

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
Dr. Gurpur Ganesh Pai	- Independent Director (resigned w.e.f. 06/03/2017)
Ms. Urvi Gupta	- Non-Executive Director (resigned w.e.f. 27/09/2016)
Mr. Rajesh Shirpurkar	- Whole-time Director (resigned w.e.f. 14/11/2016)
Mr. Satish Chander Mathur	- Whole-time Director (re-appointed w.e.f. 14/11/2016)
Ms. Archana Yadav	- Independent Director
Dr. Yaqoob Ali	- Independent Director (appointed w.e.f. 14/11/2016)

REGISTERED OFFICE

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

PLANT

T-140 MIDC Industrial Estate,
Tarapur, Maharashtra

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

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

INTERNAL AUDITORS

HAM & Co.
C-1/C, 49/50 Mahavir Nagar,
Shankar Lane, Kandivali (W)
Mumbai - 400 067

Corporate Identity Number

L25209MH1989PLC051993

BANKERS

BANK OF BARODA
Vile Parle (E), Mumbai

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-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 Eighth (28th) Annual General Meeting of the Members of **RESONANCE SPECIALTIES LIMITED** will be held on Thursday, 14th September, 2017 at 11:00 a.m. at Raheja Classique Club, Infinity Mall, New Link Road, Andheri (West), Mumbai 400 058, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2017, including the Audited Balance Sheet as at March 31, 2017, the statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B. P. Agarwal, DIN (02724594), who retires by rotation and being eligible, offers himself for re-appointment.
3. To reappoint V. R. Bhabhra & Co., Chartered Accountants (Firm Registration No. 112861W) subject to his eligibility as Statutory Auditors of the Company and passed the following resolution:

"RESOLVED THAT V. R. Bhabhra & Co., Chartered Accountant (Firm Registration No. 112861W), Statutory Auditor of the Company be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this 28th AGM to the Conclusion of 32nd AGM, at the remuneration to be fixed by the Board of Directors of the Company in consultation with the Auditors."

SPECIAL BUSINESS:

4. **Appointment of Dr. Yaqoob Ali (DIN: 07655705) as Non-Executive Independent Director.**

To appoint Dr. Yaqoob Ali as Non-Executive Independent Director who was appointed as an Additional Director and holds office upto the date of AGM and being eligible offers himself for appointment and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolutions.

"RESOLVED THAT pursuant to the recommendations received from the Board of Directors and provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and any rules made there under (including any statutory modification or re-enactment thereof) read with Schedule IV of the Companies Act, 2013 for the time being in force, Dr. Yaqoob Ali an additional Director of the Company, be and is hereby appointed as an Independent Director of the Company, to hold office for a period of 5 (five) consecutive years, with effect from 14th November, 2016 to 13th November, 2021 and that he shall not be liable to retire by rotation."

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

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

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

"RESOLVED THAT Mr. Satish Chander Mathur who was re-appointed as an Additional Director of the Company by the Board of Directors with effect from 14th November, 2016 and who holds office up to the date of this Annual General Meeting under Section 161 (1) of the Companies Act, 2013 ('the Act') and who is eligible for re-appointment be and is hereby appointed as a whole time Director of the Company.

"RESOLVED THAT pursuant to recommendation received from Board of Directors and the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and any rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, for the time being in force and as per the Articles of Association of the Company, consent of the members of the Company be and are hereby accorded to the re-appointment of Mr. Satish Chander Mathur as a Whole-Time Director, for a period of 5 (five) years w.e.f. 14th November, 2016 to 13th November, 2021.

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

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

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

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

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

Sr. No.	Nature of Transactions as per section 188 of the Companies Act, 2013	Name of the Director/ KMP who is related and nature of their relationship	Name of the Related Party	Amount (in ₹)	
				Receipts/ Credits	Payments/ Debits
1	Sale and purchase/ Conversion of goods	Dr. A.B Gupta is Member/Relative of Member of the Co.	Avignon Exim Pvt. Ltd.	12,00,00,000 [†] (8,51,95,455)*	5,00,00,000 [†] (27,21,000)*
2	Availing Services	Dr. A.B Gupta is Member/Relative of Member of the Co.; S.C. Mathur– Common Director	Vista Organics Pvt. Ltd.	-	8,00,00,000 [†] (5,59,65,884)*
3	Deposit for exclusive right for Manufacturing	Dr. A.B Gupta is Member/Relative of Member of the Co.; S.C. Mathur– Common Director	Vista Organics Pvt. Ltd.	-	80,00,000 [†] (NIL)*
4	Leasing of Property	Dr. A.B Gupta is Member/Relative of Member of the Co.; S.C. Mathur– Common Director	Vista Finance & Leasing Pvt. Ltd.	-	9,00,000 [†] (7,20,000)*
5	Leasing of Property	Dr. A.B Gupta is Member/Relative of Member of the Co.; S.C. Mathur– Common Director	Avignon Chemicals Pvt. Ltd.	-	9,00,000 [†] (7,20,000)*
6	Leasing of Property	Dr. A.B Gupta is Member/Relative of Member of the Co.; S.C. Mathur– Common Director	Ushma Investments Pvt. Ltd.	-	9,00,000 [†] (7,20,000)*

approval for the year 2017-18

* reporting for the year 2016-17

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

Dated: May 30, 2017

Registered Office:

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

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

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

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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.
- 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.
- Relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
- Members/proxies should fill the Attendance Slip for attending the meeting.
- 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.
- 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.
- 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.
- The Register of Members and the Share Transfer Book of the Company will remain closed from 9th September, 2017 to 14th September, 2017 (both days inclusive).
- The members are requested to:
 - 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;

- Quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;
- Approach the Company for consolidation of folios, if shareholdings are under multiple folios;
- Get the shares transferred in joint names, if they are held in single name to avoid inconvenience;
- Bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
- to note that no gifts will be distributed in the AGM;
- 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;
- 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;
- 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.
- 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.
- The Equity Shares of the Company are listed on the BSE. The listing fee has been paid up to date.
- 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.
- The disclosures required Regulation 17 & 26 of the SEBI (LODR) Regulations, 2015; in respect of the Directors being

appointed/ reappointed in this Annual General Meeting are given as annexure A to this Notice convening Annual General Meeting.

- Information for shareholders relating to E-voting are as under:
- Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44(3) of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
- 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.
- The Company has engaged the services of Central Depository Services Limited ("CDSL") as the Agency to provide e-voting facility.
- The Board of Directors of the Company has appointed **Alok Khairwar and Associates**, Practicing Company Secretaries, Mumbai as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday, 11th September, 2017 at 9.00 am and ends on Wednesday 13th September, 2017 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-of date (record date) of 8th September 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

**EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE
COMPANIES ACT, 2013)**

ITEM NO-4

The Board at its meeting held on 14th November, 2016, appointed Dr. Yaqoob Ali (Holding DIN No:-07655705) as Additional (Independent) Director of the Company with effect from 14th November 2016, pursuant to Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013, Dr. Yaqoob Ali will hold the office up to the date of ensuing AGM. The Company has received from Dr. Yaqoob Ali:

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and;
- Intimation in Form DIR-8 in terms of Companies Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under subsection (2) of Section 164 of the Companies Act, 2013 and Form MBP-1.

Dr. Yaqoob Ali, S/o Mr. Shareef Ahmed aged 41 years has done Ph.D. Chemical Engineering. He is Professionally Associated with Senior Member, American Institute of Chemical Engineers, USA, since 1994 and also with Life Member, Indian Institute of Chemical Engineers, Calcutta Board considers that his association with the Company would be of immense benefit to the Company and it is desirable to avail his services. Accordingly the Board recommends the resolutions in relation to appointment of Dr. Yaqoob Ali as Non-Executive, Independent Director of the Company, subject to approval by the shareholders of the Company.

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

ITEM NO-5

The Board at its meeting held on 14th November 2016, re-appointed Mr. Satish Chander Mathur (Holding DIN No:-02847887) as the Whole-Time Director of the Company pursuant to Section 152 & 196 of the Companies Act, 2013 and he shall hold the office up to the date of ensuing AGM.

The Company has received from Mr. Satish C. Mathur:

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and;
- Intimation in Form DIR-8 in terms of Companies Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and MBP-1.

Pursuant to Section 197 read with schedule V and other applicable provisions, if any of the Companies Act 2013, the remuneration and terms and conditions as recommended by the Board of Directors at their meeting held on November 14, 2016.

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 November 14, 2016, appointed him as Whole-Time Director of the Company for the period of 5 (Five) years and is an occupier at the Tarapur Factory on following terms & conditions.

Remuneration and Compensation:

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

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

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

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

ITEM NO-6

Approval for Related Party Transactions entered into by the Company:

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

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

As per the provisions of the Companies Act, 2013, the Board of Directors of your Company 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:

Sr. No.	Nature of Transactions as per section 188 of the Companies Act, 2013	Name of the Director/ KMP who is related and nature of their relationship	Name of the Related Party	Amount (in ₹)	
				Receipts/ Credits	Payments/ Debits
1	Sale and purchase/ Conversion of goods	Dr. A.B Gupta is Member/Relative of Member of the Co.	Avignon Exim Pvt. Ltd.	12,00,00,000 [#] (8,51,95,455)*	5,00,00,000 [#] (27,21,000)*
2	Availing Services	Dr. A.B Gupta is Member/Relative of Member of the Co.; S.C. Mathur-Common Director	Vista Organics Pvt. Ltd.	-	8,00,00,000 [#] (5,59,65,884)*
3	Deposit for exclusive right for Manufacturing	Dr. A.B Gupta is Member/Relative of Member of the Co.; S.C. Mathur-Common Director	Vista Organics Pvt. Ltd.	-	80,00,000 [#] (NIL)*
4	Leasing of Property	Dr. A.B Gupta is Member/Relative of Member of the Co.; S.C. Mathur-Common Director	Vista Finance & Leasing Pvt. Ltd.	-	9,00,000 [#] (7,20,000)*
5	Leasing of Property	Dr. A.B Gupta is Member/Relative of Member of the Co.; S.C. Mathur-Common Director	Avignon Chemicals Pvt. Ltd.	-	9,00,000 [#] (7,20,000)*
6	Leasing of Property	Dr. A.B Gupta is Member/Relative of Member of the Co.; S.C. Mathur-Common Director	Ushma Investments Pvt. Ltd.	-	9,00,000 [#] (7,20,000)*

approval for the year 2017-18

* reporting for the year 2016-17

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

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

Except above named Directors and their relatives (to the extent of their shareholding interest in the Company), no other director or

Key Managerial Personnel or their relatives, is concerned or interested financially or otherwise, in passing of this resolution.

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

Dated: May 30, 2017	For and on behalf of the Board of Directors
Registered Office: 301, Evershine Mall, Chincholi Bunder Junction, Off. Malad Link Road, Malad (West) Mumbai – 400064.	Dr. A. B. Gupta Managing Director (DIN: 00025255)

Board's Report

To,
The Members of
Resonance Specialties Ltd.

1. Report

Your Directors have presented the 28th Annual Report together with the Audited Financial Statements for the year ended March 31, 2017.

2. Financial Highlights

The financial performance of the Company for the year ended March 31, 2017 is summarized as under:

	2016-17 ₹ in lakhs	2015-16 ₹ in lakhs
Turnover	3418.34	3891.72
Other Income	79.47	25.56
Profit/ (Losses) Before Interest, Depreciation and Taxation	283.97	327.33
Depreciation	106.00	111.54
Exceptional Items	0	0
Profit/ (Losses) after taxes including deferred tax	102.33	119.12
Balance in P&L account b/f	530.99	411.52
Balance in the P&L account carried forward to the Balance Sheet	658.32	531.00

3. Operations/ Revenue:

Our revenue from operations for FY 2016-17 is at ₹ 3418.34 Lakhs, and is lowered by 12.16 % from last year's turnover of ₹ 3891.72 Lakhs, which result in lowering the EBITDA by 13.25% as for FY 2016-17 EBITDA is at ₹ 283.97 Lakhs compare to last years of ₹ 327.33 Lakhs. PAT for the year was ₹ 102.33 Lakhs, which is lowered by 14.10% over the PAT of ₹ 119.12 Lakhs in FY 2015-16.

4. Dividend:

It is necessary to conserve and optimise use of capital resources thus management does not recommend any dividend for the financial year ended March 31, 2017.

5. Subsidiaries and Associate Companies

The Company do not have any subsidiary or Associate Company (by virtue of equity holding).

6. Share Capital:

During the year under review, the Company has not issued nor redeemed any shares; so the share capital stands at par with the last year, which stood at Authorized Share capital at ₹ 1500.00 Lakhs divided into ₹ 150.00 Lakhs equity shares of 10/- each as on 31st March 2017 and Paid up Share capital at ₹ 1154.4 Lakhs. Divided into ₹ 115.44 Lakhs equity shares of ₹10/- each.

7. Public Deposits

Your Company has not accepted any deposits from the public, or its employees during the year under review.

8. Particulars of Loans, Guarantees or Investments

The Company has not given any loan and made any investments covered under the provisions of Section 186 of the Companies Act, 2013. The Company has also not given any guarantee during the year.

9. Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated by securities and exchange board of India (SEBI) The report on Corporate Governance as prescribed in schedule (V) of the SEBI Listing Regulations forms an integral part of this Annual Report. The requisite certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance and a declaration signed by the Managing Director stating that the members of the Board of Directors and Senior Management personnel have affirmed the compliance with code of conduct of the Board of Directors and Senior Management is attached to the report of Corporate Governance.

10. Directors:

In the Meeting of the Board of Directors held on 13th August 2016, Mr. Rajesh Shirpurkar was appointed as the Whole Time Director (Additional) of the Company with effect from 1st September, 2016. While he had resigned from the company w. e. f. 14th November, 2016. Ms. Urvi Gupta and Mr. Satish Chander Mathur had resigned from their post on 27th September, 2016 and 29th September, 2016 respectively. Dr. Yaqoob Ali was appointed on 14th November, 2016 and Mr. Satish Chander Mathur was reappointed on 14th November, 2016 to hold office up to the date of the ensuing Annual General Meeting and thus they are to be regularised at the ensuing Annual General Meeting. Also Item No. 4 and Item No. 5 of the Notice forms part of their appointment.

The Company has received (i) the consent to act as Director in form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) Intimation in DIR-8 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, to the extent that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 from Mr. Rajesh Shirpurkar and Dr. Yaqoob Ali and Mr. Satish Chander Mathur.

Mr. Rajesh Shirpurkar was also appointed as the Occupier for the factory located at Tarapur for the term he served as the Whole time Director. Mr. Satish Chander Mathur is appointed as the Occupier for the factory located at Tarapur as on 8th February 2016 and then again w.e.f. 14th November, 2016 he holds the position of occupier of the factory. Further, subject to the approval of the Shareholders, Item No. 5 of the Notice forms part of his re-appointment as the Whole Time Director of the Company.

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

Notice convening the Annual General Meeting.

Pursuant to the provisions of section 149 of the Act, Mr. Rajnikant Natwarlal Worah, Mr. L. R. Daga, Ms. Archana Surendra Yadav, and Dr. Yaqoob Ali, are the Independent Directors of the Company. Dr. Gurpur Pai has resigned from the post of Independent Director on 06th March, 2017. They have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

The Company has received Form MBP-1 & DIR-8 from all Directors pursuant to Section 184(2) and Rule 9(1) of Companies (Meetings of Board and its Powers) Rules, 2014 and Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

11. Key Managerial Personnel

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

1. Dr. A. B. Gupta, Managing Director.
2. Mr. Rajesh Shirpurkar is re-appointed as Whole Time Director of the Company w.e.f. 01st September, 2016 and resigned from the position of Whole Time Director of the Company w.e.f. 14th November, 2016.
3. Mr. Satish Chander Mathur was appointed as Whole Time Director of the Company w.e.f. 14th November, 2016.
4. Mr. Dwarika Agrawal has resigned as CFO of the Company w.e.f. 10th December, 2016.
5. Ms. Shital Churi is appointed as CFO of the Company w.e.f. 30th May, 2017.
6. Mr. Bhupesh Atkari has resigned as Company Secretary of the Company w.e.f. 28th April, 2016.
7. Ms. Soma Denki was appointed as Company Secretary of the Company w.e.f. 29th April, 2016 & has resigned from the post of Company Secretary of the Company w.e.f. 12th July, 2016.
8. Ms. Minal Bhosale is appointed as Company Secretary of the Company w.e.f. 13th July, 2016.

12. Board Committees

The Board of Directors of your Company had already constituted various Committees in compliance with the Provision of the Companies, Act 2013 and SEBI Listing Regulation viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference/role of the Committees are taken by the Board of Directors.

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided in the

Corporate Governance Section of the Annual Report.

13. Meetings

A Calendar of Board Meeting, Annual General Meeting and Committee Meetings is prepared and circulated in advance to the Directors of your Company.

The Board of Directors of your Company met 4 times during 2016-17. The meetings were held on 30th May, 2016, 13th August, 2016, 14th November 2016 and 14th February, 2017. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

14. Familiarisation Programme of Independent Directors

In compliance with the requirement of SEBI Listing Regulations, the Company has put in place Familiarisation Programme of Independent Directors to familiarize them with their role rights and responsibility as Directors, the operations of the Company, business overview etc.

The details of the familiarization programme are explained in the Corporate Governance Report and the same is also available on the website of the Company and can be accessed by web link <http://www.resonancesl.com/policies.html>.

15. Performance Evaluation

Pursuant to the provision of section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulation, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee has been carried out.

The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and Non independent directors was carried out by the Independent Directors.

16. Independent Directors Meeting

During the year under review, the Independent Directors of the Company met on 14th November, 2016, inter alia, to discuss.

- i). Evaluation of performance of Non- Independent Directors and the Board of Directors of the Company as Whole.
- ii) Evaluation of performance of the Chairman of the Company, taking into views of the Executive and Non – Executive Directors.
- iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

The Nomination and Remuneration Committee has laid down a well defined criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel in the Nomination and

Remuneration policy recommended by them and approved by Board of Directors.

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

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

19. Related Party Transactions

All the related party transactions entered during the year were

Date of Approval	Name of the Related Party	Particulars of Contracts/ arrangements	Value of Transactions in ₹	Duration and salient terms of the contract arrangements/ transaction
08/02/2016	Avignon Exim Pvt Ltd. (Promoters Interest)	Service Contract – for conversion of raw material (net)	2,721,000	1 year / standard
08/02/2016	Avignon Exim Pvt Ltd. (Promoters Interest)	Purchase & Sales of goods & High seas sales.	85,195,455	1 year / standard
08/02/2016	Vista Organics Pvt. Ltd. (Promoters Interest)	Availing Services.	55,965,884	1 year / standard
08/02/2016	Vista Organics Pvt. Ltd. (Promoters Interest)	Deposit for exclusive right for manufacturing.	Nil	1 year / standard
30/05/2013	Vista Finance & Leasing Pvt. Ltd. (Promoters Interest)	Renting of office space by them.	720,000	5 year / standard
30/05/2013	Avignon Chemicals Pvt. Ltd. (Promoters Interest)	Renting of office space by them.	720,000	5 year / standard
30/05/2013	Ushma Investments Pvt. Ltd. (Promoters Interest)	Renting of office space by them.	720,000	5 year / standard

Further the details of the transactions with related parties are provided in the Company's financial statements in accordance with the Accounting Standard.

The Related party Transaction policy as approved by the Board of Directors of the Company has been uploaded on the website of the Company at <http://www.resonancesl.com/policies.html>.

20. Directors' Responsibility Statement

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

- In the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are made reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2017, and of its profit for the year ended on that date;

in the ordinary course of business and on an arm's length basis. The related party transactions attracting the compliance under Section 177 of the Companies Act, 2013 and/or SEBI Listing Regulation were placed before the Audit Committee for necessary approval/review. The routine related party transactions was placed before the Audit Committee for their omnibus approval.

A statement of all related party transactions entered was presented before the Audit Committee on a quarterly basis, specifying the nature, value and any other related terms and conditions of the transactions.

The transactions to be reported in Form in AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith:

- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts for the financial year ended 31st March, 2017 on a going concern basis;
- The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. The details of the same forms part of Management discussion and analysis Report;
- 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.

21. Industrial Relations

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

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

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

23. Particulars of Employees and other additional information.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel), 2014 has been appended as Annexure I to this Report.

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

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

The information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed under the Companies (Accounts) Rules, 2014, is given in Annexure II forming part of this Report.

25. Statutory Auditors

V. R. Bhabhra & Co., Chartered Accountants (Registration No.112861W) is proposed to be re-appointed as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of Thirty second Annual General Meeting (subject to annual ratification by the Members at the Annual General Meeting), and on such remuneration, fee and out of pocket expenses as shall be fixed by the board of Directors of the Company in consultation with Auditors.

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

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from the Auditors to such continued re-appointment and also a certificate from them to the effect that if re-appointment, would be in accordance with the conditions prescribed under the Companies Act, 2013 and the rules made there under, as may be applicable.

26. Secretarial Audit

Secretarial Audit for the financial year 2016-17 was conducted by Alok Khairwar & Associates, Company Secretaries (COP

12880) in accordance with the provisions of Section 204 of the Companies Act, The Secretarial Auditor's Report is attached to this Report as Annexure III.

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

27. 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.

28. Internal Control Systems and their adequacy

The Company has Internal Control Systems, commensurate with the size, scale, and complexity of its operation. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies within the Company. Based on the report of internal audit function process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant observations and corrective actions thereon are presented to the Audit Committee from time to time.

29. Internal Financial Controls and their adequacy

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

30. Vigil Mechanism Policy:

The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement, if any. The vigil mechanism policy is uploaded on the website of the Company at the following link <http://www.resonancesl.com/policies.html>.

31. Sexual Harassment

Resonance Specialties Limited has always believed in providing a conducive work environment devoid of discrimination and harassment including sexual harassment. RSL has a well formulated policy on prevention & redress of Sexual Harassment. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at work place. The policy has striven to prescribe a code of conduct for

the employees and all employees have access to the policy document and are required to strictly abide by it. The policy cover all employees, irrespective of their nature of employment and also applicable in respect of all allegations of sexual harassment made by an outsider against an employee. During the year 2016-17; no case of Sexual Harassment was reported.

32. Reporting of Frauds

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

33. Significant and material Orders passed by the Regulators/Courts, if any

There are no significant or material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations.

34. Material changes & commitment if any, affecting financial position of the Company from the end of financial year till the date of the report:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and the date of this Report.

35. Extract of Annual Return

The details forming part of the extract of Annual Return in prescribed Form MGT 9 is annexed hereto as Annexure IV and forms the part of this Report.

36. Acknowledgements

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders, Clients, Financial Institution, Banks, Central and State Government Governments, the Company's valued investors and all other business partners for their continued cooperation and excellent support received during the year.

Your Directors recognise and appreciate the effort and hard work of all the employees of the company and their continued contribution to its progress.

For & on behalf of the board of Directors

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

Mr. Satish Chander Mathur
Whole time Director
(DIN: 02847887)

Place: Mumbai
Dated: 30th May, 2017

Annexure I to the Board's Report

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

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year.

Dr. Atma Gupta 1:13.63

Mr. Satish Chander Mathur 1:2.60

- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Directors:

Dr. A. B. Gupta (MD): NA

Mr. Satish Chander Mathur (WTD): NA

Key Managerial Personnel:

Ms. Minal Bhosale (CS): NA

Mr. Dwarika Agrawal (CFO): NA

Ms. Shital Churi (CFO): 16%

- iii. The percentage increase in the median remuneration of employees in the financial year – 11.15% approx.

- iv. The number of permanent employees on rolls of the company: 59 employees as on 31st March, 2017.

- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average Salary increase for KMP other than MD and WTD: NA

Average Salary increase for non KMPs: 13.20

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

Annexure II to the Board's Report

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended 31st March, 2017.

A. Conservation of Energy

i. Steps taken or impact on conservation of energy:

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

ii. The capital investment on energy conservation investments

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

iii. Impact of the Above Measures:-

- Conservation of energy by increase in yield and volume of production.
- Reduction in the Cost of Production by lower power consumption in relation to the cost of output.

B. Technology Absorption

i. The efforts made towards technology absorption

- a. In-house catalyst synthesis and its optimization for our reactions to increase yield and efficiency.
- b. Increasing the plant capacity for all our reactions and distillations.

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

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

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

There was no import of technology during the year as well as in the last 3 years.

iv. The expenditure incurred on R & D

The Company incurred following expenses for research and development.

- a. Capital: Rs. 3,53,000/-
- b. Recurring Rs. 57,90,485/-
- c. Total R&D Expenditure as a percentage of the total turnover is 1.79% (PY 2.01%).

C. Foreign Exchange Earnings and Outgo

(a) ACTIVITIES REPLATING 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.2009.99 Lakh as against Rs.1785.43 Lakh in the international market during the previous year.

Foreign exchanges earned and out-go during the year ended March 2017.

	Rs. In Lakhs	
	2016-2017	2015-2016
Foreign Exchanges Earned : FOB Value of Exports	1034.28	932.21
Total	1034.28	932.21
Foreign Exchange Outgo: CIF Value of Imports	685.86	844.59
Travelling Expenses	11.09	3.56
Total	696.95	848.15

FORM-A		
Form for Disclosure of particulars with respect of conservation of energy		
Particulars	2016-2017	2015-2016
1. Total Energy Consumption		
A. Electricity		
(a) Purchased Units (Nos.)	20,68,084	17,89,433
Total amount Rs. (Lakhs)	175.78	152.21
Average rate Rs. /Unit	8.50	8.50
(b) Own Generation		
Through diesel generation unit (Nos.)	70,087.78	1,21,720
Units per litre of diesel	3.40	3.40
Average cost Rs./Unit	15.88	15.67
B. Coal (Quantity - MT)	3367	3167.68
Total Amount (in Lakhs)	252.52	183.72
Average Rate Rs. /KG	7.50	5.80

2. Consumption per unit of production

Pyridine & Cyanopyridines		
Electricity & Coal (Units/MT)	2071	2555
HSD (Liters/MT)	20	51

Form B for Disclosure of Particulars With Respect To Technology Absorption

(A) RESEARCH AND DEVELOPMENT

I. Specific areas in which R & D carried out by the company.

- a) Development of New catalyst for Lutidine and Collidine reactions.
- b) Development of Manufacturing process for 2, 3-Lutidine.
- c) Development of process for pyridine N oxide and 2,3,5 Collidine.
- d) Process optimization for the oxidation of Picolines and Lutidines.
- e) Process Optimization for catalytic reaction of fluidized bed and fixed bed reactors.

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 Rs. 3.53 lakhs
 - b) Recurring Rs. 57.90 lakhs
- Total R & D Expenditure as a percentage of the total turnover is 2.01% (P.Y. 1.81%).

(B) TECHNOLOGY ABSORPTION / ADOPTION AND INNOVATION.

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

Annexure III to the Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2017

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

To,
The Members,
RESONANCE SPECIALTIES LIMITED
Mumbai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Resonance Specialties Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Resonance Specialties Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2017, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure I, for the financial year ended on 31st March, 2017, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; to the extent applicable,
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; to the extent applicable,
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; to the extent applicable,
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) Other Laws applicable to the Company;
 - Industrial Disputes Act, 1947
 - The Payment of Wages Act, 1936
 - The Minimum Wages Act, 1948
 - Employee State Insurance Act, 1948
 - The Employee Provident Fund and Miscellaneous Provisions Act, 1952
 - The Payment of Bonus Act, 1965
 - The Payment of Gratuity Act, 1972
 - The Contract Labour (Regulation and Abolition) Act, 1970
 - The Maternity Benefits Act, 1961
 - The Income Tax Act, 1961
 - Shops and Establishments Act, 1948
 - The Central Excise Act, 1944
 - The Finance Act, 1994
2. We have relied on the representations made by the Company and its Officers and report of the Internal Auditors for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company of which adequate documents were not made available for verification to comment on their compliance status.
 3. We have also examined compliance with the applicable clauses of the following:
 - Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

We further report that,

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

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

**FOR ALOK KHAIRWAR & ASSOCIATES
Company Secretaries**

**(CS. Alok Khairwar)
Proprietor
M. No: 34555
C.P.No:12880**

Place: Mumbai
Date:30/05/2017

ANNEXURE - 1

To the Secretarial Audit Report

List of documents verified:

- Memorandum & Articles of Association of the Company.
- Annual Report for the financial year ended 31st March, 2016.
- Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee, CSR Committee and High Power Committee along with Attendance Register held during the financial year under report.

- Minutes of General Body Meetings held during the financial year under report.
- Statutory Registers viz. - Register of Directors' & KMP. - Register of Directors' Shareholding. - Register of Employee Stock Options. - Register of loans, guarantees and security and acquisition made by the Company. - Register of Renewed and Duplicate Share Certificate. - Register of Charge. - Register of Related Party Transaction. - Register of Members.
- Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
- Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
- Intimations received from directors under the Prohibition of Insider Trading Code.
- E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report.
- Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year under report.

**Annexure 2
To the Secretarial Audit Report**

To,
The Members,
RESONANCE SPECIALTIES LIMITED
MUMBAI

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

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

Annexure "IV" to the Board's Report

FORM MGT 9

- Extract of Annual Return for the financial year ended 31st March, 2017

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

I. Registration and other Details –

CIN	L25209MH1989PLC051993
Registration Date	01/06/1989
Name of the Company	Resonance Specialties Limited
Category / Sub-Category of the Company	Public Company /Limited by shares
Address of the Registered Office and contact details	301, Evershine Mall, Chincholi Bunder Junction, Off. Malad Link Road, Malad (W). Mumbai – 400064. Telephone: +91 (22) 4217 2222 / Fax: +91 (22) 4217 2233 Email id: info@resonancesl.com . Website: www.resonancesl.com
Whether listed Company	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, 1 st Floor, Makhwana Road, Marol Naka, Andheri East-59 Tel No: 022 4227 0400. Fax:28503748 Email: sales@adroitcorporate.com . Website: www.adroitcorporate.com

II. Principal Business Activities of the Company

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

Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
Pyridines & it's derivatives.	29333918 & 29333990	100%

III. Particulars of Holding, Subsidiary and Associate Companies

The Company has no holding, Subsidiary or Associate Company (by virtue of equity holding).

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, 2016}				No. of Shares held at the end of the year {As on 31 st March, 2017}				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	64902	100	65002	0.56	64902	100	65002	0.56	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7405900	-	7405900	64.15	7405900	-	7405900	64.15	0
e) Bank/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)	7470802	100	7470902	64.72	7470802	100	7470902	64.72	0

(2) Foreign	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	0	3300	3300	0.03	0	3300	3300	0.03	0
b) Bank/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	0	5000	5000	0.04	0	5000	5000	0.04	0
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	0	8300	8300	0.07	0	8300	8300	0.07	0
2. Non- Institutions									
a) Bodies Corp.	322522	6825	329347	2.85	323190	6825	330015	2.86	0.75
b) Individuals									
i) Individual shareholders holding nominal share capital upto 2 lakh	1584416	1088449	2672865	23.15	1749752	1076849	2826601	24.49	1.34
ii) Individual shareholders holding nominal share capital in excess of 2 Lakh	1019811	20100	1039911	9.01	802261	20100	822361	7.12	-1.89
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	20375	400	20775	0.18	83764	400	84164	0.73	0.55
Clearing Members	1900	0	1900	0.02	1657	-	1657	0.01	-0.01
Trusts(2014) / Qualified Foreign Investor(2015)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	2949024	1115774	4064798	35.21	2960624	1104174	4064798	35.21	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	2949024	1124074	4073098	35.28	2960624	1112474	4073098	35.28	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total									
(A+B+C)	10391101	1152899	11544000	100	10431426	1112574	11544000	100	0

The shareholding of Promoters listed above is pursuant to Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and submitted to the Stock Exchanges as on March 31, 2017.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year {As on 01 st April, 2016}			Shareholding at the end of the year {As on 31 st March, 2017}			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Alok Gupta	41800	0.36	-	41800	0.36	-	-
2	Anoop Gupta	23200	0.20	-	23200	0.20	-	-
3	Atma Bandhu Gupta	1	0.00	-	1	0.00	-	-
4	Avignon Chemical Pvt Ltd	146600	1.27	-	146600	1.27	-	-
5	Usha Gupta	1	0.00	-	1	0.00	-	-
6	Ushma Investment Pvt Ltd	3295200	28.55	-	3295200	28.55	-	-
7	Vista Finance & Leasing Pvt Ltd	3964100	34.34	-	3964100	34.34	-	-
Total		7470902	64.72	-	7470902	64.72	-	-

(iii) Change in Promoters' Shareholding:-

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	There is no change in promoter holding			
Date wise Increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
At the end of the year				

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Subramanian P	0	0.00%	203000	1.75%
2	Ajay Anantrai Patadia	105472	0.91%	125933	1.09%
3	Prashant Hansraj Thaman	101585	0.88%	101585	0.88%
4	Mantra Magic Enterprises Pvt Ltd	99600	0.86%	99600	0.86%
5	Manish A Patadia	182281	1.58%	80185	0.69%
6	Anuj Shah	0	0.00 %	55260	0.48%
7	Harshkumar Seksaria	0	0.00%	43887	0.38%
8	Dheeraj Kumar Lohia	40214	0.35%	40214	0.35%
9	Girdharilal Seksaria	38506	0.33%	38506	0.33%
10	Deepak Kalyanji Bheda	32790	0.28%	36565	0.32%

(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%	300	0%
3	Mr. B.P. Agrawal	NIL	0%	NIL	0%
4	Mr. L. R. Daga	NIL	0%	NIL	0%
5	Dr. Gurpur Ganesh Pai &	NIL	0%	NIL	0%
6	Mrs. Urvi A Gupta*	NIL	0%	NIL	0%
7	Mr. Satish Chander Mathur #	25	0%	25	0%
8	Ms. Archana Yadav	NIL	0%	NIL	0%
9	Dr. Yaqoob Ali	NIL	0%	Nil	0%
10	Mr. Rajesh Shirpurkar ^	NIL	0%	Nil	0%
11	Mr. Dwarika Agrawal \$	10	0%	0	0%
12	Mr. Bhupesh Atkari%	NIL	0%	NIL	0%
13	Ms. Soma Dhennki @@	NIL	0%	NIL	0%
14	Ms. Minal Bhosale @@	NIL	0%	NIL	0%

&Dr. Gurpur Pai resigned from the Board w.e.f.06th March, 2017

*Ms. Urvi Gupta resigned from the Board w.e.f.27th September, 2016

#Mr. Satish Chander Mathur resigned from the Board w.e.f.29th September, 2016 & was re-appointed w.e.f.14th November, 2016.

!Dr. Yaqoob Ali was appointed on Board w.e.f.14th November, 2016

^Mr. Rajesh Shirpurkar was appointed on Board w.e.f.13th August, 2016 and resigned from the Board w.e.f. 14th November, 2016

%Mr. Bhupesh Atkari resigned from the post of Company Secretary w.e.f.28th April, 2016

\$Mr. Dwarika Agrawal resigned from the company w.e.f. 10th December, 2016

@Ms. Soma Dhennki was appointed on the post of Company Secretary w.e.f.29th April, 2016 and resigned from the post of Company Secretary w.e.f.12th July, 2016,

@@Ms. Minal Bhosale was appointed on the post of Company Secretary w.e.f.13th July, 2016

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment''**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,84,642	-	-	7,84,642
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7,84,642	-	-	7,84,642
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	7,84,642	-	-	7,84,642
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7,84,642			7,84,642

*Working capital loans are not considered for this purpose.

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Dr. A. B. Gupta (Managing Director)	Mr. Satish Chander Mathur (resigned on 29.09.2016 and reappointed on 14.11.2016)	Mr. Rajesh Shirpurkar (appointed on 01.09.2016 and resigned from 14.11.2016)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,83,750	7,02,000	1,12,500	44,98,250
	(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)	36,83,750	7,02,000	1,12,500	44,98,250
	Ceiling as per the Act: Schedule V of Companies Act, 2013				84,00,000

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors							Total Amount (In ₹)
	Mr. Rajnikant Worah	Mr. L R Daga	Mr. B P Agrawal	Dr. Gurbur Ganesh Pai	Ms. Urvi Gupta	Ms. Archana Yadav	Dr. Yaqoob Ali	
Fee for attending board Meetings	1,16,667	1,11,112	1,11,112	83,334	27,778	1,11,112	27,778	5,88,893
committee meetings	50,001	66,668	66,668	50,001	16,667	66,668	16,667	3,33,340
Commission	-	-	-	-	-	-	-	-
Consulting fees	-	-	3,50,000	-	-	2,00,000	-	5,50,000
Total Managerial Remuneration	1,66,668	1,77,780	5,27,780	1,33,335	44,445	3,77,780	44,445	14,72,233

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

(₹)

Sr. No	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. Bhupesh Atkari (CS)	Ms. Soma Dhenki (CS)	Ms. Minal Bhosale (CS)	Mr. Dwarika Agrawal (CFO)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	45,250	3,30,610	5,67,925	9,43,785
	(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	Nil	45,250	3,30,610	5,67,925	9,43,785

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments, compounding of offences for the year ending March 31, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INTRODUCTION

The global pharmaceutical market is forecasting the bright future in the time to come and thus the former industry which supplies the raw material to such a segment of industry would definitely have shimmering path to go ahead. Our Company is engaged in manufacturing of specialties chemicals, such as pyridine & related products and is the one of the leading manufacturers of Pyridine and its derivatives in the world. Being a backward integrated company, we take pride in supplying best quality with dependable supply at a competitive offer.

INDUSTRY STRUCTURE AND DEVELOPMENT

Specialty chemicals are produced by a complex, interlinked industry. In the strictest sense, specialty chemicals are chemical products that are sold on the basis of their performance or function, rather than their composition. They can be single-chemical entities or formulations whose composition sharply influences the performance and processing of the customer's product. Products and services in the specialty chemicals industry require intensive knowledge and ongoing innovation.

In the near past, the specialty chemicals industry has grown more slowly and had lower overall profitability within a more competitive environment than in the preceding period. Global consumption of specialty chemicals has grown in fits and starts. Growth varied among the various region, however it has a sustained and promising market in the near future.

BUSINESS STRATEGY

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

- Low Risk Business Model – We enjoy market leadership in stable, niche specialty segments with high entry barriers. Our diversified customer base, product lines and product sourcing minimises concentration risk.
- Strictest Heavy Metal limit - As per EU and US regulation besides our GMP plant ensure material free of Microbiological contaminants.
- Deep R&D Capabilities – We strive for continuous innovation for new products with complex and niche product in Specialty businesses characterised by in-house development of superior catalysts and processes.
- Client Relationship – We have strong and established business relationship with our clients across Pharmaceuticals, Agrochemicals and Specialty Ingredients industries. Our manufacturing facilities adhere to GMP and are ISO 9000:2001 certified. Our products are Kosher, Halal, FSSC certified.

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

MANUFACTURING

We provide opportunity to our young team to develop themselves in the different areas of production through their expertise. Along

with the grooming in-house talent the company has availed the services of outside experts in the field of reaction and distillation to give the mentoring support to the executives and heads of the production department. Working forward the on the enduring ideas of previous year and identifying new initiatives throughout the year in capacity enhancements, capability improvements, yield, costs, production efficiencies & Environment, Health and Safety (EHS), manufacturing has played crucial role in contributing to the growth of the organisation in the market. The Company worked on semi-continuous column and continuous column and trail are taken for one of product for better separation at semi continuous column. Work is ongoing, positive results are achieved. Upgradation of the amidation unit has benefited the company largely and it enabled the company to commission the reaction at improved conversion. Though the targeted yield is still to achieve and efforts to reach the level is certain. Productivity improvement tools and techniques have been implemented.

We also modified the regenerator for fluidized bed reaction and our production yield in reaction also improved due to improvised process and catalyst, while in distillation further lot of work is planned to be done. Other preventive course of action was taken to evade corrosion or erosion.

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

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

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

Maintaining high and uniform quality standards across our facilities, with emphasis on compliance to regulations and good governance. Manufacturing Excellence and intensive focus on EHS

and Resource Conservation has enabled the Company to save on operating costs and improve the overall statutory and regulatory compliances. Energy conservation efforts have been intensified during the year and will be carried forward more aggressively in the coming years.

Leadership development programmes have been provided internally to take the Company to another gamut. Leveraging the combined power of science and a global network has made the company to mark a 360 degree business innovation.

PROJECTS:

1. Installation and commissioning of 250KL distillation assembly done which increases the plant capacity of production.
2. Our Pilot plant capacities is enhanced and is under operation.
3. In R & D new fixed bed-fluidised and reactor is under installation. It is provided with latest automatic technology to monitor and record the reaction.

RESEARCH & DEVELOPMENT:

R&D (Research & Development) plays a very important role in the success of a business. R&D contributes to sustainability of business. It is the R&D function that provides a platform for creativity and innovation to flourish in an organisation. Innovative breakthroughs have happened only because of pain taking efforts of the R&D function. Perseverant efforts are needed when one is in pursuit of research. Every failure in a R&D effort increases the pressure to perform. R&D helps a business to have a competitive edge over its competitors. It is the R&D function that develops plans much ahead of other functions. The R&D function needs to have a clear foresight about future problems to mitigate risk. Emergence of new cost effective methods for producing core products supplied by the Company can pose a risk to the Company's competitive position. R&D (in its development role) can act as a catalyst for speeding up the growth of organisation by way of introducing breakthrough products in the market and thus being in the chemistry Industry it is the only yacht to sail through the streams of competition. International trade exhibition is also one of the platform to keep abreast of the updates and to explore international standards and business opportunity world-wide. Some of them can be enumerated as follows:

- Supply Side West 2017
- CPHI – China, the largest exhibition in Pharma Industry

Due to competition and volatile forex prices, the Company is focusing more into the value added products of the Company which offers the higher margin of profit and involves lower cost of production. There are few competitors in the world but the demand for some of our products is limited. The Company is continuously 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.

In Animal Nutrition business, the Company is already dealing with the Product like Chromium Picolinate and Zinc Picolinate and launching new product Chromium Propionate which is under its imminent stage.

BUSINESS EXCELLENCE:

Business Excellence strives to create a culture of excellence in the organisation by continuously seeking to enhance RSL's People,

Processes and System capabilities. It uses the latest transformation methodologies to continuously improve the competitive advantage of the organisation.

Over the past years a very strong foundation of using these improvement techniques in operations has been made. Projects dealing with productivity and quality improvements, capacity enhancements have significantly added to the performance of the company.

While sustaining and enhancement of these gains are being done in operations, we have extended Business Excellence initiatives to other functions as well. This includes Inventory and Cost Optimisation projects, Process lead time reductions and standardisation in HR, Finance, R&D, Procurement processes. We are also engaging in Business Development, looking for opportunities in areas like Pricing and Cash Flow improvements. The Business Excellence organisation is being reorganised to improve effectiveness.

FUTURE PROSPECT

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

HUMAN RESOURCE MANAGEMENT

At Resonance, we believe that our success is the end results of the achievement of our team. We offer a clear path for career advancement and believe as well as practice career advancement on the basis of performance. Our performance metrics are clearly defined and for real achievers we offer an accelerated career growth unhindered by any hierarchy.

Resonance offers a merit led environment where talent is respected and achievements are rewarded. Our flat management structure allows genuine appreciation of good work and we believe in delegating responsibilities.

We continually empower our team members to better themselves and offer clear career paths for advancement. We are an equal opportunity employer and have a corporate culture to nurture abilities into capabilities. The Company takes extreme pride in its greatest resource and asset - the employees. Our constant endeavors have been towards encouraging a culture of employee recognition & motivation and we are able to achieve this through are well designed policies & processes like Rewards & Recognition and other various employee benefit schemes.

We also believe that the young talent has out of the box creativity and we nurture them to have become a proficient leader. We ensure that there is full adherence to the code of business conduct and fair business practices.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT:

Risk-taking is an inherent trait of any enterprise. It is essential for

growth or creation of value in a Company. At the same time, it is important that the risks are properly managed and controlled, so that the Company can achieve its objectives effectively and efficiently.

INTERNAL FINANCIAL CONTROL FRAMEWORK:

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

The above requirement has the following elements:

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

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

corporate governance practices.

RISK MANAGEMENT STRATEGY:

The Company has a strong risk management framework in place that enables regular and active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks. The Company has in place established processes and guidelines, along with a strong overview and monitoring system at the Board and senior management levels.

Our senior management team sets the overall tone and risk culture through defined and communicated corporate values, clearly assigned risk responsibilities and appropriately delegated authority. We have laid down procedures to inform Board members about the risk assessment and risk mitigation procedures. As an organization, we promote strong ethical values and high levels of integrity in all our activities, which by itself significantly mitigates risk.

CAUTION

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

FINANCIAL SUMMARY

	Year Ended 31.03.2017	Year Ended 31.03.2016
CAPITAL ACCOUNTS		
Share capital	115,440,000	115,440,000
Reserves and Surplus	124,159,240	111,427,025
Long term Borrowing	784,642	-
Long Term Provision	2,234,979	1,778,694
Gross Block including CWIP	410,050,805	38,79,14,205
Net Block including CWIP	152,642,408	139,959,920
Net current Assets	84,683,416	86,637,047
REVENUE ACCOUNTS		
Sales and other income	349,780,518	391,727,949
Gross profit before extra- Ordinary items, interest, Depreciation and tax	28,396,608	32,733,800
Extra-ordinary item	-	-
Financial Expenses	3,945,137	5,192,682
Depreciation	10,600,208	11,153,899
Profit before tax	13,851,264	16,387,219
Net Profit After tax	10,233,054	11,911,715
Dividend amount	-	-
Retained earning	65,832,317	53,100,102
SELECTED INDICATORS		
Return on capital employed	0.054	0.068
Current Ratio	1.58	2.03
Earnings per share	0.89	1.03
Book Value per Share	20.75	19.65
Fixed assets Turnover	2.32	2.82

CORPORATE GOVERNANCE REPORT

Corporate Governance

Your company's leaders take responsibility for their decisions and the performance of the organization as a whole. The leaders of a company designs and adhere to a code of ethics that helps management promote each of the important characteristics of good corporate governance. Your Company is committed to good Corporate Governance, Your company is engaged in corporate governance to align the long-term goals of shareholders, management and employees, which includes recognizing a civic duty to benefit the locales in which the companies operates.

Company's Values

The Company's Board of Directors and management believe that good corporate governance is an important component in enhancing investor confidence in the Company and increasing stockholder value. The imperative to continue to develop and implement best practices throughout our corporate governance structure is fundamental to our strategy to enhance performance by creating an environment that increases operational efficiency and ensures long-term productivity and growth. Sound corporate governance practices also ensure alignment with stockholder interests by promoting fairness, transparency, and accountability in business activities among employees, management, and the Board of Directors. We accord highest priority to this systems and protect the interests of all our shareholders, particularly the minority shareholders. This Column reports the Company's compliance with the Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations).

GOVERNANCE STRUCTURE

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

I. BOARD OF DIRECTORS

The Board of Directors has an ideal combination of Executive and Non-Executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations) which inter alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and not less than one third of the Board directors shall comprise of Independent Directors, if the Chairman of the Board is an Non-Executive Director.

a. Composition of the Board

The Board of Directors as on 31st March, 2017 consists of 7 directors, comprising of 5 Non-Executive Directors and 2

Executive Director which is more particularly bifurcated as under:

Category	No. of Directors
Independent Directors (Including Chairman and Woman Director)	4
Managing Director (Promoter Director)	1
Whole Time Directors 1	
Non-Executive Director	1

Pursuant to the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its Meeting held on 13.08.2016, appointed Mr. Rajesh Shirpurkar (DIN: 07601607), as Additional Director While he resigned from his post on 14.11.2016. Ms. Urvi Gupta (DIN: 02378375), Non-Executive – Non Independent Director resigned on 27.09.2016 and Mr. Satish Chander Mathur (DIN: 02847887), Whole Time Director resigned on 29.09.2016 while Mr. Satish Chander Mathur was re-appointed on 14.11.2016 as Additional Director and subject to Members approval as Whole-time Director w.e.f. 14.11.2016; Dr. Yaqoob Ali (DIN: 07655705) was appointed as an additional Director in the category of Independent Director w.e.f. 14.11.2016 and Mr. Gurbur Pai (DIN: 07071547) resigned the board on 06.03.2017.

All the Directors possess the requisite qualifications and experience in general corporate management, finance, banking, insurance and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

Except for Dr. Atma Gupta and Ms. Urvi Gupta who are related inter se, the other Directors of the Company are not related to each other.

b. No. of Board Meetings and Attendance:

Four Board Meetings were held during the financial year 2016-17 on the following dates: 30th May, 2016, 13th August, 2016, 14th November 2016 and 14th February, 2017, and the maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

c. Directors' attendance record and details of Directorships/Committee Positions held:

All the Directors complies with regulations 26 of SEBI LODR Provisions is given in the table below which denotes the names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and board-level committee positions held by them.

Name of Director	Category of Director	No. of other Directorships held ^	No. of Board meetings attended during financial year 2016-17	Whether attended last AGM	Committee Membership / Chairmanship of Board Committees in other Companies ^^
Dr. A B. Gupta	Managing Director	Nil	4	Yes	Nil
Mr. Rajnikant Worah	Non-Executive - Independent Director / Chairman	2	3	Yes	Nil
Mr. B. P. Agrawal%	Non-Executive - Non Independent Director	Nil	4	Yes	Nil

Name of Director	Category of Director	No. of other Directorships held ^	No. of Board meetings attended during financial year 2016-17	Whether attended last AGM	Committee Membership / Chairmanship of Board Committees in other Companies ^^
Mr. Laxmi Ratan Daga	Non- Executive, Independent Director	Nil	4	Yes	Nil
Ms. Urvi A Gupta \$	Non- Executive Director	Nil	1	No	Nil
Dr. Gurbur Ganesh Pai #	Non- Executive, Independent Director	Nil	3	Yes	Nil
Ms. Archana S. Yadav	Non- Executive, Independent Director	Nil	4	Yes	Nil
Mr. Satish Chander Mathur @	Whole-time Director	5	3	No	Nil
Mr. Rajesh Shirpurkar &	Whole-time Director	Nil	1	No	Nil
Dr. Yaqoob Ali *	Non- Executive, Independent Director	Nil	2	N. A.	Nil

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

^^ Committees considered are Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee excluding in Resonance Specialties Limited.

* Excludes Private Limited Companies, Foreign Companies and companies registered under Section 8 of the Companies Act, 2013 (i.e. companies with charitable objects).

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

\$ Ms. Urvi Gupta has resigned (DIN: 02378375) w.e.f. 27.09.2016

#Dr. Gurbur Ganesh Pai (DIN: 07071547) has resigned w.e.f. 06.03.2017

@ Mr. Satish Chander Mathur (DIN: 02847887), has resigned w.e.f. 29.09.2016 and was reappointed as an Additional Director on 14.11.2016 and subject to Members approval as Whole Time Director

& The Board of Directors at its Meeting held on 13.08.2016 approved the appointment of Mr. Rajesh Shirpurkar (DIN: 07601607) as Additional Director and subject to Members approval was intended to be appointed as Whole-time Director w.e.f. 01.09.2016. But he had tendered his resignation on 14.11.2016.

* The Board appointed Dr. Yaqoob Ali (DIN: 07655705) as Additional Director and subject to Members approval as Independent Director w.e.f. 14.11.2016

d. Information to the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations to the Board and the Board Committees to the extent applicable. All matters requiring Board's approval including statutory matters are put up for the consideration of the Board.

e. Directors with pecuniary relationship or business transaction with the Company

Name and Designation of Director	Particular of business transactions if any
Dr. A B. Gupta (Managing Director)	Salary, perquisites and allowances
Mr. Rajnikant Worah (Non-Executive Independent Directors and Chairman)	Sitting Fees

Name and Designation of Director	Particular of business transactions if any
Mr. B. P. Agrawal (Non-Executive Director)	Sitting Fees and Consultancy Fees
Mr. Laxmi Ratan Daga (Non-Executive Independent Director)	Sitting Fees
Ms. Archana S. Yadav (Non-Executive Independent Director)	Sitting Fees
Mr. Satish Chander Mathur (Whole time Director)	Salary, perquisites and allowances
Dr. Yaqoob Ali (Non-Executive Independent Director)	Sitting Fees and consultancy fees
Ms. Urvi Gupta	Sitting Fees
Mr. Rajesh Shirpurkar	Salary, perquisites and allowances
Dr. Gurbur G. Pai	Sitting Fees

f. Remuneration paid to Directors during 2016-2017.

Remuneration was paid to Dr. A B. Gupta Managing Director, as per the limits prescribed under Schedule V of the Companies Act, 2013, pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors and as per the approval of the members of the Company. In respect of Mr. Satish Chander Mathur and Mr. Rajesh Shirpurkar Whole-time Directors, remuneration was paid to them, pursuant to the approval of the Nomination and Remuneration Committee, the Board of Directors and subject to the approval of the Members of the Company. As the Whole Time Directors had served for partial period of the year their remuneration are calculated and paid proportionately to the period of their employment respectively. The remuneration paid to Executive Directors is as under:

The below mentioned Table gives the details of remuneration paid / payable to Directors for the year ended March 31, 2017.

Name	Salary Perquisites+ and allowances (₹)	Consultancy Fees (₹)	Sitting fees* Board (₹)	Sitting fees* Committee (₹)	Total (₹)
Dr. A B. Gupta	36,83,750	0			36,83,750
Mr. Satish Chander Mathur	7,02,000	-	-		7,02,000
Mr. Rajesh Shirpurkar	1,12,500				1,12,500
Mr. L R Daga			1,11,112	66,668	
Dr. Gurpur Ganesh Pai			83,334	50,001	
Mr. Rajnikant Worah			1,16,667	50,001	
Ms. Urvi A Gupta			27,778	16,667	
Mr. B P Agrawal		3,50,000	1,11,112	66,668	
Ms. Archana Yadav			1,11,112	66,668	
Dr. Yaqoob Ali		2,00,000	27,778	16,667	

+ Perquisites include Company's contribution to Provident Fund and Superannuation Fund.

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

Note: The service contract details and the notice period has been mentioned in the agreement entered with the Managing Director and Whole-time Director.

g. Details of Equity Shares held by the Directors

Shares held by the Non-Executive Directors as on March 31, 2017 is given in table below:

Name of Directors	Number of Shares held
Dr. A B Gupta	1
Mr. Satish Chander Mathur	25
Mr. L R Daga	NIL
Mr. Rajnikant Worah	300
Ms. Archana Yadav	NIL
Mr. B P. Agrawal	NIL
Dr. Yaqoob Ali	NIL

h. Code of Conduct

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

i. Familiarisation Programme for Board Members

The Familiarisation program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities. In the Independent Director Meet held by the Company during November 2016, the Independent Directors were familiarised with the strategy, operations, performance and the budget process of the Company for the financial year 2016-17. In addition to the above, the familiarization program for Independent Directors forms part of the Board process.

At the quarterly Board meetings of the Company held during the financial year 2016-17, the Independent Directors have been updated on the developments in the

Company and the Company's performance. The details of the familiarisation program for Independent Directors are available on the Company's website at <http://www.resonancesl.com/policies.html>.

j. Nomination and Remuneration Policy

The Non-Executive Directors (NEDs) are paid sitting fees for attending the Meetings of the Board of Directors and the Board Committees, which are within the limits laid down by the Companies Act, 2013 read with relevant Rules thereunder. The Company pays a sitting fee which is within the limit laid down.

The Nomination and Remuneration Policy is available on the Company's website at <http://www.resonancesl.com/policies.html>.

k. Performance Evaluation and Independent Directors Meeting

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee has been carried out. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration under section 149(7) of the Act that he/she meets the criteria of independence as required under Section 149(6) of the Act.

l. 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.

II. Committees of the Board

The Board of Directors has constituted three Committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee in line with the requirements of Companies Act, 2013 and SEBI Listing Regulations. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors.

Details of the role and composition of these Committees,

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended	Sitting fees paid (₹)
Mr. L. R. Daga	Independent Director	Chairman	3	3	16,667
Mr. B. P. Agarwal	Non-Executive Director	Member	3	3	16,667
Mr. Rajnikant Worah	Independent Director	Member	3	3	16,667

And after reconstitution the committee stands as follows:

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended	Sitting fees paid (₹)
Mr. L. R. Daga	Independent Director	Chairman	1	1	8334
Ms. Archana Yadav	Independent Director	Member	1	1	8334
Mr. Rajnikant Worah	Independent Director	Member	1	Leave of Absence	0
Mr. B. P. Agarwal	Non-Executive Director	Member	1	1	8334

The committee after such reconstitution meets the criteria laid down for composition of the committee.

The Audit Committee met four times during the year, i.e. on 30th May, 2016, 13th August, 2016, 14th November 2016 and 14th February, 2017. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The minutes of the meetings of the Audit Committee are noted by the Board.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on August 13, 2016 to answer the members' queries.

The terms of reference of the Audit Committee are in conformity with the requirements of SEBI Listing Regulations and Section 177(4) of the Companies Act, 2013. Further, the Audit Committee has powers which are in line with the SEBI Listing Regulations. The terms of reference of the Audit Committee include the following:

Overseeing of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- * 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 subsection 3 of Section 134 of the Companies Act, 2013.

- * Changes, if any, in accounting policies and practices and reasons for the same.

including the number of meetings held during the financial year and attendance at meetings, are provided below.

a. Audit Committee

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

The Committee has reconstituted vide a circular resolution on 31st January, 2017 the committee was as under before reconstitution:

- * Major accounting entries involving estimates based on the exercise of judgment by the management.
- * Significant adjustments made in the financial statements arising out of audit findings.
- * Compliance with listing and other legal requirements relating to financial statements.
- * Disclosure of any related party transactions.
- * Modified opinion(s) in the draft audit report.
- Reviewing with the Management, quarterly financial statements before submission to the Board for approval;
- Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties; if required.
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems;
- Discussion with the internal auditors of any significant findings and follow-up thereon;
- To look into the reasons for substantial defaults in the

payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and Creditors;

- To review the functioning of the Whistle Blower mechanism/Vigil mechanism;
- Carrying out any other functions as specified in the terms of reference, as amended from time to time.
- Review of Information by Audit Committee: Besides the above, the role of the Audit Committee includes mandatory review of the following information:
- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
- Internal audit reports relating to internal control weaknesses; and

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended	Sitting fees paid (₹)
Mr. B. P. Agarwal	Non-Executive Director	Chairman	3	3	16667
Mr. L. R. Daga	Independent Director	Member	3	3	16667
Mr. Rajnikant Worah	Independent Director	Member	3	3	16667

And after reconstitution the committee stands as follows:

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended	Sitting fees paid (₹)
Dr. Gurpur Ganesh Pai	Independent Director	Chairman	1	1	8334
Ms. Archana Yadav	Independent Director	Member	1	1	8334
Dr. Yaqoob Ali	Independent Director	Member	1	1	8334
Mr. L. R. Daga	Independent Director	Member	1	1	8334

As of March 31, 2017, Due to resignation of Dr. Gurpur Pai this Committee comprised of three Independent Directors viz. Ms. Archana Yadav as Chairman, Dr. Yaqoob Ali and r. L. R. Daga as Members of this Committee. The committee after such reconstitution meets the criteria laid down for composition of the committee.

In accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the role of the Nomination and Remuneration Committee of the Company is as under:

- 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.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- 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.
- Devising a policy on Board diversity.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of

b. Nomination and Remuneration Committee

This Committee comprised of three Directors before reconstitution viz. Mr. B. P. Agarwal (Chairman), Mr. Rajnikant Worah and Mr. L.R. Daga Independent Director. The Company Secretary, is the Compliance Officer of the Company.

The Committee met four times during the financial year i.e. on 30th May, 2016, 13th August, 2016, 14th November 2016 and 14th February, 2017. The Minutes of the Nomination and Remuneration Committee Meetings are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in Table below:

The Committee has reconstituted vide a circular resolution dated 31st January, 2017 the committee was as under before reconstitution:

Independent Directors.

Remuneration Policy

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

c. Stakeholder's Relationship Committee

This Committee comprised of three Directors before reconstitution viz. Mr. Rajnikant Worah (Chairman), Mr. B. P. Agarwal and Mr. L.R. Daga. The Company Secretary, is the Compliance Officer of the Company.

The Committee met four times during the financial year i.e. on 30th May, 2016, 13th August, 2016, 14th November 2016 and 14th February, 2017. The Minutes of the Stakeholders Relationship Committee Meetings are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings along with sitting fees paid, are given in Table below:

The Committee has reconstituted vide a circular resolution on 31st January, 2017 the committee was as under before reconstitution:

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended	Sitting fees paid (₹)
Mr. Rajnikant Worah	Independent Director	Chairman	3	3	16667
Mr. B. P. Agarwal	Non-Executive Director	Member	3	3	16667
Mr. L. R. Daga	Independent Director	Member	3	3	16667

And after reconstitution the committee stands as follows:

Name of the Member	Category	Position	No. of meetings held	No. of meetings attended	Sitting fees paid (₹)
Mr. B. P. Agarwal	Non-Executive Director	Chairman	1	1	8334
Dr. Yaqoob Ali	Independent Director	Member	1	1	8334
Dr. Gurpur Pai	Independent Director	Member	1	1	8334
Mr. Rajnikant Worah	Independent Director	Member	1	Leave of Absence	0

The committee after such reconstitution meets the criteria laid down for composition of the committee. Dr. Gurpur Ganesh Pai's membership stands vacated after his resignation from the board. The Company has designated an e-mail id investor@resonancesl.com exclusively for the purpose of registering complaints by investors electronically. This

e-mail id is displayed on the company's website i.e. www.resonancesl.com.

During the financial year 2016-17, 95 queries/complaints were received by the Company from members/investors/ authorities, majority of which have been redressed / resolved to date, satisfactorily as shown in Table 7 below:

Nature of Queries/ Complaints	Pending as on April 1, 2016	Received during the year	Redressed during the year	Pending as on March 31, 2017
1. Transfer / Transmission / Issue of Duplicate Share Certificates	0	18	18	0
2. Non-receipt of Dividend	0	5	3	2*
3. Dematerialisation / Rematerialisation of Shares	0	63	63	0
4. Complaints received from:				
a. Securities and Exchange Board of India	0	0	0	0
b. Stock Exchange(s) / NSDL / CDSL	0	0	0	0
c. Registrar of Companies / Ministry of Corporate Affairs / Others	0	0	0	0
d. Advocates	0	0	0	0
e. Consumer Forum/Court Case	0	0	0	0
5. Others	0	9	9	0
Grand Total	0	95	93	2

*Received in the last week of March 2017 and since resolved.

The Committee deals with the various matters as:

- Noting transfer/transmission of shares.
- Review of dematerialization/ rematerialized shares and all other related matters.
- Monitors expeditious redressal of investor grievance matters received from Stock Exchanges, SEBI, etc.
- Monitors redressal of queries/complaints received from members relating to transfers, non-receipt of Annual Report, dividend etc.
- All other matters related to shares / debentures.

III) Management

Management Discussion and Analysis Report

Management Discussion and Analysis is given in a separate section forming part of the Directors' Report in this Annual Report.

IV) Disclosures

(a) Related Party Transactions

The Audit Committee grants omnibus approval for the proposed related party transactions which will be valid for a year. The Audit Committee lays down the criteria for

granting omnibus approvals in line with the policy for transactions which are repetitive in nature. In such cases where the volume for Related Party Transaction cannot be foreseen and details as required above are not available, the Audit Committee grants omnibus approval for such transactions subject to their value not exceeding Rupees One Crore per transaction. The Audit Committee reviews, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given. Where it requires, the Audit Committee will report the related party transaction for the approval of the Board. If the Board feels that shareholders' approval is required, then the same shall be put up for approval by the shareholders of the Company.

All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During the financial year 2016-17, there were no material related party transactions entered by the Company that may have a

potential conflict with the interests of the Company.

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

(b) Accounting treatment in preparation of financial statements.

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

(c) Subsidiary Companies

The Company does not have any subsidiary company.

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

In January, 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a revised Code for Prevention of Insider Trading. The Codes viz "Code of Conduct for Prevention of Insider Trading" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of trading plan subject to certain conditions as mentioned in the said Regulations and requires pre-clearance for dealing in the Company's shares.

(e) Vigil Mechanism /Whistle Blower Policy

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

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

(f) CEO/CFO Certification

As required under Regulation 17(8) of the SEBI Listing Regulations, Managing Director and Chief Financial Officer of the Company have submitted a Compliance Certificate for the financial year ended March 31, 2017, which is annexed to this Report.

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

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

IV) Shareholder Information

a) Disclosures regarding the Board of Directors

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

b) Means of Communication

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

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

c) General Body Meetings

The Company generally convenes the Annual General Meeting (AGM) in the month of August/September after the end of the financial year.

Details of General Meetings

Details of the AGM held in the last three years along with special resolutions passed thereat:

Financial Year	Day, Date & Time	Venue	Particulars of special resolution passed
2013-2014	25 th AGM, Thursday, 14 th August, 2014, 11.00 A.M	Raheja Classique Club, Andheri (West), Mumbai -58	NIL
2014-2015	26 th AGM, Monday, 28 th September, 2015, 11.00 A.M	Raheja Classique Club, Andheri (West), Mumbai -58	1. Reappointment of Dr. A.B. Gupta as the Managing Director of the Company for a period of 3 (three) years. 2. Approval for entering into Related Party Transactions by the Company 3. Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013
2015-2016	27 th AGM, Saturday, 13 th August, 2016, 11.00 A.M	Raheja Classique Club, Andheri (West), Mumbai -58	1. Approval for entering into Related Party Transactions by the Company

d) General Shareholder Information

1	Forthcoming Annual general Meeting	Day, Date, Time and Venue
	(The information regarding 28 th Annual General Meeting for the financial year ended 31 st March, 2017)	Thursday, 14 th Day of September, 2017 at 11.00 am At Raheja Classique Club, Andheri (West), Mumbai -58
2	Financial Year	01 st April 2016 to 31 st March 2017
3	Future Calendar	
	Subject Matter	Date
	Financial Reporting of 1 Quarter ended on 30 th June 2017	Mid of Sep 2017
	Financial Reporting of 2 Quarter ended on 30 th September 2017	Mid of Nov 2017
	Financial Reporting of 3 Quarter ended on 31 st December 2017	Mid of Feb 2018
	Financial Reporting of 4 Quarter ended on 31 st March 2018	During May 2018
	Date of Annual General Meeting	During Aug 2018
4	Date of Book Closure	9 th September, 2017 to 14 th September, 2017
5	Dividend payment date	Dividend is not declared for the year 2016-17.
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 .
8	Stock / Script 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, 1 st Floor, Makhwana Road, Marol Naka, Andheri, (East), Mumbai - 400 059 • Tel No: 022 4227 0400 / Fax:28503748 Email: sales@adroitcorporate.com • Website: www.adroitcorporate.com
12	Dematerialization of Shares	90.36% of the total equity capital is held in Dematerialized form with National Securities Depository Ltd. and Central Depository Services (India) Ltd as on 31 st March, 2017.
13	Outstanding ADRs/ GDRs	The Company has not issued any ADRs/GDRs
14	Plant Location	T-140, MIDC, Tarapur , Dist - Palghar
15	Address for correspondence	The Shareholders may send their correspondence relating to transfer/ dematerialization and other correspondence relating to shares of the company to the Registrar and Transfer Agents of the Company. Shareholders holding shares of Company in dematerialized form should address their correspondence to their respective Depository Participants. For any other queries, correspondence please write to Registered address of Company, as below: 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:

Share Price Data: High/Low and Volume during each month of 2016-2017 at BSE Month Table

Month	Share Price		Share Price	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2016	22.00	18.45	26100.54	24523.20
May 2016	25.95	18.00	26837.20	25057.93
June 2016	24.00	19.05	27105.41	25911.33
July 2016	31.80	22.25	28240.20	27034.14
August 2016	33.50	21.50	28532.25	27627.97
September 2016	34.10	21.00	29077.28	27716.78
October 2016	43.70	36.15	28477.65	27488.30
November 2016	49.40	30.30	28029.80	25717.93
December 2016	36.40	29.55	26803.76	25753.74
January 2017	43.60	36.00	27980.39	26447.06
February 2017	45.30	35.00	29065.31	27590.10
March 2017	46.70	36.75	29824.62	28716.48

1. Shareholding Pattern as on quarter ended 31st March, 2017.			
	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		
	Sub-Total	5000	0.04
D	Others Holding		
1	Private Body Corporate	330015	2.86
2	Indian Public	3648637	31.60
3	NRIs / OBC	84164	0.73
4	Director & Relative	325	0.00
5	Clearing Member	1657	0.02
	Sub-Total	4064798	35.21
	Grand Total (A+B+C+D)	11544000	100.00

List of Top 20 Shareholders of the Company as on March 31, 2017

Sr.no	Name of the Shareholder	Category	No. of the Shares held	% to the Capital
1	Vista Finance & Leasing Pvt. Ltd.	Corporate Bodies	3964100	34.33%
2	Ushma Investments Pvt. Ltd.	Corporate Bodies	3295200	28.54%
3	Subramanian P	Resident Individuals	203000	1.75%
4	Avignon Chemicals Pvt. Ltd.	Corporate Bodies	146600	1.26%
5	Ajay Anantrai Patadia	Resident Individuals	125933	1.09%
6	Prashant Hansraj Thaman	Resident Individuals	101585	0.87%
7	Mantra Magic Enterprises Pvt. Ltd.	Corporate Bodies	99600	0.86%
8	Manish A Patadia	Resident Individuals	80185	0.69%
9	Anuj Shah	NRI (Individuals)	55260	0.47%
10	Harshkumar Seksaria	Resident Individuals	43887	0.38%
11	Alok Gupta	Directors Relatives	41800	0.36%
12	Dheeraj Kumar Lohia	Resident Individuals	40214	0.34%
13	Girdharilal Seksaria	Resident Individuals	38506	0.33%
14	Deepak Kalyanji Bheda	Resident Individuals	36565	0.31%
15	Suresh Chhabildas Shah	Resident Individuals	34300	0.29%
16	Kishan Lal Mittal	Resident Individuals	25200	0.21%
17	Aditya Mittal	Resident Individuals	25000	0.21%
18	Vipul Priyakant Dalal	Resident Individuals	25000	0.21%
19	Anoop Atma Gupta	Directors Relatives	23200	0.20%
20	Rajan Bhasin	Resident Individuals	22886	0.19%

List of Top 20 Shareholders of the Company as on March 31, 2017

Distribution of Shares (Slab Wise)	No. of Shareholders	Percentage to total No of Shareholders	Total Share	Percentage to Total Share Capital
UPTO - 500	9476	91.58	1314053	11.38
501 - 1000	450	4.35	387861	3.36
1001 - 2000	191	1.85	295979	2.56
2001 - 3000	72	0.70	186570	1.62
3001 - 4000	42	0.41	149069	1.29
4001 - 5000	33	0.32	154888	1.34
5001 - 10000	41	0.40	315440	2.73
10001 & Above	42	0.41	8740140	75.71
Total	10347	100.00	1,15,44,000	100.00

Dematerialization of Shares and Liquidity

As on March 31, 2017, 10,431,426 equity shares representing 90.36% of the total equity share capital of the Company, were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The break-up of equity shares held in Physical and dematerialised form as on March 31, 2017, is given below:

Particulars	No. of equity shares	Percentage
Physical Segment	11,12,574	9.64
Demat Segment:-		
NSDL	19,69,916	17.06
CSDL	84,61,510	73.30
Total	1,15,44,000	100.00

The Company's equity shares are regularly traded on the BSE. Share Transfer System

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

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

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

Address for members' correspondence

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

Registrars and Share Transfer Agents:

Contact Officer: Mr. Sandeep Holam

M/s. Adroit Corporate Services Pvt. Ltd.

Address: 17/18/19/20, Jaferbhoy Ind. Estate,

1st Floor, Makhwana Road, Marol Naka, Andheri (East), Mumbai - 59

Tel No: 022 4227 0400 / Fax: 022 28503748

Email: sales@adroitcorporate.com.

The Company has maintained an exclusive email id: investors@resonancesl.com which is designated for investor correspondence for the purpose of registering any investor related complaints and the same have been displayed on the Company's website: www.resonancesl.com Members are required to note that, in respect of shares held in dematerialized form, they will have to correspond with their respective Depository Participants (DPs) for related matters. Members may contact the Compliance Officer

and/or the Investor Relations Officer at the following address:

Compliance Officer & Investor Relations Officer:

Contact Officer: Ms. Minal Bhosale

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

Tel no: 02242172222

Email: investor@resonancesl.com/ cs@resonancesl.com

V) Compliance:

(a) (i) Details of non-compliance, if any

There is no Non-Compliance of any requirement of Corporate Governance Report of sub para (2) to (10) of the Part C of Schedule V of the SEBI Listing Regulations.

(ii) Compliance with mandatory requirements

The Company has complied with all the mandatory items of the SEBI Listing Regulations.

(iii) Compliance with the Discretionary

Requirements under SEBI Listing Regulations Adoption of discretionary requirements of SEBI Listing Regulations is being reviewed by the Company from time to time.

(iv) Auditors' Certificate on Corporate Governance

The Company has obtained a Certificate from its Secretarial Auditors regarding compliance of the conditions of Corporate governance, as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D, and E of Schedule V to the SEBI Listing Regulations, which together with this Report on Corporate Governance is annexed to the Directors' Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.

(b) Compliance with Regulation 39(4) read with Schedule V and VI of SEBI Listing Regulations – Uniform procedure for dealing with unclaimed shares:

Pursuant to the General Circulars issued by the Ministry of Corporate Affairs with respect to Section 124 (6) of the Companies Act, 2013 read with Rules made thereunder in relation to transfer of Unclaimed shares to Investor Education and Protection Fund (IEPF), The Company has comply with the formalities, as may be necessary, in this regard.

VI) Investor safeguards and other information:

Dematerialisation of shares

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

Revalidation of Dividend warrants

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

Unclaimed Dividends

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

Update Address / E-Mail Address / Bank Details

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

Electronic Service of Documents to Members at the Registered Email Address

As a responsible corporate citizen, your Company has been continuously supporting the "Green Initiatives" taken by the Ministry of Corporate Affairs, Government of India (MCA) and Securities and Exchange Board of India (SEBI).

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

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

In view of the above, the Company shall send all documents to Members like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those members, whose email address is registered with Depository Participant (DP)/Registrars & Share Transfer Agents (RTA) (hereinafter "registered email address") and made available to us, which has been deemed to be the member's registered email address for

servicing the aforesaid documents. To enable the servicing of documents electronically to the registered email address, we request the members to keep their email addresses validated/ updated from time to time. We wish to reiterate that Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Members holding shares in physical form have to write to our RTA, Adroit Corporate Services Private Limited at their specified address, so as to update their registered email address from time to time.

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

E-Voting Facility to members

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

Consolidate multiple folios (in respect of physical shareholding)

Members are requested to consolidate their shareholdings under multiple folios to eliminate the receipt of multiple communications and this would ensure that future correspondence/corporate benefits could then be sent to the consolidated folio.

Register Nomination(s)

Members holding shares in physical form, are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, they may obtain/submit the prescribed form from the Registrars & Share Transfer Agents. Members holding shares in dematerialised form are requested to register their nominations directly with their respective DPs.

Dealings of securities with registered intermediaries

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

By the order of Board of Director

A B Gupta
(Managing Director)
DIN: 00025255

Place:- Mumbai
Date: - 30th May, 2017

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

To,
The Members
Resonance Specialties Limited

I hereby declare that all the Directors and the designated employees in the Senior Management of the Company have affirmed compliance with their respective Codes for the financial year ended March 31, 2017.

For Resonance Specialties Limited

Date: 30th May, 2017
Place: Mumbai

A B Gupta
Managing Director
DIN: 00025255

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

The Board of Directors
Resonance Specialties Limited

We have reviewed the financial statements and the cash flow statement of Resonance Specialties Limited for the year ended March 31, 2017 and that to the best of our knowledge and belief:

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

Shital Churi
Chief Financial Officer

A B Gupta
Managing Director
DIN: 00025255

Date: 30th May, 2017
Place: Mumbai

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

To the Members of Resonance Specialties Limited

We have examined the compliance of conditions of Corporate Governance by Resonance Specialties Limited for the year ended 31st March, 2017, as stipulated in Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 of the said Company with the Stock Exchange.

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

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

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

For Alok Khairwar and Associates
Company Secretaries

Proprietor
C.P No: 12880

Place: Mumbai
Date: 30th May, 2017

**Independent Auditors' Report
TO THE MEMBERS OF,
RESONANCE SPECIALTIES LIMITED,
Report on the Financial Statements**

1. We have audited the accompanying financial statements of RESONANCE SPECIALTIES LIMITED ("the company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

4. We have taken into account the provisions of the Act, and the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31 March, 2017 and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in term of sub-section (11) of the section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Reports are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. In our opinion and to the best of our information and according to the explanations given to us, the Company has disclosed the impact, if any, pending litigation as at March 31, 2017 on its financial position in its financial statements (Refer note no. 28 to the financial statement).
 - ii. There are amounts need to be provided as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts,
 - iii. The provisions to transfer the amounts to the Investor Education and Protection Fund by the Company are not applicable (Refer note no. 33e to the financial statement).

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

Vimal R. Bhabhra
(Partner)

Place: Mumbai.
Date: May 30, 2017.

Membership No: - 046043

Annexure A to the Independent Auditors' Report

(Referred to paragraph (9) under 'Report on other legal and regulatory requirements' of our report of even date to the member of resonance specialties limited on the financial statements for the year ended March 31, 2017)

i. In respect of Fixed Assets:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- b. The fixed assets have been physically verified by the management in a phased manner, designed to cover all items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its business. Pursuant to the program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed asset have been noticed.
- c. The title deeds of immovable properties are held in the name of the company.

ii. In respect of Inventories:

- a. We are informed that the inventory have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of the Company and nature of its business.
 - c. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. We are informed that the discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Company.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provision of clause 3(iii) (a) to (c) of the order are not applicable to the company and hence not commented upon.
- iv. In our opinion and according to the information and explanation given to us, the company has complied with the provisions of Section 185 and 186 of the companies act, 2013 in respect of loan, investments, guarantees and security.
- v. According to the information and explanations given to us, the company has not accepted any deposits from the public and hence the directives issued by the Reserve bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and Companies (Acceptance of deposit) Rule 2015 with regard to the deposits accepted from the public are not applicable.
- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the Central Government of India, the company is required to maintain cost records as specified under section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the same and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.

vii. In respect of statutory dues:

- a. According to the information and Explanation given to us and records of the Company as produced and examined by us, in our opinion, there have been some delays in depositing undisputed statutory dues in respect of Provident Fund, Income-tax, Sales-tax, Service-tax, Excise Duty, cess and any other statutory dues with the appropriate authorities.
- b. According to the information and explanations given to us and the records of the Company examined by us there are no dues of income tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty or cess which have not been deposited on account of any dispute except as mentioned below:

Name of statute	Nature of the Dues	Amount Rs.in lakhs	Pending before	Nature of Dispute
Bombay Sales Tax Act/ Maharashtra Value Added Tax	Vat and CST for FY 2005-06 to 2009-10	2028.12	Commissioner of Sales Tax (Appeal) Various	Original order passed exports
Income tax 1961	Income tax for the AY 2013-14	16.18	Commissioner of Income Tax (Appeal)	Unilateral additions

- viii. Based on our audit procedures and according to the information and explanations provided to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution and bank.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanation given to us and based on our examination of the records of the company, the company has paid and provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule V to the act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards and Companies Act, 2013.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the

Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Vimal R. Bhabhra
(Partner)

Membership No: - 046043

Place: Mumbai.
Date: May 30, 2017.

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Resonance Specialties Limited on the financial statements for the year ended March 31, 2017)

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

We have audited the internal financial controls over financial reporting of Resonance Specialties Ltd. ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting,

assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vimal R. Bhabhra
(Partner)

Membership No: - 046043

Place: Mumbai.
Date: May 30, 2017.

BALANCE SHEET AS AT 31st MARCH 2017

Particulars	Note no.	Amount (₹)	
		As at 31.03.2017	As at 31.03.2016
EQUITY & LIABILITIES			
1] SHARE HOLDERS' FUNDS :			
Share capital	3	115,440,000	115,440,000
Reserves & Surplus	4	124,159,240	111,427,025
		239,599,240	226,867,025
2] NON CURRENT LIABILITIES :			
Long- term borrowing	5	784,642	-
Long term provisions	6	2,234,979	1,778,694
Deferred tax liabilities (Net)	7	10,106,000	10,665,800
		13,125,621	12,444,494
3] CURRENT LIABILITIES :			
Short- term borrowing	8	39,943,377	19,220,817
Trade payable	9	89,586,086	54,288,590
Other current Liabilities	10	6,540,926	4,889,992
Short-term provisions	11	9,047,802	5,839,575
		145,118,191	84,238,974
		397,843,052	323,550,493
ASSETS			
1] NON CURRENT ASSETS :			
Fixed assets	12		
Tangible assets		145,692,739	132,505,747
Intangible assets		4,938,390	6,129,890
Capital work in progress		2,011,279	1,324,284
Long-term loans & advances	13	15,399,038	12,714,551
		168,041,446	152,674,472
2] CURRENT ASSETS :			
Inventories	14	135,652,701	80,029,256
Trade receivable	15	74,082,507	69,925,299
Cash & cash equivalents	16	5,602,410	8,615,323
Short term loans & advances	17	4,169	2,483,356
Other current assets	18	14,459,820	9,822,787
		229,801,607	170,876,021
		397,843,052	323,550,493
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

Partner

Mem.No. 046043

Place : Mumbai

Dated : May 30, 2017

FOR AND ON BEHALF OF THE BOARD

Dr. Atma Gupta
Managing Director
(DIN: 00025255)

Mr. Satish Chander Mathur
Whole time Director
(DIN: 02847887)

Ms. Minal Bhosale
Company Secretary

Ms. Shital Churi
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	Note no.	Amount (₹)	Amount (₹)
		For year 2015-2016	For year 2014-2015
INCOME			
Revenue from operation(Gross)	19	370,439,915	413,992,942
Less: Excise duty		28,606,211	24,821,239
Revenue from operation(net)		341,833,704	389,171,703
Other Income	20	7,946,814	2,556,246
Total:-		349,780,518	391,727,949
EXPENDITURE			
Cost of raw material consumed	21	181,367,993	113,490,660
Purchases of Traded Goods	22	-	73,696,640
(Increase)/Decrease in inventories of Finished Goods, and stock in trade and work in process	23	(56,652,727)	(3,810,138)
Employees benefit Expenses	24	32,092,315	26,823,314
Others Expenses	25	164,576,329	148,793,673
Total:-		321,383,910	358,994,149
Earning Before Interest, Depreciation & Taxation		28,396,608	32,733,800
Interest & Financial Cost	26	3,945,137	5,192,682
Depreciation	27	10,600,208	11,153,899
Earning Before Exception items & Taxation		13,851,264	16,387,219
Exceptional Items		-	-
Earning Before Taxation		13,851,264	16,387,219
Less : Provision for			
Current Tax		(4,178,010)	(5,153,400)
Add/(Less): Taxation of earlier years		-	(1,029,290)
MAT Credit Utilised		-	(140,000)
Deferred Tax Asset/(Expenses)		559,800	1,847,186
Surplus After Taxation carried to Balance Sheet		10,233,054	11,911,715
Earning per equity share		-	-
Basic & Diluted earning per share		0.89	1.03
Face value per share		10.00	10.00

As per our report of even date attached

FOR V.R.Bhabhra & Co.

Firm Reg.no.112861W
CHARTERED ACCOUNTANTS

Vimal R.Bhabhra

Partner

Mem.No. 046043

Place : Mumbai
Dated : May 30, 2017

FOR AND ON BEHALF OF THE BOARD

Dr. Atma Gupta
Managing Director
(DIN: 00025255)

Ms. Minal Bhosale
Company Secretary

Mr. Satish Chander Mathur
Whole time Director
(DIN: 02847887)

Ms. Shital Churi
Chief Financial Officer

CASH FLOW STATEMENT

Sr. no	Particulars	2016-2017 Amount (₹)	2015-2016 Amount (₹)
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(Loss) before tax	13,851,264	11,911,717
	Non Cash adjustments to reconcile profit/(loss) before tax to net cash flows		
	Depreciation	10,600,208	11,153,899
	Provision for tax	4,178,010	5,153,400
	Provision for Deferred tax assets	(559,800)	(1,847,186)
	Exceptional Non Cash Items	-	-
	Taxation of earlier years	-	-
	Loss on sales of Fixed Assets	221,712	-
	MAT Credit Utilised	-	140,000
	Interest Expense	3,945,137	5,192,682
	Foreign Exchange Gain/Loss	699,145	-
	Provision for Gratuity	350,000	-
	PRIOR PERIOD ADJUSTMENT	-	-
	Operating Profit before Change in Working Capital Changes	32,586,530	31,704,512
	PROVISION FOR BAD DEBTS AND ADVANCES W/BACK		
	Movement in working Capital		
	Increase(Decrease) in Trade payable	35,297,496	(11,319,353)
	Increase(Decrease) in Long term provisions	456,285	720,583
	Increase(Decrease) in Short term provisions	3,208,227	(511,269)
	Increase(Decrease) in other current liabilities	1,650,934	(2,776,062)
	Increase(Decrease) in other non current liabilities	-	-
	Decrease/(Increase) in inventories	(55,623,445)	(4,574,501)
	Decrease/(Increase) in Trade Receivables	(4,157,208)	32,848,377
	Decrease/(Increase) in short term advances	2,479,187	1,044,307
	Decrease/(Increase) in Long Term advances	(2,684,486)	(8,849,581)
	Decrease/(Increase) in other current assets	(4,637,033)	(1,544,466)
	DEVELOPMENT EXPENSES CAPITALISED	-	-
		(24,010,044)	5,038,035
	Cash generated from operation	9,275,631	36,742,547
	Direct Taxes paid	(3,864,695)	(4,404,822)
	Net cash flows from operating activities	5,590,936	32,337,725
B	CASH FLOW USED IN INVESTMENTS ACTIVITIES		
	Purchases of Fixed assets including capital advances	(26,165,916)	(8,180,662)
	Net cash flows from Investment activities	(26,165,916)	(8,180,662)
C	Cash flow from financing activities		
	Proceeds of Long term borrowings	784,642	(85,737)
	Proceeds from short term borrowings (Net)	20,722,560	(11,877,030)
	Dividend paid	-	(6,926,400)
	Interest paid	(3,945,137)	(5,192,682)
	Net cash flows /(used in)/from Investment activities	17,562,065	(24,081,848)
	Net cash increase/(decrease) in cash and cash equivalents	(3,012,915)	75,215
	ADD : cash and cash equivalents at the beginning of the year	8,615,324	8,540,109
	cash and cash equivalents at the end of the year	5,602,410	8,615,324
	Components of cash and cash equivalents		
	Cash on hand	597	57,584
	Cheque in hand	-	-
	Bank balance in current accounts	41,787	2,659,258
	Bank balance in Fixed deposit accounts	5,560,026	5,898,482
		5,602,410	8,615,324
		(0)	(0)

As per our report of even date attached

FOR V.R.Bhabhra & Co.

Firm Reg.no.112861W

CHARTERED ACCOUNTANTS

Vimal R.Bhabhra**Partner**

Mem.No. 046043

FOR AND ON BEHALF OF THE BOARD**Dr. Atma Gupta**
Managing Director
(DIN: 00025255)**Mr. Satish Chander Mathur**
Whole time Director
(DIN: 02847887)**Ms. Minal Bhosale**
Company Secretary**Ms. Shital Churi**
Chief Financial Officer

Place : Mumbai

Dated : May 30, 2017

NOTES TO FINANCIAL STATEMENT**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, 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.

NOTE-3**SHARE CAPITAL****AUTHORISED:**

1,50,00,000 (1,50,00,000) Equity shares of Rs. 10/- each

Amount (₹)

31-Mar-2017

15,00,00,000

15,00,00,000

Amount (₹)

31-Mar-2016

15,00,00,000

15,00,00,000**ISSUED, SUBSCRIBED & PAID UP**

1,15,44,000 (1,15,44,000) Equity shares of Rs. 10/- each

fully paid up

11,54,40,000

11,54,40,000

11,54,40,000

11,54,40,000**a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period**

Particulars	31-Mar-2017		31-Mar-2016	
	No of shares	Amount	No of shares	Amount
At the beginning of the period	11,544,000	115,440,000	11,544,000	115,440,000
Issued during the period		-		-
Outstanding at the end of the period	11,544,000	115,440,000	11,544,000	115,440,000

b) Terms/ rights attached to equity shares

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

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

Equity share of Rs 10/-each fully paid	31-Mar-2017		31-Mar-2016	
	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

RESERVE & SURPLUS**a) CAPITAL RESERVE**

State Subsidy

Balance as per last financial statements

2,000,000

2,000,000

b) REVALUATION RESERVE

Balance as per last financial statements

56,326,923

56,326,923

Less: Depreciation on revaluation for the year

-

56,326,923

-

56,326,923

c) SURPLUS IN THE STATEMENT OF PROFIT & LOSS

Balance as per Last year

53,099,567

41,152,964

Profit/(Loss) for the year

10,233,054

11,911,717

Add: Excess Provisions of Earlier years

2,499,696

-

Less: Depreciation written back

-

35,421

Less: Proposed Dividend

-

-

Less: Dividend Distribution Tax

-

65,832,317

-

53,100,102

124,159,240111,427,025**NOTE-5****LONG TERM BORROWING****SECURED TERM LOANS**

a) Vehicle loan from Banks

784,642

-

(secured by hypothecation of Vehicles)

784,642-

b) The Vehicles term loans are payable over a period of 5 years with interest @ 11.25%

NOTE-6**LONG TERM PROVISIONS**

Provision for retirement benefit

2,234,979

1,778,694

2,234,9791,778,694

NOTE-7
DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities		
Deference between tax and book depreciation	11,667,400	12,057,200
Deferred Tax Assets	<u>11,667,400</u>	<u>12,057,200</u>
Provision for doubtful advances	570,400	570,400
Business Loss	-	-
Timing Differences pursuant to sect 43B of the Income tax Act	<u>991,000</u>	<u>821,000</u>
	<u>1,561,400</u>	<u>1,391,400</u>
	<u>10,106,000</u>	<u>10,665,800</u>

NOTE-8
SHORT TERM BORROWING
SECURED

a] Cash Credit	19,983,379	-
b] Export Packing Credit	<u>19,959,998</u>	<u>19,220,817</u>
	<u>39,943,377</u>	<u>19,220,817</u>
c) Note on Nature of Security on secured loan (The above borrowing from Bank is secured by hypothecation of present and future stock of raw material, stock in process and Finished goods and book debts of the company, and further secured by first charge by way of equitable mortgage of land and building, plant and machineries and all immovable properties of the company situated at T 140 MIDC Tarapur, Dist-Thane and further guaranteed by Managing Director of the company and is repayable on demand)		
d) Working capital borrowing carry interest rate of 12.65% per annum		

NOTE-9
TRADE PAYABLE

Trade payable against goods and services	<u>89,586,086</u>	<u>54,288,590</u>
	<u>89,586,086</u>	<u>54,288,590</u>

NOTE-10
OTHER CURRENT LIABILITIES

Advances from customers	478,370	403,601
Outstanding salaries & expenses	3,831,649	2,686,669
Deposit payable	-	-
Tax Deducted at source payable	2,072,095	352,828
Statutory dues payable	158,812	246,894
Excise duty Payable	-	1,200,000
	<u>6,540,926</u>	<u>4,889,992</u>

NOTE-11
SHORT TERM PROVISION

for Excise duty on Finished Goods	7,997,909	2,325,600
for income tax(Net of advance tax paid)	598,931	2,956,728
Provision for Proposed Dividend	-	-
Provision for Dividend Distribution Tax	-	-
For gratuity*	450,962	557,247
	<u>9,047,802</u>	<u>5,839,575</u>

* Includes Rs. NIL (PY 1397116/-) for earlier year

**NOTE-12
FIXED ASSETS**

ASSETS DESCRIPTION	GROSS BLOCK			Block as on 31.03.17	DEPRECIATION			NET BLOCK			
	As on 01.04.2016	Addition during the Year	Deductions Adjustment		As on 01.04.2016	For the year UP TO Mar 17	On addition during the year	On deletion during the year	Up to 31.03.17	As on 31.03.2017	As on 31.03.2016
Lease Hold Land	39,949,055	-	-	39,949,055	6,320,585	663,876	-	-	6,984,461	32,964,594	33,628,470
Buildings	19,441,271	-	-	19,441,271	16,348,523	513,733	-	-	16,862,256	2,579,015	3,092,748
Plant & Machinery	277,748,739	20,676,132	-	298,424,871	188,694,595	6,535,756	84,255	-	195,314,606	103,110,265	89,054,144
Furniture & Fixtures	1,724,911	417,100	-	2,142,011	1,369,660	75,683	32,023	-	1,477,366	664,645	355,251
Office Equipment	4,519,600	58,961	-	4,578,561	4,283,043	38,653	1,264	-	4,322,960	255,601	236,671
Motor Car	3,364,034	1,963,941	2,020,035	3,307,940	2,200,314	366,793	167,234	1,146,101	1,588,240	1,719,700	1,163,720
Electric Installation	15,489,008	-	-	15,489,008	15,339,771	86,806	-	-	15,426,578	62,430	149,236
R & D Equipment	10,460,146	353,500	-	10,813,646	5,634,639	833,916	8,716	-	6,477,271	4,336,375	4,825,507
Intangible Assets	13,893,160	-	-	13,893,160	7,763,270	1,191,500	-	-	8,954,770	4,938,390	6,129,890
Total	386,589,924	23,469,634	2,020,035	408,039,523	247,954,287	10,306,716	293,492	1,146,101	257,408,394	150,631,129	138,635,637
	379,409,893	7,180,031		- 386,589,924	236,835,808	10,959,494	194,406	35,421	247,954,287	138,635,637	-

NOTE-13**LONG TERM LOAN AND ADVANCES**

(Unsecured and considered good)

Security Deposits		7,661,832	7,621,502
Sales tax paid on protest		1,340,000	1,340,000
Other advances		5,010	-
VAT Refundable		6,392,196	5,928,069
		<u>15,399,038</u>	<u>14,889,571</u>
(Unsecured, considered Doubtful)			
Other advances to suppliers		1,000,000	1,000,000
Less: Provision for doubtful advances		1,000,000	1,000,000
		<u>15,399,038</u>	<u>14,889,571</u>

NOTE-14**INVENTORIES**

(As taken, valued and certified by the Management)

Raw Material	9,990,505	11,624,329
Stock Work In Progress	51,545,126	45,943,263
Finished Goods	71,981,180	20,930,316
Traded Goods	-	-
Packing Material	468,727	244,342
Stores & Spares	938,786	628,498
Fuel	728,377	658,508
	<u>135,652,701</u>	<u>80,029,256</u>

NOTE-15**TRADE RECEIVABLE**

(Unsecured and considered good) *

Debts outstanding for a period exceeding six months from the date they are due for payment	846,090	846,090
Less : provision for doubtful debts	(846,090)	(846,090)
(Unsecured and considered good) *		
Debts outstanding for a period exceeding six months from the date they are due for payment		299,135
Other debts	74,082,507	69,626,164
* Subject to confirmation	<u>74,082,507</u>	<u>69,925,299</u>

NOTE-16

CASH AND CASH & EQUIVALENTS

Cash on hand	597	57,583
Balance with banks		
in Cash credit account (debit Balance)		2,613,163
in Current accounts	41,787	46,095
in Fixed Deposits (Margin Money)*	5,560,026	5,898,482
*(Under Lien towards margin of Letter of credits & Guarantees)	5,602,410	8,615,323

NOTE-17

SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)

Staff advances	4,169	46,604
Vat Refund	-	-
Custom duty Paid pending import Clearance		261,732
TDS Receivable	-	-
	4,169	308,336

NOTE-18

OTHER CURRENT ASSETS

(Unsecured and considered good)

Prepaid expenses	1,012,152	278,953
Advances for supply of goods & services	3,868,557	1,728,309
Advances for capital Goods	227,876	-
Balance with Excise Authorities	4,186,271	1,484,388
Excise rebate, drawback and MAT credits	5,164,964	6,331,137
Sales Tax Deferral Rec.	-	-
	14,459,820	9,822,787

NOTE-19

REVENUE FROM OPERATIONS

Sale of Products

Finished Goods	367,718,915	324,788,193
Traded Goods	-	77,179,899
Others Sale	-	-
	367,718,915	401,968,092
Less Excise duty on Sale	28,606,211	24,821,239
	339,112,704	377,146,853

Sale of Service

Conversion (Job) Charges	2,721,000	12,024,850
	341,833,704	389,171,703

NOTE-20

OTHER INCOME

Interest on Fixed deposit with bank	595,511	491,401
Gain on exchange fluctuation	2,300,756	730,899
Export Benefit/Duty Drawback	4,281,599	846,931
Other Receipts	768,948	487,015
	7,946,814	2,556,246

NOTE-21

COST OF RAW MATERIAL CONSUMED

Inventory at the beginning of the year	10,293,675	10,794,135
Add : Purchases	181,064,823	112,990,200
	191,358,498	123,784,335
Less: Inventory at the end of the year	9,990,505	10,293,675
	181,367,993	113,490,660

NOTE-22**PURCHASES OF TRADED GOOD**

(a) Purchases	-	73,696,640
	-	73,696,640

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

Inventories at the end of the year			
Work in progress	51,545,126	45,943,263	
Traded goods	-	-	
Finished goods	71,981,180	20,930,316	66,873,579
Inventories at the beginning of the year			
Work in progress	45,943,263	45,088,536	
Finished goods	20,930,316	17,974,905	63,063,441
	(56,652,727)		(3,810,138)

NOTE-24**EMPLOYEE BENEFITS EXPENSES**

Salaries and wages	28,545,845	23,401,917
Workmen and staff welfare expenses	2,079,294	2,190,587
Contribution to Provident fund	1,016,214	878,761
Provision for Gratuity	450,962	352,049
	32,092,315	26,823,314

NOTE-25**OTHER EXPENSES**

Store & Spare Part Consumed	7,537,220	6,990,531
Packing Material Consumed	3,184,206	5,416,728
Conversion Charges	55,947,348	46,852,959
Power & Fuel	38,259,894	37,260,251
Freight & Transport Charges	13,348,667	12,564,297
Excise duty expenses	6,617,042	457,574
Repair & Maintenance	-	-
For Plant & Machineries	6,936,052	6,039,436
For Buildings	584,508	457,261
For Others	1,916,970	819,528
Traveling, Conveyance, Lodging & Boarding	3,055,221	2,971,423
Postage, Telephone & Internet Charges	711,301	931,878
Foreign Exchange Fluctuation	-	1,502,248
Professional & Legal Expenses	6,941,259	7,129,309
Insurance Premium	1,077,584	1,230,518
Rent	2,107,109	2,131,800
Rates & Taxes	1,143,085	2,015,189
Commission	1,509,830	1,472,110
Cash Discount	2,676,958	2,905,091
R & D Expenses	5,790,485	5,574,249
Director Sitting Fee	922,233	809,997
Audit Fees	500,000	527,310
Loss on sale of Fixed Assets	221,712	-
Other Expenses	3,587,646	2,733,983
	164,576,329	148,793,670

NOTE-26**INTEREST & FINANCIAL COST**

Interest on fixed term Loan	53,790	2,036
Interest on others	1,733,634	2,978,220
Financial Charges	2,157,713	2,212,426
	3,945,137	5,192,682

NOTE-27

DEPRECIATION

Depreciation for the year (Ref note 13)	10,600,208	11,153,899
Less: Transferred to Revaluation reserve	-	-
	10,600,208	11,153,899

Note -28: Contingent Liabilities:

- Bank Guarantees issued and outstanding on Balance Sheet date: Rs.3,00,000(Previous year Rs. 41,00,000)
- Letters of credit outstanding Rs 1,85,42,451 (Previous year: Rs 1,42,79,919)
- Sale tax demand against which the company filed the appeals for the years 2005-06 to 2009-10 of Rs. 20,28,11,451 (Previous Year Rs: 20,28,11,451) for which permanent stay was granted on part payment of Rs. 2,10,35,560
- Demand from Income tax authority contested in appeal Rs.16,18,770 (Previous year 16,18,770).
- 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-29: 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.10,16,214 (P.Y. 8,78,761) in Profit and Loss Account for the year ended 31st March, 2017:

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:

	2016-17	2015-16
Discount Rate (per annum)	7.46%	7.50%
Rate of increase in compensation levels (per annum)	5.00%	5.00%
Expected Average remaining working	3.75	3.68

A. Change in the Present Value of Obligation

	Year Ended March 31, 2017	Year Ended March 31, 2016
	Non - Funded Scheme (Rs.)	Non - Funded Scheme (Rs.)
Present Value of Defined Benefit Obligation as at beginning of the period	23,35,941	24,55,227
Interest Cost	1,70,495	1,66,467
Current Service Cost	3,40,173	2,40,909
Past Service Cost- (non vested benefits)	-	-
Past Service Cost- (vested benefits)	-	-
Benefits Paid	(1,00,962)	(4,71,335)
Actuarial (gain) / loss on Obligations	(59,706)	(55,327)
Present Value of Defined Benefit Obligation as at the end of the period	26,85,941	23,35,941

B. Fair Value of Assets

	Year Ended March 31, 2017	Year Ended March 31, 2016
	(Rs.)	(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)	26,85,941	23,35,941

C. Amount recognized in the Balance Sheet)

	Year Ended March 31, 2017	Year Ended March 31, 2016
	(Rs.)	(Rs.)
Present Value of Defined Benefit Obligation as at the end of the period (non current)		
Current liability	20,20,884	17,78,694
	6,65,057	5,57,247
Fair Value of Plan Assets as at end of the period	-	-

D. Expenses recognized in Profit and Loss Account

	Year Ended March 31, 2017	Year Ended March 31, 2016
	(Rs.)	(Rs.)
Current Service Cost	3,40,173	2,40,909
Past Service Cost- (non vested benefits)	-	-
Past Service Cost- (vested benefits)	-	-
Interest Cost	1,70,495	1,66,467
Expected Return on Plan Assets	-	-
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (gain) / Loss recognized in the Period	(59,706)	(55,327)
Total Expenses recognized in the Profit and Loss Account	4,50,962	3,52,049

Note-30: 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-31: Disclosure pursuant to the Accounting standard -18: Related party Transaction**a) Particulars of Related Parties**

	NAME OF RELATED PARTY	NATURE OF RELATIONSHIP
i)	Vista organics Pvt. Ltd.	Interest of Director's Relatives
ii)	Avignon Exim Pvt. Ltd.	Interest of Director's Relatives
iii)	Vista Finance & Leasing Pvt Ltd.	Interest of Director's Relatives
iv)	Avignon Chemicals P Ltd.	Interest of Director's Relatives
v)	Ushma Investments Pvt Ltd.	Interest of Director's Relatives
vi)	Ushma Technologies Pvt Ltd	Interest of Director's Relatives

b) Key Management Personnel

	NAME OF RELATED PARTY	NATURE OF RELATIONSHIP
i)	Dr. Atma Gupta	Managing director
ii)	Mr. Satish Chander Mathur	Wholetime Director
iii)	Mr. Rajesh Shirpurkar	Wholetime Director
iv)	Mr. Dwarika Agrarwal	Chief Financial Officer
v)	Ms. Shital Churi	Chief Financial Officer
vi)	Mr. Bhupesh Atkari	Company Secretary
vii)	Ms. Soma Dhennki	Company Secretary
viii)	Ms. Minal Bhosale	Company Secretary

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.	5,52,13,912 (4,65,12,969)	64,45,852-Cr (1,03,01,791-Cr.)
Avignon Exim Pvt. Ltd.	Sales*	8,08,92,074 (12,56,67,843)	2,93,92,311-Dr (4,54,18,114-Dr)
Avignon Exim Pvt. Ltd.	Conversion Charges **	27,21,000 (1,20,24,850)	(Nil) (Nil)
Avignon Exim Pvt. Ltd.	Purchases*	1,24,388 (3,45,69,900)	Nil (Nil)
Vista Finance & Leasing Pvt Ltd.	Rent	7,20,000 (7,20,000)	Nil (3,15,000-Cr)
Ushma Investment Pvt Ltd.	Rent	7,20,000 (7,20,000)	4,814-Dr (3,15,000-Cr)
Avignon Chemicals Pvt Ltd.	Rent	7,20,000 (7,20,000)	Nil (3,15,000-Cr)
Dr. Atma B. Gupta	Salary, PF & Others	36,83,750 (31,10,400)	Nil (Nil)
#Mr. Dwarika Agarwal	Salary, PF & Others	5,67,525# (8,40,923)	Nil (Nil)
Mr. Bhupesh Atkari	Salary, PF & Others	NIL (72,044)	Nil (Nil)
Ms. Soma Das	Salary, PF & Others	45,250	Nil
Ms. Minal Bhosale	Salary, PF & Others	3,30,610	Nil
Mr. Satish Chander Mathur	Salary, PF & Others	7,02,000	Nil
Mr. Rajesh Shirpurkar	Salary, PF & Others	1,12,500	Nil

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

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

#for part of the year

Remarks: 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-32: Disclosure pursuant to the Accounting standard -20: Earning per share

	2016-17	2015-16
Net Profit attributable to equity shareholders (Rs.)	1,02,33,054	1,19,11,717
Total No. of Equity shares outstanding during the year	11,544,000	11,544,000
Basic Earning Per share	0.89	1.03
Diluted Earning Per share	0.89	1.03
Face value per share	10.00	10.00

Note -33 Reporting on other disclosures

- a) The Company has no information as to whether any of its suppliers constitute Micro, Small or Medium Enterprise and therefore, the claims for suppliers and other related data as per the requirement of Micro, Small and Medium Enterprises Development Act, 2006 could not be ascertained.
- b) In the opinion of Board, current assets, loan and advances are stated at a value at least equal to the expected value on realization in the ordinary course of business.
- c) During the year the company had carried out development of certain process technology for efficient commercial production in its approved R & D facilities at Tarapur and incurred an amount of Rs.57,90,485 /- (P.Y. 55,74,259 /-) as Research & Development expenditure which have been accounted as follows:

Particulars	2016-17 (Rs.)	2015-16 (Rs.)
Charged to Profit & Loss account		
As revenue expenditure	57,90,485	55,74,259
Capitalized under Lab Equipment	3,53,000	22,52,005
Total	61,43,485	78,26,254

- d) Provision for Income Tax has been made considering the benefits available u/s 35 of the Income tax act.
- e) The unclaimed dividend of Rs. 8,14,516 (PY Rs. 8,14,866) is not due to be transferred in investor education and protection fund and adequate funds are available in unclaimed dividend bank account.
- f) 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.Nil (P Y Rs. 61,23,150.) The conversion charges received, therefore, are also adjusted by the said amount.

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

	%	2016-17 (Rs.)	%	2015-16 (Rs.)
		Amount In Rs.		Amount In Rs.
A. Raw material				
Indigenous	65.00	11,78,89,195	65.00	7,37,24,447
Imported	35.00	6,34,78,797	35.00	3,97,66,212
Total	100	18,13,67,993	100	11,34,90,660
B. Others/Stores spares				
Indigenous	100	75,37,220	100	69,90,531
Imported	-	--	-	-
Total		18,89,05,212		12,04,81,191

h) Earnings in foreign exchange on account of :

	2016-17 (Rs.)	2015-16(Rs.)
FOB Value of Exports (Service)	Nil	Nil
FOB Value of Exports (Material)*	10,34,27,678	9,32,21,197
*Net of Re-import		

i) Expenditure in Foreign currency:

	2016-17 (Rs.)	2015-16(Rs.)
CIF Value of Imports of materials	8,57,71,486	8,44,59,088
Traveling Expenses	11,09,672	3,56,567
Sales Commission	8,43,702	11,44,860

j) Managerial Remuneration to Managing Director

	2016-17 (Rs.)	2015-16(Rs.)
Salary	21,60,000	19,20,000
House rent & other allowance	12,57,000	9,60,000
Other monetary benefits	2,66,750	0
Total	36,83,750	31,10,400

FOR V.R.Bhabhra & Co.

Firm Reg.no.112861W
CHARTERED ACCOUNTANTS

Vimal R.Bhabhra

Partner

Mem.No. 046043

Place : Mumbai

Dated : May 30, 2017

FOR AND ON BEHALF OF THE BOARD

Dr. Atma Gupta
Managing Director
(DIN: 00025255)

Mr. Satish Chander Mathur
Whole time Director
(DIN: 02847887)

Ms. Minal Bhosale
Company Secretary

Ms. Shital Churi
Chief Financial Officer

RESONANCE SPECIALTIES LIMITED

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

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

CIN: L25209MH1989PLC051993

ATTENDANCE SLIP

28th Annual General Meeting – 14th September, 2017

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 28th Annual General Meeting of the Company held at Raheja Classique Club, Infinity Mall, New Link Road, Andheri (West), Mumbai 400 058, on Thursday, 14th September, 2017 at 11.00 am.



Name of the Member / Proxy:

Sign of the Member / Proxy*

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

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

EVSN (E-Voting System Number)	USER ID	PASSWORD / PIN
170811017	Please Refer Note no.16 in the notice	

RESONANCE SPECIALTIES LIMITED

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

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

CIN: L25209MH1989PLC051993

FORM NO. MGT - 11

PROXY FORM

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

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

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

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

as my/our proxy to attend and vote through ballot or (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on the Thursday, September 14, 2017 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, 2017, including the audited Balance Sheet as at March 31, 2017, the statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon;		
2	To appoint a Director in place of Mr. B. P. Agarwal having DIN (02724594), who retires by rotation and being eligible, offers himself for re-appointment		
3	To reappoint V. R. Bhabhara & Co., Chartered Accountant (Firm Registration No. 112861W) as Statutory Auditors of the Company subject to the approval of Share Holders /Members of the Company		

Ordinary Business

4	Appointment of Dr. Yaqoob Ali (DIN 07655705) as Non-Executive Independent Director for a period of 5 (five) years		
5	Appointment of Mr. Satish Chander Mathur (DIN:02847887) as a Whole-Time Director.		
6	Approval for entering into Related Party Transaction by the Company		

Signed this.....day of2017

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/-

APPEAL TO MEMBERS

Green Initiative in Corporate Governance

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

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

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

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

For Resonance Specialties Limited

(Minal Bhosale)
Company Secretary



Place: Mumbai
Date: 30th May, 2017

NATIONAL ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM

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

Dear Sir,
Sub: Change in mode of payment to NECS

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

Particulars are as under:

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

Particulars of Bank:

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

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

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

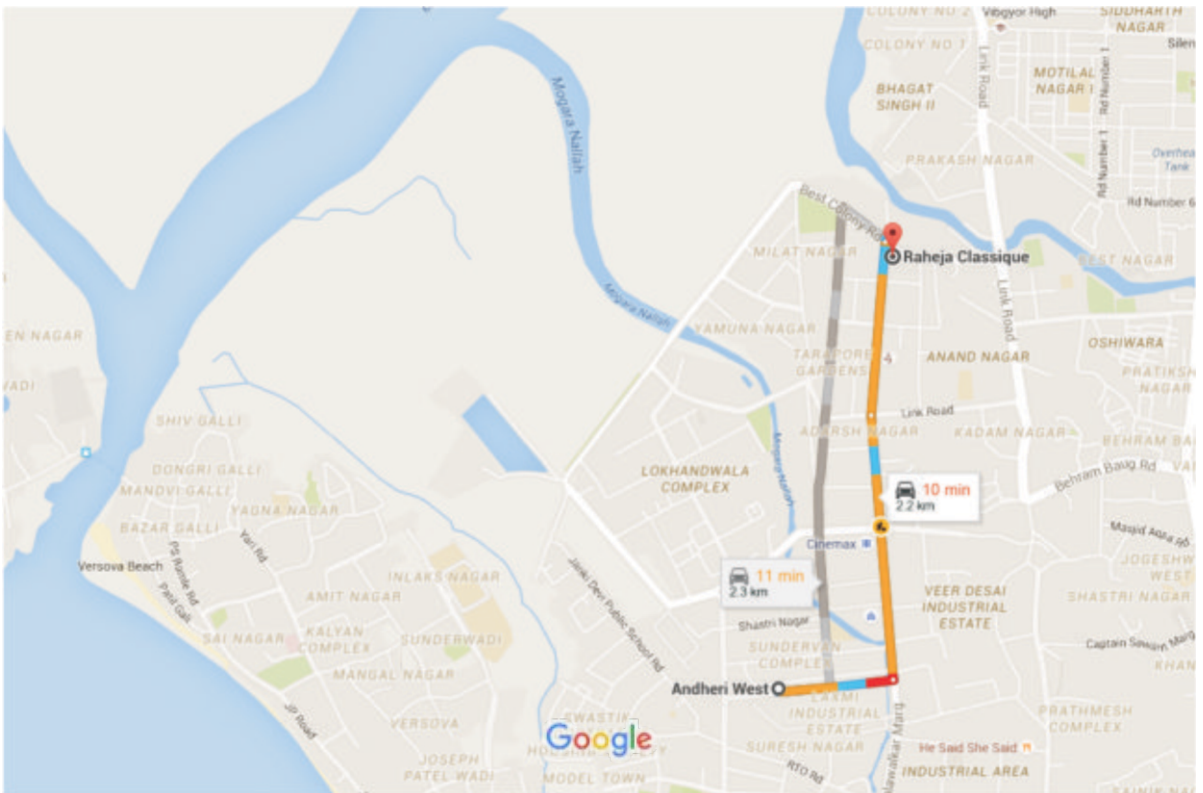
Place:
Date:

Signature of Shareholder



Road map to venue

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



Map data ©2015 Google 500 m

BY COURIER

if undelivered please return to:



Resonance Specialties Limited

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

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

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