 0.00% | 0.00% |

b) Key Management Personnel of Company

| | |
|------------------------------|-------------------------------|
| Chairman & Managing Director | Dr Atma Bandhu Gupta |
| Whole time Director | Mr. Satish Chander Mathur |
| Independent Director | Mrs. Archana Surendra Yadav |
| Independent Director | Dr. Yaqoob Ali |
| Independent Director | Mr. Laxmi Ratan Daga |
| Non Executive Director | Mr. Bishwanath Prasad Agrawal |
| Chief Financial Officer | Mrs. Shital Churi |
| Company Secretary | Mrs. Minal Bhosale |

c) Transactions during the year with related parties

| Name of the party | Nature of transactions | “As at March 31, 2018” | “As at March 31, 2017” |
|---|---------------------------|---------------------------|---------------------------|
| Dr. Atma Bandhu Gupta | Director Remuneration | 48,28,725 | 36,83,750 |
| Mr. Satish C Mathur | Consultancy Fees | 13,44,918 | 15,314 |
| Meeting held in Quarter 1 FY 2017-18 | Director Sitting Fees | 1,77,780 | 1,33,335 |
| Mrs. Archana Surendra Yadav | | 44,445 | 44,445 |
| Dr. Yaqoob Ali | | 44,445 | - |
| Mr Laxmi Ratan Daga | | 44,445 | 44,445 |
| Mr. Bishwanath Prasad Agrawal | | 44,445 | 44,445 |
| Meeting held in Quarter 2 FY 2017-18 | Director Sitting Fees | 1,77,780 | 1,33,335 |
| Mrs. Archana Surendra Yadav | | 44,445 | 44,445 |
| Dr. Yaqoob Ali | | 44,445 | - |
| Mr Laxmi Ratan Daga | | 44,445 | 44,445 |
| Mr. Bishwanath Prasad Agrawal | | 44,445 | 44,445 |
| Meeting held in Quarter 3 FY 2017-18 | Director Sitting Fees | 1,33,335 | 1,33,335 |
| Mrs. Archana Surendra Yadav | | 44,445 | 44,445 |
| Dr. Yaqoob Ali | | Leave of Absence | - |
| Mr Laxmi Ratan Daga | | 44,445 | 44,445 |
| Mr. Bishwanath Prasad Agrawal | | 44,445 | 44,445 |
| Meeting held in Quarter 4 FY 2017-18 | Director Sitting Fees | 1,33,335 | 1,77,780 |
| Mrs. Archana Surendra Yadav | | 44,445 | 44,445 |
| Dr. Yaqoob Ali | | 44,445 | 44,445 |
| Mr Laxmi Ratan Daga | | 44,445 | 44,445 |
| Mr. Bishwanath Prasad Agrawal | | Leave of Absence | 44,445 |
| Vista Organics Pvt Ltd | Conversion Charges | 5,10,94,918 | 5,52,13,912 |
| | Purchase of Raw Materials | 1,21,25,820 | 21,46,757 |
| Avignon Exim Pvt Ltd | Sales | 36,27,435 | 8,08,92,074 |
| | Conversion Charges Income | 79,10,325 | 27,21,000 |
| Ascent Financial Services - Interest of Mr.L.R. Daga | Professional Fees | 1,56,000 | - |
| Ramanand Associates - Interest of Mrs. Archana Surendra Yadav | Professional Fees | 59,000 | - |
| Y-Chem Consulting Interest of Dr.Yaqoob Ali | Professional Fees | 2,36,000 | - |
| Neha Consulting Agency - Interest of Mr.Bishwanath Prasad Agrawal | Professional Fees | 1,96,200 | - |
| Bishwanath Prasad Agrawal | Professional Fees | 1,05,000 | 3,46,000 |
| Ushma Investments Pvt Ltd | Rent | 7,20,000 | 7,20,000 |
| Avignon Chemicals Pvt Ltd | Rent | 7,20,000 | 7,20,000 |
| Vista Finance & Leasing Pvt Ltd | Rent | 7,20,000 | 7,20,000 |
| Mrs.Usha Gupta | Salary | 8,00,000 | - |

d) Balance outstanding of related parties

| Name of the Party | “ Receivable / (Payable) “ | “As at March 31, 2018” | “As at March 31, 2017” |
|---------------------------------|----------------------------|---------------------------|---------------------------|
| Vista Organics Pvt Ltd | Receivable / (Payable) | -1,56,45,395 | -64,45,853 |
| Avignon Exim Pvt Ltd. | Receivable / (Payable) | 1,47,84,763 | 2,93,92,311 |
| Ushma Investments Pvt Ltd | Receivable / (Payable) | 4,32,000 | 4,814 |
| Avignon Chemical Pvt Ltd | Receivable / (Payable) | Nil | Nil |
| Vista Finance & Leasing Pvt Ltd | Receivable / (Payable) | Nil | Nil |
| Neha Consulting Agency | Receivable / (Payable) | -32,700 | Nil |
| Ascent Financial Services | Receivable / (Payable) | Nil | Nil |
| Mr Laxmi Ratan Daga | Receivable / (Payable) | -40,000 | Nil |

| | | | |
|---------------------------|------------------------|-----------|--------|
| Bishwanath Prasad Agrawal | Receivable / (Payable) | -1,01,700 | -6,700 |
| Dr. Atma Bandhu Gupta | Receivable / (Payable) | Nil | Nil |
| S. C. Mathur | Receivable / (Payable) | Nil | Nil |
| Y-Chem Consulting | Receivable / (Payable) | 2,95,000 | Nil |

e) Key Management Personnel Compensation

| Particulars | "As at March 31, 2018" | "As at March 31, 2017" |
|------------------------------|---------------------------|---------------------------|
| Short-term employee benefits | - | - |
| Post-employment benefits | | |
| Company Secretary | 4,73,211 | 3,30,610 |
| Chief Financial Officer | 4,06,822 | 3,71,524 |
| Total | 8,80,033 | 7,02,134 |

NOTE-38 Contingent Liabilities

| Particulars | Guarantees excluding financial guarantees | |
|---|---|---------------------------|
| | "As at March 31, 2018" | "As at March 31, 2017" |
| Bank Guarantee issued by banks on behalf of the Company against lien of fixed deposit receipts: | 1,00,000 | 3,00,000 |
| Sales Tax Demand against which the company has filed appeal for the AY 2005-06 to AY 2009-10 for which permanent stay was granted on payment of Rs.2,10,35,560. The case is remanded back to Deputy Commissioner of Sales Tax Palghar. Pending the outcome the same is treated as Contingent Liability. | 20,28,11,451 | 20,28,11,451 |
| Letter of Credit Outstanding | 2,39,80,000 | 1,85,42,451 |
| Demand raised by Income Tax Authority for the A.Y.2013-14, the same is contested for appeal in Income Tax Appellate Tribunal by the company. Pending the outcome the same is considered as Contingent Liability. | 16,18,770 | 16,18,770 |
| Claim against the company by a customer but not admitted. The outcome of the same is pending in High Court. Pending the outcome the same is considered as contingent liability in the current year. | 33,63,214 | 33,63,214 |
| Total | 23,18,73,435 | 22,66,35,886 |

NOTE-39 Capital Commitments

- a) Capital expenditure contracted at the end of the reporting period but not recognised as liability is as follows : There were no capital liability yet to be recognized
- b) The Company had cancellable operating leases which expired as on 31 st March'18.

NOTE-40 Earning per Share

| Particulars | "As at March 31, 2018" | "As at March 31, 2017" |
|---|---------------------------|---------------------------|
| Basic Earning Per Share | | |
| "Profit/(Loss) attributable to Equity shareholders" | (69,41,477) | 1,02,63,801 |
| "Weighted average number of equity shares" | 1,15,44,000 | 1,15,44,000 |
| Face value per Share | 10 | 10 |
| Basic Earnings Per Share (in Rs.) | (0.60) | 0.89 |
| Diluted Earnings per Share (in Rs.) | (0.60) | 0.89 |

Note 41 Events Occuring After the Balance Sheet Date

No subsequent event has been observed which may required an adjustment to the statement of financial position.

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
29th Annual General Meeting – 14 August, 2018

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 29th Annual General Meeting of the Company held at Raheja Classique Club, Infinity Mall, New Link Road, Andheri (West), Mumbai 400 058, on Tuesday, 14th August, 2018 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 |
|--------------------------------------|---------------------------------------|-----------------------|
| 180716027 | 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.
Tel No: 022 42172222, Fax: 022 42172233, **Email:** investor@resonancesl.com, **Website:** www.resonancesl.com
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 _____

as my/our proxy to attend and vote through ballot or (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on the Tuesday, August 14, 2018 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 |
|--------------------------|--|-----|---------|
| Ordinary Business | | | |
| 1 | To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2018, including the audited Balance Sheet as at March 31, 2018, 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 Mr. B. P. Agrawal having DIN (02724594), who retires by rotation and being eligible, offers himself for re-appointment | | |
| 3 | To ratify the reappointment of V. R. Bhabhara & Co., Chartered Accountant (Firm Registration No. 112861W) as Statutory Auditors of the Company subject to the approval of Share Members of the Company | | |
| Special Business | | | |
| 4 | Reappointment of Dr. A.B. Gupta (DIN 00025255) as Chairman and Managing Director for a period of 3 (Three) years | | |
| 5 | Approval for entering into Related Party Transaction by the Company | | |

Signed this.....day of2018

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

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 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/- |
|--|

APPEAL TO MEMBERS

Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) had taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and had issued circular no. 17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011 allowing service of documents to shareholders through electronic mode by the Companies. Further, the appeals were also made to the Members in this regard in the earlier Annual Reports of the Company.

Since the Company is committed towards Green Initiative, we solicit your valuable cooperation and support in our endeavour to contribute our bit to the environment and it is earnestly requested again that the Members who have yet not registered/updated their email ids may notify the same to the Company either at the e-mail id – investors@resonancesl.com and quoting full details of Folio No./DP, Client ID and name of first/sole holder or to the concerned depository or to the Registrar and Share Transfer Agent i.e. Adroit Corporate Services Private Limited at the e-mail id – sandeeph@adroitcorporate.com at the earliest.

This is also a golden opportunity for every member of Resonance Specialties Limited to contribute towards a Greener Environment by consenting to receive communications in electronic form. Further by registering your email ids, the members can have all the correspondence with the company/ RTA through mail in order to curtail the physical communication to have speedy and cost effective correspondence as the registered mail would be the entrusted source of member's application.

Also the members are requested to update their Bank Account details in order to have hassle-free credit of Dividends declared in future directly in their bank account and the request for the same can be done via email after registering their email ids or by sending the completed and signed National Electronic Clearing Service (Credit Clearing) Mandate form to the RTA.

For Resonance Specialties Limited

(Minal Bhosale)
Company Secretary

Place: Mumbai
Date: 30th May, 2018

IMPORTANT AND URGENT FOR YOUR IMMEDIATE ACTION

Mandatory updation of PAN / Bank account details against your folio number and compulsory dematerialisation of shares.

We would like to inform you that pursuant to SEBI circular SEBI/HO/MIRSD/DOPI/CIR/P/2018/73 dated 28/04/2018 (the Circular) , Shareholders folio do not have or have incomplete details of PAN and/or Bank account, are required to compulsorily furnish this details for updating the same against their folio no.s. For updating your folio details kindly contact RTA.

Requirement for Registration of PAN , Bank Account details are available on the company website and the RTA.

Further we would also request you to take immediate action to dematerialise your shareholding in physical mode in the company. otherwise w.e.f. December 5, 2018 the company will not be able to consider your request for transfer of share if held in physical mode.

RTA Contact Details : 022 4227 0400

NATIONAL ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM

To,
Adroit Corporate Services Private Limited
Unit: 19/20, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka, Mumbai - 400059

Dear Sir,

Sub: Change in mode of payment to NECS

I, hereby consent to have the amount of dividend on my equity shares credited through National Electronic Clearing Service (NECS).

Particulars are as under:

1. Folio Number /DP ID- CLIENT ID: _____
2. Shareholders' Name: _____
3. Address - _____
4. Contact No. _____
5. Email Id: _____

Particulars of Bank:

- a) Name of the Bank, Branch and Address: _____
- b) Bank Account Number: _____
- c) Account Type: Saving Bank (S.B.)/ Current/ Cash Credit
- d) 9 Digit MICR Bank/Branch Code* _____

(* Please attach a photocopy/ cancelled cheque issued by your bank)

I hereby declare that particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold Company/Registrar and Share Transfer Agent of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through NECS.

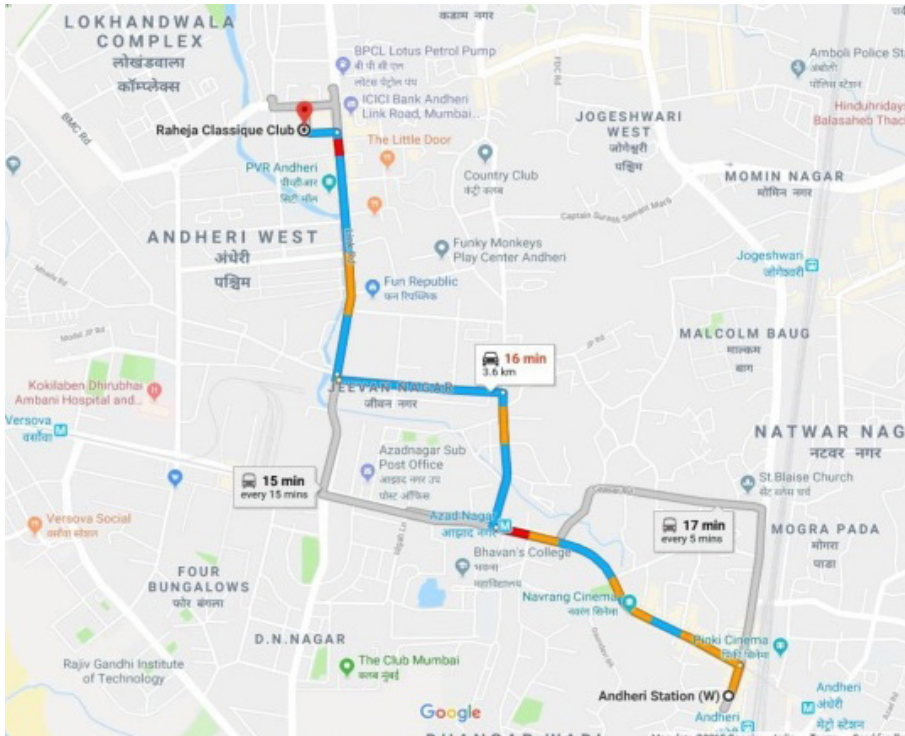
Place:

Date:

Signature of Shareholder

Road Map to venue

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



BY COURIER

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

Email : info@resonancesl.com | Website : www.resonancesl.com