

26th Annual Report 2014-15



MULTI FRUIT PLANT

INNOVATION IS THE KEY TO SUCCESS


Resonance Specialties Limited

Resonance Specialties Limited

BOARD OF DIRECTORS

- Mr. Rajnikant Worah** - Chairman - Independent Director
Dr. A.B. Gupta - Managing Director
Mr. B.P. Agrawal - Non-Executive Director
Mr. L.R. Daga - Independent Director
Mr. Kamlesh Yadav - Whole-time Director
Dr. Gurpur Ganesh Pai - Independent Director
Ms. Urvi Gupta - Non-Executive Director

REGISTERED OFFICE

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

BANKERS

BANK OF BARODA
Vile Parle (E), Mumbai

CORPORATE IDENTITY NUMBER

L25209MH1989PLC051993

PLANT

T-140 MIDC Industrial Estate, Tarapur,
Maharashtra

AUDITORS

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

REGISTRAR & TRANSFER AGENTS:

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

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NOTICE

Notice is hereby given that the Twenty Sixth (26th) Annual General Meeting of the Members of **RESONANCE SPECIALTIES LIMITED** will be held on Monday, September 28th, 2015 at 11:00 a.m. at Raheja Classique Club, Infinity Mall, New Link Road, Andheri (West), Mumbai 400 058, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2015, including the audited Balance Sheet as at March 31, 2015, 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 declare dividend of Rs 0.50/- (5%) per Equity Shares of the nominal value of Rs.10/- each for the year ended 31st March, 2015.
3. 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.
4. To ratify the appointment of M/s. V. R Bhabhara & Co., Chartered Accountant (Firm Registration No. 112861W) as Statutory Auditors of the Company.

SPECIAL BUSINESS

5. **Appointment of Dr. Gurpur Ganesh Pai (DIN:-07071547) as an independent Non- Executive Director for a period of 5 (five) years.**

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

“RESOLVED THAT Pursuant to the provisions of Section 149,152 and other applicable provisions if any, of the Companies Act, 2013 (‘Act’) time to time and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act as amended from time to time, Dr. Gurpur Ganesh Pai (holding DIN No : 07071547), who was appointed as an Additional Director (Independent) of the Company at the Board meeting held on 13th February, 2015 and who has submitted a declaration that he meets the criterion for independence as provided in section 149(6) of the Act and who holds the office up to the date of this Annual General Meeting in terms of provision of section 161 of the Act, and in whose respect the Company has received a notice from a member under Section 160 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Dr. Gurpur Ganesh Pai for the office of Director of the Company and who is eligible for appointment be and is hereby appointed as Independent Director of the Company not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years upto 31 March, 2019.”

“RESOLVED FURTHER THAT the Board of director of the Company be and are hereby authorized to do all such acts, deeds, things and matter as may be necessary, expedient and desirable to give effect to

this resolution.”

6. **Appointment of Ms. Urvi A Gupta (DIN:-02378375) as Non- Executive Director.**

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

“RESOLVED THAT pursuant to the provisions of Section 152, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made thereunder read with Schedule IV to the Act, Ms. Urvi A. Gupta (Holding DIN No :-02378375) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 31/03/2015 and who holds office up to the date of this Annual General meeting and in respect of whom Company has received notice in writing from a member proposing candidature of Ms. Urvi A. Gupta (Holding DIN No :-02378375) for the office of the Director of the Company be and is hereby elected and appointed as non-executive Director.

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

7. **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 an 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 to 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 may be 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 re-appointment and remuneration of Dr. A. B. Gupta (holding DIN : 00025255), as Managing Director of the Company for the period of 3 Years effective from 1st September 2015 to 31st August, 2018 (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 re-enactment thereof.

“RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the MD, 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 MD 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.”

8. Approval for entering into Related Party Transactions by the Company

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

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

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	Amounts (in Rs.)	
			Receipts/ Credits	Payments/ Debits
Sale and Purchase of Goods	Ms. Urvi Gupta Relative of Director Dr. A.B Gupta Relative of Director	Avignon Exim Pvt. Ltd.	159724133	53479302

Services Rendered	Ms. Urvi Gupta Relative of Director Dr. A.B. Gupta Relative of Director	Avignon Exim Pvt. Ltd.	10960630	-
Services Received	Ms. Urvi Gupta Relative of Director Dr. A.B. Gupta Relative of Director	Vista Organics Pvt. Ltd.	35464130	-

“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.”

9. Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013:

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 Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), rules and regulations made thereunder, the enabling provisions of the memorandum and articles of association of the Company and subject to the requisite approvals, consents, permissions and/or sanctions as may be required, if any, the draft regulations contained in the Articles of Association submitted to this meeting and duly initialled be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Dated: August 06, 2015	For and on behalf of the Board of Directors
Registered Office: 301, Evershine Mall, Off Malad Link Road, Malad (West), Mumbai – 400064.	Dr. A. B. Gupta Managing Director (Din: 00025255)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total paid up share capital of the Company.
3. Relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
4. Members/proxies should fill the Attendance Slip for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
7. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at Registered Office of the Company on all working days, except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
8. The Register of Members and the Share Transfer Book of the Company will remain closed from 18th September, 2015 to 25th September, 2015 (both days inclusive).
9. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 28th September, 2015 to those Members whose names stand registered on the Company's Register of Members:
 - i. As Beneficial Owners as at the end of the business hours on 17th September, 2015 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in Dematerialized form.
 - ii. As Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company, on or before 17th September, 2015.
10. The members are requested to:
 - a) Intimate to the Company's Registrars and Share Transfer Agents M/s Adroit Corporate Services Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date;
 - b) Quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;
 - c) Approach the Company for consolidation of folios, if shareholdings are under multiple folios;
 - d) Get the shares transferred in joint names, if they are held in single name to avoid inconvenience;
 - e) Bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
 - f) To note that no gifts will be distributed in the AGM.
 - g) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
 - h) Furnish their Bank Account Number, the name of the Bank and the Branch where they would like to deposit the Dividend Warrants for encashment. These particulars will be printed on the cheque portion of Dividend Warrants, besides the name of the Shareholders so as to avoid fraudulent encashment of warrants. The above mentioned details should be furnished by the first / sole shareholder, directly to the Registrar & Share Transfer Agents, quoting the folio number.
11. 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.
12. Consequent upon the introduction of Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules 2014, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH 13 (which will be made available on request) to the Registrar and Transfer Agents, M/s. Adroit Corporate Services Private Limited
13. The Equity Shares of the Company are listed on the BSE. The listing fee has been paid up to date.
14. 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.

15. The disclosures required under clause 49 of the listing agreement in respect of the Directors being appointed/ reappointed in this Annual General Meeting are given as annexure to this Notice convening Annual General Meeting.
16. 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 Clause 35B of the Listing Agreement, 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 Mr. Pratik Pujara, Practicing Company Secretary, Mumbai as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

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

- a) The voting period begins on Thursday, 24th September, 2015 at 9.00 AM and ends on Saturday, 26th September, 2015 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- c) The Shareholder should Log on to the e-voting website www.evotingindia.com
- d) Click on "Shareholders" tab.
- e) Now Enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- f) Next enter the Image Verification as displayed and Click on Login.
- g) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on

an earlier voting of any other Company, then your existing password is to be used.

- h) 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 last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
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> <p>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- i) After entering these details appropriately, click on "SUBMIT" tab.
- j) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l) Click on the EVSN for the relevant <Company Name>

on which you choose to vote.

- m) 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.
- n) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o) 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.
- p) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- s) 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 Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- t) 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

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

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

In view of the above, the Board of Directors recommends your ratification of the appointment of M/s. V.R. Bhabhara & Co., Chartered Accountants (Registration No.112861W) as the Statutory Auditors as mentioned at Item No. 4 of the Notice.

ITEM No. 5

The Board at its meeting held on 13th February 2015, appointed Dr. Gurpur Ganesh Pai (Holding Din No :- 07071547) as Additional (Independent) Director of the Company with effect from 13th February 2015, pursuant to Section 161 of the Companies Act, 2013.

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

The Company has received from Dr. Gurpur Ganesh Pai

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

Dr. Gurpur Ganesh Pai, aged 63 years has done his Master's in Science from IIT Bombay. He has Ph.D from National Chemical Laboratory, Pune and is Post-Doctoral Fellow at Purdue University, USA with Professor H. C. Brown, Nobel Laureate. Dr. Pai has 25 Publications and patents to his credit. He has 32 years of experience in research to develop novel synthetic processes and scale up for commercial production.

Board considers that his continued association with the Company would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Gurpur Ganesh Pai. Accordingly the Board recommends the resolutions in relation to appointment of Dr. Gurpur Ganesh Pai as Director of the Company, for the approval by the shareholders of the Company.

Further, the Board at its meeting held on 06th August, 2015, also appointed (subject to approval of Members in AGM), Dr. Gurbur ganesh Pai as Non-Executive, Independent Director of the Company for a period of 5 Years commencing from date of the AGM.

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

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

Item No: - 6

The Board at its meeting held on 31st March, 2015, appointed Ms. Urvi Atma Gupta as Additional (Non-executive) Director of the Company with effect from 31st March, 2015, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to Section 161 of the Companies Act, 2013, Ms. Urvi Atma Gupta will hold the office up to the date of ensuing AGM. The Company has received Notice in writing under the Provisions of Section 160 of the Companies Act, 2013 from the Member along with a necessary deposit proposing the candidature of Ms. Urvi Atma Gupta for the office of the Director.

Ms. Urvi Atma Gupta, aged 31 years has done her Bachelor of Arts (Economics) from Sophia College for Women and thereafter P G Diploma in Advertising & Marketing from Xavier Institute of Communications. She has 12 years experience in the field of advertising and marketing.

Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Urvi Atma Gupta. Accordingly the Board recommends the resolutions in relation to appointment of Ms. Urvi Atma Gupta as an Director of the Company, for the approval by the shareholders of the Company.

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

Except Ms. Urvi Atma Gupta, being appointee and Dr. A. B. Gupta, 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. 6 of the Notice.

Item No:- 7

Dr. A B Gupta, aged 71 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 29, 2012

for a period of three years commencing from September 1, 2012 and his term of appointment as a Managing Director of the Company will expire on 31st August, 2015. 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, 2015.

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 sub-section (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 06/08/2015, re-appointed him as Managing Director of the Company for a further period of three years with effect from September 01, 2015 to October 31, 2018 on following terms & conditions.

1. Salary: Rs. 2,00,000/- 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.
 - h) Commission: 5% Commission on net profit of the Company as calculated in accordance with the provisions of section 198 of the Companies Act, 2013.

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.-

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 01/09/2015

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. 7 of the Notice, for approval of Members.

Except Ms. Urvi Atma Gupta and 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. 7 of the Notice.

Item No- 8

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), the Company must obtain prior approval of the Board of Directors. As the Company is having a paid up share capital of more than Rs. 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 Net Worth 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 required

support to its associate Companies.

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

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

(1) Name of the Related Party:

(2) Name of the Director or Key Managerial Personnel who is related, if any:

(3) Nature of Relationship:

(Item 1-3 above are detailed in table below)

Name of the Related Party	Name of the Director/KMP who is related and their nature of relationship
Avignon Exim Pvt. Ltd.	Ms. Urvi Gupta having Directorship. Dr. A. B. Gupta-Relative of Director
Vista Organics Pvt. Ltd.	Ms. Urvi Gupta-Relative of Director Dr. A. B. Gupta-Relative of Director

(4) Nature, material terms, monetary value and particulars of the contract or arrangement: The details are as mentioned below:

S. No.	Nature	Material terms	Monetary Value(INR)	Particulars of Contracts
1	Sales of Goods	90 days credit	159724133	High seas sales and Export Sales
2	Purchase of Goods	90 days Credit	53479302	Purchases for Exports
3	Services Received	Immediate payment	35464130	Toll Conversion of intermediate into finished goods.
4	Services rendered	Immediate payment	10960630	Toll conversion of material into finished goods and intermediates.

(5) 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 associate Companies 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. 8 shall be entitled to vote on this special resolution.

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

The Board of Directors recommends the Special Resolution set out at item no.8 of the Notice for approval by the Members

ITEM NO. 9

The existing Articles of Association (“Articles”) of the Company are based on the Companies Act, 1956 and several regulations in the existing Articles contain reference to the Sections of the Companies Act, 1956. Some regulations in the existing Articles are no longer in conformity with the provisions of the Companies Act, 2013 (“Act”).

With the enactment of the Companies Act, 2013, several regulations of the existing Articles of the Company require alteration and/or deletion. Given this position, it is considered expedient to wholly replace the existing Articles by a new set of Articles.

The draft Articles shall be open for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m to 1.00 p.m upto the date of this Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the said Resolution.

The Board of Directors recommend the Special Resolution set out at Item No.9 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.

Annexure A

1.

Name	Dr. Gurupur Ganesh Pai
Fathers’ Name	Mr.Vasudev Pai
Date of Birth	21/08/1952
Date of Appointment	13/02/2015
Din:	07071547
Expertise in specific functional areas	• Having more than 30 years of experience in developing manufacturing processes from lab to production scale.

	• Having expertise in carrying our biocatalytic synthesis using enzymes, handling air-sensitive compounds and hazardous reagents such as triphosgene, sodium cyanide, chlorine etc.
	• Worked with Multi National companies as a Custom Synthesis service provider and have achieved a milestone by generating more than 500 Crores of business in his previous organization in a span of 6 years.
Years of Experience	30 years
Qualifications	B.Sc, M.Sc, PhD, Post doctoral fellowship,
List of outside Directorship held in other Listed Cos.	Nil
Member of Committee on the Board	Nil
Member / Chairman of Committee in other Listed Companies	Nil
No of Shares held in own name or in the name of Relatives.	Nil

2.

Name	Ms. Urvi Atma Gupta
Fathers’ Name	Mr. Atma Pyarelal Gupta
Date of Birth	20/02/1984
Date of Appointment	31/03/2015
Din:	02378375
Expertise in specific functional areas	Advertising & Marketing
Years of Experience	12
Qualifications	P G Diploma in Advertising & Marketing , Bachelor of Arts (Economics) & Diploma in Event Management.
List of outside Directorship held in other Listed Cos.	Nil
Member of Committee on the Board	Nil
Member / Chairman of Committee in other Listed Companies	Nil

No of Shares held in own name or in the name of Relatives.	Details of Shares held in the name of relatives		
	Sr. no	Name	No of Shares Held
	1	Alok Gupta	41700
	2	Alok Gupta	100
	3	Anoop Atma Gupta	23200
	4	Atma Bandhu Gupta	1
5	Usha Gupta	1	

3.

Name	Mr. B. P. Agrawal
Fathers' Name	Mr. Prasad Agrawal
Date of Birth	23/01/1944
Date of Appointment	30/06/2009
Din:	02724594
Expertise in specific functional areas	<ul style="list-style-type: none"> • He has vast experience of 49 years. • 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	49 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	Nil
Member / Chairman of Committee in other Listed Companies	Nil
No of Shares held in own name or in the name of Relatives.	Nil

4.

Name	Dr. A B Gupta																		
Fathers' Name	Mr. Pyarelal Gupta																		
Date of Birth	04/11/1943																		
Date of Appointment	01/06/1989																		
Expertise in specific functional areas	<ul style="list-style-type: none"> • Manufacturing of various Chemical products which has the application in the industrial segments like pharmaceutical, Agrochemicals etc • Exporting worldwide. • General Management 																		
Years of Experience	50 Years																		
Qualifications	Ph.D in Organic Chemistry and Post Doctorate experience from John Haffkins university & Brookhaven National Laboratory, USA																		
List of outside Directorship held in other Listed Cos.	Nil																		
Member of Committee on the Board	Nil																		
Member / Chairman of Committee in other Listed Companies	Nil																		
No of Shares held in own name or in the name of Relatives.	Details of Shares held 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>Alok Gupta</td> <td>41700</td> </tr> <tr> <td>2</td> <td>Alok Gupta</td> <td>100</td> </tr> <tr> <td>3</td> <td>Anoop Atma Gupta</td> <td>23200</td> </tr> <tr> <td>4</td> <td>Atma Bandhu Gupta</td> <td>1</td> </tr> <tr> <td>5</td> <td>Usha Gupta</td> <td>1</td> </tr> </tbody> </table>	Sr. no	Name	No of Shares Held	1	Alok Gupta	41700	2	Alok Gupta	100	3	Anoop Atma Gupta	23200	4	Atma Bandhu Gupta	1	5	Usha Gupta	1
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3	Anoop Atma Gupta	23200																	
4	Atma Bandhu Gupta	1																	
5	Usha Gupta	1																	

Dated: August 06, 2015

By Order of the Board

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

Dr. A. B. Gupta
Managing Director
(Din: 00025255)

DIRECTORS' REPORT

To,
The Members,
Resonance Specialties Limited

Your Directors have pleasure in presenting the 26th Annual Report along with the Audited Statements of Account of your Company for the financial year ended 31st March, 2015.

1. Financial Summary or highlights

The summarized financial results of the company for the year ended 31st March, 2015 are presented below:

(Rs in Lacs)

	Current Year 2014 – 2015	Previous Year 2013 – 2014
Turnover	3800.62	4529.90
Other Income	(88.53)	(22.96)
Profit/ (Losses) Before Interest, Depreciation and Taxation	213.52	288.27
Depreciation	115.50	110.26
Exceptional Items	97.89	(15.23)
Profit/ (Losses) after taxes including deferred tax	127.58	102.59
Balance in P&L account brought forward	353.21	318.15
Balance in the P&L account carried forward to the Balance Sheet	411.52	353.21

2. Review of operations

The Company had reported turnover of Rs.3800.62 lakhs for the year ended March 31, 2015 as against Rs. 4529.90 lakhs in the previous year, showing decrease of over 16.10%. The Company has generated net profit of Rs.127.58 lakhs as against net profit of Rs.102.59 lakhs in the previous year.

3. Dividend on Equity Shares

The Board of Directors of the Company recommend, for consideration of shareholders at the 26th Annual General Meeting, payment of dividend of 5 % (Rs. 0.50/- per Share) on the Equity Shares of the face value of Rs. 10/- each for the year ended 31st March 2015. The Dividend paid during the previous year was 5% (Rs. 0.50/- Per Share).

4. Directors:

The Board of Directors vide their resolution dated 13th February, 2015 appointed Dr. Gurpur Ganesh Pai as an Additional Director in the category of Independent Non executive Director of the Company and vide resolution dated March 31st 2015 appointed Ms. Urvi A. Gupta as an Additional Director in the category of Non-Executive Director of the Company. Dr. Gurpur Ganesh Pai and Ms. Urvi A. Gupta hold office up to the date of the ensuing Annual General Meeting of the Company and are eligible for appointment.

The Board of Directors in the meeting held on 06th August, 2015 has on recommendation of remuneration and nomination committee, consider and approved the re-appointment of Dr. A.B Gupta whose tenure completes on 31st August, 2015 for a period of 3 years with effect from 01st September, 2015 to 31st August, 2018, subject to approval of members in AGM.

Your directors recommend the regularization of appointment of Dr. Gurpur Ganesh Pai and Ms. Urvi A Gupta, details of the proposal for of Dr. Gurpur Ganesh Pai and Ms. Urvi A. Gupta and for reappointment of Dr. A. B. Gupta are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 26th Annual General Meeting. Mr. B. N Agrawal is liable to retire by rotation at the ensuing Annual General Meeting of the company and being eligible, offers himself for reappointment. The directors recommend his reappointment as director of the company.

Board of Directors vide their resolutions dated 13th February, 2015 appointed Mr. Dwarika Agrawal pursuant to section 203(1) of the Companies Act, 2013 and Rule 8 of the Companies (Appointment & Remuneration of Key Managerial Personnel) Rules, 2014 as Chief Financial Officer of the Company classified as Key Managerial Personnel.

All the appointments of Directors of the company are in compliance with the provisions of Section 164 of the Companies Act, 2013.

All independent directors have given the declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of the listing Agreement.

The relevant details of the above Directors are given in the Corporate Governance Report attached herewith.

5. No of Meetings of The Board:

The details of the number of meetings of the board held during the financial year 2014-15 forms part of the Corporate Governance Report.

6. Other Committees:

The composition of all the Committee Meetings and its meetings during the financial year 2014-15 forms part of the Corporate Governance Report.

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

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

8. Directors' Responsibility Statement u/s 134 (5) of the Companies Act, 2013

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

- a) In the preparation of the accounts for the financial year ended 31st March, 2015, the applicable Accounting Standards have been followed along with 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 reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit and loss of the Company for the year ended 31st March, 2015;
- 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 for safeguarding the assets of the 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, 2015 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.
- 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.

9. Management Discussion and Analysis

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

10. Exports

Export including deemed export are at Rs. 2290.57 Lacs compared to Rs. 2448.40 Lacs in the previous years. The Company is exploring newer market for its nutritional products and of value added Pyridine derivatives.

11. Future Prospects

Due to heavy competition and adverse forex prices, the Company is exploring alternate raw material to manufacture its basic products to sustain the profitability. In case of some of the value added products of the Company, catalyst are being developed to manufacture the products at lower cost. There are few competitors in the world but the demand for some of our products is limited. The Company is making all the efforts to develop new applications of its products and is confident of substantially expanding the market in near future. Nutraceuticals market is growing and more particularly in India and other third world countries. Further, new products with better margins are also being developed using novel technology.

12. Research and Development

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

- Development of improved catalyst for the better yields of products;
- Improvement in technology of value added products;
- New products using novel technologies are being developed.

13. Deposits

During the year the Company has not accepted deposits from the Shareholders and others and that the Company has complied with the provisions of section 73 of the Companies Act, 2013 and the rules made there under.

14. Statutory Auditors

M/s. V. R. Bhabhara & Co., Chartered Accountants (Registration No.112861W), were appointed as Statutory Auditors at the last Annual General Meeting till the conclusion of 28th Annual General Meeting of the company (subject to ratification of the appointment by the members at every AGM). They are eligible to continue as Statutory Auditors for the financial year 2015-2016. Your Board recommends ratification of their appointment as the Statutory Auditors at the ensuing Annual General Meeting.

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

15. Secretarial Auditor

Mr. V M Kundalia, Company Secretary in Practice were appointed as Secretarial Auditor for the financial year 2014-15. The Secretarial Auditor, in his Secretarial Audit Report for financial year 2014-15 have drawn the attention by informing that company could not comply with certain minor provisions and requirements. In connection with the same management herewith give the explanation as follow:

- a) With respect to Trading Window Closure Company has complied with SEBI (Prohibition of Insider trading Regulation), 1992 and closed the trading window for all the Promoters, officers and Designated Employees (including Directors) of the Company at the time of declaration of all the Unaudited / Audited financial results (including quarterly, half-yearly and annually) and during declaration of dividend for the financial year 2014-15.

Accordingly, none of the Promoters, Directors, Designated Employees has done any dealings in the securities of the Company during the trading window closure period, but inadvertently the company could not intimate to BSE in compliance to its circular vide no DCS/COMP/ 14 /2013-14 dated February 03, 2014.

- b) With respect to compliance under clause 20 of the listing agreement company has complied by sending intimation to stock exchange after closure of the board meeting within prescribed time by permitted mode, further under clause 19 of the Listing Agreement company has unintentionally could not send prior intimation about recommendation of dividend, as the board after reviewing of financial position of the company and keeping in mind the future prospects, took overwhelmingly decision by recommending dividend to the shareholders.
- c) With reference to the related party transactions under section 188 of the Companies Act, 2013 and other applicable clauses of the listing agreement all transactions / arrangement entered by company with related party were done after consent of the board, further transactions which were entered with related party were in ordinary course of business and at arm's length price.
- d) With reference to online filings of documents with BSE Limited in terms of BSE Circular dated 8th February, 2013, Company has been timely intimating to stock exchange as per the requirement by E-mail / fax, further company has already initiated with online filing of the documents with BSE Limited.
- e) With reference to failure of intimation regarding appointment of Mr. Dwarika Agrawal (CFO) to Stock Exchange, inadvertent lapse took place due to transition of the HOD. Further company has already initiated with the process of filing of relevant forms with ROC.
- f) With reference to the unavailability of the copy of the certain quarterly compliance company has taken serious view of all the minor lapses incurred as mentioned in the report by the secretarial auditor and strictly implemented a system to ensure the timely compliance.
- g) With respect to the transferring fund to dividend company has complied with the all the provisions of the companies Act, 2013 with respect to the declaration and the payment of dividend during the audit period, inspite of concern person was on leave company has transferred funds to separate dividend accounts within five working days from the date of declaration of dividend. Further the management confirmed that there was no deferment in the payment of dividend to shareholders and Dividend Distribution Tax (DDT)

The Management has taken the note of various minor lapses taken up in secretarial audit report by the secretarial auditor, Now the management has taken relevant steps to adapt the system in order to strictly implement and ensure timely compliance with all the applicable provisions of the companies Act, 2013, Listing Agreement such as making all required notices, intimations, disclosures, announcements, Quarterly / half yearly filing with the Exchanges, ROC, Income Tax and other concerned Authorities etc and company is started moving towards its objective of high corporate governance.

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 did also not given any guarantee during the year.

17. Particulars of Contracts or Arrangements with Related Parties:

S. No.	Name of the Related Party	Particulars of Contracts/arrangements	Value of Transactions
1	Vista Organics Pvt. Ltd.	Service Contract – for conversion of raw material and intermediate	3,54,64,130
2	Avignon Exim Pvt. Ltd.	Sales of goods	15,97,24,133
3	Avignon Exim Pvt. Ltd.	Purchase of Goods	5,34,79,302
4	Avignon Exim Pvt. Ltd.	Sales of services-Conversion of Materials	1,09,60,630
5	Vista Finance & Leasing Pvt. Ltd.	Renting of office space by them	6,00,000
6	Avignon Chemicals P. Ltd.	Renting of office space by them	6,00,000
7	Ushma Investments Pvt. Ltd.	Renting of office space by them	6,00,000
Key Managerial Persons			
8	Dr. Atma B. Gupta	Managing Director's remuneration	31,10,400
9	Mr. Kamlesh Yadav	Whole time Director's Remuneration	10,95,118
10	Dwarika Agrawal	Chief Financial officer's Remuneration (w.e.f. 13.2.2015)	84,345
11	Ms. Sneha Gandhi	Company Secretary	2,94,420

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

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

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

The Board shall have minimum 3 and maximum 12 directors, unless otherwise approved. No person of age less than 21 years shall be appointed as a director on the Board. The company shall have such persons on the Board who complies with the requirements of the Companies Act, 2013, Provisions of the Listing Agreement, Memorandum of Association and Articles of Association of the Company and all other statutory provisions and guidelines as may be applicable from time to time. Composition of the Board shall be in compliance with the requirements of Clause 49 of the Listing Agreement of the

Stock Exchange. Except for the Managing and whole Time Director no other directors are paid remuneration, but are paid only sitting fees and profession fees for professional services rendered. The MD is paid remuneration as approved by the Shareholders but is not paid any sitting fees. MD, Company Secretary and Chief Financial Officer shall be the Key Managerial Personnel (KMPs) of the Company. All persons who are Directors / KMPs, members of Senior Management and all other employees shall abide by the Code of Conduct. Directors/KMPs shall not acquire any disqualification and shall be persons of sound integrity and honesty, apart from knowledge, experience, etc. in their respective fields.

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

a	The ratio of the remuneration of Managing Director to the median employee's remuneration for the financial year	7:14
b	The percentage increase in remuneration of Managing Director, Whole time Director Chief Financial Officer, Company Secretary in the financial year.	There is no increase in the salary of Managing Director/Whole time Director. CFO was appointed during the year
c	The percentage increase in the median remuneration of employees in the financial year	-9.55%
d	The number of permanent employees on the rolls of Company	46
e	The explanation on the relationship between average increase in remuneration and company performance	Decrease in Remuneration was due to reduction of employees. The Turnover was reduced due to low plant capacity utilization.
f	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:	Remuneration of KMP as % of PAT for 2014-15 is 31% %. The Company's PAT increased 24 % during the year
g	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:	

Date	Issued Capital (Shares)	Closing Market Price Per Shares	EPS	PE Ratio	Market Capitalization
31.03.2014	1,15,44,000	10.70	0.89	12.02	12,35,20,800
31.03.2015	1,15,44,000	16.40	1.11	14.77	18,93,21,600
Increase / (Decrease)	NIL	5.70	0.22	2.75	6,58,00,800
% of Increase / (Decrease)	NIL	53.27	24.72	22.88	53.27
Issue Price of the share at the last Public Offer (IPO)	N.A.	Rs.10	N.A.	N.A.	N.A.
Increase in market price as on 31.03.2015 as compared to issue price of IPO	N.A.	Rs.6.40	N.A.	N.A.	N.A.
Increase in %	N.A.	60.40%	N.A.	N.A.	N.A.

h	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial Remuneration	Average change in remuneration of all employees excluding KMP is -12% Average change in remuneration of KMP is 0%
i	Comparison of the each remuneration of the key managerial personnel against the performance of the company	Each KMP is granted salary based on his qualification, experience, nature of job, industry benchmark, earlier salary and many other factors, comparison of one against the other is not feasible.
j	The key parameters for any variable component of remuneration availed by the directors:	Except for the Managing Director Dr. A. B. Gupta and Whole Time Director Mr. Kamlesh Yadav, no directors have been paid any remuneration as only Sitting Fee and professional fees are paid to them
k	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during theyear	Not Applicable
l	If remuneration is as per the remuneration policy of the company	Yes

20. Establishment of Vigil Mechanism

The Company has in place a vigil mechanism pursuant to which a Whistle Blower Policy has been in force. The policy was approved on 14th August, 2014. This Policy inter alia provides a direct access to a Whistle Blower to the Chief

Financial Officer on his dedicated email-ID info@resonancesl.com. The Whistle Blower Policy covering all employees and directors is hosted on the Company's website at <http://www.resonancesl.com/policies.html>

21. Policy on Related Party Transactions of the Company

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

22. The Details in respect of adequacy of Internal Financial Controls

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134 (5) (e) of the Companies Act, 2013.

For the year ended 31st March, 2015, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and /or improved controls wherever the effect of such gaps would have a material effect on the Company's operation.

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

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

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

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

24. Extract of the Annual Return

An extract of the Annual Return as of 31st March, 2015 pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 and forming part of the report is attached separately as **Annexure A**.

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

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

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

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

27. Secretarial Audit Report

Pursuant to the requirements of the Companies Act, 2013, the Company has appointed Mr. Vicky Kundaliya, Practicing Company Secretaries (COP 10989) as the Secretarial Auditor for financial year 2014-2015 whose report of 30th May, 2015 is attached separately to this report as **Annexure "B"**.

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

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

29. Employees

The relations between the Company and its employees continue to be cordial.

There were no employees during the year drawing remuneration more than prescribed ceiling under Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

30. 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.

31. 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.

Place: - Mumbai

Dated: - 30th May, 2015

For & on behalf of the Board of Directors
Dr. A. B. Gupta
(Managing Director)
DIN no:-00025255

ANNEXURE "A" TO THE DIRECTORS' REPORT

FORM MGT 9 - EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2015

[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, Malad (West). Mumbai – 400064. Telephone: +91 (22) 4217 2222 Fax: +91 (22) 4217 2233 Email id: info@resonancesl.com Website: www.resonancesl.com
Whether listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	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:28503748 Email: sales@adroitcorporate.com Website: www.adroitcorporate.com

II. Principal Business Activities of the Company

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

Sl. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	4-Cyanopyridine	29333990	14.02%
2	2,6-Dipicolinisc Acid	29333990	13.78%
3	Lutidines	29333918	24.33%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held by them in the company	Applicable Section
1	Vista Organics Private Limited	U24100MP1990PTC005721	Associate	Nil	2(6)
2	Avignon Exim Private Limited	U51900MH1994PTC079238	Associate	Nil	2(6)
3	Vista Finance & Leasing Private Limited	U65910MH1989PTC051995	Associate	34.34	2(6)

4	Avignon Chemicals Private Limited	U99999MH1986PTC040511	Associate	1.27	2(6)
5	Ushma Investments Private Limited	U65990MH1989PTC051996	Associate	28.55	2(6)
6	Ushma Technologies Private Limited	U73100MH1991PTC063083	Associate	Nil	2(6)

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, 2014}				No. of Shares held at the end of the year {As on 31 st March, 2015}				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	64902	-	64902	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	-	7470802	64.72	7470802	100	7470902	64.72	0
(2) Foreign	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	3300	3300	0.03	0	3300	3300	0.03	0
b) Bank/ FI	-	5000	5000	0.04	0	5000	5000	0.04	0
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	8300	8300	0.07	0	8300	8300	0.07	0
2. Non- Institutions									
a) Bodies Corp.	26898	250684	277582	2.40	302818	26998	329816	2.86	0.46
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1254224	1108501	2362725	20.47	1316421	1097001	2413422	20.91	0.44
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1396520	20100	1416620	12.27	1276465	20100	1296565	11.23	-1.04

Category of Shareholders	No. of Shares held at the beginning of the year {As on 01 st April, 2014}				No. of Shares held at the end of the year {As on 31 st March, 2015}				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	4671	3300	7971	0.07	-	-	-	-	-0.07
Clearing Members	-	-	-	-	17850	0	17850	0.15	0.15
Trusts(2014) / Qualified Foreign Investor(2015)	-	-	-	-	6745	400	7145	0.06	0.06
Sub-total (B) (2):-	2682313	1382585	4064898	35.21	2920299	1144499	4064798	35.21	0.14
Total Public Shareholding (B)=(B)(1)+(B)(2)	2682313	1390885	4073198	35.28	2920299	1152799	4073098	35.28	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10153115	1390885	11544000	100	10391101	1152899	11544000	100	0

The shareholding of Promoters listed above is pursuant to Clause 35 of the Listing Agreement and submitted to the Stock Exchanges as on March 31, 2015.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year {As on 01 st April, 2014}			Shareholding at the end of the year {As on 31 st March, 2015}			% change in share- holding 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	41700	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		7470802	64.72	-	7470902	64.72	-	-

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sr. no	Name of Promoter	No of Shares	Particulars
1	Alok Gupta	100	Merging of duplicate folio (which was not reflecting in promoter category)
	Total	100	

Note: Except one promoter as mention above, there is no change in the total shareholding of other promoters between 01/04/2014 and 31/03/2015.

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Sangeeta S.	214360	1.86%	214360	1.86%
2	Dipak Kamayalal Shah	153000	1.33%	185000	1.60%
3	Hansa Arvindbhai Patadia	111144	0.96%	111144	0.96%

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
4	Ajay Ananat Rai Patadia	105472	0.91%	105472	0.91%
5	Manish Anantrai Patadia	182281	1.57%	182281	1.57%
6	Prashant Hansaraj Thaman	101585	0.88%	101585	0.88%
7	Manra Magic Enterprises Pvt Ltd	99600	0.86%	99600	0.86%
8	Dheerajkumar Lohia	40214	0.35%	40214	0.35%
9	Giradharilal Seksharia	38506	0.33%	38506	0.33%
10	Bharati Madan Parihar	50969	0.44%	34316	0.30%

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Dr. A. B. Gupta	1	0	1	0
2	Mr. Rajnikant Worah	220	0%	220	0%
3	Mr. Kamlesh Balkishun Yadav	NIL	0%	NIL	0%
4	Mr. B.P. Agrawal	NIL	0%	NIL	0%
5	Mr. L. R. Daga	NIL	0%	NIL	0%
6	Dr. Gurpur Ganesh Pai	NIL	0%	NIL	0%
7	Mrs. Urvi A Gupta	NIL	0%	NIL	0%
8	Ms Sneha Gandhi	NIL	0%	NIL	0%
9	Mr. Dwarika Agrawal	120	0%	120	0%

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	335758	-	-	335758
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	335758	-	-	335758
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	(250021)	-	-	(250021)
Net Change	(250021)	-	-	(250021)
Indebtedness at the end of the financial year				
i) Principal Amount	85737	-	-	85737
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	85737	-	-	85737

*Working capital loans are considered for this purpose.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs.)**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Dr. A. B. Gupta	Mr. Kamlesh B Yadav	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28,80,000	1048318	3928318

	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify...			
5	Others, please specify (PF contribution)			
Total (A)		28,80,0000	10,48,318	39,28,318
Ceiling as per schedule V of the Companies Act .				42,00,000

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

B. Remuneration to other directors:

Sr No.	Particulars of Remuneration	Name of Directors			Total Amount (In Rs.)
1	Independent Directors	Mr. Rajnikant Worah		Mr. L R Daga	
	Fee for attending board/ committee meetings	1,13,331		1,11,112	2,24,443
	Commission	-		-	-
	Professional Fee	-		-	-
	Total (B1)	1,13,331		1,11,112	2,24,443
2	Other Non-Executive Directors	Mr. B P Agrawal	Dr. Gurpur Ganesh Pai	Ms. Urvi A Gupta@	
	Fee for attending board/ committee meetings	83,334	27,798	-	1,11,132
	Commission	-	-	-	-
	Professional fee	-	56,180	-	56,180
	Total (B2)	83,334	83,978	-	1,67,312
Total (B)=(B1+B2)		1,96,645	83,978	1,11,112	3,19,735
Total Managerial Remuneration (A+B)		-	-	-	42,48,735

@ Appointed w.e.f March 31, 2015

** Appointed w.e.f February 13, 2015

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rs.).

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Sneha Gandhi (Company Secretary)	Mr. Dwarika Agarwal CFO (w.e.f 13.2.2015)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,94,420	84,345	3,78,765
	(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	2,94,420	84,345	3,78,765

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments, compounding of offences for the year ending March 31, 2015.

ANNEXURE B TO THE DIRECTORS' REPORT
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[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
301, Evershine Mall, Malad (w)
Mumbai- 400 064.

Dear Sirs,

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 me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings –**Not Applicable to the Company during the Audit Period;**
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;–**Not Applicable to the Company during the Audit Period;**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014.–**Not Applicable to the Company during the Audit Period;**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008–**Not Applicable to the Company during the Audit Period;**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009–**Not Applicable to the Company during the Audit Period;**
and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998–**Not Applicable to the Company during the Audit Period**

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The following are the major head / groups of Acts, Laws and Regulations as applicable to the Company.

- v) As per the Management representation following are the other laws applicable specifically to the Company :-
 - a) Factories Act, 1948
 - b) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis related to Salary & Wages, Bonus, Gratuity, Provident Fund, Compensation and Benefits etc.
 - c) Labour Welfare Act of the Central and respective states.
 - d) Acts prescribed under Direct Tax and Indirect Tax Laws by the Central and respective State Governments.

- e) Land Revenue Laws of respective states.
- f) Local laws as applicable to various offices and Premises of the Company.
- g) Environment Protection Act, 1986 and other environmental laws.
- h) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003.
- i) Industrial Disputes Act, 1947.
- j) Indian Stamp Act, 1999
- k) Indian Contract Act, 1872.
- l) Negotiable Instruments Act, 1881.

For the compliance of the other applicable laws as stated above, I have relied on the representation given by the Company, its Management, Officers and agents, during the conduct of audit, for the adequate systems and processes and control mechanism exist to monitor and ensure compliance with the applicable laws in the Company.

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India. – **Secretarial Standards is not mandated during the Audit period and hence not applicable to the Company during the Audit period.**
- ii) The Listing Agreements entered into by the Company with the Stock Exchanges. The Company has complied with the various provisions of the Listing Agreement with BSE, where the securities of the company are listed except as stated in the subsequent paragraph.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable, except the following:

- a) *Trading Window Closure and its related compliances not done as per SEBI (Prohibition of Insider Trading) Regulations, 1992.*
- b) *The Company has not made necessary Intimations/Disclosures as required under Clause 19 & 20 of the Listing Agreement.*
- c) *The Company has not complied with Section 188 and other applicable clauses of listing Agreement for Transactions with Related Parties.*
- d) *The Company is yet to commence online filings of documents with BSE Limited in terms of BSE Circular dated 8th February, 2013.*
- e) *The Company has not intimated to Stock Exchange the appointment of Mr. Dwarika Agarwal, CFO - KMP w.e.f. 13th February, 2015 in the Board Meeting and is under process of filing relevant forms with ROC for aforesaid appointment and other Resolutions passed in the Meeting.*
- f) *Due to unavailability of documents, Company has confirmed the submission of (i) Audit Certificate as per Clause 55A for Qtr ended 30th June, 2014; (ii) Corporate Governance Report as per Clause 49 for Qtr ended 30th June, 2014 & 31st December, 2014 and there is delay in submitting compliances for Qtr/Half yr ended 30th September, 2014. Further, the Company has submitted Report as per Clause 49 for Qtr ended Dec, 2014 in old format which is not in accordance with the amended Listing Agreement.*
- g) *There was delay in transferring funds to separate Dividend Account however payment was made in accordance with the provisions of the Companies Act, 2013 for the Dividend declared during the Audit period.*

I further report that, the compliance by the Company of applicable financial laws, like direct and indirect tax law, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, the Board of Directors of the Company is duly 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.

I further report that as per the information, documents and details provided by the Company, its officers and agents, the Company has generally given adequate notice 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.

I further report that as per the information, documents and details provided by the Company, its officers and agents and as per minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are generally 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.

I further report that the Management is responsible for compliances of all the business laws and other applicable laws. This responsibility includes maintenance of Statutory Registers/files as required by the concerned authorities and internal control of the concerned department.

I further report that during the audit period the Company has no specific events like Public Issue/Right Issue/Preferential Issue/Sweat Issue, etc./Redemption / Buy-back of Securities / Foreign Technical Collaborations/Merger/amalgamation/reconstruction etc.

**For V. M. KUNDALIA & Associates
COMPANY SECRETARIES**

**VICKY M. KUNDALIA
Proprietor**

FCS No. 7716 & C P No. 10989

Place:- Mumbai
Date:-30/05/2015

*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:- 1

To,
The Members,
Resonance Specialties Limited
301, Evershine Mall, Malad (w)
Mumbai- 400 064.

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

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

**For V. M. KUNDALIA & Associates
COMPANY SECRETARIES**

**VICKY M. KUNDALIA
Proprietor**

FCS No. 7716 & C P No. 10989

Place:- Mumbai
Date:-30/05/2015

ANNEXURE C TO THE DIRECTORS' 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, 2015.

A. Conservation of Energy

i. Steps taken or impact on conservation of energy:

- The use of energy is being optimized through improved operational methods. Continuous efforts are being made to optimize and conserve energy by improvement in production process.
- Enhancement of capacitor bank to improve power factor and replacement of motors to optimize load capacity to reduce power consumption.
- Revamping of condensate recovery and steam distribution system.

ii. The capital investment on energy conservation investments

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

iii. Impact of the Above Measures:-

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

B. Technology Absorption

i. The efforts made towards technology absorption

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

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

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

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

- Details of technology imported
 - The year of import
 - Whether the technology been fully absorbed
 - If not fully absorbed, areas where absorption has not taken place and the reasons thereof
- There was no import of technology during the year.

iv. The expenditure incurred on R & D

The Company incurred following expenses for research and development.

- Capital : Rs. 8,69,325
- Recurring Rs. 60,08,847/-
- Total R&D Expenditure as a percentage of the total turnover is 1.80% (P Y 1.71%)

C. Foreign Exchange Earnings and Outgo

(a) ACTIVITIES RELATAING 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. 2290.38 Lacs as against Rs. 2448.40 Lacs in the international market during the previous year.

Foreign exchanges earned and out-go during the year ended March 2015.

₹ In Lakhs

	2014-2015	2013-2014
Foreign Exchanged Earned Exports (FOB)	1937.08	1697.45
Total	1937.08	1697.45
Foreign Exchange Outgo CIF Value of Imports	842.77	1071.63
Research and Development Equipments	NIL	NIL
Travelling Expenses	2.27	1.75
Total	845.07	1073.38

FORM-A

Form for Disclosure of particulars with respect of conservation of energy

Particulars	2014-2015	2013-2014
1. Total Energy Consumption	1830035	1870563
A. Electricity		
(a) Purchased Units (Nos.)		
Total amount ₹ (lacs)	142.41	143.05
Average rate ₹ /Unit	7.78	7.64
(b) Own Generation	104720	154329
Through diesel generation unit (Nos.)		
Units per litre of diesel	3.40	3.40
Average cost ₹ /Unit	18.37	17.10
B. Coal (Quantity - MT)	3213	2619
Total Amount (in Lacs)	195.48	189.99
Average Rate ₹ /KG	6.08	7.25
2. Consumption per unit of production		
Pyridine & Cyanopyridiines		
Electricity (Units/MT)	2372	3127
HSD (Ltrs/MT)	40	45

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

II. Benefits derived as a result of above.

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

III. Future Plan of Action.

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

IV. Expenses on R & D

- a) Capital ₹ 8.69 lakhs
- b) Recurring ₹ 60.08 lakhs

Total R & D Expenditure as a percentage of the total turnover is 1.81% (P.Y. 1.71%)

(b) TECHNOLOGY ABSORPTION / ADOPTION AND INNOVATION.

- a) Efforts in brief made towards technology absorption/adoption:

On-going Technology was entirely developed in-house.

- b) Benefits derived as a result of the above efforts:

Improvement in cost effectiveness in terms of usage of raw materials and energy efficiency in commercial production while being competitive.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (ANNEXURE TO DIRECTORS' REPORT)

INTRODUCTION

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

INDUSTRY STRUCTURE AND DEVELOPMENT

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

The other products are:

Beta-picoline and 3-cyanopyridine are used in the manufacture of Niacin and Niacinamide which have wide applications in vitamin preparations and are also used extensively as food supplement and animal feed additives.

Gamma Picoline is used in the manufacture of Isoniazid, an Anti TB drug.

Alpha Picoline is used in the manufacture of wide variety of agro chemicals and 2 vinyl pyridine finds extensive application in the tyre industry.

COMPANY OVERVIEWS

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

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

RESEARCH AND DEVELOPMENT

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

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.

EXPORT

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

OUTLOOK

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

RISK AND CONCERNS THE MANAGEMENT PERCEPTION

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

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

FINANCIAL REVIEW

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

Financial position at glance: See Annexure

Financial Summary and Distribution of Income: See Annexure

MATERIAL DEVELOPMENT IN HUMAN RESOURCES, INDUSTRIAL RELATION REPORT

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

CAUTION

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

ANNEXURE TO MANAGEMENT DISCUSSION AND ANALYSIS REPORT - FINANCIAL SUMMARY

	Year Ended 31.03.2015	Year Ended 31.03.2014
CAPITAL ACCOUNTS		
Share Capital	115,440,000	115,440,000
Reserves and Surplus	99,479,887	94,547,896
Long term Borrowings	85,737	335,758
Non current liabilities	-	16,689,317
Long Term Provisions	1,058,111	843,863
Gross Block including CWIP	379,733,546	376,902,115
Net Block	142,897,737	152,516,065
Net Current Assets (net of short term borrowings)	81,814,014	85,165,347
REVENUE ACCOUNTS		
Sales and other income	388,915,390	450,693,941
Gross profit before extra-ordinary items,		
Interest, Depreciation and tax	21,352,879	28,827,566
Extra-ordinary item	(9,789,289)	1,523,898
Financial Expenses	5,792,770	5,930,751
Depreciation	11,550,109	11,026,062

Profit before tax	13,799,289	10,346,855
Net Profit after tax	12,758,040	10,259,098
Dividend amount(Incl DDT)	6,926,400	6,752,951
Retained earnings	5,831,640	3,506,147
SELECTED INDICATORS		
Return on Capital employed %	0.05	0.03
Current Ratio	1.70	1.82
Earnings per share	1.11	0.89
Book Value per share	18.62	18.19
Fixed Assets Turnover	2.72	2.96

CORPORATE GOVERNANCE REPORT

A report on Corporate Governance is set out with the Corporate Governance requirement as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges

I. Company's Philosophy on Code of Governance:

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

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

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

We accord highest priority to these systems and protect the interests of all our shareholders, particularly the minority shareholders.

GOVERNANCE STRUCTURE

The Corporate Governance Structure at M/s. Resonance Specialties Limited is as under:-

- Board of Directors:** The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
- Committees of the Board:** The Board has constituted the following committees viz. Audit Committee, Stakeholder Grievance Committee and Nomination & Remuneration Committee. Each of said Committee has been managed to operate within a given framework.

II. Board of Directors:

Composition: The Board of Directors as on 31st March 2015 consists of 7 directors, comprising of 5 Non-Executive Directors and 2 Executive Director.

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

Name of Director	Category of Director	No of other Directorships held ^	Date of Joining	Committee Membership / Chairmanship of Board Committees in other Companies ^^	Relationship with other Director
Dr. A B Gupta	Managing Director	Nil	01/06/1989	Nil	Father of Ms. Urvi A Gupta
Mr. Kamlesh Yadav	Whole-time Director	Nil	30/05/2013	Nil	N.A
Ms. Urvi A Gupta**	Non- Executive Director	3	31/03/2015	Nil	Daughter of Dr. A B Gupta
Mr. Rajnikant Worah#	Non- Executive, Independent Director	2	12/12/1991	Nil	N.A
Mr. L R Daga	Non- Executive, Independent Director	2	14/02/2012	4	N.A
Dr. Gurpur Ganesh Pai*	Non- Executive, Independent Director	Nil	13/02/2015	Nil	N.A
Mr. B P Agrawal	Non- Executive Director	Nil	30/06/2009	Nil	N.A

Chairman

* Appointed on 13th Feb, 2015

** Appointed on 31st March, 2015

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

^^ Committees considered are Audit Committee and Stakeholders Relationship Committee excluding in M/s. Resonance Specialties Limited.

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

BOARD MEETINGS AND ATTENDANCE: Five Board Meetings were held during the period from 1st April, 2014 to 31st March, 2015 on the following dates: 30th May, 2014, 14th August, 2014, 14th November 2014, 13th February, 2015, 31st March, 2015 and the Director's attendance at the Board Meetings during the period and at last Annual General Meeting are given below:

Name of Director	No of Board Meetings Attended	Attendance at Last AGM
Dr. A. B. Gupta	5	Yes
Mr. Kamlesh Yadav	1	No
Ms. Urvi A. Gupta**	-	No
Mr. Rajnikant Worah	5	Yes
Mr. L. R. Daga	5	Yes
Dr. Gurpur Ganesh Pai*	1	No
Mr. B. P. Agrawal	5	Yes

* Appointed on 13th Feb, 2015

** Appointed on 31st March, 2015

Code of Conduct

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

III. Committees of the Board

a) Audit Committee

The Audit Committee was last reconstituted by the Board of Directors at its meeting held on 30th May, 2014. The members of the Committee are Mr. L R Daga (Chairman), Mr. Rajnikant Worah and Mr. B P Agrawal (Member).

The Committee held four meetings during the year 2014-2015. The Audit Committee Meetings were held on 30th May, 2014, 14th August, 2014, 14th November 2014, 13th February, 2015. The Statutory Auditors, Internal Auditors, Chief Financial Officer and Company Secretary also attended the meeting of the Audit Committee. The attendance of the Audit Committee meeting during the period are given below:

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

The Committee oversees Company's financial process, internal control system; scope of audit includes the observations of the auditors, reviewing quarterly, half yearly and yearly statements. Committee is authorized to select and recommend accounting policies, review reports of the Statutory and Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The terms of reference of the audit committee are in accordance with the items as specified in clause 49 (II)(D) of the Listing Agreement, which inter alia includes the following:

- 1) To recommend appointment, remuneration (for Statutory Audit and for other services rendered, if any) and the terms of appointment of Statutory Auditors of the Company and to review and monitor their independence and performance and effectiveness of audit process.
- 2) To examine the financial statements (including quarterly financial statements) and the Auditors report thereon and to discuss the same, if necessary, with the Statutory Auditors, the Management and Key Managerial Personnel's, if necessary, and to ensure that the company's financial reporting process and disclosure of financial information make the financial statements correct, sufficient and credible particularly with reference to :
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b) Compliance with listing and other legal requirements relating to financial statements.
 - c) Qualifications in the draft audit report.
- 3) To recommend appointment, remuneration and the terms of Internal Auditors and to review performance and effectiveness of their audit and adequacy of internal control systems.
- 4) To approve the Related Party Transactions (RPT) or any subsequent modifications thereof and to obtain professional advice, if necessary.

- 5) To scrutinize inter-corporate loans and investments.
- 6) To consider, whenever necessary valuation of assets or undertaking of the Company.
- 7) To evaluate internal financial controls in consultation with the Statutory Auditors and the Internal Auditors, if any.
- 8) To evaluate the risk management systems, if any, prevailing in the company and to review the findings if any, of the Internal Auditors where there is a suspected fraud or irregularity or failure of internal control system.
- 9) To monitor end use of the funds (and other related matters) whenever raised through public offers.
- 10) To evaluate the content and efficiency of the vigilance mechanism / whistle blower mechanism prevailing in the company and to provide adequate safeguards against victimization.
- 11) To look into the reasons for substantial defaults, if any in the payments to the depositors, debenture holders, shareholders and creditors.
- 12) To approve appointment of the CFO (a whole time Director or an Executive) after assessing the qualifications and experience of the Candidate.

b) Nomination and Remuneration Committee

The committee was last reconstituted by the board of Director in the meeting held on 30th May, 2014. The members of the Committee are Mr. B P Agrawal (Chairman), Mr. L R Daga and Mr. Rajnikant Worah (Member).

The Committee held Four meetings during the year 2014-2015. The Nomination and Remuneration Committee Meetings were held on the following dates 30th May, 2014, 14th August, 2014, 14th November 2014, 13th February, 2015. The attendance of the Nomination and Remuneration Committee meeting during the period are given below :

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

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

1. Formulation of the criteria for determining qualifications, positive attributes, and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy of Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Remuneration Policy

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

Remuneration paid to Directors during 2014-2015

Remuneration to Executive Director

Dr. A B Gupta was appointed as a Managing Director with effect from 1st September, 2012 for a period of 3(three) years & Mr. Kamlesh Yadav was appointed as Whole Time Director with effect from 30th May, 2013 for a period of 3 (three) years. The remuneration paid during the year ended 31st March, 2015 to Dr. A B Gupta & Mr. Kamlesh Yadav, Managing Director and the Whole Time Director respectively is as under:

Name	Salary (Rs)	Perquisites and allowances (Rs.)	Commission (Rs.)	Total (Rs.)
Dr. A B Gupta	19,20,000	9,60,000	-	28,80,000
Mr. Kamlesh Yadav	3,90,000	6,58,318	-	10,58,318

Remuneration to Non- Executive Directors

Non-Executive Directors are paid the sitting fees but not paid remuneration in any form whether by way of commission or otherwise, other than Dr. Gurupur Ganesh Pai was also paid the professional fee along with sitting fee during the year. The sitting fees paid to Non- Executive Directors for the year ended 31st March, 2015 is as under:

Directors Name	Sitting Fees (Rs.)		
	Board Meeting	Audit ,Nomination & Remuneration Committee	Total
Mr. L R Daga	66,668	44,444	1,11,112
Dr. Gurupur Ganesh Pai	16,667	11,111	27,798
Mr. Rajnikant Worah	83,331	30,000	1,13,311
Ms. Urvi A Gupta	-	-	-
Mr. B P Agrawal	50,001	33,331	83,331

As on March 31, 2015 the non-executive Directors held equity shares of the Company as follows:

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

As on March 31, 2015 the Executive Director held equity shares of the Company as follows:

Name of Directors	Number of Shares held
Dr. A B Gupta	1
Mr. Kamlesh Yadav	NIL

c) Stakeholder's Relationship Committee

The Committee was last reconstituted on 30th May, 2014 and members of the Committee are Mr. Rajnikant Worah (Chairman), Mr. B P Agrawal and Mr. L R Daga as members. The Committee held periodic meetings at regular intervals during the year 2014-2015.

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

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

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

Number of Investor Complaints received during the year	2
Number of Investor Complaints resolved during the year	2
Number of pending Investor Complaints	NIL

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

d) Details of General Meetings

Meeting	25 th Annual General Meeting	24 th Annual General Meeting	23 rd Annual General Meeting
Date	14 August 2014	14 August 2013	29 th September 2012
Time	11.00 am	11.00 am	12 noon
Special Resolutions	Nil	One	One
Venue	Raheja Classique Club, Andheri (West), Mumbai -58	Raheja Classique Club, Andheri (West), Mumbai -58	Raheja Classique Club, Andheri (West), Mumbai -58

None of the Special resolution/s passed in last three Annual General Meetings were passed by postal ballot. No resolution requiring a Postal ballot is being proposed at the ensuing Annual General Meeting.

e) Unclaimed Dividends

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

Year	Amount (Rs.)	Due date of transfer to Investor Education and Protection Fund (IEPF)
2013-14	3,98,386.50	14-8-2021

IV. Subsidiary Companies

The Company does not have any subsidiary company.

V. DISCLOSURES

A. Disclosure of Materially significant related party transactions

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

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

B. Disclosure of Accounting Treatment

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

C. Board Disclosures- Risk management

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

- Governance of Risk
- Identification of Risk
- Assessment of Control of Risk

The risks are identified and are discussed by the representatives from various functions.

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

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

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

E. Details of Non-compliance and instances of penalties

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

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

Clause 49 of the Listing agreement requires the company shall obtain a certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in this clause and annex the certificate to the directors' report, which is sent annually to all the shareholders of the company. The Company has obtained a certificate from Practicing Company Secretary to this effect and the same is given as an annexure to the Directors' report.

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

VI. MEANS OF COMMUNICATION

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

VII. GENERAL SHAREHOLDER INFORMATION

1	Next Annual general Meeting (The information regarding 26 th Annual General Meeting for the financial year ended 31 st March, 2015)	Day, Date, Time and Venue Monday, 28 th Day of September, 2015 at 11.00 AM At Raheja Classique Club, Andheri (West), Mumbai -58
2	Financial Year	01 st April to 31 st March
3	Future Calendar	
	Subject Matter	Date
	Financial Reporting of 1 Quarter ended on 30 th June 2015	Mid of Aug 2015
	Financial Reporting of 2 Quarter ended on 30 th September 2015	Mid of Nov 2015
	Financial Reporting of 3 Quarter ended on 31 st December 2015	Mid of Feb 2016
	Financial Reporting of 4 Quarter ended on 31 st March 2016	During May 2016
	Date of Annual General Meeting	During Sep 2016
4	Date of Book Closure	18 th September, 2015 to 25 th September, 2015
5	Dividend payment date	Dividend as declared for the year 2014-2015 will be paid on or after 28 th day of September, 2015 but within the statutory time limit of 30 days.
6	Listing on Stock Exchange at	Bombay Stock Exchange (BSE)
7	Listing Fees & Custody Fees	Company has paid Annual listing Fees to BSE and Custodial Fees to both NSDL & CDSL for year 2015-2016.
8	Stock Code	524218
9	ISIN No.	INE486D01017

10	CIN No.	L25209MH1989PLC051993
11	Registrar and Transfer Agents	M/s. Adroit Corporate Services Pvt. Ltd. Address: 17/18/19/20, Jaferbhoy Ind. Estate, 1st Floor, Makhwana Road, Marol Naka, Andheri East-59 Tel No: 022 4227 0400 / Fax:28503748 Email: sales@adroitcorporate.com Website: www.adroitcorporate.com
12	Dematerialization of Shares	90.01 % 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, 2015.
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 at Registered office address of the Company, as below, be made 301, Evershine Mall, Chincholi Bunder Junction, Malad (W), Mumbai -400 064. Designated e-mail id for investor correspondence: investor@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:

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

Month	Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April 2014	11.69	9.18	22939.31	22194.51
May 2014	11.69	9.50	25375.63	22277.04
June 2014	16.57	10.25	25725.12	24270.20
July 2014	16.69	12.61	26300.17	24892.00
August 2014	16.21	11.56	26674.38	25232.82
September 2014	27.50	15.00	27354.99	26220.49
October 2014	24.50	17.15	27894.32	25910.77
November 2014	22.30	16.50	28822.37	27739.56
December 2014	21.50	15.15	28809.64	26469.42
January 2015	22.85	17.00	29844.16	26776.12
February 2015	21.00	14.00	29560.32	28044.49
March 2015	18.00	13.00	30024.74	27248.45

16 Shareholding Pattern and Distribution of Shareholding as on 31st March, 2015:

1. Shareholding Pattern as on quarter ended 31st March, 2015.			
	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	FIs Holdings	5000	0.04
	Sub-Total	5000	0.04
D	Others Holding		
1	Private Body Corporate	329816	2.86

2	Indian Public	3709987	32.14
3	NRI's / OBC	7145	0.06
4	Director & Relative	-	-
5	Clearing Member	17850	0.15
	Sub-Total	4064798	35.21
	Grand Total (A+B+C+D)	11544000	100

Distribution of Shareholding as on 31st March, 2015.

Distribution of Shares (Slab Wise) (in Rs.)	No of Shareholders	Percentage to total No of Shareholders	Share Amount (in Rs.)	Percentage to Total Share Capital
UPTO - 500	9429	92.35	1297028	11.24
501 - 1000	399	3.91	346410	3.00
1001 - 2000	173	1.69	268209	2.32
2001 - 3000	73	0.71	188913	1.64
3001 - 4000	38	0.37	133852	1.16
4001 - 5000	24	0.24	111192	0.96
5001 - 10000	33	0.32	228424	1.98
10001 & Above	41	0.40	8969972	77.70
Total	10210	100.00	11544000	100.00

17. Share Transfer System

Applications for transfer of Shares held in physical form are received at the office of the registrar and share transfer agent of the Company, M/s. Adroit Corporate Services Pvt. Ltd. They attend to share transfer formalities at least once a week and forward the same to the Company for the Stakeholder's Relationship Committee's approval. 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

18 National Electronic Clearing Service (NECS) Facility:

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

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

19 Green initiatives in Corporate Governance to receive documents through email by registering your email address:

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

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

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

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

By the order of Board of Director

Dr. A B Gupta
(Managing Director)

Place: - Mumbai

Date: - 30th May, 2015

DECLARATION – CODE OF CONDUCT

In compliance to clause 49.1(D) (ii) to Listing Agreement, all the Board members and senior management personnel have, for the year ended 31st March 2015, affirmed compliance with the Code of Conduct laid down by the Board of Directors.

Place:- Mumbai

Date:- 30th May, 2015

For Resonance Specialties Limited

Dr. A B Gupta
(Managing Director)

Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

(Pursuant to para IX of Clause 49 of the Listing Agreement)

We have reviewed the attached financial statements and the cash flow statement for the year ended 31 March 2015, and certify to the Board :

- (a) That to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit 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) That 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) That 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 we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) That 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 during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Resonance Specialties Limited

CA Dwarika Agrawal
(Chief Financial Officer)

Dr. A B Gupta
(Managing Director)

Place:- Mumbai

Date:- 30th May, 2015

Certificate on Corporate Governance

To

**The Members of
Resonance Specialties Limited**

We have examined the compliance of conditions of Corporate Governance by Resonance Specialties Limited for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except the following.

- Due to unavailability of documents, Company has confirmed the submission of Corporate Governance Report as per Clause 49 for Quarter ended 30th June, 2014 & 31st December, 2014.
- There is delay in submitting compliance for Qtr ended 30th September, 2014.

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

For Pratik Pujara & Associates
Company Secretaries

Pratik Pujara
Proprietor
ACS No: 34442
C.P No: - 14475

Place:- Mumbai

Date:- 30th May, 2015

INDEPENDENT AUDITORS' REPORT

To

The Members of

RESONANCE SPECIALTIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of RESONANCE SPECIALTIES LIMITED ("the company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on 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.

We conducted our audit 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 financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the central government of India in term of sub-section (11) of the section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Reports are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

FRN: 112861W)

Sd/-

Vimal R. Bhabhra

Proprietor

Membership No: 046043

Place: Mumbai

Date: May 30, 2015

Annexure to the Auditors' Report

(Referred to paragraph (1) under 'Report on other legal and regulatory requirements' of our report of even date)

- i. In respect of Fixed Assets :
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The Company has a regular programme of verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. We have been informed that no material discrepancies were noticed on such verification as compared to book records.
 - c. Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the Company has not disposed off substantial part of its fixed assets during the year and hence the going concern assumption is not affected.
- ii. In respect of Inventories :
 - a. We are informed that the inventory have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
 - c. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. We are informed that the discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Company.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. The Company has not taken any loans, secured or unsecured, from the parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, internal control system need to be strengthened to make it commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets, and for the sale of goods. However, during the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

- v. According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 73 to 76 and any other relevant provisions of the Companies Act, 2013 and accordingly, paragraph 3(v) of the Order is 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 for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of all its manufacturing and construction activities 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.
- a. To the best of our information and according to the information and explanations provided to us by the management, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the Register required to be maintained under that Section.
- vii. In respect of Statutory dues.
- a. According to the information and Explanation given to us and records of the Company as produced and examined by us, in our opinion, there have been some delays in depositing undisputed statutory dues in respect of Provident Fund, Income-tax, Sales-tax, Service-tax, Excise Duty, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Custom Duty, Excise Duty, cess and any other statutory dues were outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable
- 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 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 Lacs	Pending before	Nature of Dispute
Bombay Sales Tax Act / Maharashtra Value Added Tax	Vat and CST for FY 2005-06 to 2009-10	2001.44	Commissioner of Sales Tax (Appeal) Various	Original order passed exparte
Finance Act 1994	Service Tax	27.11	Commissioner of Central Excise (Appeal)	Service tax Charged on Export of services

- viii. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. Based on our audit procedures and according to the information and explanations provided to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, bank and debenture holders.
- x. In our opinion and according to the information and explanations provided to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- xi. According to the records of the Company the term loan raised were applied by the company for the purposes for which it was obtained.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us by the management, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

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

FRN: 112861W)

Sd/-

Vimal R. Bhabhra

Proprietor

Membership No: 046043

Place: Mumbai

Date: May 30, 2015

BALANCE SHEET AS AT 31st MARCH 2015

Particulars	Note no.	As at 31.03-2015	Amount (₹) As at 31.03.2014
EQUITY & LIABILITIES			
1] SHARE HOLDERS' FUNDS :			
Share capital	3	115,440,000	115,440,000
Reserves & Surplus	4	<u>99,479,887</u>	<u>94,547,896</u>
		214,919,887	209,987,896
2] NON CURRENT LIABILITIES :			
Long- term borrowing	5	85,737	335,758
Other non current liabilities	6	-	16,689,317
Long term provisions	7	1,058,111	843,863
Deferred tax liabilities (Net)	8	<u>12,512,986</u>	<u>13,809,756</u>
		13,656,834	31,678,694
3] CURRENT LIABILITIES :			
Short- term borrowing	9	31,097,847	33,507,075
Trade payable	10	65,607,943	50,306,943
Other current Liabilities	11	7,666,054	4,430,361
Short-term provisions	12	<u>12,528,666</u>	<u>11,384,413</u>
		116,900,510	99,628,792
		<u>345,477,231</u>	<u>341,295,382</u>
ASSETS			
1] NON CURRENT ASSETS :			
Fixed assets	13		
Tangible assets		135,132,541	143,556,095
Intangible assets		7,441,541	8,636,315
Capital work in progress		323,655	323,655
Long-term loans & advances	14	<u>3,864,971</u>	<u>3,985,178</u>
		146,762,708	156,501,243
2] CURRENT ASSETS :			
Inventories	15	75,454,754	59,663,918
Trade receivable	16	102,773,675	95,080,488
Cash & Bank balances	17	8,540,109	15,469,438
Short term loans & advances	18	3,527,663	834,036
Other current assets	19	<u>8,418,322</u>	<u>13,746,259</u>
		198,714,523	184,794,139
		<u>345,477,231</u>	<u>341,295,382</u>
Company Information	1		
Basis of preparation & Statement of Significant Accounting Policies	2		

As per our report of even date attached

FOR V.R.Bhabhra & Co.

Firm Reg.no.112861W

CHARTERED ACCOUNTANTS

Vimal R.Bhabhra**Sd/-****Proprietor**

Mem.No.046043

Place : Mumbai

Dated : May 30, 2015

FOR AND ON BEHALF OF THE BOARD**Mr. Rajnikant Worah**
Chairman & Director**Dr. Atma B. Gupta**
Manging Director**Mr. Navin Agarwal**
Company Secretary**CA Dwarika Agarwal**
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	Note no.	Amount (₹)	
		As at 31.03-2015	As at 31.03.2014
INCOME			
Revenue from operation(Gross)	20	396,681,375	478,375,667
Less: Excise duty		<u>16,619,038</u>	<u>25,385,101</u>
Revenue from operation(net)		380,062,337	452,990,566
Other Income	21	8,853,053	(2,296,625)
Total:-		<u>388,915,390</u>	<u>450,693,941</u>
EXPENDITURE			
Cost of raw material consumed	22	137,479,384	120,625,934
Purchases of Traded Goods	23	86,567,031	137,422,659
(Increase)/Decrease in inventories of Finished Goods, and stock in trade and work in process	24	(17,912,821)	9,284,110
Employees benefit Expenses	25	25,951,702	27,890,795
Others Expenses	26	135,477,214	126,642,877
Total:-		<u>367,562,509</u>	<u>421,866,375</u>
Earning Before Interest, Depreciation & Taxation		21,352,879	28,827,566
Interest & Financial Cost	27	5,792,770	5,930,751
Depreciation	28	<u>11,550,109</u>	<u>11,026,062</u>
Earning Before Exception items & Taxation		4,010,000	118,70,753
Exceptional Items	29	9,789,289	(1,523,898)
Earning Before Taxation		13,799,289	10,346,855
Less : Provision for			
Current Tax		(2,338,020)	(1,634,000)
Add/(Less): Taxation of earlier years		-	-
MAT Credit Utilised		-	-
Deferred Tax Asset/(Expenses)		1,296,771	1,546,243
Surplus After Taxation carried to Balance Sheet		<u>12,758,040</u>	<u>10,259,098</u>
Earning per equity share			
Basic earning per share		1.11	0.89
Diluted earning per share		0.51	0.31
Face value per share		10.00	10.00
Company Information	1		
Basis of preparation & Statement of Significant Accounting Policies	2		

As per our report of even date attached

FOR V.R.Bhabhra & Co.Firm Reg.no.112861W
CHARTERED ACCOUNTANTS**Vimal R.Bhabhra**

Sd/-

Proprietor

Mem.No.046043

Place : Mumbai

Dated : May 30, 2015

FOR AND ON BEHALF OF THE BOARD**Mr. Rajnikant Worah**
Chairman & Director**Dr. Atma B. Gupta**
Manging Director**Mr. Navin Agarwal**
Company Secretary**CA Dwarika Agarwal**
Chief Financial Officer

CASH FLOW STATEMENT

Sr. no	Particulars	For the year ended 31.03.2015	Amount (₹) For the year ended 31.03.2014
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(Loss) before tax	12,758,040	1,03,46,855
	Non Cash adjustment to reconcile profit/(loss) before tax to net cash flows		
	Depreciation	11,550,109	11,026,062
	Provision for Tax	2,338,020	1,634,000
	Provision for Deferred Tax assets	(1,296,771)	(1,546,243)
	Exceptional Non cash Items	(9,791,989)	1,523,898
	Interest Expense	5,792,770	5,930,751
	Operating Profit before Change in Working Capital Changes	21,350,179	28,827,566
	Movement in working Capital		
	Increase(Decrease) in Trade payable	15,301,000	4,442,029
	Increase(Decrease) in Long term provisions	214,248	177,717
	Increase(Decrease) in Short term provisions	266,784	16,393
	Increase(Decrease) in other current liabilities	3,235,693	(2,584,631)
	Increase(Decrease) in other non current liabilities	(6,695,560)	-
	Decrease/(Increase) in inventories	(15,790,836)	10,049,743
	Decrease/(Increase) in Trade Receivables	(7,693,187)	(18,516,616)
	Decrease/(Increase) in short term advances	(2,693,627)	(400,285)
	Decrease/(Increase) in Long Term advances	120,207	(124,897)
	Decrease/(Increase) in other current assets	5,327,937	(3,475,291)
		(8,407,340)	(10,415,838)
	Cash generated from operation	12,942,839	1,84,11,727
	Direct Taxes paid	(1,835,768)	(7,91,525)
	Net cash flows from operating activities	11,107,072	1,76,20,202
B	CASH FLOW USED IN INVESTMENTS ACTIVITIES		
	Purchases of Fixed assets including capital advances	(2,831,431)	(782,009)
	Net cash flows from Investment activities	(2,831,431)	(782,009)
C	Cash flow from financing activities		
	Proceeds of Long term borrowings	(250,021)	(1,971)
	Proceeds from short term borrowings (Net)	(2,409,228)	(117,716)
	Dividend paid (Incl of DDT)	(6,752,951)	-
	Interest paid	(5,792,770)	(5,930,751)
	Net cash flows / (used in) from Investment activities	(15,204,970)	(6,050,438)
	Net increase/(decrease) in cash and cash equivalents	(A+B+C) (6,929,329)	1,07,87,755
	Add : Cash and cash equivalents at the beginning of the year	15,469,438	46,81,683
	Cash and cash equivalents at the end of the year	8,540,109	1,54,69,438
	Components of cash and cash equivalents		
	Cash on hand	74,755	21,643
	Bank balance in current accounts	2,628,842	1,00,00,177
	Bank balance in Fixed deposit accounts	5,836,512	54,47,618
		8,540,109	1,54,69,438

As per our report of even date attached

FOR V.R.Bhabhra & Co.

Firm Reg.no.112861W

CHARTERED ACCOUNTANTS

Vimal R.Bhabhra**Sd/-****Proprietor**

Mem.No.046043

Place : Mumbai

Dated : May 30, 2015

FOR AND ON BEHALF OF THE BOARD**Mr. Rajnikant Worah**
Chairman & Director**Dr. Atma B. Gupta**
Manging Director**Mr. Navin Agarwal**
Company Secretary**CA Dwarika Agarwal**
Chief Financial Officer

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015**NOTE-1****GENERAL INFORMATION**

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

NOTE-2**BASIS OF PREPARATION**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP), including the Accounting standards notified under the relevant provisions of the companies Act, 2013. The financial statements have been prepared on accrual basis and under historical cost convention.

NOTE 2.1 SIGNIFICANT ACCOUNTING POLICIES.**a) Use of estimates:**

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

b) Fixed Assets :

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

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

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

c) Capital Work - in - Progress:

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

d) Inventories :

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

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

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

e) Revenue Recognition:

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

f) Foreign Currency Transactions:

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

g) Excise and Custom Duties:

Liability on account of Customs Duty on Imported materials is accounted for only on clearing / debonding of materials Excise duty on finished goods lying in stock is accounted on the basis of prevailing selling price at year end.

h) Export Incentives:

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

i) Depreciation /Amortisation:

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

j) Impairment of Assets

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

k) Employees Benefits :

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

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

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

l) Research & Development Expenses:

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

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

m) Borrowing Costs.

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

n) Taxation

Provision for income taxes comprises of current taxes including deferred taxes. Current Tax is determined on the basis of taxable income and tax credits computed in accordance with provisions of Income Tax act, 1961.

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

o) Provisions & Contingent Liability:

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

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

p) Cash and cash equivalent

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

NOTES TO FINANCIAL STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2015Amount (₹)
2013-14

Particulars 2014-15

NOTE-3

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
	<u>15,00,00,000</u>	<u>15,00,00,000</u>

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
	<u>11,54,40,000</u>	<u>11,54,40,000</u>

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

Particulars	31-Mar-2015		31-Mar-2014	
	No of shares	Amount	No of shares	Amount
At the beginning of the period	11544000	11,54,40,000	11544000	11,54,40,000
Issued during the period		-		-
Outstanding at the end of the period	11544000	11,54,40,000	11544000	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	31-Mar-2015		31-Mar-2014	
	No of shares	% of holding	No of shares	% of holding
Vista Finance & Leasing Pvt.Ltd	3964100	34.34%	3964100	34.34%
Ushma Investment Pvt.Ltd	3295200	28.54%	3295200	28.54%

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

NOTE-4

RESERVE & SURPLUS

a) CAPITAL RESERVE

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

b) REVALUATION RESERVE

Balance as per last financial statements	57,226,570	6,03,98,914
Less: Depreciation on revaluation for the year	-	31,72,344
	57,226,570	5,72,26,570

c) SURPLUS IN THE STATEMENT OF PROFIT & LOSS

Balance as per year	35,321,324	3,18,15,179
Profit/(Loss) for the year	12,758,040	1,02,59,098
Less: Short Depreciation on Brought forward carrying amount	899,647	
Less: Proposed Dividend	5,772,000	5,772,000
Less: Dividend Distribution Tax	1,154,400	9,80,951
	<u>3,53,21,326</u>	<u>3,53,21,326</u>
	<u>99,479,887</u>	<u>9,45,47,896</u>

NOTE-5

LONG TERM BORROWING

SECURED TERM LOANS

a) Vehicle loan from ICICI Bank (secured by hypothecation a Vehicles)	85,737	3,35,758
b) The Vehicles term loans are payable over a period of 3 years with interest @ 11.25% till July 2015		
	<u>85,737</u>	<u>3,35,758</u>

NOTE-6**OTHER NON CURRENT LIABILITIES**

a) Towards Sales Tax	-	1,66,89,317
	<u>-</u>	<u>1,66,89,317</u>

b) The Company had received certain refunds towards Sales Tax/Vat during the year 2009-10 after completion of assessment /refund audit. However, the sales tax department, on their visit to the company asserted that the said refund were erroneous. The company, pending assessment /reassessment had made payment of Rs. 130.00 Lacs under protest and shown the net liability of Rs. 166.88 Lacs as payable in the books of account till 31.3.2014. Meanwhile, the sales tax department made the exparte assessment for the period from 2005-06 to 2009-10, due to non availability of certain documents which could not be received from sales tax consultant, and levied demand of Rs 20.01 crore along with interest and penalty. The Company preferred the appeal against the said demand with Commissioner of sales tax (Appeal). The company provided the calculation for the dues as per books of accounts to the appellate authority and made payment of Rs. 66.94 Lacs. Pending disposal of appeal by the Appellate authority, the company obtained an expert opinion that after considering the payments already made there will not be any additional liability and therefore, written back excess outstanding of Rs. 99.18 Lacs.

NOTE-7**LONG TERM PROVISIONS**

Provision for retirement benefit	1,058,111	8,43,863
	<u>1,058,111</u>	<u>8,43,863</u>

NOTE-8**DEFERRED TAX LIABILITIES (NET)***Deferred Tax Liabilities*

Deference between tax and book depreciation	13,956,443	1,53,38,756
<i>Deferred Tax Assets</i>	<u>13,956,443</u>	<u>1,53,38,756</u>
Provision for doubtful advances	675,193	7,80,000
Timing Differences pursuant to sect 43B of the Income tax Act	768,264	7,49,000
	<u>1,443,457</u>	<u>15,29,000</u>
	<u>12,512,986</u>	<u>1,38,09,756</u>

NOTE-9**SHORT TERM BORROWING****SECURED**

a) Cash Credit	11,120,151	1,58,43,075
b) Export Packing Credit	19,977,696	1,76,64,000
	<u>31,097,847</u>	<u>3,35,07,075</u>

c) Note on Nature of Security on secured loan

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

d) Working capital borrowing, being cash credit and packing credit facility carry interest rate of 13.25% per annum and 11.75% respectively.

NOTE-10**TRADE PAYABLE**

Trade payable against goods and services	65,607,930	5,03,06,946
	<u>65,607,930</u>	<u>5,03,06,946</u>

NOTE-11**OTHER CURRENT LIABILITIES**

Current maturities of long term borrowing (refer Note-5)	-	-
Advances from customers	842,942	2,12,879
Outstanding salaries & expenses	6,395,937	37,80,309
Tax Deducted at source payable	300,609	2,93,199
Statutory dues payable	126,566	1,43,974
	<u>7,666,054</u>	<u>44,30,361</u>

NOTE-12

SHORT TERM PROVISION

for Excise duty on Finished Goods	1,997,000	17,98,000
for income tax(Net of advance tax paid)	2,208,150	15,04,130
Provision for Proposed Dividend	5,772,000	57,72,000
Provision for Dividend Distribution Tax	1,154,400	9,80,951
For gratuity*	1,397,116	13,29,332
	12,528,666	1,13,84,413

* Includes Rs. 514959/- for earlier year

NOTE-13

FIXED ASSETS

ASSETS DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As on 01.04.2014	Addition during the Year	Deductions Adustment	Block as on 31.03.15	As on 01.04.2014	For The Year	Deductions Adustment	Up to 31.03.15	Transferred to retained earning	As on 31.03.2015	As on 31.03.2014	
Lease Hold Land	39,949,055	-	-	39,949,055	4,948,688	665,701	-	5,614,389	-	34,334,666	35,000,367	
Buildings	19,441,270	-	-	19,441,270	15,240,349	591,103	-	15,831,452	-	3,609,817	4,200,920	
Plant & Machinery	271,016,401	1,932,111	-	272,948,512	174,658,251	6,998,589	70,485	181,727,325	7,017	91,214,170	96,358,150	
Furniture & Fixtures	1,708,611	-	-	1,708,611	1,068,104	74,342	-	1,142,446	147,025	419,141	640,508	
Office Equipment	4,378,105	29,995	-	4,408,100	2,971,231	315,848	477	3,287,556	745,604	374,940	1,406,874	
Motor Car	3,364,034	-	-	3,364,034	1,433,060	367,790	-	1,800,850	-	1,563,184	1,930,974	
Electric Installation	15,489,008	-	-	15,489,008	15,195,728	87,046	-	15,282,774	-	206,234	293,280	
R & D Equipment	7,338,816	869,325	-	8,208,141	3,613,798	1,163,180	20,774	4,797,752	-	3,410,389	3,725,018	
Intangible Assets	13,893,160	-	-	13,893,160	5,256,845	1,194,774	-	6,451,619	-	7,441,541	8,636,315	
Total	376,578,460	2,831,431	-	379,409,891	224,386,054	11,458,373	91,736	235,936,163	899,646	142,574,082	152,192,406	

NOTE-14

LONG TERM LOAN AND ADVANCES

(Unsecured and considered good)

Security Deposits	1,625,162	16,15,462
Other advances	-	5,010
VAT Refundable	2,239,809	23,64,706
	3,864,971	39,85,178

(Unsecured, considered Doubtful)

Other advances to suppliers	1,185,089	10,00,000
Less: Provision for doubtful advances	1,185,089	10,00,000
	3,864,971	39,85,178

NOTE-15

INVENTORIES

(As taken, valued and certified by the

Management)

Raw Material	10,794,135	1,23,21,214
Stock Work In Progress	45,088,536	2,88,06,211
Finished Goods	17,974,905	1,63,44,409
Traded Goods	-	-
Packing Material	162,452	1,39,787
Stores & Spares	626,496	6,71,863
Fuel	808,230	13,80,435
	75,454,754	5,96,63,918

NOTE-16

TRADE RECEIVABLE

(Unsecured and considered good) *

Debts outstanding for a period exceeding six

months from the date

they are due for payment

Other debts	1,356,081	16,48,060
	101,417,594	9,34,32,428

* Subject to confirmation (Unsecured and considered doubtful) *	<u>102,773,675</u>	<u>9,50,80,488</u>
Debts outstanding for a period exceeding six months from the date they are due for payment	1,185,089	1,523,898
Less : Provisions for doubtful debts		(1,523,898)
* Subject to confirmation	<u>102,773,675</u>	<u>95,080,488</u>
NOTE-17 CASH AND BANK BALANCES		
Cash on hand	74,755	21,643
Cheque on hand	-	-
Balance with banks in Current accounts	2,628,842	1,00,00,177
in Fixed Deposits (Margin Money)*	5,836,512	54,47,618
*(Under Lien towards margin of Letter of credits & Bank Guarantees	<u>8,540,109</u>	<u>1,54,69,438</u>
NOTE-18 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
Staff advances	207,000	380,064
Vat Refund	2,621,652	-
Income Tax Deducted at Source by others	699,011	453,972
	<u>3,527,663</u>	<u>834,036</u>
NOTE-19 OTHER CURRENT ASSETS (Unsecured and considered good)		
Prepaid expenses	728,580	7,24,450
Advances for supply of goods & services	29,849	5,08,151
Advances for capital Goods	-	2,43,182
Balance with Excise Authorities	6,172,725	27,11,654
Excise rebate, drawback and MAT credits	1,487,168	95,58,822
Advance Income Tax (Net of provisions)	-	-
	<u>8,418,322</u>	<u>1,37,46,259</u>
NOTE-20 REVENUE FROM OPERATIONS		
Sale of Products		
Finished Goods	293,361,490	32,11,93,107
Traded Goods	92,359,255	14,22,79,517
Others Sale	-	1,80,600
	385,720,745	46,36,53,224
Less Excise duty on Sale	16,619,038	2,53,85,101
	369,101,707	43,82,68,123
Sale of Service		
Conversion (Job) Charges	10,960,630	1,47,22,443
	<u>380,062,337</u>	<u>45,29,90,566</u>
Note: Products wise Sales		
Pyridine/ Picoline & Derivatives	272,071,425	28,90,39,200
Cynopyridine & Derivatives	96,912,010	15,03,25,665
Others	118,272	1,80,600
	<u>369,101,707</u>	<u>43,95,45,465</u>
NOTE-21 OTHER INCOME		
Interest on Fixed deposit with bank	481,488	4,12,568
Gain on exchange fluctuation	6,715,503	(45,17,783)
Duty Drawback	1,653,777	16,41,425
Sundry Claims	2,285	1,67,165
	<u>8,853,053</u>	<u>(22,96,625)</u>

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

Inventory at the beginning of the year	12,321,213	49,63,908
Add : Purchases	135,952,306	12,79,83,240
	148,273,519	13,29,47,148
Less: Inventory at the end of the year	10,794,135	1,23,21,214
	137,479,384	12,06,25,934

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.7240495/- (P Y Rs.1,60,63,577) The conversion charges received, therefore, are also net of the said amount.

Additional information pursuant to provisions of the schedule III to the companies act 2013

Value of the productwise material consumed		
Basic Chemicals	134,798,496	8,83,76,894
Solvents	4,872,087	60,47,714
	14,70,63,153	9,44,24,608

NOTE-23**PURCHASES OF TRADED GOOD**

(a) Purchases	86,567,031	13,74,22,659
	86,567,031	13,74,22,659
(b) Pyridine & its Derivatives	51,371,792	6,25,90,408
Cyanopyridine & Derivative	35,195,239	7,48,32,251
Others	-	-
	86,567,031	13,74,22,659

NOTE-24**(INCREASE) / DECREASE IN INVENTORIES**

Inventories at the end of the year			
Work in progress	45,088,536	2,88,06,211	
Finished goods	17,974,905	63,063,441	4,51,50,620
Inventories at the beginning of the year			
Work in progress	28,806,211	3,74,23,945	
Finished goods	16,344,409	3,74,23,945	
	1,70,10,785	45,150,620	5,44,34,730
	(17,912,821)		92,84,110

NOTE-25**EMPLOYEE BENEFITS EXPENSES**

Salaries and wages	23,641,377	2,50,71,693
Workmen and staff welfare expenses	1,266,664	16,19,622
Contribution to Provident fund	761,629	9,32,370
Provision for Gratuity	282,032	2,67,110
	25,951,702	2,78,90,795

NOTE-26**OTHER EXPENSES**

Store & Spare Part Consumed	9,650,813	73,09,849
Packing Material Consumed	4,058,872	65,72,568
Conversion Charges	35,744,130	3,33,34,153
Power & Fuel	39,479,971	3,51,69,565
Freight & Transport Charges	13,808,040	1,54,05,151
Excise duty expenses	267,167	(63,479)
Repair & Maintenance		
For Plant & Machineries	3,740,868	30,51,755
For Buildings	3,661,414	-
For Others	406,259	6,21,894
Traveling, Conveyance, Lodging & Boarding	4,887,470	26,32,657
Postage, Telephone & Internet Charges	973,799	8,94,622
Professional & Legal Expenses	4,192,897	41,41,185
Insurance Premium	1,081,285	12,62,383
Rent	1,778,075	17,33,842
Rate & Taxes	698,256	9,62,954
Commission	1,843,946	25,04,138
Cash Discount	1,660,440	-
R & D Expenses	6,008,447	77,31,450

Director Sitting Fee	335,555	3,35,555
Audit Fees	400,000	4,23,385
Other Expenses	799,509	26,19,250
	135,477,214	12,66,42,877

NOTE-27**INTEREST & FINANCIAL COST**

Interest on fixed term Loan	25,355	71,811
Interest on others	2,906,534	35,27,690
Financial Charges	2,860,881	23,31,249
	5,792,770	59,30,751

NOTE-28**DEPRECIATION**

Depreciation for the year (Ref note 13)	11,550,109	1,41,98,406
Less: Transferred to Revaluation reserve	-	31,72,344
	11,550,109	1,10,26,062

NOTE-29**EXCEPTIONAL ITEMS**

Prior Period Items	(2,700)	-
Amounts W/back towards Sales Tax refund received in earlier years	9,993,757	-
Short Provision For Income Tax	(201,768)	-
Provision for doubtful advances	-	1,523,898
	9,789,289	15,23,898

Note -30: Contingent Liabilities:

- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL-net of advance (Previous year Rs. NIL).
- Bank Guarantees issued and outstanding on Balance Sheet date: Rs.42,50,000 (Previous year Rs. 53,50,000)
- Letters of credit outstanding Rs 3,48,83,514 (Previous year: Rs 3,39,72,533)
- Sale tax demand against which the company file the appeals for the years 2005-06 to 2009-10 of Rs. 20,28,11,451 (Previous Year Rs: 20,28,11,451).
- Demand from service tax authority contested in appeal Rs. 27,11,069 (Previous year Rs: 27,11,069).
- Claim against the company by a customer but not admitted, pending in High Court Rs. 33,63,214 (Previous year Rs: 33,63,214).

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

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

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

I Defined Contribution Plans

The Company has recognized the amounts of Provident Fund of Rs.7,58,725 (P.Y. 9,32,370) in Profit and Loss Account for the year ended 31st March, 2015:

II Defined Benefit Plans

Contribution to Gratuity Fund (Non Funded Scheme)

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

	2014-15	2013-14
Discount Rate (per annum)	7.5%	8.06%
Rate of increase in compensation levels (per annum)	5%	5%
Expected Average remaining working	3.68	3.75

A. Change in the Present Value of Obligation

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Non - Funded Scheme (Rs.)	Non - Funded Scheme (Rs.)
Present Value of Defined Benefit Obligation as at beginning of the period	21,73,195	19,06,085
Interest Cost	1,95,588	1,53,630
Current Service Cost	2,72,399	2,27,603

Past Service Cost- (non vested benefits)	-	-
Past Service Cost- (vested benefits)	-	-
Benefits Paid	-	-
Actuarial (gain) / loss on Obligations	(185,955)	(1,14,123)
Present Value of Defined Benefit Obligation as at the end of the period	24,55,227	21,73,195

B. Fair Value of Assets

	Year Ended March 31, 2015 (Rs.)	Year Ended March 31, 2014 (Rs.)
Present Value of Funded Obligation as at end of the period	-	-
Fair Value of Plan Assets as at end of the period	-	-
Funded Asset recognized in the Balance Sheet	-	-
Included in provision (Schedule)	-	-
Present Value of Unfunded Obligation as at end of the period	-	-
Unrecognized Actuarial gains / (losses)	-	-
Unfunded Liability recognized in the Balance Sheet	-	-
Included in provision (Schedule)	21,73,195	19,06,085

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

	Year Ended March 31, 2015 (Rs.)	Year Ended March 31, 2014 (Rs.)
Present Value of Defined Benefit Obligation as at the end of the period (non current)	10,58,111	8,43,863
Current liability	1,397,116	1,329,332
Fair Value of Plan Assets as at end of the period	-	-

D. Expenses recognized in Profit and Loss Account

	Year Ended March 31, 2015 (Rs.)	Year Ended March 31, 2014 (Rs.)
Current Service Cost	2,72,399	2,27,603
Past Service Cost- (non vested benefits)	-	-
Past Service Cost- (vested benefits)	-	-
Interest Cost	1,95,588	1,53,630
Expected Return on Plan Assets	-	-
Curtailement Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (gain) / Loss recognized in the Period	(1,85,955)	(1,14,123)
Total Expenses recognized in the Profit and Loss Account	2,82,032	2,67,110

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

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

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

a) Particulars of Related Parties

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

b) Key Management Personnel

NAME OF RELATED PARTY	NATURE OF RELATIONSHIP
Dr Atma Gupta	Managing director

c) Transactions with Related Parties:

Name of party, Nature of relationship	Nature of Transaction	Value of Transaction (Rs.)	Outstanding amount. (Rs.)
Vista organics Pvt. Ltd.	Conversion Charges Paid.	3,54,64,130 (3,33,34,153)	25,30,525 Cr (3,16,976-Dr.)
Avignon Exim Pvt. Ltd.	Sales*	15,97,24,133 (11,75,15,832)	6,60,82,448-Dr (6,16,41,375-Dr)
Avignon Exim Pvt. Ltd.	Conversion Charges **	1,09,60,630 (1,47,22,443)	31,33,869-Dr (Nil)
Avignon Exim Pvt. Ltd.	Purchases*	5,34,79,302 (8,48,67,923)	Nil (Nil)
Vista Finance & Leasing Pvt Ltd.	Rent	6,00,000 (6,00,000)	3,15,000-Cr (7,20,000- Cr)
Ushma Investment Pvt Ltd.	Rent	6,00,000 (6,00,000)	3,15,000-Cr (7,20,400-Cr)
Avignon Chemicals Pvt Ltd.	Rent	6,00,000 (6,00,000)	3,15,000-Cr (7,20,000-Cr)
Dr. Atma B. Gupta	Salary, PF & Others	31,10,400 (31,13,916)	Nil (Nil)
Mr. Kamlesh Yadav	Salary, PF & Others	10,95,118 (8,33,114)	Nil (Nil)
Mr. Dwarika Agarwal (w.e.f. 13.2.2015)	Salary	84,345 (Nil)	Nil (Nil)
Ms. Sneha Gandhi	Salary	2,94,420 (Nil)	Nil (Nil)

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

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

Remarks: a) Related parties are as identified by the management and relied upon by the auditors.

b) Reimbursement of expenses in normal course of business are not considered hereinabove.

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

	2014-15	2013-14
Net Profit attributable to equity shareholders (Rs.)	127,58,040	102,59,098
Total No. of Equity shares outstanding during the year	11,544,000	11,544,000
Basic Earning Per share	1.11	0.89
Diluted Earning Per share	0.51	0.31
Face value per share	10	10

Note -35 Reporting on other disclosures

- The Company has no information as to whether any of its suppliers constitute Micro, Small or Medium Enterprise and therefore, the claims for suppliers and other related data as per the requirement of Micro , Small and Medium Enterprises Development Act, 2006 could not be ascertained.
- In the opinion of Board, current assets, loan and advances are stated at a value at least equal to the expected value on realisation in the ordinary course of business.
- During the year the company had carried out development of certain process technology for efficient commercial production in its approved R & D facilities at Tarapur and incurred an amount of Rs.60,08,447 /- (P.Y. 77,31,450/-) as Research & Development expenditure which have been accounted as follows :

Particulars	2014-15 (Rs.)	2013-14 (Rs.)
Charged to Profit & Loss account		
As revenue expenditure	6008447	29,94,407
Capitalized under Lab Equipment	8,69,325	-
Total	8,69,325	29,94,407

- d) Provision for Income Tax has been made considering the benefits available u/s 35 of the Income tax act.
- e) The Consumption of the raw material are reported after deducting the cost of material received from third parties for conversion but used by the company for captive use amounting to Rs.72,40,495 (P Y Rs. 1,60,63,577.) The conversion charges received, therefore, are also adjusted by the said amount.

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

	%	2014 -15 Amount In Rs.	%	2013 -14 Amount In Rs.
A. Raw material				
Indigenous	66.00	16,63,02,279	59	7,43,15,408
Imported	34.00	8,42,77,407	41	10,72,02,875
Total	100	25,05,79,868	100	18,15,18,283
B. Others/Stores spares				
Indigenous	100	96,05,446	100	70,93,062
Imported	--	--	--	--
Total		96,05,446		100

g) Earnings in foreign exchange on account of :

	2014-15 (Rs.)	2013-14 (Rs.)
FOB Value of Exports (Service)	Nil	Nil
FOB Value of Exports (Material)*	19,37,08,988	16,97,45,440
*Net of Re-import		

h) Expenditure in Foreign currency:

	2014-15 (Rs.)	2013-14 (Rs.)
CIF Value of Imports of materials	8,42,77,407	10,71,63,839
Traveling Expenses	2,26,621	1,75,572

i) Managerial Remuneration to Managing Director

	2014-15 (Rs.)	2013-14 (Rs.)
Salary	19,20,000	19,20,000
House rent allowance	9,60,000	9,60,000
Company's contribution to P.F	2,30,400	251916
Other monetary benefits	0	0
Total	31,10,400	31,13,916

As per our report of even date attached

FOR V.R.Bhabhra & Co.
Firm Reg.no.112861W
CHARTERED ACCOUNTANTS
Vimal R.Bhabhra
Sd/-

Proprietor
Mem.No.046043
Place : Mumbai
Dated : May 30, 2015

FOR AND ON BEHALF OF THE BOARD

Mr. Rajnikant Worah
Chairman & Director

Dr. Atma B. Gupta
Managing Director

Mr. Navin Agarwal
Company Secretary

CA Dwarika Agarwal
Chief Financial Officer

RESONANCE SPECIALTIES LIMITED

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

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

CIN: L25209MH1989PLC051993

ATTENDANCE SLIP

26th Annual General Meeting – 28th September, 2015

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 26th Annual General Meeting of the Company held at Raheja Classique Club, Infinity Mall, New Link Road, Andheri (West), Mumbai 400 058, on Monday, 28th September, 2015 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

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN
150825078	Please Refer Note no.17 in the notice	

RESONANCE SPECIALTIES LIMITED

Registered Office: 301, Evershine Mall, Off Malad Link Road, Malad (West), Mumbai - 400064.
Tel No: 022 42172222, **Fax:** 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 _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on the Monday, September 28, 2015 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, 2015, including the audited Balance Sheet as at March 31, 2015, 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 declare dividend of Rs 0.50/- (5%) per Equity Shares of the nominal value of Rs. 10 /-each for the year ended 31st March 2015.		
3	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.		
4	To ratify the appointment of M/s. V. R Bhabhara &Co., Chartered Accountant (Firm Registration No.112861W) as Statutory Auditors of the Company.		
Special Business			
5	Appointment of Dr. Gurpur Ganesh Pai (DIN:- 07071547) as an independent Non- Executive Director for a period of 5 (five) years.		
6	Appointment of Ms. Urvi A Gupta (DIN:- 02378375) as Non- Executive Director.		
7	Reappointment of Dr. A.B. Gupta (DIN: 00025255) as the Managing Director of the Company for a period of 3 (three) years.		
8	Approval for entering into Related Party Transaction by the Company		
9	Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013		

Signed this.....day of2015

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

Note :

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

Affix
Revenue
Stamp of Re.
1/-

BOOK POST

If undelivered please return to :



Resonance Specialties Limited

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

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

E-mail: info@resonancesl.com • Website : www.resonancesl.com