

32nd Annual Report

2020-21

Together we can
make the world a
healthy place!



Resonance Specialties Limited



Five Years' Highlights

(₹ Lacs)

	2016-17	2017-18	2018-19	2019-20	2020-21
Total Income	3502.10	3706.86	4302.11	5803.14	7187.29
Profit Before Tax	138.82	3.38	475.84	692.10	1456.48
Profit /(Loss) After Tax	102.63	(76.81)	320.46	550.77	1052.41
Share Capital	1154.40	1154.40	1154.40	1154.40	1154.40
Reserves & Surplus	1241.89	1171.82	1492.60	1898.96	2912.89
Net Worth	2395.29	2326.22	2647.00	3053.36	4067.29
Net Block	1506.31	1459.86	1407.07	1411.20	1590.13
Earnings Per Share (₹)	0.89	(0.60)	2.78	4.73	8.78
Book Value Per Share (₹)	20.76	20.15	22.93	26.45	35.23

RESONANCE SPECIALTIES LIMITED

BOARD OF DIRECTORS

Mrs. Archana Yadav	Chairman - Independent Director	(DIN 07335198)
Mr. Ajay Patadia	Independent Director	(DIN 00298226)
Mr. Raj Kamal Prasad Verma	Independent Director	(DIN 02166789)
Mr. Prashant Godha	Non-Executive Director	(DIN 00012759)
Mr. Ashish Katariya	Whole-time Director / CEO	(DIN 08601262)
Mr. Dwarka Agrawal	Director Finance / CFO	(DIN 07194113)

COMPANY SECRETARY

Mrs. Minal Bhosale (ACS 43010)

AUDITORS

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

COST AUDITORS

Poddar & Co.
Cost Accountants
B-205, Chandulal Park, Station Road,
Bhayandar (W), Thane – 401 101

REGISTERED OFFICE

54-D, Kandivli Industrial Estate,
Charkop, Kandivli (West),
Mumbai – 400 067
Tel: 022 – 6857 2827
Fax: 022 – 2868 8544

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Adroit Corporate Services Pvt. Ltd.
Address: 17/18/19/20,
Jaferbhoy Ind. Estate, Makhwana Road,
Marol Naka, Andheri (East) Mumbai – 400 059
Tel: 022 – 4227 0400 Fax: 022 – 2850 3748

WORKS

T-140 MIDC Industrial Estate
Tarapur, Maharashtra
Tel : 8149094371-5

BANKERS

Bank of Baroda
Yes Bank Ltd.

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NOTICE

NOTICE is hereby given that the 32nd ANNUAL GENERAL MEETING (AGM) of Resonance Specialties Limited will be held on Thursday, August 26, 2021 at 11.30 a.m. through Video Conferencing / Other Audio Visual Means (VC/OAVM) to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashish Katariya (DIN 08601262) who retires by rotation and being eligible, offers himself for re-appointment
3. To declare dividend on equity shares.
4. To appoint Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), M/s. Kailash Chand Jain & Co., Chartered Accountants (Firm Registration No. 112318W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 37th Annual General Meeting, at such remuneration and reimbursement of out of pocket expenses as may be determined by the Audit Committee and Board of Directors of the Company.”

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 (3) and such other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, M/s. Poddar & Co., Cost Accountants (Firm Registration No. 001819) who have been appointed as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2021-22 be paid remuneration of ₹ 1,50,000/- (Rupees One Lacs Fifty Thousand Only) plus applicable tax and reimbursement of traveling and other out of pocket expenses.”

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

“RESOLVED THAT in supersession of the earlier resolutions passed in this regard and pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations) as applicable and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company

be and is hereby accorded to the Board of Directors of the Company to enter into contracts/transactions with Vista Organics Private Limited (CIN: U24100MP1990PTC005721), a related party, on such terms and conditions as may be mutually agreed upon, for purchase, sale or supply of any materials, goods, plant & machineries or other capital goods and also availing of / rendering of services like contract manufacturing services or loan license manufacturing services or materials conversion services or provision of any other services and re-imbursement of expenses incurred etc., the value of which all taken together may exceed ten percent of the turnover of the Company, subject to however, that the value of all the transactions so entered as aforesaid during any financial year shall not exceed in aggregate an amount of ₹ 50 crores (Rupees Fifty Crores Only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds, matters and things as may be necessary to give effect to this resolution.”

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

“RESOLVED THAT, the consent of the Company be and is hereby accorded to the Board of Directors to borrow any sum or sums of money from time to time which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed at any time the aggregate of the paid-up capital of the company and its free reserves (that is to say, reserves not set apart for any specific purpose), provided that the total amount so borrowed shall not at any time exceed the limit of ₹ 50 crores (Rupees Fifty Crores only).

RESOLVED FURTHER THAT the consent of the Company be and is hereby also accorded to the Board of Directors of the Company to mortgage and/or create charge on any or all of the movable and immovable properties of the Company and also on the whole or substantially the whole of any or all of the undertakings of the Company to secure the borrowings on such terms and conditions as the Board of Directors of the Company may consider to be in the interest of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and they are hereby authorised to do all such acts, deeds, matters and things that may be necessary, desirable or expedient for giving effect to this Resolution.”

8. To consider and if thought fit, approve with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT, pursuant to Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions including any amendment(s) or modification(s) made thereto from time to time and any other laws and regulations as may be applicable from time to time and subject to the necessary approvals of the Stock Exchanges and other appropriate statutory authorities as may be necessary, the consent of the members of the Company be and is hereby accorded for reclassification of the following persons holding the following shares in the company, and who are neither

involved in the management of the Company nor do exercise any control over the affairs of the Company, directly or indirectly, and who do not hold any Shares in the Company having special information rights or special rights as to voting or control of the Company, from 'Promoter and Promoter Group Category' Shareholders and remove their names from the 'Promoter and Promoter Group' Category shareholders from the Company's shareholding:

Sr. No.	Name of the Shareholder	No. of Shares held	Percentage shareholding (%)
1.	Atma Bandhu Gupta	1	0.00
2.	Usha Gupta	1	0.00
3.	Vista Finance & Leasing Pvt. Ltd.	5,17,852	4.49
4.	Ushma Investments Pvt. Ltd.	2,55,639	2.21
5.	Avignon Chemicals Pvt. Ltd.	92,732	0.80
6.	Alok Gupta	41,800	0.36
7.	Anoop Atma Gupta	23,200	0.20
	Total	9,31,225	8.06

RESOLVED FURTHER THAT, pursuant to Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018, it is hereby confirmed that the aforesaid person(s) seeking reclassification:

- Do not hold in aggregate more than ten percent of the total voting rights in the Company;
- Do not exercise control over the affairs of the Company directly or indirectly;
- Do not have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- Have not been represented on the Board of Directors (including not having a nominee director) of the Company;
- Are not acting as a key managerial person in the Company;
- Are not 'wilful defaulter' as per the Reserve Bank of India Guidelines; and
- Are not fugitive economic offenders.

RESOLVED FURTHER THAT the aforesaid shareholders shall continue to comply with conditions mentioned at sub-clauses (i), (ii) and (iii) regulation of clause (b) of sub-regulation 3 as specified in SEBI (LODR) Regulations, 2015 at all times from the date of such re-classification failing which, they shall automatically be reclassified as promoter/ persons belonging to promoter group, as applicable, and that the aforesaid shareholders shall comply with conditions mentioned at sub-clauses (iv) and (v) of clause (b) of sub-regulation 3 of Regulation 31A for a period of not less than three years from the date of such re-classification failing which, they shall automatically be reclassified as promoter shareholders belonging to promoter group, as applicable.

RESOLVED FURTHER THAT, after such re-classification of above shareholders, only the following shareholders shall be the Promoters/Promoter group category shareholders of the Company:

Sr. No.	Name of the Shareholder	No. of Shares held	Percentage Shareholding (%)
1.	Makers Laboratories Limited	52,50,000	45.48
2.	Kaygee Investments Private Limited	10,12,201	8.77
	Total	62,62,201	54.25

RESOLVED FURTHER THAT, on approval of the stock exchange upon application for re-classification of the aforesaid persons, the Company shall effect such reclassification in the statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and all other applicable provisions of all other laws and regulations.

RESOLVED FURTHER THAT, for the purpose of giving effect to the above resolution, the Board or such other officers of the company authorized by the Board in this regard be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard and to submit all the requisite applications, declarations, undertakings, representations, filings, etc. with the Stock Exchange(s) and other regulatory authorities as may be required in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

IMPORTANT NOTES:

- In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19

- pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC/ OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 4. The attendance of the Members attending the AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 5. Pursuant to MCA Circular No. 14/2020 dated April 8, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members which are body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
 6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.resonancesl.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
 7. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item Nos. 5 to 8 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on June 3, 2021 considered that the special business under Item No. 5 to 8 being considered unavoidable, be transacted at the 32nd AGM of the Company.
 8. The dividend, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on or before September 20, 2021 as under:
 - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories" as of end of day on Friday, August 20, 2021;
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Friday, August 20, 2021;
 - iii. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company (if shares held in physical form).
 9. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Adroit Corporate Services India Pvt. Ltd. (Adroit Corporate Services) for assistance in this regard.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- i. The voting period begins on Monday August 23, 2021 from 9:00 a.m. and ends on Wednesday, August 25, 2021 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date i.e. August 20, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already cast vote electronically would not be entitled to vote again at the AGM but they can attend the AGM virtually.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders,

in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided by SEBI to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration.</p>

Type of shareholders	Login Method
	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Type of Shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

v. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. <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 (v).

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- x. 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.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- xv. 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.
- xvi. Facility for Non – Individual Shareholders and Custodians – Remote Voting
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - 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.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@resonancesl.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at companies email id at investors@resonancesl.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
 2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
 3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
 4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
 5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
 2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
 3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
- If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

10. Voting process and instruction regarding e-voting at AGM are as under:
 - a. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 - b. Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available in the AGM.
 - c. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
11. Instruction for members for attending the AGM through VC / OAVM are as under:
 - a. Member will be provided with a facility to attend the AGM through VC/ OAVM through the CDSL e-voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/ OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.
 - b. Members are encouraged to join the Meeting through Laptops / IPads for better experience. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
 - c. For ease of conduct, Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at investors@resonancesl.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investors@resonancesl.com. These queries will be replied to by the company suitably by email.
 - d. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. Further the shareholders will be required to allow the camera for participation in the meeting as speaker.
12. General Guidelines for Members
 - a. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsd.com to reset the password.
13. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cutoff date of August 20, 2021.
14. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 32nd AGM by email and holds shares as on the cut-off date i.e. August 20, 2021, may obtain the User ID and password by sending a request to the Company's email address investors@resonancesl.com. However, if you are already registered with CDSL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsd.com.
15. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the AGM.
16. Mr. Alok Khairwar (Membership No. FCS 10031, CP12880) or failing him Mr. Rajkumar Gupta (Membership No. ACS 43015 CP18582) or failing them Ms. Beena Thuthgar (Membership No. ACS 47296, CP No. 18431) of M/s. Alok Khairwar & Associates, Practising Company Secretaries have been appointed as the Scrutinizer to scrutinize the remote e-Voting process (including e-Voting at the meeting) in a fair and transparent manner.
17. During the 32nd AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 32nd AGM, formally propose to the Members participating through VC/ OAVM Facility to vote on the resolutions as set out in the Notice of the 32nd AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 32nd AGM.
18. The Scrutinizer shall after the conclusion of e-Voting at the 32nd AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favor or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 32nd AGM, who shall then countersign and declare the result of the voting forthwith.
19. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.resonancesl.com and on the website of CDSL at www.evotingindia.com immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited (BSE).
20. Pursuant to the circulars issued by MCA and SEBI, in view of the prevailing pandemic situation and owing to the difficulties involved in dispatching of physical copies of the Notice of the 32nd AGM and the Annual Report for the financial year 2020-21 including therein, inter-alia, the Audited Financial Statements for the financial year ended March 31, 2021, the same are being

sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s and who wish to receive the Notice of the 32nd AGM and the Annual Report for the year 2020-21 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

- a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, name, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address: investors@resonancesl.com.
 - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
21. The Notice of the 32nd AGM and the Annual Report for the financial year 2020-21 including therein, inter- alia, the Audited Financial Statements for the financial year ended March 31, 2021, will be available on the website of the Company at www.resonancesl.com and the website of BSE Limited at www.bseindia.com. The Notice of 32nd AGM will also be available on the website of CDSL at www.evotingindia.com.
 22. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 21, 2021 to Thursday, August 26, 2021 (both days inclusive) for the purpose of the Annual General Meeting / dividend entitlement.
 23. Members are requested to:
 - (a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date;
 - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
 - (c) encash the dividend warrants on their receipt as dividend amounts remaining unclaimed for seven years are required to be transferred to the 'Investor Education and Protection Fund' established by the Central Government under the provisions of the Companies Act, 2013. Pursuant to Section 124(5) of the Companies Act, 2013, all unclaimed dividend declared and paid up to dividend for the financial year 2013-14 shall be transferred by the Company to the Investor Education and Protection Fund. Members who have not encashed their dividend warrants for subsequent period are requested to encash the same immediately.
 - (d) Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company shall transfer all shares in respect of which dividend has not been encashed by the shareholders for seven consecutive years or more to the Investor Education and Protection Fund (IEPF) Authorities. The Company has given a Notice to the Shareholders to claim such unpaid dividends which are due to transfer in the FY 2021-22 so that and the The shareholders who wish to claim the said dividend/shares thereafter shall claim it from the IEPF by filing e-form No. IEPF-5 as prescribed under the said Rules available on iepf.gov.in along with requisite fee as decided by the Authority from time to time. The Member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules and amendments thereto.
 - (e) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Adroit Corporate Services India Pvt. Ltd. (Adroit Corporate Services) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Adroit Corporate Services.
 - (f) The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Adroit Corporate Services India Pvt. Ltd.
4. During Fiscal 2019, the Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialized form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer.
 5. The information required to be provided regarding the directors seeking re-appointment is furnished in the Report on Corporate Governance annexed herewith.
 6. Since the AGM will be held through VC/OAVM Facility, the Route Map of the AGM venue, proxy form and attendance slip is not annexed in this Notice.

By Order of the Board
For **Resonance Specialties Limited**

Registered Office:
54-D, Kandivli Industrial Estate
Kandivli (West), Mumbai – 400 067
Tel: 022 – 6210 6053
E-mail: investors@resonancesl.com
Website: www.resonancesl.com
CIN: L25209MH1989PLC051993
Mumbai, June 3, 2021

Minal Bhosale
Company Secretary
ACS 43010

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

Item No. 5

The Board of Directors on the recommendation of the Audit Committee have appointed M/s Poddar & Co., Cost Accountants (Firm Registration No. 101734) as the Cost Auditors of the Company for the financial year 2021-22. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 11.00 a.m. and 1.00 p.m. on all working days, excluding Saturday.

As per Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. The Board has decided the remuneration payable to M/s Poddar & Co., as Cost Auditors as mentioned in the resolution on the recommendation of the Audit Committee.

Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution set out at Item No. 5.

The Board of Directors accordingly recommend the resolution set out at Item No. 5 of the accompanying Notice for the approval of the members.

Item No. 6

The Companies Act, 2013, under Section 188, inter-alia, provides that no contract or arrangement or transactions for sale, purchase or supply of any goods or materials exceeding ten per cent of the turnover of the Company or ₹ 100 crores whichever is lower or availing/rendering of any services exceeding ten per cent of the turnover of the Company or ₹ 50 crores whichever is lower shall be entered into by the Company except with the prior approval of the shareholders by a resolution.

It is proposed to enter into / continue to enter into contracts/transactions for purchase/supply of materials, goods or providing of loan license / contract manufacturing materials, conversion services in the ordinary course of Company's business with Vista Organics Private Limited, a related party under the Companies Act, 2013 and SEBI (LODR) Regulations.

The aggregate value of all such contracts/transactions for purchase or supply of materials, goods or rendering or availing of services be is likely to exceed the limits under Section 188 of the Act read with Rules made thereunder. Therefore, the transactions of the Company with Vista Organics Private Limited (CIN U24100MP1990PTC005721) would be material transaction in terms of Companies Act and SEBI (LODR) Regulations. It is, therefore, proposed to obtain approval of the members to enter into such transactions with Vista Organics Private Limited under Section 188 of the Companies Act, 2013 and Regulation 23 (4) of the said SEBI (LODR) Regulations by way of an Ordinary Resolution.

The particulars of the contracts/transactions, pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

- 1 Name of the related party: Vista Organics Private Limited
- 2 Name of the director or Key managerial Person who is related: Mr. Prashant Godha, Director
- 3 Nature of relationship: Companies under the same promoter group.
- 4 Monetary value: Estimated aggregate contract value for the matters proposed in the resolution will not exceed ₹ 50 Crores in any financial year.
- 5 Nature, material terms and particulars of arrangement:
 - i. Purchase/ sale of materials, capital goods, plant & machineries, packing materials, contract manufacturing services, loan license manufacturing services, material conversion services etc. at a market determined price that would be generally be agreed by the trade / industry for similar nature of transaction.
 - ii. Availing of/rendering of services at a price that would be generally charged in the trade / industry for that particular type of service.
 - iii. Provision of common services at proportionate cost.
- 6 Period of contract: Continuous transactions on an ongoing basis.
- 7 The aggregate value of such contracts/ transactions with Vista Organics Private Limited should not exceed ₹ 50 crores in any financial year.

The memorandum of terms and conditions of the transactions to be entered/entered into with Vista Organics is available for inspection on all working days (between 11.00 am to 1.00 pm) at the Registered Office of the Company except on Saturday.

All entities falling under the definition of related parties shall abstain from voting on this resolution irrespective of whether the entity is a party to the particular transaction or not.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Prashant Godha, Director and his relatives are concerned or interested, financially or otherwise, in this resolution set out at Item No. 6.

The Board of Directors recommend the passing of ordinary resolution set forth in the Notice for the approval of the members.

Item No. 7

Section 180 (1) (a) and (c) of the Companies Act, 2013 requires the Board of Directors of the Company to obtain members' approval to mortgage and / or create charge on the movable and immovable property (ies) and undertaking(s) of the Company and to borrow monies in excess of the aggregate of the paid-up share capital and its free reserves, that is to say reserves not set apart for any specific purpose (excluding temporary loans obtained from the Company's bankers in the ordinary course of business). In view of the increase in the proposed capital expenditure plans and also to meet the future long term working capital requirements, the Board considers it necessary to increase the borrowing powers to ₹ 50 crores (Rupees Fifty Crores)

and authorise the Board to mortgage and/or create charge on the movable and immovable properties and undertakings of the Company.

The Board of Directors recommend the resolution as set out in item 7 of the accompanying notice for the consideration and approval of the members. None of the directors and key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this item of business.

Item No. 8

The Company had received a letter from the following persons falling under the category of promoters/promoter Group shareholders of the Company requesting to be reclassified from the Category of "Promoters/Promoter Group Shareholders" to "Public Category Shareholders":

Sr. No.	Name of the Shareholders	No. of Shares held	Percentage holding (%)
1.	Atma Bandhu Gupta	1	0.00
2.	Usha Gupta	1	0.00
3.	Vista Finance & Leasing Pvt. Ltd.	5,17,852	4.49
4.	Ushma Investments Pvt. Ltd.	2,55,639	2.21
5.	Avignon Chemicals Pvt. Ltd.	92,732	0.80
6.	Alok Gupta	41,800	0.36
7.	Anoop Atma Gupta	23,200	0.20
	Total	9,31,225	8.06

The aforesaid Promoters / promoter group shareholders are currently holding in aggregate shareholding which constitutes 8.06% of the total paid up share capital of the Company. The aforesaid promoters / promoter group shareholders do not exercise any control over the Company and are not engaged in the management of the Company. The aforesaid shareholders neither have representation on the Board of Directors of the Company nor does any of them hold any Key Management position in the Company.

They have also informed to the Company in their letter, that they are eligible to be classified as public category shareholders from Promoter/Promoters group category shareholders and shall also comply with all the conditions mentioned under Regulations 31A of SEBI (LODR) Regulations, 2015.

Pursuant to a Share Purchase / Share Sale Agreement dated September 29, 2020, they had sold in aggregate 62,62,000 equity shares of the Company to M/s. Makers Laboratories Ltd (CIN L24230MH1984PLC033389) and M/s. Kaygee Investments Private Limited (CIN U67120MH1981PTC024266), which companies after completion of Open offer to the Public Shareholders of the Company under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, have since become the Promoter Shareholders of the Company. Further, none of the aforesaid shareholders whose shareholding is being reclassified have got any Special Rights as to

voting power or control of the Company. They also do not have any Special Information Rights. Therefore, the aforesaid persons have requested the Company to reclassify them from "Promoter Category Shareholders" to "Public Category" Shareholders of the Company.

Based on the request letter received from them, the matter was discussed by the Board of Directors at their meeting held on June 3, 2021 and the Board decided to get the above promoters / promoter group shareholders reclassified from the "Promoter Category" to "Public Category" with the approval of stock exchanges under Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Including any amendments made thereto).

In the letter of offer dated November 17, 2020 made to the Public Shareholders of the company, under the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, M/s. Makers Laboratories Limited and M/s. Kaygee Investments Private Limited have mentioned the following:

"Post completion of all the open offer formalities, the Sellers and the existing members of the promoter group will be reclassified as non-promoters in due compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other regulatory requirements as applicable."

Though, the recent amendment to Regulation 31A of SEBI (LODR) Regulations exempts the necessity of obtaining the approval of Shareholders for reclassification of Promoters /Promoter Group Shareholders as Public Category Shareholders, if in the Open Offer documents to the Public Shareholders of the Company, it was mentioned that the existing Promoter/Promoter group Shareholders will be reclassified as Public category shareholders, as a matter of abundant caution the approval of the shareholders is sought for this resolution.

None of the Directors, Key Managerial persons of the Company and their relatives is/are concerned or interested in the resolution. The Board therefore recommends the Resolution at Item no. 8 for approval of the members as an Ordinary Resolution.

By Order of the Board
For **Resonance Specialties Limited**

Registered Office:
54-D, Kandivli Industrial Estate
Kandivli (West), Mumbai – 400 067
Tel: 022 – 6210 6053
E-mail: investors@resonancesl.com
Website: www.resonancesl.com
CIN: L25209MH1989PLC051993
Mumbai, June 3, 2021

Minal Bhosale
Company Secretary
ACS 43010

DIRECTORS' REPORT

To,
The Members,
Resonance Specialties Limited

Your Directors have great pleasure in presenting 32nd Annual Report and Financial Statements for the financial year ended March 31, 2021.

FINANCIAL RESULTS/PERFORMANCE:

The financial performance of the Company for the financial year ended March 31, 2021 is summarized below:

Particulars	For the year ended 31.03.2021 (₹ in Lacs)	For the year ended 31.03.2020 (₹ in Lacs)
Total Income	7187.29	5803.14
Profit Before Finance Cost, Depreciation, Exceptional items and Taxation	1584.00	965.45
Less: Finance cost	29.04	35.43
Depreciation	98.48	91.72
Exceptional items	0	146.20
Profit Before Tax	1456.48	692.10
Taxes including deferred tax	404.07	141.33
Net Profit/(Loss) after tax	1052.41	550.77

TRANSFER TO RESERVES

The Company does not propose to transfer any amount to the general reserves out of the profits available for appropriation.

FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

CREDIT RATING

CRISIL Ratings has assigned the following ratings to the Company's total bank Loan facilities of ₹ 12 Crores:

Long term Rating

- CRISIL BB+/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)

Short term Rating

- CRISIL A4+ (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)

COVID –19 PANDEMIC

For the whole of the financial year 2020-21, the coronavirus disease persisted as a global pandemic resulting in several countries declaring

lockdowns forcing citizens to stay indoors and disruption of economic activities globally.

Being manufacturers and marketers of Active Pharmaceutical Ingredient and other pyridine derivatives, hence provider of essential services and exempted from lockdown, the manufacturing and marketing activities of your Company continued with initial challenges such as disruption in logistics and supply chain, manpower availability, etc.

Your Company is continuously monitoring the situation closely and has taken/continue to take all the measures to comply with the guidelines issued by the local authorities, from time to time, to ensure the safety of its workforce at manufacturing plants and offices.

However, the extent to which the Covid-19 pandemic may impact the Company and its operations and financials will depend on the future developments in this regard which as on date is uncertain.

MANAGEMENT DISCUSSION AND ANALYSIS**Financial Performance and Operations Review**

Sales and other income for the financial year under report amounted to ₹ 7187.29 lacs as compared with ₹ 5803.14 lacs for the previous year, a growth of 23.85%.

The operations of the Company have resulted in a net profit of ₹1052.41 lacs as compared to a net profit of ₹ 550.77 lacs in the previous financial year, growth of 91.08%.

INTRODUCTION

The global pyridine and pyridine derivatives market is growing at a significant pace owing to driving factors such as increasing demand from the pharmaceutical industry. Additionally, increasing demand for chemicals like symtet, chlorphyrifos, etc. from the agrochemical industry is also likely to drive the demand for pyridine and pyridine derivatives in the coming years. Likewise, high use of beta picoline in agrochemical industries may provide a lucrative opportunity for the market players.

However, high regulation by governments on use of other agrochemicals related to pyridine derivatives and restrictions by China and some European countries on use of paraquat may impact the growth of pyridine and pyridine derivatives market.

The Company enjoys a special pride and privilege in manufacturing and marketing of specialty chemicals based on Pyridine chemistry such as Lutidine, Cyano Pyridines, Picoline, Collidines, nutritional product, feed supplements, APIs, vitamins, etc. Few of Company's advantages in this business are quality of products, dependable supply and competitive cost.

BUSINESS STRATEGY

The Company's business module is export oriented, although the Company has many local valued customers. Our core business strategy is our positioning as an integrated Product Development Company. Resonance has proven capabilities in integrated product development. The Company has successfully researched test batches at the laboratory, at pilot plant and finally at commercial scales at its manufacturing facility. Our knowledge of organic chemistry and our

expertise in catalysis are key strengths that have stood by us through time. We have achieved successful results from R&D in our Plant processes in terms of better yields and resulting cost reduction.

The Company has a strong and established business relationship with its clients across Pharmaceuticals, Agrochemicals and Specialty Ingredients industries. The Company's manufacturing facility continue to adhere to cGMP and is ISO 9000:2015 certified. The Company's products are also Kosher, Halal and FSSC certified.

MANUFACTURING

The Company has achieved higher yields than in the past in many key products which played a crucial role in contributing to the Company's business growth during the year. The Company has successfully reduced time cycles of larger columns by in-house methods and capabilities in many key products. Upgradation of the Amoxidation unit has also benefited the company largely and has enabled the Company to commission the reaction at improved conversion.

Your Company's manufacturing facility has taken a huge EHS improvement drive during the financial year under report and has successfully become a zero liquid discharging unit.

During the year, following key capacity/capability enhancement projects were undertaken:

- a. Scrubber addition to improve efficiencies
- b. DG Capacity enhancement
- c. Finished Goods Godown Extension
- d. Power savings by Motor optimization
- e. Ammonia Recovery Project

RESEARCH & DEVELOPMENT

The Company takes pride in innovation and excellence covering the different plant processes for reaction and distillation. The Company's in-house R&D Center is continuously working in the field of catalysis for fluidized bed and fixed bed catalytic reactions.

The Company's R&D Center at Tarapur is recognized by Department of Scientific and Industrial Research, Government of India. The Company is undertaking major projects to develop alternate and efficient process for making pyridine based products. The R & D center is having collaboration with emeritus scientists from reputed research laboratories in India.

Key Financial Ratios

	Financial Ratios	March 31, 2021	March 31, 2020
1.	Debtors Turnover Ratio	7.46	9.15
2.	Inventory Turnover Ratio	4.24	4.19
3.	Interest Coverage Ratio	51.15	24.66
4.	Current Ratio	3.13	2.78
5.	Debt Equity Ratio	0.01	0
6.	Operating Profit Margin (%)	20.67%	15.06%
7.	Net Profit Margin (%)	14.64%	9.49%
8.	Return on Net Worth (%)	30.25%	18.21%

The improvised business and profitability has resultant in improvement in the several key financial ratios.

2. Opportunities, Threats, Risk and Concerns

Demand for specialty chemicals is growing rapidly worldwide. The Company is making all the efforts to develop new applications for its products and is also confident of substantially expanding the market for its products in future.

During the year the Company experienced large fluctuations in foreign exchange rates and import prices. Some of the raw materials which your Company uses were also in short supply due to pandemic and environmental regulations being tightened on Pyridine residues. Our capability and inbuilt flexibility in the plant operations helped us in facing this adverse market situation during the year.

Currency fluctuations, regulatory and environmental issues, inflation and all round increase in input costs are a few causes of concern.

3. Human Resource Management

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

We continually empower our team members to better themselves and offer clear career paths for advancement. The Company takes extreme pride in its greatest resource and asset - the employees. Our constant endeavors have been towards encouraging a culture of employee recognition and motivation and we are able to achieve this through well designed policies and processes like rewards and recognition and other various employee benefit schemes. We ensure that there is full adherence to the code of business conduct and fair business practices by all our employees.

All safety and protective apparels are provided to the employees working in our manufacturing set-up. Regular safety training is also provided to all employees. External professional experts were hired to work with managers to create easy-to understand safety procedures, protocols and training.

4. Internal Control Systems And Risk Management Strategy

The Company has an adequate internal control system including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit Committee of the Board.

5. Cautionary Statement

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 for Company products, changes in the Government regulations, tax laws, other statutes and incidental factors.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which financial statements in this report relate and the date of this report.

SHARE CAPITAL

The paid-up equity share capital of the Company as at March 31, 2021 is ₹ 1154.40 lacs. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

During the year under report, M/s. Makers Laboratories Ltd., acting in concert with M/s. Kaygee Investments Private Ltd. (acquirers), acquired in aggregate 62,62,000 equity shares of ₹ 10/- each representing 54.24% of the equity capital of the Company from companies belonging to Dr. Atma Bandhu Gupta and his family members, promoters of the Company.

Pursuant to this acquisition, the acquirers made an open offer to the public shareholders of the Company to acquire from them 30,01,440 equity shares of ₹ 10/- each @ ₹ 55.50 per equity shares under the provisions of SEBI (SAST) Regulations.

Upon completion of this open offer process, the acquirers have become the promoters of the Company and are now holding 62,62,201 equity shares of ₹ 10/- each representing 54.25 % of the equity capital of the Company.

In the Open offer document to the public shareholders, it was mentioned that the promoter shareholders belonging to Dr. Atma Bandhu Gupta family shall be reclassified as the non-promoter shareholders of the Company, in compliance with the provisions of SEBI (LODR) Regulations, 2015 as amended from time to time and subject to other regulatory requirements, as applicable.

Dr. Atma Bandhu Gutpa group of shareholders are currently holding 8.06% of the equity share capital of the Company and have given an application to the Company for categorizing them as non-promoter Shareholders.

The said application was favorably considered by the Company's Board of Directors at their Meeting held on June 3, 2021 and the Company is currently in the process of making necessary application to BSE Ltd. seeking approval for re-classification of said Promoter group shareholders as non-promoter Shareholders after seeking the consent of the shareholders in the ensuing AGM.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company has no subsidiary or joint venture companies. During the financial year under report, no company has become / ceased to be subsidiary or Joint Venture Company.

RESEARCH & DEVELOPMENT EXPENSES

During the year under report, the Company has spent an amount of ₹ 14.14 lacs as R&D expenditure (0.2% of the turnover) as against ₹ 107.56 lacs spent in the previous financial year (1.2% of the turnover).

DIVIDEND

Your Directors are pleased to recommend an equity dividend of ₹ 1/- per share (10%) for the financial year under report. The dividend amounting to ₹ 115.44 lacs, if approved at the ensuing Annual General Meeting will be appropriated out of the profits of the year and will be paid on or before September 20, 2021.

INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

The unpaid dividend amount for the year 2013-14 is due for transfer to Investors Educations. Protection Fund (IEPF) on August 26, 2021.

The Company shall transfer to IEPF all the unpaid dividend amount required to be so transferred on or before the due date for such transfer. The Company shall also transfer to IEPF, such of the Company's equity shares in respect of which the dividend declared has not been paid or claimed for seven consecutive years.

The details of the unpaid / unclaimed dividend for the last seven financial years are available on the website of the Company (<https://www.resonancesl.com/reports/2021/Data%20for%20transfer%20to%20IEPF.pdf>).

The Company has appointed the Company Secretary as its nodal officer under the provisions of IEPF.

DIRECTORS

Mr. Ashish Katariya, Wholetime Director retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Mrs. Archana Yadav (DIN 07335198) was re-appointed as the Independent Director of the Company for the second consecutive term of 5 years with effect from February 8, 2021 and the necessary resolution in this regard has been passed through the Postal Ballot dated March 10, 2021.

Mr. Prashant Godha (DIN 00012759) was appointed as an Additional Director by the Board of Directors at their meeting held on November 10, 2020. The shareholders have approved the appointment of Mr. Prashant Godha as Non-Executive / Non-Independent Director through the Postal Ballot dated March 10, 2021.

Mr. Raj Kamal Prasad Verma (DIN 02166789) was appointed as an Additional Director / Independent Director by the Board of Directors at their meeting held on November 10, 2020. The shareholders have approved the appointment of Mr. Raj Kamal Prasad Verma as Director / Independent Director for a period of 5 years w.e.f November 10, 2020 through the Postal Ballot dated March 10, 2021.

During the year, Dr. Yaqoob Ali resigned as an Independent Director w.e.f. June 18, 2020 due to personal and unavoidable circumstances. Similarly Dr. Atma Bandhu Gupta, Managing Director and Mr. Bishwanath Prasad Agrawal, Non- Executive Director resigned as Directors from the Company due to their pre-occupation and other personal reasons w.e.f. December 21, 2020. The independent director

has confirmed that there was no other material reason other than those provided in the resignation letter. The Board places on record its appreciation for the services rendered by them during their tenure as Directors of the Company.

Mr. Ajay Patadia was appointed as Independent Director on June 27, 2020 while Mr. Dwarika Agrawal was appointed as Executive Director on July 21, 2020, Appointment of both these Directors were approved by the shareholders in the AGM held on September 15, 2020

Mrs. Archana Yadav, Mr. Raj Kamal Prasad Verma and Mr. Ajay Patadia who are independent directors have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations and there has been no change in the circumstances which may affect their status as independent directors during the year.

None of the directors of the Company are debarred from holding the office of Director by virtue of any SEBI order or order by any other competent authority.

In the opinion of the Board, the independent directors possess appropriate balance of skills, experience and knowledge, as required. A brief note on Director retiring by rotation and eligible for re-appointment is furnished in the Report on Corporate Governance, annexed herewith.

KEY MANAGERIAL PERSONNEL (KMP)

During the financial year under report, the following persons were the Key Managerial Personnel of the Company.

Dr. Atma Bandhu Gupta	- Managing Director (resigned w.e.f. December 21, 2020)
Mr. Ashish Katariya	- Wholetime Director / CEO (appointed as CEO w.e.f. December 21, 2020)
Mr. Dwarika Agrawal	- Wholetime Director / CFO (appointed as Director w.e.f. July 21, 2020)
Mrs. Arti Lalwani	- Company Secretary (resigned w.e.f. September 14, 2020)
Mrs. Minal Bhosale	- Company Secretary (appointed w.e.f. September 15, 2020)

POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS

The Nomination and Remuneration Committee has laid down the criteria for Directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of a Director. The following attributes/criteria for selection have been laid by the Board on the recommendation of the Committee:

- the candidate should possess the positive attributes such as leadership, entrepreneurship, industrialist, business advisor or such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company;
- the candidate should be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
- the candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and SEBI (LODR)

Regulations, 2015 in case of appointment as an independent director; and

- the candidate should possess appropriate educational qualification, skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, medical, social service, professional teaching or such other areas or disciplines which are relevant for the Company's business.

BOARD EVALUATION

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of independent directors, Board of Directors and Committees of the Board. The criteria for performance evaluation is based on the various parameters like attendance and participation at meetings of the Board and Committees thereof, contribution to strategic decision making, review of risk assessment and risk mitigation, review of financial statements, business performance and contribution to the enhancement of brand image of the Company.

The Board has carried out evaluation of its own performance as well as that of the Committees of the Board and all the Directors.

PROFICIENCY OF DIRECTORS

All the Independent Directors of the Company have registered their names in the database maintained by Indian Institute of Corporate Affairs, Manesar, Haryana. Those of the Independent Directors who are not otherwise exempted shall appear for the common proficiency test conducted by the said institute within the prescribed time.

REMUNERATION POLICY

The objective and broad framework of the Company's Remuneration Policy is to consider and determine the remuneration, based on the fundamental principles of payment for performance, potential and growth. The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance and emphasising on line expertise and market competitiveness so as to attract the talent. The Nomination and Remuneration Committee recommends the remuneration of Directors and Key Managerial Personnel, which is approved by the Board of Directors, subject to the approval of shareholders, where necessary. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the directors, key managerial personnel and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration to directors, key managerial personnel and senior management personnel should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The Remuneration Policy is placed on the Company's website at (<https://www.resonancesl.com/reports/2017/REMUNERATION%20POLICY%20OF%20DIRECTORS.pdf>).

Information about elements of remuneration package of individual directors is provided in the Annual Return as provided under Section 92(3) of the Companies Act, 2013 which is placed on the website of the Company.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Details of the familiarisation program of independent directors are disclosed on the website of the Company (https://www.resonancesl.com/reports/2021/7.%20Familiarisation%20Programme_2020-21.pdf).

MEETINGS OF THE BOARD AND COMMITTEES THEREOF

This information has been furnished under Report on Corporate Governance, which is annexed.

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.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm that:

- (a) In the preparation of the annual accounts for the Financial Year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2021 and of its profit for the year ended on that date;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts for the Financial Year ended on March 31, 2021 on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by your 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; and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

As per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with the requirements of Corporate Governance in all material aspects.

A report on Corporate Governance (Annexure 1) together with a certificate of its compliance from the Practising Company Secretary, forms part of this report.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public during the year under review and as such no amount of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

AUDIT COMMITTEE

Details of the Audit Committee along with its constitution and other details are provided in the Report on Corporate Governance.

AUDITORS, AUDIT REPORT AND AUDITED ACCOUNTS

V. R. Bhabhra & Co., Chartered Accountants (Firm Registration No. 112861W) were appointed as the Statutory Auditors at the 28th Annual General Meeting (AGM) of the Company for a term of 4 (Four) years i.e. till the conclusion of 32nd AGM and therefore retire as Auditors at the ensuing Annual General Meeting. Pursuant to the provisions of Section 139 of the Companies Act, 2013, they are not eligible for re-appointment.

The Board of Directors at their meeting held on June 3, 2021 have appointed M/s. Kailash Chand Jain and Co., Chartered Accountants (Firm Registration No. 112318W) as the Statutory Auditors of the Company from the conclusion of the ensuing 32nd Annual General Meeting and till the conclusion of the 37th Annual General Meeting subject to the approval of the shareholders.

The Auditors' Report for the financial year ended March 31, 2021 read with the notes to the accounts referred to therein are self-explanatory and therefore, do not call for any further comments. There are no qualifications, reservations or adverse remarks made by the Auditors.

COST AUDIT

Pursuant to the provisions of Section 148 of the Companies Act, 2013, M/s. Poddar & Associates, Cost Accountants (Firm Registration. No. 001819) were appointed as the Cost Auditors to conduct audit of cost records of the Company for the financial year 2020-21.

The Company has maintained the cost accounts and cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Alok Khairwar & Associates, Practising Company Secretaries were appointed as the Secretarial Auditors for auditing the secretarial records of the Company for the financial year 2020-21.

The Secretarial Auditors' Report is annexed hereto. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company is committed to good corporate citizenship. As a part of its corporate social responsibility, the Company continues to undertake a range of activities including healthcare and education to improve

living conditions of the needy people. The CSR policy of the Company is placed on the website of the Company (<https://www.resonancesl.com/reports/2020/CSR%20Policy.pdf>).

During the year under report, the Company has supported healthcare and educational projects undertaken by a charitable institution.

In accordance with the provisions of Section 135 of the Companies Act, 2013, an abstract on Company's CSR activities is furnished as Annexure 2 to this report.

SAFETY, ENVIRONMENT AND HEALTH

The Company considers safety, environment and health as the management responsibility. Regular employee training programmes are carried out in the manufacturing facility on safety and environment.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

The Company has not given any loans or guarantees or made investments in contravention of the provisions of the Section 186 of the Companies Act, 2013. The details of the loans and guarantees given and investments made by the Company are provided in the notes to the financial statements.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of Company's business.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company (http://www.resonancesl.com/pdf/Corporate_Policy/Related_Party_Transactions.pdf).

All the related party transactions are placed before the Audit Committee as well as the Board for approval on a quarterly basis. Omnibus approval was also obtained from the Audit Committee on an annual basis for repetitive transactions. Approval of the shareholders is also obtained, wherever necessary, in this regard.

Related party transactions are disclosed in the notes to the financial statements. Prescribed Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is furnished as Annexure 3 to this report.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration and other details as set out in the said rules are provided as an Annexure 4 in this annual report. The Company had no employee drawing remuneration in excess of the amount as mentioned under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The necessary information in respect of top 10 employees of the Company in terms of remuneration drawn is furnished in Annexure.

However, having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information under Explanation (2) to the above Rule is being

sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours excluding Saturdays and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is available on the Company's website www.resonancesl.com.

CODE OF CONDUCT

The Board has laid down a code of conduct for Board members and senior management personnel of the Company. The code also incorporates the duties of independent directors as laid down in the Companies Act, 2013. The said code of conduct is posted on Company's website at (<https://www.resonancesl.com/reports/2017/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20Management%20of%20Resonance%20Specialties%20Limited.pdf>). The Board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration signed by the Wholtime Director / CEO is given at the end of this Report.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

There is a Whistle Blower Policy in the Company and no personnel has been denied access to the Chairman of the Audit Committee. The policy provides for adequate safeguards against victimization of persons who use vigil mechanism. The Whistle Blowing Policy is posted on the website of the Company at (https://www.resonancesl.com/reports/investor/reso_vigil%20mechanism%20policy.pdf).

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Prevention of Insider Trading based on the SEBI (Prohibition of Insider Trading) Regulations, 2015. The same has been placed on the website of the Company at (<https://www.resonancesl.com/reports/2019/Code%20of%20Conduct%20on%20Insider%20Trading%20Policy.pdf>).

All the Directors, senior management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. During the year under Report, there has been due compliance with the said code of conduct for prevention of insider trading.

CONSTITUTION OF COMMITTEE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year, no complaint has been received.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant or material orders passed by any regulator, tribunal or court that would impact the going concern status of the Company and its future operations.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the requirements of Section 134 of the Companies Act, 2013, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is furnished as Annexure 5 to this report.

ANNUAL RETURN

In accordance with the requirements of Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an Annual Return in Form MGT-7 is placed on the website of the Company at weblink (https://www.resonancesl.com/reports/2021/Annual%20Return_20-21.pdf).

SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the continued co-operation and support extended to the Company by the bankers. Your Directors also thank the trade and consumers for their patronage of the Company's products. Your Directors also place on record their profound admiration and sincere appreciation of the continued hard work put in by employees at all levels.

For and on behalf of the Board

Archana Yadav
Chairman
DIN: 07335198

Mumbai
June 3, 2021

ANNEXURE 1**CORPORATE GOVERNANCE REPORT**

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

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company has over the years followed best practices of Corporate Governance. The Company is committed to the RSL Code of Conduct which articulates values and ideals that guide and govern the conduct of the Company as well as its employees in all matters relating to business. The Company's overall governance framework, systems and processes reflect and support our Mission, Vision and Values.

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has a strong legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long-term corporate goals and enhancing stakeholders' value. In this pursuit, the Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders.

- b. Details of attendance of each director at the meeting of the board of directors held during the financial year and the last annual general meeting is as under:

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM (15.09.2020)	No. of Equity shares held in the Company*
		Held	attended		
Mrs. Archana Yadav DIN 07335198	Chairman, Non-Executive, Independent Director	5	5	Yes	0
Mr. Ajay Patadia DIN 00298226 (appointed w.e.f. June 27, 2020)	Non-Executive, Independent Director	5	5	Yes	0
Mr. Raj Kamal Prasad Verma DIN 02166789 (appointed w.e.f. November 10, 2020)	Non-Executive, Independent Director	5	3	N. A.	0

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM (15.09.2020)	No. of Equity shares held in the Company*
		Held	attended		
Mr. Prashant Godha DIN 00012759 (appointed w.e.f. November 10, 2020)	Non-Executive - Non Independent Director	5	3	N.A.	0
Mr. Ashish Katariya DIN 08601262	Executive/ Whole-time Director / CEO	5	5	Yes	20
Mr. Dwarika Agrawal DIN 07194113 (appointed w.e.f. July 21, 2020)	Executive/ Whole-time Director /CFO	5	5	Yes	36
Dr. Atma Bandhu Gupta DIN 00025255 (resigned w.e.f. December 21, 2020)	Managing Director/ Promoter	5	4	Yes	1
Mr. Bishwanath Prasad Agrawal DIN 02724594 (resigned w.e.f. December 21, 2020)	Non-Executive, Non Independent Director	5	4	Yes	0
Dr. Yaqoob Ali DIN 07655705 (resigned w.e.f. June 18, 2020)	Non-Executive, Independent Director	5	0	N.A.	0

* The above shareholding as at March 31, 2021 is in respect of shares which are held by Directors as a first holder and in which shares they have beneficial interest.

c. Number of other companies or committees in which the Director is Member or Chairperson

Name of the Director	No. of other companies in which Director (including private companies)	No. of committees in which Member (other than Resonance)	No. of committees of which he/she is Chairman (other than Resonance)
Mrs. Archana Yadav	3	0	2
Mr. Ajay Patadia	3	0	0
Mr. Raj Kamal Prasad Verma	3	1	1
Mr. Prashant Godha	10	1	0
Mr. Ashish Katariya	0	0	0
Mr. Dwarika Agrawal	0	0	0
Dr. Atma Bandhu Gupta (up to December 21, 2020)	3	0	0
Mr. Bishwanath Prasad Agrawal (up to December 21, 2020)	0	0	0
Dr. Yaqoob Ali (up to June 18, 2020)	0	0	0

Note: Membership /chairmanship of only Audit Committee and Stakeholder Relationship is considered.

Mrs. Archana Yadav was re-appointed as the Independent Director of the Company for second consecutive term of 5 years w.e.f. February 8, 2021 through Postal Ballot. She is also an Independent Director on the Board of Directors of V2 Retail Limited and J. Kumar Infraprojects Limited, both listed entities. She is also a member of the Audit Committee in both these entities.

Mr. Raj Kamal Prasad Verma is an Independent Director on the Board of Directors of M/s. Krebs Biochemicals and Industries Limited. He is also Independent Director and Chairman of the Board of Directors of Makers Laboratories Limited, both listed entities. He is also a member of the Audit Committee and Chairman of Stakeholders Relationship Committee of Makers Laboratories Limited.

Mr. Prashant Godha is an Executive Director on the Board of Directors of Ipca Laboratories Limited, a listed entity. He is also a Director on the Board of Directors of Makers Laboratories Limited, a listed entity. He is member of the Audit committee, Corporate Social Responsibility Committee and Risk Management Committee of Ipca Laboratories Limited.

None of the Directors of the Company are related to each other.

None of the other Directors of the Company are on the Board of Directors of any listed company. Every Director informs the Company about the Committee positions he or she occupies in the other listed entities and any changes in them as and when they take place, if any.

d. Number of meetings of Board of directors held during the year.

The Company held 5 (Five) board meeting during the Financial Year 2020-21. The gap between two meetings other than 1st meeting did not exceed 120 days. For first meeting held on July 21, 2020 the relaxation of 180 days was provided under MCA circular dated March 24, 2020. The dates on which the said meetings were held are as follows:

July 21, 2020	September 15, 2020	November 10, 2020
December 21, 2020	February 5, 2021	

The last Annual General Meeting of the Company was held on September 15, 2020.

e. Disclosure of relationship between directors inter-se

None of the Directors are related to each other.

f. Number of shares and convertible instruments held by Non-Executive Directors

The information about number of shares held by Non-Executive Directors in the Company is given in table above. None of the Directors hold any convertible instruments of the Company.

g. Web link where details of familiarisation programmes imparted to independent director is disclosed

The Company has conducted familiarisation programs for the Independent Directors with regards to their role, rights and responsibilities as Independent Directors. The Independent Directors are also regularly briefed on the nature of the Chemicals / pharmaceuticals industry and the Company's business model. The familiarisation programs have been uploaded on the website of the Company at (https://www.resonancesl.com/reports/2021/7.%20Familiarisation%20Programme_2020-21.pdf).

h. A chart or a matrix setting out the skills/expertise/competence of the board of directors

The Company considers that the following core skills / expertise / competence of the Board of Directors are required in the context of its business and its sector for it to function effectively: research & development, technical, manufacturing, marketing, commercial, regulatory, finance, legal and general management.

In the opinion of the Board, these skills / expertise / competence are actually available with its Board of Directors.

Skills / Expertise / Competence of the Board of Directors that are required in the context of business of the Company	Names of the Directors who have such skills / expertise / competence
Research & Development	Mr. Ashish Katariya
Technical	Mr. Ashish Katariya
Manufacturing & Marketing	Mr. Raj Kamal Prasad Verma Mr. Prashant Godha Mr. Ashish Katariya

Skills / Expertise / Competence of the Board of Directors that are required in the context of business of the Company	Names of the Directors who have such skills / expertise / competence
Commercial	Mrs. Archana Yadav Mr. Ajay Patadia Mr. Raj Kamal Prasad Verma Mr. Prashant Godha Mr. Ashish Katariya Mrs. Dwarika Agrawal
Regulatory	Mr. Ashish Katariya
Finance	Mrs. Archana Yadav Mr. Ajay Patadia Mr. Raj Kamal Prasad Verma Mr. Dwarika Agrawal Mr. Ashish Katariya Mr. Prashant Godha
Legal and General Management	Mrs. Archana Yadav Mr. Ajay Patadia Mr. Raj Kamal Prasad Verma Mr. Prashant Godha Mr. Ashish Katariya Mr. Dwarika Agrawal

It is confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

3. AUDIT COMMITTEE**a) Brief description of terms of reference**

The terms of reference to this Committee, inter-alia, covers all the matters specified under Section 177 of the Companies Act, 2013 and also all the matters listed under Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 such as oversight of the Company's financial reporting process; recommending the appointment/re-appointment, remuneration and terms of appointment of statutory auditors; review and monitor the Auditors independence and performance and effectiveness of audit process; approval of transactions with related parties; sanctioning of loans and investments; evaluation of internal financial control and risk management system; reviewing with the management annual financial statements and Auditors report thereon; quarterly financial statements and other matters as covered under role of Audit Committee in Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company as well as seek outside legal and professional advice.

The Audit committee reviews all the information that is required to be mandatorily reviewed by it under the corporate governance.

b) Composition, name of members and chairperson

The Audit Committee of the Company currently comprises of Mrs. Archana Yadav, Chairman of the Committee), Mr. Raj Kamal Prasad Verma and Mr. Ajay Patadia all being Independent

Directors with independent judgment in the deliberation and decisions of the Board as well as Audit Committee and Mr. Dwarika Agrawal, Director Finance / CFO. All members of the Audit Committee have knowledge on financial matters and ability to read and understand financial statements. The Chairman of the Audit Committee is a Practising Chartered Accountant. The Statutory Auditors, Internal Auditors and Cost Auditors are invitees to the meetings of the Audit Committee.

Mrs. Minal Bhosale, Company Secretary is the Secretary of this Committee.

Ramanand & Associates, Chartered Accountants are appointed as the Internal Auditors of the Company under the provisions of Section 138 of the Companies Act, 2013.

c) Audit Committee meetings and the attendance during the financial year 2020-21

There were 4 (Four) meetings of the Audit Committee during the Financial Year 2020-21. The gap between two meetings other than 1st meeting did not exceed 120 days. For 1st meeting held on July 21, 2020, the relaxation of 180 days was provided under MCA circular dated March 24, 2020. The dates on which the said meetings were held are as follows:

July 21, 2020	September 15, 2020
November 10, 2020	February 5, 2021

The attendance of each member of Audit Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mrs. Archana Yadav	4	4
Mr. Raj Kamal Prasad Verma (appointed as member w.e.f. November 18, 2020)	4	1
Mr. Ajay Patadia (appointed as member w.e.f. June 27, 2020)	4	4
Mr. Dwarika Agrawal (appointed as member w.e.f. December 21, 2020)	4	1
Mr. Bishwanath Prasad Agrawal (resigned as member w.e.f. December 21, 2020)	4	3

The previous annual general meeting of the Company was held on September 15, 2020 and was attended by Mrs. Archana Yadav, the Chairman of the Audit committee.

4. Nomination and Remuneration Committee

a) Brief description of terms of reference

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- 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 of directors their appointment, remuneration and removal; and
- whether to extend or continue the term of appointment of the independent directors on the basis of the report of performance evaluation of independent directors.

b) Composition, name of members and chairperson

The Company has a Nomination and Remuneration Committee of the Board which currently comprises of Mr. Raj Kamal Prasad Verma (Chairman of the Committee), Mrs. Archana Yadav and Mr. Ajay Patadia all being independent directors and Mr. Prashant Godha Non-Executive / Non-Independent Director to function in the manner and to deal with the matters specified in Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also to review the overall compensation structure and policies of the Company to attract, motivate and retain employees.

The Nomination and Remuneration Committee has adopted the following policies which are displayed on the website of the Company:

- Formulation of the criteria to recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel, senior management personnel and other employees (<https://www.resonancesl.com>).
- Formulation of criteria for evaluation of Independent Directors and the Board (https://www.resonancesl.com/reports/2021/6a.%20Criteria%20for%20selection_%20SM%20and%20KMP_RSL.pdf).
- Devising a policy on Board diversity (https://www.resonancesl.com/reports/2021/6c.%20Policy%20on%20Board%20Diversity_RSL.pdf).
- Oversee the familiarization programmes for directors (https://www.resonancesl.com/reports/2021/7.%20Familiarisation%20Programme_2020-21.pdf).
- 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 (https://www.resonancesl.com/reports/2021/6a.%20Criteria%20for%20selection_%20SM%20and%20KMP_RSL.pdf).

c) Meeting and attendance during the financial year 2020-21

There were 4 (Four) meetings of the Committee during the Financial Year 2020-21. The dates on which the said meetings were held are as follows:

July 21, 2020	September 15, 2020
November 10, 2020	February 5, 2021

The attendance of each member of the Nomination and Remuneration Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Raj Kamal Prasad Verma (appointed as Chairman/member w.e.f. November 18, 2020)	4	1
Mrs. Archana Yadav	4	4
Mr. Ajay Patadia (appointed as member w.e.f. June 27, 2020)	4	4
Mr. Prashant Godha (appointed as member w.e.f. December 21, 2020)	4	1
Mr. Bishwanath Prasad Agrawal (resigned as member w.e.f. December 21, 2020)	4	3

d) Performance evaluation criteria for Independent Directors.

Performance criteria for evaluation of Independent Directors and the Board is displayed on the Company's website at (<https://www.resonancesl.com/reports/investor/Reso-%20Terms%20&%20Conditions%20for%20APPOINTMENT%20OF%20Independent%20Director.pdf>).

5. Remuneration of Directors

a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report.

During the financial year under report, the non-executive Directors had no pecuniary relationship or transactions with the Company.

b) Criteria of making payments to non-executive directors

The non-executive Directors are paid only sitting fees and reimbursement of out of pocket expenses incurred for attending the meetings of the Board of Directors and Committees thereof. Details of payments made to Non-Executive Directors in the Financial Year 2020-21 are as under:

Name of the Director	Sitting fees Paid (₹)	Commission paid (₹)
Mrs. Archana Yadav	2,59,595	Nil
Mr. Raj Kamal Prasad Verma	92,027	Nil
Mr. Ajay Patadia	1,94,729	Nil
Mr. Prashant Godha	87,027	Nil
Mr. Bishwanath Prasad Agrawal (resigned w.e.f. December 21, 2020)	1,54,729	Nil

None of the Independent Directors have received any remuneration or commission from Company's holding or subsidiary companies except Mr. Raj Kamal Prasad Verma who is Director on the Board of Makers Laboratories Ltd. and has received sitting fees from them for attending Board and Committee Meetings.

c) Disclosures with respect to remuneration paid / payable to Wholetime Directors for the financial year 2020-21

i. The details of the remuneration paid/payable to Wholetime Directors for the Financial Year 2020-21 are given below:

Name of Directors	Salary* (₹)	Benefits/ Perquisites / Pension etc.* (₹)	Commission (performance linked) or Stock option	Total (₹)
Dr. Atma Bandhu Gupta (resigned w.e.f. December 21, 2020)	35,57,742	50,19,231 (paid as gratuity)	Nil	85,76,973
Mr. Ashish Katariya (Wholetime Director / CEO) (appointed as CEO w.e.f. December 21, 2020)	17,54,875	Nil	Nil	17,54,875
Mr. Dwarika Agrawal (Director Finance / CFO) (appointed as Director w.e.f. July 21, 2020)	13,56,405	Nil	Nil	13,56,405

* Fixed Component

ii. Details of fixed component and performance linked incentives, along with the performance criteria:

The required details are given in the table above.

iii. Service contracts, notice period, severance fees

The appointment of Whole-time Directors is contractual and is generally for a period of 5 years. The Company has entered into agreement with Mr. Ashish Katariya on November 9, 2019 which is valid up to November 8, 2024 and with Mr. Dwarika Agrawal on July 21, 2020 which is valid up to July 20, 2025. Either party is entitled to terminate the agreement by giving not less than 60 days' notice in writing to the other party. There is no separate provision for payment of severance fee in the agreements signed by the Company with them.

iv. Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable

The Company currently has no outstanding stock options or other convertible instruments.

6. Stakeholders Relationship Committee

a) Name of Non-Executive Director heading the committee

The Stakeholders Relationship Committee currently comprises of Mr. Raj Kamal Prasad Verma (Chairman of the Committee), Mrs. Archana Yadav and Mr. Ajay Patadia, all Independent Directors and Mr. Dwarika Agrawal, Wholetime Director/CFO. This Committee functions in the manner and deals with the matters specified in Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The committee monitors share transfers, transmissions and other shareholders related activities including redressal of investor grievances.

Meetings held and attendance during the financial year 2020-21 There were 3 (Three) meetings of this committee during the financial year 2020-21. The dates on which the said meetings were held are as follows:

July 21, 2020	September 15, 2020	November 10, 2020
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The attendance of each member of the Stakeholders Relationship Committee in the committee meetings is given below:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Raj Kamal Prasad Verma (appointed as Chairman w.e.f. December 21, 2020 while as a member w.e.f. November 18, 2020)	3	0
Mrs. Archana Yadav	3	3
Mr. Ajay Patadia (appointed as member w.e.f. June 27, 2020)	3	3

7. General Body Meetings:

a. Details of the location and time where the last three Annual General Meeting (AGM) and Extra- ordinary General Meeting (EGM) were held in the last three years along with special resolutions passed there at:

Financial Year	Day, Date & Time	Venue	Particulars of special resolution passed
2019-20 31 st AGM	Tuesday, September 15, 2020, 11.00 A.M.	Conducted via two-way Video Conferencing (VC) Facility	1. Approval for entering into Related Party Transactions by the Company.
2018-19 30 th AGM	Tuesday, September 28, 2019, 11.00 A.M.	Raheja Classique Club, Andheri (West), Mumbai -58	1. Continuation of Directorship of Mr. Bishwanath Prasad Agrawal as Non- Executive Director of the Company. 2. Approval for entering into Related Party Transactions by the Company.
2017-18 29 th AGM	Tuesday, August 14, 2018, 11.00 A.M.	Raheja Classique Club, Andheri (West), Mumbai -58	1. Re-appointment of Dr. Atma Bandhu Gupta (DIN: 00025255) as the Managing Director of the Company for a period of 3 (three) years. 2. Approval for entering into Related Party Transactions by the Company.

All the resolutions as set out in the respective notices calling the AGM were passed by the shareholders. There is no proposal to pass any special resolution through postal ballot at the ensuing Annual General Meeting.

b. Whether any special resolutions passed in the previous three annual general meetings.

The above table gives details of special resolutions passed in the previous three annual general meetings.

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Dwarika Agrawal (appointed as member w.e.f. December 21, 2020)	3	0
Mr. Bishwanath Prasad Agrawal (resigned as a member w.e.f. December 21, 2020)	3	3
Dr. Atma Bandhu Gupta (resigned as a member w.e.f. December 21, 2020)	3	3

Mr. Bishwanath Prasad Agrawal, the then Chairman of the Committee attended the last Annual General Meeting of the Company held on September 15, 2020.

b) Name and designation of Compliance officer.

Mrs. Minal Bhosale, Company Secretary is the Compliance Officer of the Company.

c) Number of shareholders' complaints received.

During the year, the Company received no complaint from the shareholders.

d) Number not solved to the satisfaction of shareholders.

The Company had no unattended request pending for transfer of its equity shares or any unattended complaints at the close of the financial year.

e) Number of pending complaints: Nil

c. Whether any special resolution passed last year through postal ballot.

Yes. Special resolution was passed in the last financial year using postal ballot for re-appointment of Mrs. Archana Yadav as Independent Director for the second consecutive term of 5 years and also for appointment of Mr. Raj Kamal Prasad Verma as Independent Director of the Company.

d. Person who conducted the postal ballot exercise.

Alok Khairwar & Associates Practising Company Secretaries were the scrutinizer to the postal ballot exercise.

e. Whether any special resolution is proposed to be conducted through postal ballot

No special resolution is currently proposed to be conducted through postal ballot.

f. Procedure for postal ballot

Not applicable since no resolution is currently proposed to be passed through postal ballot.

8. Means of communication:

a)	Quarterly / Annual Results	:	The results of the Company are submitted to the stock exchange where the shares of the Company is listed and published in the newspapers after the approval of the Board.
b)	Newspapers wherein results normally	:	The Financial Express, Free Press Journal and Nav Shakti.
c)	Website, where displayed	:	www.resonancesl.com
d)	Whether website also displays official	:	Yes news releases
e)	Presentation made to institutional investors or to the analysts	:	Presentations to institutional investors or analysts were not conducted during the financial year 2020-21.

9. General Shareholder Information:

a)	Forthcoming Annual General Meeting	Day, Date and Time: Thursday, August 26, 2021 at 11.30 a.m. (IST) Venue: To be conducted through video conferencing / other audio visual means. (VC/ OAVM). Plot No. 54D, Kandivli Industrial Estate, Kandivli (West), Mumbai shall deemed to be the venue of the AGM.
b)	Financial Year First quarter results Second quarter results Third quarter results Annual results	April 1 – March 31 first week of August* first week of November* first week of February* last week of May* * tentative

c)	Dividend Payment dates	The Company has declared dividend @ ₹ 1/- per share (10%) for the financial year ended March 31, 2021
	Date of Book Closure	Saturday, August 21, 2021 to Thursday, August 26, 2021 (both days inclusive for the purpose of Dividend/AGM)
d)	The name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	BSE Ltd. Listing fees have been paid to BSE for the financial year 2021-22 in April, 2021. The fees of the depositories for the financial year 2021-22 were also paid in May 2021 on receipt of their invoices.
e)	Stock Code ISIN No. CIN No.	524218 INE486D01017 L25209MH1989PLC051993
f)	Market price data: high, low during each month in last financial year	Please see Annexure 'A'
g)	Stock performance in comparison : to BSE Sensex	Please see Annexure 'B'
h)	In case the securities are suspended from trading, the directors report shall explain the reason thereof	The securities of the Company are not suspended from trading by the Stock Exchange
i)	i) Registrars and share transfer agents	Adroit Corporate Services Pvt. Ltd. Address: 17/18/19/20, Jaferbhoy Ind. Estate, 1 st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai – 400059 Tel No: 022 4227 0400 Email: info@adroitcorporate.com Website: www.adroitcorporate.com
j)	Share transfer system	All share transfer, request for transmission /transposition, etc. subject to correctness and completion of all documents would normally be registered and returned within fifteen days from the date of receipt. The Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer.

k)	Distribution of shareholding/ shareholding pattern as on 31.3.2021	Please see Annexure 'C'.
l)	Dematerialisation of shares and liquidity	91.08% of the paid-up share capital has been dematerialised as on March 31, 2021
m)	Outstanding GDRs/ ADRs/warrants/ convertible instruments, conversion date and likely impact on equity	The Company has not issued any such instruments
n)	Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	The Company is not materially exposed to commodity price / foreign exchange risk. The Company also does not carry out any commodity or currency hedging activities.
o)	Plant Location	T-140, MIDC, Tarapur , Dist – Palghar (MH) India
p)	Address for correspondence	Mrs. Minal Bhosale Company Secretary Resonance Specialties Limited Plot no. 54D, Kandivli Industrial Estate Kandivli (W), Mumbai 400 067 E-mail: investors@resonancesl.com Tel: (022) 6210 6052 Fax: (022) 2868 8544
q)	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	CRISIL Ratings has assigned the following ratings to the Company's total bank Loan facilities of ₹ 12 Crore: <u>Long term Rating</u> - CRISIL BB+/Stable (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed) <u>Short Long term Rating</u> - CRISIL A4+ (Removed from 'Rating Watch with Developing Implications'; Rating Reaffirmed)
r)	Share transfer and other communications may be addressed to the Registrars	Adroit Corporate Services Pvt. Ltd. Address: 17/18/19/20, Jaferbhoy Ind. Estate, 1 st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai – 400059 Email : info@adroitcorporate.com Tel No: 022 4227 0400 Fax. No: (022) 28503748

10. Other Disclosures

a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company

at (<https://www.resonancesl.com/reports/investor/Policy%20on%20Dealing%20with%20Related%20Party%20Transactions.pdf>). There were no materially significant related party transactions during the year that may have potential conflict with the interest of the Company.

The Register of Contracts containing the related party transactions is placed before the Board and Audit Committee regularly for its approval. Disclosures from directors and senior management staff have been obtained to the effect that they have not entered into any material, financial and commercial transactions where they have personal interest that may have potential conflict with the interest of the Company at large.

Transactions with the related parties are disclosed in the notes to the accounts forming part of this Annual Report.

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or the board or any other statutory authorities on any matter related to capital market during the last 3 financial years

The Company paid fines amounting to ₹ 2,94,000/- plus GST for three counts of non-compliance of SEBI (LODR) Regulation clauses as per SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 out of this, waiver of ₹ 1,00,000/- has been confirmed by BSE vide email dated May 10, 2021 in respect of one count of non-compliance.

c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee

There is a Whistle Blower Policy in the Company and that no personnel has been denied access to the Chairman of the Audit Committee. The policy provides for adequate safeguards against victimization of persons who use vigil mechanism. The Whistle Blowing Policy is posted on the website of the Company at (https://www.resonancesl.com/reports/investor/reso_vigil%20mechanism%20policy.pdf).

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

The Company has complied with all the applicable mandatory requirements of corporate governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details about adoption of non-mandatory requirements are given in the table at point no.12 of this continuing series.

e) Web link where policy for determining 'material' subsidiaries is disclosed

The Company does not have any subsidiary company.

f) Web link where policy on dealing with related party transactions is disclosed

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company at (<https://www.resonancesl.com/reports/investor/Policy%20on%20Dealing%20with%20Related%20Party%20Transactions.pdf>).

g) Disclosure of commodity price risks and commodity hedging activities

The Company is engaged in the manufacturing and marketing of specialty chemicals. Since the Company does not consume large quantities of commodities in its manufacturing activities, the Company is not materially exposed to commodity price risks nor does the Company do any commodity hedging.

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company has not raised any funds through preferential allotment or through qualified institutional placement of its shares during the year.

i) A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority

The Company has obtained a certificate in this regard from a Company Secretary in practice, which is annexed to the Corporate Governance Report.

j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof

The Board has accepted and acted on all the mandatory recommendations of its committees during the financial year under report.

k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

The Company does not have any subsidiary. The fees paid by the Company to its Statutory Auditors are stated in the appended Audited Financial Statements of the Company.

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the calendar year : None 2020

Number of complaints disposed of during the calendar : None year 2020

Number of complaints pending as on end of the : None calendar year 2020

11. Non-Compliance of any requirement of Corporate Governance Report with reasons thereof

Non-compliance of three counts of SEBI (LODR) Regulation clauses as per SEBI Circular no. SEBI/HO/CFD/CMD/

CIR/P/2020/12 dated January 22, 2020 were disclosed and the presentation were made to the exchange regarding the difficulties faced due to the pandemic situation and the Exchange has granted waiver on one count of Non-compliance till date and currently the company is in compliance with all the requirement of the Corporate Governance.

12. Adoption of Discretionary Requirements

A. The Board	The Company currently has a Non-Executive Chairman of the Board of Directors. However, the Company has not maintained any office for her.
B. Shareholders Rights	At present, the Company does not send the statement of half yearly financial performance to the household of each shareholder.
C. Modified opinion(s) in audit report	The Company's financial statements are with unmodified audit opinion.
D. Reporting of internal auditor	The firm of Internal Auditors give their report to the Wholetime Director / CFO as well as to the Audit Committee.

13. The disclosures of the compliance with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46

a) The Company has a process to provide, inter-alia, the information to the Board as specified in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to Corporate Governance. The Board also periodically reviews the compliances by the Company of all applicable laws.

b) The Board of Directors in their meeting regularly discuss and are satisfied that the Company has plans in place for orderly succession for appointment to the Board of Directors and Senior Management.

c) Code of Conduct for Board and Senior Managerial Personnel

The Board has laid down a code of conduct for Board members and senior management personnel of the Company. The code also incorporates the duties of independent directors as laid down in the Companies Act, 2013. The said code of conduct is posted on Company's website at (https://www.resonancesl.com/reports/2021/6a.%20Criteria%20for%20selection_%20SM%20and%20KMP_RSL.pdf).

The Board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration in this regard signed by the Wholetime Director / CEO is given at the end of this Report.

The Company has adopted a code of conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. The same has been placed on the website of the Company at (<https://www.resonancesl.com/reports/2019/Code%20of%20Conduct%20on%20Insider%20Trading%20Policy.pdf>). All the Directors, senior management employees and other employees who have access to the unpublished price

sensitive information of the Company are governed by this code. During the year under Report, there has been due compliance with the said code of conduct for prevention of insider trading.

- d) The Company complies with the requirement of placing minimum information before the Board of Directors as contained in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) The CEO/CFO compliance certification under Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.
- f) The Company does not have a Risk Management Committee in place as it is not applicable till date but the board monitors and reviews risk management and planning on regular basis.
- g) The Board on an annual basis evaluates the performance of Independent Directors. The Independent Directors have also given declarations that they fulfill the criteria of independence as specified in SEBI (LODR) Regulations, 2015 and that they are independent of the Company's management.
- h) The Company has formulated a policy on materiality of related party transactions and dealing with related party transactions including clear threshold limits approved by the Board which is available on the website of the Company at ([https://www.resonancesl.com/reports/2020/Revised%20Related%20Party%20Transaction-RSL%20\(2\).pdf](https://www.resonancesl.com/reports/2020/Revised%20Related%20Party%20Transaction-RSL%20(2).pdf)).
- i) All related party transactions entered into by the Company with related parties are at an arm's length basis and in the ordinary course of Company's business. Transactions with related parties are disclosed under notes forming part of the accounts. The Board and the Audit Committee periodically reviews the details of the related party transactions entered into by the Company. Omnibus approval from the Audit Committee is also obtained before entering into related party transactions. The necessary shareholders resolution is also obtained /being obtained, wherever necessary.
- j) No employee including Key Managerial Personnel or Director or Promoter of the Company has entered into any agreement for himself or on behalf of other person with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.
- k) **Subsidiary Companies**

The Company does not have any subsidiary company.

- l) None of the Director of the Company is a director or act as independent director in more than seven listed entities and none of the Wholtime Director serve as an Independent Director in more than 3 listed entities.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which they are Directors. All directors have disclosed their committee positions to the Company. For determining this limit, Chairpersonship and Membership of Audit Committee and Stakeholders Relationship Committee only are considered.

The shareholders have approved the appointment of Mrs. Archana Yadav as Independent director for the 2nd term of five years w.e.f. February 8, 2021. The shareholders have also approved the appointment of Mr. Ajay Patadia as Independent Director for a period of 5 years w.e.f. June 27, 2020. The shareholders have also approved the appointment of Mr. Raj Kamal Prasad Verma as Independent Director of the Company for a period of 5 years w.e.f. November 10, 2020. Terms and conditions of their appointment as Independent Directors have been disclosed on the website of the Company at (<https://www.resonancesl.com/reports/investor/Reso-%20Terms%20&%20Conditions%20for%20APPOINTMENT%20OF%20Independent%20Director.pdf>).

In accordance with requirements of Section 149(6) and (7) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, all the independent directors have given declaration of independence in the first board meeting of the current financial year held on June 3, 2021.

m) **Independent Directors Meeting**

During the financial year under review, the Independent Directors met on November 10, 2020 without the attendance of non-independent directors and members of the management, inter-alia, to discuss:

- i. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- ii. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- 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.

All the independent Directors were present at the said meeting.

- n) The Company maintains a functional website (www.resonancesl.com) containing the basic information about the Company. The Company has disseminated all the required information on its website as required under Regulation 46 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- o) Information on Director retiring by rotation and seeking the re-appointment.

Mr. Ashish Katariya (DIN 08601262)

Mr. Ashish Katariya aged 29 years has done his B-Tech in Chemical Engg. He has about 8 years of experience in manufacturing of Active Pharma Ingredients, specialty chemicals, and in quality control, projects and general management functions.

He holds 20 equity shares of the Company and does not hold Directorship in any other company.

He is not related to any Director or Key Managerial Personnel of the Company.

Number of Board Meetings held and attended by him during his tenure as Director of the Company are given in the Corporate Governance Report of the respective financial year annexed with the Company's Annual Reports which are available on the Company's website www.resonancesl.com.

p) Reconciliation of Share Capital Audit:

A qualified Practicing Company Secretary carries out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital of the Company. The audit report confirms that the total issued/ paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

q) Dividend Distribution Policy

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2016, the top 1000 listed Company to formulate a Dividend Distribution Policy, as the Company does not fall under the top 1000 listed company, it has not formulated the said policy, but the company is planning to have in place such a policy sooner.

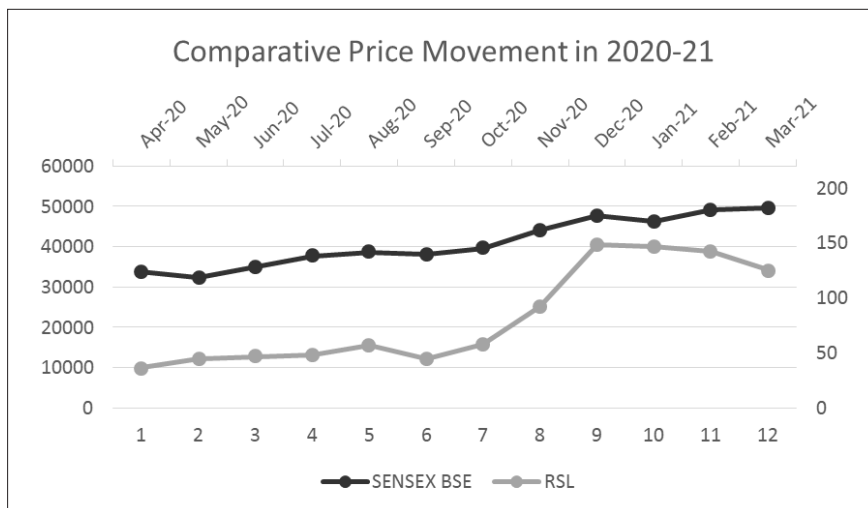
Annexure A

High/Low of Market price of the Company's shares traded on BSE Ltd. (BSE) during the financial year 2020- 21 is furnished below:

Months	Resonance Share Price (in ₹)		BSE Sensex (in ₹)	
	High	low	High	low
April 2020	36.45	25.00	33,887.25	27,500.79
May 2020	49.90	34.55	32,845.48	29,968.45
June 2020	51.90	40.60	35,706.55	32,348.10
July 2020	62.25	43.75	38,617.03	34,927.20
August 2020	72.20	46.00	40,010.17	36,911.23
September 2020	63.50	42.50	39,359.51	36,495.98
October 2020	69.65	46.95	41,048.05	38,410.20
November 2020	100.80	56.20	44,825.37	39,334.92
December 2020	148.25	86.10	47,896.97	44,118.10
January 2021	161.85	121.00	50,184.01	46,160.46
February 2021	167.80	133.15	52,516.76	46,433.65
March 2021	149.30	121.70	51,821.84	48,236.35

Annexure B

Graph of Share Price/ BSE Sensex



Annexure C

Distribution of Shareholding as on March 31, 2021.

Distribution of Shares (Slab Wise)	No. of Shareholders	Percentage to total No. of Shareholders	Total Share	Percentage to Total Share Capital
UPTO - 100	8101	71.62	712,931	6.18
101 - 500	2199	19.44	623,603	5.40
501 - 1000	497	4.39	413,675	3.58
1001 - 2000	252	2.23	388,679	3.37
2001 - 3000	83	0.73	214,115	1.85
3001 - 4000	54	0.48	192,764	1.67
4001 - 5000	23	0.20	110,327	0.96
5001 - 10000	45	0.40	340,668	2.95
10001 - 20000	25	0.22	328,785	2.85
20001 - 50000	22	0.19	599,314	5.19
50001 & Above	10	0.09	7,619,139	66.00
Total	11,311	100.00	1,15,44,000	100.00
No. of shareholders in Physical Mode	6,618	58.51	10,30,074	8.92
No. of shareholders in Electronic Mode	4,693	41.49	1,05,13,926	91.08

Shareholding Pattern as on March 31, 2021 is as follows:

Category	No. of Shareholders	No. of Shares	Percentage of holding
Indian Promoters	9	71,93,426	62.31
Mutual Fund and UTI	2	3,300	0.03
FII's Holdings	3	4,800	0.04
Central Government / State Government(s) / President of India	2	500	0.00
NRIs / OBC	70	1,41,338	1.22
Body Corporate	66	2,36,821	2.05
Clearing Member	23	12,608	0.11
NBFC registered with RBI	1	1,000	0.01
Directors	2	56	0.00
Indian Public/Other	11,133	39,50,151	34.22
Total	11,311	1,11,54,400	100.00

CEO CERTIFICATION

June 3, 2021

To,
All the Members of
Resonance Specialties Limited

It is hereby certified and confirmed that as provided in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2021.

For **Resonance Specialties Limited**

Ashish Katariya
Wholetime Director / CEO

CEO/CFO CERTIFICATION

June 3, 2021

The Board of Directors
Resonance Specialties Limited
Plot No. 54-D, Kandivali Industrial Estate,
Kandivali (W) Mumbai-400067

We hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief;
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) No transaction is entered into by the Company during the year which is 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 we 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 to rectify 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 during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Resonance Specialties Ltd. For Resonance Specialties Ltd.

Ashish Katariya
Wholetime Director/CEO

Dwarika Agrawal
CFO/Director

**PRACTISING COMPANY SECRETARIES'
CERTIFICATE ON CORPORATE GOVERNANCE**

TO THE MEMBERS OF
RESONANCE SPECIALTIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Resonance Specialties Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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 representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities & Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

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

Alok Khairwar
Proprietor
FCS 10031 CP 12880
Mumbai June 3, 2021
UDIN: F010031C000418384

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA
C CLAUSE (10) (I) OF THE SEBI (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)**

To The Members,
Resonance Specialties Limited
Plot No. 54D, Kandivali Industrial Estate,
Kandivali West, Mumbai 400067.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Resonance Specialties Limited having CIN L25209MH1989PLC051993 and having registered office at Plot No. 54D, Kandivali Industrial Estate, Kandivali West, Mumbai 400067 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. no	Name of Director	DIN	Date of Appointment in Company *
1	Mrs. Archana Yadav	07335198	February 8, 2016
2	Mr. Prashant Godha	00012759	November 10, 2020
3	Mr. Raj Kamal Prasad Verma	02166789	November 10, 2020
4	Mr. Ajay Patadia	00298226	June 27, 2020
5	Mr. Dwarika Agrawal	07194113	July 21, 2020
6	Mr. Ashish Katariya	08601262	November 9, 2019

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Alok Khairwar & Associates
Practicing Company Secretaries**

Alok Khairwar
Proprietor
FCS 10031 / CP 12880
UDIN: F0100316000418406

Place - Mumbai
Date - June 3, 2021

ANNEXURE 2

1. Brief outline on CSR Policy of the Company:

The Company's CSR, including overview of projects or programs or activities to be undertaken and a reference to proper implementation and monitoring of the projects or programs or activities carried on is the drive of the policy.

The Company believes in "looking beyond business" and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as a whole. We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis-à-vis the Company's responsibilities towards the community.

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Archana Surendra Yadav	Chairman of the Committee & Independent Director	1	1
2	Mr. Raj Kamal Prasad Verma	Independent Director	1	1
3	Mr. Ajay Patadia	Independent Director	1	1
4	Mr. Prashant Godha	Non-Executive Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: The CSR Committee can be accessed at <http://www.resonancesl.com/directors.html> while the CSR Policy can be accessed at <http://www.resonancesl.com/reports/2020/CSR%20Policy.pdf>. CSR has got applicable to the company for the first time in the FY 2021-22 by virtue of profits for the FY 2020-21. Since the Company has a very small amount of CSR spent, it contributed the same to a charitable trust.
4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.
5. Details of the amount available for set off in pursuance of sub - rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Not Applicable			

6. Average net profit of the company as per Section 135(5): ₹ 3,81,65,149/-
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 7,63,303/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable
- (c) Amount required to be set off for the financial year, if any: Not Applicable
- (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 7,63,303/-
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs)	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount. (₹)	Date of transfer.	Name of Fund.	Amount. (₹)	Date of transfer.
8,50,000/-	Not Applicable			Not Applicable	

- (b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration.	Amount allocated for the project (in Rs).	Amount spent in the current financial year (in Rs).	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in Rs).	Mode of implementation -Direct (Yes/ No).	Mode of implementation Through implementing Agency	
				State	District						Name	CSR Registration No.
Not Applicable												

- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent in the current financial year (in ₹).	Mode of implementation -Direct (Yes/ No).	Mode of implementation Through implementing Agency	
				State	District			Name	CSR Registration No.
1	-	Education, Healthcare	Yes	Maharashtra	Mumbai	8,50,000/-	No	M/s. Prabhat Foundation	-

- d) Amount spent in Administrative Overheads: Not applicable
- e) Amount spent on Impact Assessment, if applicable: Not applicable
- f) Total amount spent for the Financial Year (8b+8c+8d+8e): Not applicable
- g) Excess amount for set off, if any: Not applicable

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	763,303/-
(ii)	Total amount spent for the Financial Year	850,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	86,697/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	86,697/-

9. (a) Details of Unspent CSR amount for the preceding three financial years: No preceding Financial year

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board

Dwarika Agrawal
DIN: 07194113
Wholetime Director/CFO

Archana Yadav
DIN:07335198
Chairman – CSR Committee

Date : June 3, 2021
Place : Mumbai

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:
 - (a) Name(s) of the related party and nature of relationship: Not Applicable
 - (b) Nature of contracts/arrangements/transactions: Not Applicable
 - (c) Duration of the contracts / arrangements/transactions: Not Applicable
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
 - (f) Date(s) of approval by the Board: Not Applicable
 - (g) Amount paid as advances, if any: Not Applicable
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:
 - (a) Name(s) of the related party and nature of relationship: Vista Organics Private Ltd., company under the same promoter group.
 - (b) Nature of contracts/arrangements/transactions:
 - i. Purchase/ sale of materials, capital goods, plant & machineries, packing materials, etc. at a market determined price that would be generally agreed by the trade / industry for similar nature of transaction.
 - ii. Availing of/rendering of manufacturing and other services at a price that would be generally charged in the trade / industry for that particular type of service.
 - iii. Provision of common services at proportionate cost.
 - (c) Duration of the contracts / arrangements/transactions: Continuous transactions as ongoing basis.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Purchase/ sale of materials, capital goods, plant & machineries, packing materials, manufacturing on loan license basis, conversion of materials on job work basis etc. on arm's length basis. Please see attached notes to Accounts for details.
 - (e) Date(s) of approval by the Board, if any: July 21, 2020
 - (f) Date of approval of shareholders: September 15, 2020
 - (g) Amount paid as advances, if any: None

Note: All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of Company's business. Details of the related party transactions are given in the notes to the Accounts attached herewith.

For and on behalf of the Board

Mumbai,
June 3, 2021

Archana Yadav
Chairperson

ANNEXURE 4

DETAILS OF REMUNERATION AS REQUIRED UNDER 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 percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 is as under:

Sr. No.	Name of the Director / Key Managerial Personnel and Designation	Remuneration of Director / KMP for the financial year 2020-21 (₹)	% increase/ (decrease) in remuneration in the financial year 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Ashish Katariya (Whole Time Director / CEO)	17,54,875	Not measurable as previous year remuneration was for part of the year	6.92
2.	Mr. Dwarika Agrawal (Director-finance / CFO)	13,56,405	7.82%	5.35
3.	Mrs. Archana Yadav (Chairperson)	2,59,595	(15%)	1.02
4.	Mr. Ajay Patadia (Director)	1,94,729	Not measurable as current year sitting fees is for part of the year.	0.77
5.	Mr. Prashant Godha (Director)	87,027	Not measurable as current year sitting fees is for part of the year.	0.34
6.	Mr. Raj Kamal Prasad Verma (Director)	92,027	Not measurable as current year sitting fees is for part of the year.	0.36
7.	Mr. Bishwanath Prasad Agrawal (upto December 21, 2020)	1,54,729	Not measurable as current year sitting fees is for part of the year.	0.61
8.	Dr. Atma Bandhu Gupta (upto December 21, 2020)	85,76,973	Not measurable as current year remuneration is for part of the year.	33.83
9.	Mrs. Arti Lalwani (Company Secretary upto September 14, 2020)	1,49,200	Not measurable as current year remuneration is for part of the year.	0.59
10.	Mrs. Minal Bhosale (Company Secretary w.e.f. September 15, 2020)	3,31,032	Not measurable as current year remuneration is for part of the year.	1.31

- ii. The median remuneration of the employees of the Company during the financial year was 2,53,547/-.
- iii. In the financial year, there was an increase of 13.10% in the median remuneration of employees.
- iv. There were 60 permanent employees on the rolls of Company as on March 31, 2021.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2020-21 was 9.65% whereas the increase in the managerial remuneration for the same financial year was 13.75%.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board

Mumbai,
June 3, 2021

Archana Yadav
Chairperson

1. CONSERVATION OF ENERGY

- (i) The steps taken or impact on conservation of energy:

During the year under review all possible efforts were made to ensure optimum conservation of electricity and fuel, Optimized the motor sizes as per hydraulics of Distillation Columns and suitable modifications made, Unity Power Factor Capacitor Bank expanded at the plant of the Company.

- (ii) The steps taken by the Company for utilizing alternate sources of energy: None

- (iii) The capital investment on energy conservation equipments and its impact: Investments made up to ₹ 3 lacs which enables ease of operations & power savings to the tunes of ₹ 8 lacs p.a.

The Company has not spent any material capital investment on energy conservation equipments except some investment on energy conservation consumables.

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

- Improving Yield efficiencies of products via development/modification in catalysts
- Increase in production capacities via fine tuning operating variables without compromising yield efficiency
- Development of new products
- Optimization of distillation related unit operations

II. Benefits derived as a result of above.

- Modification in catalyst combined with process parameter optimization has resulted into increase in yield of Lutidine and Collidine based products at commercial level.
- Improved catalyst has also benefited in isolation of better quality of Collidines via distillation route.

III. Future Plan of Action.

- Development in existing Fixed bed amoxidation reactions to increase Yield and reaction throughput via catalyst development and parameter optimization.
- Pilot trials of new fixed bed products to increase and if required expand plant capacities.

IV. Expenditure incurred on R&D:

	2020-21 (₹ in lacs)	2019-20 (₹ in lacs)
a) Capital	-	-
b) Revenue	14.14	107.56
c) Total	14.14	107.56
d) R & D expenditure as a percentage of turnover	0.02%	1.2%

V. Imported technology (imported during last 5 years):

The Company has not imported any technology during the last 5 years.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings – ₹ 4900.08 lacs
Foreign Exchange Expenditure – ₹ 1576.77 lacs

For and on behalf of the Board

Mumbai,
June 3, 2021

Archana Yadav
Chairperson

Form No. MR-3
Secretarial Audit Report
for the financial year ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Resonance Specialties Limited

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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021, 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:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2021 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (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;
- (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, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:-
 - (a) The Factory Act, 1948
 - (b) Acts Prescribed under Prevention and Control of pollution
 - (c) Acts prescribed under Environment Protection
 - (d) Industrial Disputes Act, 1947
 - (e) The Payment of Wages Act, 1936
 - (f) The Minimum Wages Act, 1948
 - (g) Employee State Insurance Act, 1948
 - (h) The Employee Provident Fund and Miscellaneous Provisions Act, 1952
 - (i) The Payment of Gratuity Act, 1972

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above subject to the following observations:

- (b) The Company has received a notice on August 20, 2020 from Stock Exchange for non compliance of Regulation 17(1) and Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and accordingly Company submitted clarification to the stock exchange, however as per representation received from the Company no further demand regarding same has been raised as on date from the Stock Exchange

(c) The Company has received a notice on November 17, 2020 from Stock Exchange for non compliance of Regulation 17(1), Regulation 17(2A) and Regulation 19(1)/ 19(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and accordingly Company submitted clarification to the stock exchange and in response to the Company mail/letter requesting waiver for fine imposed for non-compliance of Regulation 17(1), Regulation 17(2A) and Regulation 19(1)/ 19(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.2015, Stock Exchange has waived off the fine imposed under regulation 17(1) via email dated May 10, 2021. Further with respect to Regulation 17(2A) and Regulation 19(1)/ 19(2) The Company has complied above said non – compliances and also paid the fine imposed.

We further report that:

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

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 etc.

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

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

For **Alok Khairwar & Associates**
Practicing Company Secretaries

Alok Khairwar
Proprietor

Place - Mumbai
Date - June 3, 2021

FCS 10031 CP 12880
UDIN: F010031C000418351

To,
The Members,
Resonance Specialties Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process 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. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Alok Khairwar & Associates**
Practicing Company Secretaries

Alok Khairwar
Proprietor

Place - Mumbai
Date - June 3, 2021

FCS 10031 CP 12880
UDIN: F010031C000418351

Note - This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

INDEPENDENT AUDITOR'S REPORT

To The Members of RESONANCE SPECIALTIES LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **RESONANCE SPECIALTIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that matters described below to be the key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility

Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Management and Board of Directors are 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 total comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit

of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

Further to the continuous spreading of COVID -19 across India, the State Government of Maharashtra announced a 15-day lockdown on April 05, 2021, across Maharashtra to contain the spread of the virus. This has resulted in restrictions on a physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided by the management. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable, and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors, none of the directors is

disqualified as on March 31, 2021 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - refer note no. 44 to the statements.
 - ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

VIMAL R .BHABHRA
Partner
(Membership No. 046043)
UDIN Number: 21046043AAAACE9263

Place: Mumbai.
Date : 03rd June 2021

Annexure A to the Independent Auditors’ Report

(Referred to paragraph (9) under ‘Report on other legal and regulatory requirements’ of our report of even date to the member of Resonance specialties limited on the Ind AS financial statements for the year ended March31, 2021)

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

with regard to the deposits accepted from the public are not applicable.

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

vii. In respect of statutory dues:

- a) As informed to us, the maintenance of the cost records under the sub-section (1) of section 148 of the Companies Act, 2013 has been prescribed and we are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.
- b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Goods and Service Tax, Duty of Customs or Duty of Excise or Value Added Tax which have not been deposited on account of any dispute except as given below:

Name of statute	Nature of dues	Amount (Rs in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Order under section 143(3) r/w section 147	17.30	2016-17	CIT (Appeals)
Income Tax Act, 1961	TDS	1.33	Various Financial Years	Demand as per Traces

viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to the financial institution or banks. Further, the company has not obtained any borrowings by way of debentures.

ix. The company has not raised any money by way of public issue / follow-on offer (including debt instruments). On the basis of the documents submitted to the bankers and the other records perused by us, we have to state that the term loan for purchase of fixed assets taken during the year have been applied for the purpose for which the loan was obtained.

x. According to the information and explanations given to us and to the best of our knowledge and belief 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 companies act.

xii. The Company is not a Nidhi Company. Hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

xiii. All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit

Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standard.

- xiv. The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company
- xvi. The nature of business and the activities of the Company are such that the Company is not required to obtain registration 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)
UDIN Number: 21046043AAAACE9263

Place: Mumbai.
Date : 03rd June 2021

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 5(f) of the Independent Auditors' Report of even date to the members of Resonance Specialties Limited on the financial statements for the year ended March 31, 2021)

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, 2021 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 companies Act 2013.

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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2021, 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)
UDIN Number: 21046043AAAACE9263

Place: Mumbai.
Date : 03rd June 2021

BALANCE SHEET AS AT 31ST MARCH 2021

Particulars	Note No.	Audited	Audited
		As At 31 st March 2021 (₹ Lacs)	As At 31 st March 2020 (₹ Lacs)
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,251.14	1,072.43
Right to Use of Assets	3	313.72	310.10
Capital work-in-progress	3	3.74	184.22
Other intangible assets	3	25.27	28.67
Financial assets			
i. Other financial assets	4	70.89	73.47
Other Non Current Asset	5	14.31	77.03
Total non-current assets		1,679.07	1,745.92
Current assets			
Inventories	6	1,657.95	1,338.49
Financial assets			
i. Investments	7	75.35	10.00
ii. Trade receivables	8	942.06	613.65
iii. Cash and cash equivalents	9	519.37	182.48
iv. Other Bank balances	10	67.75	62.89
v. Other financial assets	11	0.05	-
Other current assets	12	521.52	158.91
Total current assets		3,784.05	2,366.42
Total assets		5,463.12	4,112.34
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	1,154.40	1,154.40
Other equity	14	2,912.89	1,898.96
Total Equity		4,067.29	3,053.36
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
i. Lease Liability		9.39	-
Provisions	15	16.15	40.40
Deferred tax liabilities	16	161.57	166.21
Total Non-Current Liabilities		187.11	206.61
Current Liabilities			
Financial liabilities			
i. Borrowings	17	60.88	-
ii. Trade payables	18		
- Total outstanding dues of micro and small enterprises		18.30	1.92
- Others		828.71	657.28
iii. Lease Liability		1.80	-
iv. Other financial liabilities	19	47.72	44.22
Other current liabilities	20	93.32	13.36
Provisions	21	44.82	7.22
Current tax liability (net of taxes paid)		113.17	128.37
Total Current Liabilities		1,208.72	852.37
Total Liabilities		1,395.83	1,058.98
Total Equity and Liabilities		5,463.12	4,112.34
Corporate information	1	-	-
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
For **V.R.Bhabhra & Co**
Firm Registration No. 112861W
Chartered Accountants

For & on behalf of the Board
For **RESONANCE SPECIALTIES LIMITED**

CA Vimal R Bhabhra
Partner
Membership No.046043

CA Dwarika Agrawal
Director
DIN: 07194113

Mr. Ashish Katariya
Director
DIN: 08601262

Place : Mumbai,
Dated : June 3, 2021

Mrs. Minal Bhosale
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2021

Particulars	Note No.	Audited	Audited
		31 st March 2021	31 st March 2020
		(₹ Lacs)	(₹ Lacs)
INCOME			
Revenue from Operations	22	7,028.77	5,613.63
Other Income	23	158.52	189.51
Total Income		7,187.29	5,803.14
EXPENDITURE			
Cost of materials consumed	24	2,727.07	2,446.01
Purchases of Traded Goods	25	-	53.95
(Increase)/Decrease in inventories of Finished Goods, and stock in trade and work in process	26	-128.33	-369.76
Employees benefit Expenses	27	379.50	389.62
Others Expenses	28	2,625.05	2,317.87
Mention here total expenses		5,603.29	4,837.69
Earning Before Interest, Depreciation & Taxation		1,584.00	965.45
Finance Cost	29	29.04	35.43
Depreciation and Amortisation	30	98.48	91.72
Profit/(Loss) Before Exception item and Taxation		1,456.48	838.30
Exceptional Items (income) / expenses	31	-	146.20
Profit/(Loss) Before Taxation		1,456.48	692.10
Less : Provision for			
Current Tax		371.72	154.83
MAT Credit Entitlement			
Taxation of earlier years		39.48	0.27
Deferred Tax Asset/(Expenses)		-7.13	-13.77
Profit/(Loss) for the period from Continuing Operations		1,052.41	550.77
Other Comprehensive Income			
A (i) items that will not be reclassified to profit or loss		30.54	4.16
(ii) Income tax relating to items that will not be reclassified to profit or loss		7.94	1.08
B (i) items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total other comprehensive Income		38.48	5.24
Total Comprehensive Income for the period (Comprising Profit/(Loss) and other comprehensive Income for the period)		1,013.93	545.53
Earning per equity share			
Basic and Diluted earning per share		8.78	4.73
Face value per share		10.00	10.00

As per our report of even date attached
For **V.R.Bhabhra & Co**
Firm Registration No. 112861W
Chartered Accountants

CA Vimal R Bhabhra
Partner
Membership No.046043

Place : Mumbai,
Dated : June 3, 2021

For & on behalf of the Board
For **RESONANCE SPECIALTIES LIMITED**

CA Dwarika Agrawal
Director
DIN: 07194113

Mrs. Minal Bhosale
Company Secretary

Mr. Ashish Katariya
Director
DIN: 08601262

CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2021

PARTICULARS	(₹ Lacs)	
	Year Ended	
	Audited 31 st March 2021	Audited 31 st March 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	1,456.48	692.10
Non Cash adjustment to reconcile profit/(loss) before tax to net cash flows		
Depreciation	98.48	91.72
Exceptional Non Cash Items	-	-146.20
Loss on sales of Fixed Assets	-	-
Interest Expense	29.04	0.02
PROVISION FOR BAD DEBTS AND ADVANCES W/BACK	0.17	-
Other Comprehensive Income (net of tax)	-	5.24
Unwinding interest income	-10.49	-6.68
(Gain)/Loss on MTM of Investments	-4.51	-4.15
Unwinding Lease rent	-15.35	-
	4.16	-
Operating Profit before Change in Working Capital Changes	1,557.98	633.04
Provision For Bad Debts And Advances W/Back		
Movement in working Capital		
Increase(Decrease) in Trade payable	187.81	-25.40
Increase(Decrease) in Long term provisions	-24.24	14.44
Increase(Decrease) in other current liabilities	77.61	-53.89
Increase(Decrease) in other current financial liabilities	3.50	-18.56
Increase/(Decrease) in Provisions	7.06	-0.01
Increase/(Decrease) in Lease Liability	-	-
Decrease/(Increase) in inventories	-319.46	-450.65
Decrease/(Increase) in Trade Receivables	-328.58	143.29
Decrease/(Increase) in Long Term advances	-	-
Decrease/(Increase) in other current assets	-289.74	189.09
Decrease/(Increase) in Other Financial Assets	-0.05	-64.13
	-686.09	-265.82
Cash generated from operation	871.89	366.22
Direct Taxes paid	-443.81	-224.37
Net cash flows from operating activities	428.08	141.88
B CASH FLOW USED IN INVESTMENTS ACTIVITIES		
Purchases of Fixed assets including capital advances	-84.59	-196.68
Other Long Terms Financial Assets	6.51	18.48
Interest received	10.49	6.69
Mutaul Funds Purchased	-50.00	-10.00
Net cash flows from Investment activities	-117.59	-181.51
C Cash flow from financing activities		
Proceeds of Long term borrowings	-	-
Proceeds from short term borrowings (Net)	60.88	-
Dividend paid	-	115.44
Payment of Lease Liabilities Principal	-0.57	-
Payment of Lease Liabilities Interest	-0.35	-
Interest paid	-28.69	-0.02
Net cash flows /(used in)from Investment activities	31.27	115.42
Net cash increase/(decrease) in cash and cash equivalents	351.76	75.77
ADD : cash and cash equivalents at the beginning of the year	245.36	169.59
cash and cash equivalents at the end of the year	587.12	245.36
Components of cash and cash equivalents		
Cash on hand	0.50	0.70
Bank balance in current accounts	518.87	181.77
Bank balance in Fixed deposit accounts	67.75	62.89
	587.12	245.36

As per our report of even date attached
For **V.R.Bhabhra & Co**
Firm Registration No. 112861W
Chartered Accountants

For & on behalf of the Board
For **RESONANCE SPECIALTIES LIMITED**

CA Vimal R Bhabhra
Partner
Membership No.046043

CA Dwarika Agrawal
Director
DIN: 07194113

Mr. Ashish Katariya
Director
DIN: 08601262

Place : Mumbai,
Dated : June 3, 2021

Mrs. Minal Bhosale
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A) Equity share capital

	31 st March 2021		31 st March 2020	
	Number	(₹ Lacs)	Number	(₹ Lacs)
Authorised Share Capital - Equity shares of ₹ 10/- each				
Balance at the beginning of the reporting period	150.00	1,500.00	150.00	1,500.00
Changes in authorised equity share capital during the year	-	-	-	-
Balance at Mar 31, 2021	150.00	1,500.00	150.00	1,500.00
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	115.44	1,154.40	115.44	1,154.40
Issue of share capital during the year	-	-	-	-
Balance at Mar 31, 2021	115.44	1,154.40	115.44	1,154.40

B) Other equity

Particulars	(₹ Lacs)			
	Retained Earnings	Capital Reserve	Revaluation Reserve	Total
Balance at April 1, 2019	909.33	20.00	563.27	1,492.60
Profit / (Loss) for the year	550.77	-	-	550.77
Other Comprehensive Income	-	-	-	-
-Defined Benefit Plan Net of Tax	-5.24	-	-	-5.24
Dividend paid for the year 2020-21	-115.44	-	-	-115.44
Tax on dividend for the year 2020-21	-23.73	-	-	-23.73
Balance at March 31, 2020	1,315.69	20.00	563.27	1,898.96
Profit / (Loss) for the year	1,052.41	-	-	1,052.41
Dividend paid for the year 2020-21	-	-	-	-
Tax on dividend for the year 2020-21	-	-	-	-
Other Comprehensive Income	-	-	-	-
-Defined Benefit Plan Net of Tax	-38.48	-	-	-38.48
Ind AS Adjustment	-	-	-	-
Balance at Mar 31, 2021	2,329.62	20.00	563.27	2,912.89

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
For **V.R.Bhabhra & Co**
Firm Registration No. 112861W
Chartered Accountants

CA Vimal R Bhabhra
Partner
Membership No.046043

Place : Mumbai,
Dated : June 3, 2021

For & on behalf of the Board
For **RESONANCE SPECIALTIES LIMITED**

CA Dwarika Agrawal
Director
DIN: 07194113

Mrs. Minal Bhosale
Company Secretary

Mr. Ashish Katariya
Director
DIN: 08601262

Note: 1**Accompanying notes to financial statements for the year ended March 31, 2021****1.1 CORPORATE INFORMATION:**

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

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

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

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

- a) Land and Building classified as Property, Plant and equipments
- b) Certain financial assets and liabilities measured at fair value.
- c) Defined benefit plans - plan assets measured at fair value
The Financial Statements are presented in Indian Rupees (INR) which is the functional currency for the company. All amounts have been rounded-off to the nearest rupee, unless otherwise indicated.

Note: 2**2.1 SIGNIFICANT ACCOUNTING POLICIES:**

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

a) Property, Plant and Equipment:

- Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the item.
- Leasehold Land are a part of property, plant and equipment, such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.
- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate,

only when it is probable that future economic benefits associated with the item will flow to the company and the cost of item can be measured reliably.

- The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.
- Capital Work in Progress: Assets under installation/ commissioning are shown under the head Capital Work –in Progress.
- Depreciation on the property, plant and equipment is provided on the written down value basis over the useful life of assets as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/ deletion.

b) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a written down value basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

c) Current and Non-Current Classification:

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

An asset is classified as current when it is:

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

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

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

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

d) Cash and cash equivalents:

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

e) Financial Instruments:

l) Financial Assets:

➤ Initial recognition and measurement

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

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

➤ Subsequent Measurement

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

1. Financial assets at fair value
2. Financial assets at amortised cost.

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

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

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

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

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

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

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

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

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

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

➤ De recognition:

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

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

➤ Impairment of Financial Assets:

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

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

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

- The 12- months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from default events over the life of the financial instruments).

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

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

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

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

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

(II) Financial liabilities:

➤ Initial Recognition and measurement

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

➤ Subsequent measurement

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

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

It includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

Financial liabilities classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

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

b) Loans and Borrowings:

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

➤ Derecognition of Financial Liabilities:

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

(III) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company, or the counterparty.

f) Fair value measurement:

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset

or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/profit in case of financial assets or liabilities.

g) Revenue Recognition:

• **Sale of Goods**

Revenue is recognized only when there is no significant uncertainty as to its measurability or collectability of the amount. Turnover includes sale of goods, and GST and are net of discounts and claims.

• **Interest income**

Interest income is accounted on accrual basis. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Interest income is included in other income in the statement of profit and loss.

• **Dividend income:**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

h) Inventories:

In general, all inventories of finished goods, work in progress etc, are stated at lower of cost or net realizable value. Finished goods stored in tanks pending final packing are included in the finished goods stocks and valued accordingly. Cost of inventories comprises of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory of their present location and condition. Raw materials, packing material & stores and spares are stated at cost on FIFO basis.

i) Export incentives

Export benefits are accounted when there is certainty to receive the incentive from the government or on actual basis which ever is earlier.

j) Employee benefits:

i. Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short - term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined Benefit plans:

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

Measurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payable during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

iii. Other long-term employee benefits

The Company's net obligation in respect of long - term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re- measurement is recognised in Statement of Profit and Loss in the period in which they arise.

Entitlements to annual privilege leave are recognized when they accrue to employees. Privilege leave can be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the projected unit credit method with actuarial valuations being carried out at each reporting date.

k) Borrowing Cost

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

l) Leases:

The Company has adopted Ind AS 116 "Leases" using, under which the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate and has measured right of use asset an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognized.

Company as a lessee

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. Right-of-use assets are depreciated on a written down value basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease liabilities and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

m) Segment Reporting:

In accordance with Ind AS-108 "Operating Segments" the company has only one reportable primary business segment i.e. "Chemical Manufacturing". However, the company has secondary geographical segment which is disclosed in financial statements as per Ind AS-108.

Information about secondary geographical segments as per financial statements

(₹ Lacs)

Particulars	April To March 21	April To March 20
Segment Revenue		
- India	2,128.69	2,177.20
- Outside India	4900.08	3,436.43
Total	7028.77	5,613.63

n) Taxation:**Current Tax**

- Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.
- Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

- Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
- Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
- The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

vii. Deferred Tax assets are the amounts of income taxes recoverable in future periods in respect of:

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

MAT Credit

i. The Company review the applicability of Minimum Alternative Tax (MAT) at the end of each reporting date. Credit of MAT, if any is recognised as a part of deferred tax assets. As deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

o) Earnings per share:

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

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

p) Provisions and contingencies:

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

Contingent liabilities are disclosed in case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include capital expenditure (net of advances) in relation to solar power plant.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

q) Impairment of Assets:

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

r) Research And Development

Revenue expenditure pertaining to Research & Development which are not for enduring benefit are charged to Profit & Loss Account. Expenditure incurred for enduring benefit for the development of the products/processes which will generate future economic benefit by the way of improvement in yield and efficiency of those products are carried over as R&D work in progress under the head ₹Capital Work in Progress₹. The value of process/product so developed is amortized over a period of ten years from the year of successful development.

2.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

➤ Useful lives of property, plant and equipment and intangible assets.

Management has assessed the remaining useful lives and residual value of fixed assets. Management believes that the assigned useful life is reasonable.

➤ Impairment of property, plant and equipment and intangible assets.

For property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised

➤ **Defined Benefit Obligation (gratuity benefits)**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined obligation is highly sensitive to changes in these assumptions. All assumption are reviewed at each reporting date.

➤ **Fair value measurement of financial instruments**

When the fair value of financial asset and liabilities recorded in balance sheet cannot be measured based on quoted price in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risks and volatility. Changes in assumption about these factors could affect the reported fair value of financial instruments.

➤ **Lease commitments – As a lessee**

When The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The application of Ind AS 116 requires company to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. The Company uses significant judgement in assessing the lease term and the applicable discount rate.

The Company has entered into lease agreement of its registered office, located at 54D, Kandivali Industrial Estate, Charkop, Kandivali West, Mumbai-67. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably

certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of use asset in a similar economic environment.

➤ **Expected Credit Loss on Trade Receivables**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by provision for impairment. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix provides 100% impairment for domestic receivables outstanding over 120 days, where the chances of recovery are distant.

➤ **Income taxes**

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

➤ **Contingencies**

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

Note No. 3

(₹ Lacs)

Tangible assets								
Particulars	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipment	Motor Car	Electric Installation	R & D Equipment	Total
Cost								
As at April 1, 2019	194.41	3,027.70	21.42	49.08	33.08	154.89	134.00	3,614.58
Additions	3.48	84.13	0.21	3.89	-	-	4.13	95.85
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2020	197.89	3,111.83	21.63	52.97	33.08	154.89	138.13	3,710.43
Additions	-	261.72	-	0.26	-	-	3.10	265.07
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2021	197.89	3,373.55	21.63	53.23	33.08	154.89	141.22	3,975.50
Depreciation	-	-	-	-	-	-	-	-
As at April 1, 2019	178.27	2,061.66	16.50	44.64	20.95	154.75	80.20	2,556.97
Charge for the year	4.11	66.99	0.57	1.74	1.69	-	5.93	81.03
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2020	182.38	2,128.65	17.07	46.38	22.64	154.75	86.13	2,638.00
Charge for the year	3.71	73.20	0.50	1.77	1.62	-	5.55	86.36
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2021	186.09	2,201.85	17.57	48.15	24.27	154.75	91.68	2,724.36
Net Block								
As at March 31, 2020	15.51	983.18	4.56	6.59	10.43	0.14	52.00	1,072.41
As at March 31, 2021	11.81	1,171.70	4.06	5.08	8.81	0.14	49.54	1,251.14

Right to Use of Assets			
Particulars	Land	Office Building	Total
Cost			
As at April 1, 2019	399.49	-	399.49
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2020	399.49	-	399.49
Additions	-	12.35	12.35
Disposals	-	-	-
As at March 31, 2021	399.49	12.35	411.84
Depreciation	-	-	-
As at April 1, 2019	83.01	-	83.01
Charge for the year	6.38	-	6.38
Disposals	-	-	-
As at March 31, 2020	89.39	-	89.39
Charge for the year	6.25	2.47	8.72
Disposals	-	-	-
As at March 31, 2021	95.64	2.47	98.11
Net Block			
As at March 31, 2020	310.10	-	310.10
As at March 31, 2021	303.85	9.88	313.72

Intangible Assets	
Particulars	In House Developed Technology
Cost	
As at April 1, 2019	138.93
Additions	-
Disposals	-
As at March 31, 2020	138.93
Additions	-
Disposals	-
As at March 31, 2021	138.93
Depreciation	
As at April 1, 2019	105.95
Charge for the year	4.31
Disposals	-
As at March 31, 2020	110.26
Charge for the year	3.40
Disposals	-
As at March 31, 2021	113.66
Net Block	
As at March 31, 2020	28.67
As at March 31, 2021	25.27

Statement showing movement in Capital Work in Progress

Particulars	Opening Balance	Additions during the year	Capitalised during the year	Closing Balance
As at March 31, 2020	83.39	100.83	-	184.22
As at March 31, 2021	184.22		180.48	3.74

Capital Work In Progress consists of

Particulars	Mar 31, 2021	Mar 31, 2020
Building	-	-
Plant and Machinery	3.74	184.22
Total	3.74	184.22

- i) The Company has carried out the exercise of assessment of any indication of impairment to its property plant and equipment as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its property, plant and equipment during the year.
- ii) There are no changes proposed to the previously assessed residual useful life of the assets.

(₹ Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
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NOTE-4

OTHER NON-CURRENT ASSET - FINANCIAL

At amortised cost

Security Deposits - Unsecured, considered good	18.76	73.47
MPCB Advance	52.13	-
	70.89	73.47

Particulars	(₹ Lacs)	
	As at March 31, 2021	As at March 31, 2020
NOTE-5		
OTHER NON-CURRENT ASSETS - NON FINANCIAL		
(Unsecured, considered good)		
VAT Refundable	-	43.84
IT Refund receivable	-	14.31
Advance Tax (net of provisions)	14.31	-
Advances for Capital Goods	-	18.83
Other Advances	-	0.05
(Unsecured, considered Doubtful)		
Advances to suppliers	10.00	10.00
Less: Provision for doubtful advances	-10.00	-10.00
	14.31	77.03
NOTE-6		
INVENTORIES		
(At lower of cost and net realisable value)		
Raw Material	342.99	184.56
Stock Work In Progress	356.05	456.37
Finished Goods	902.54	673.89
Packing Material	6.02	12.12
Stores & Spares	43.23	3.40
Fuel	7.12	8.15
	1,657.95	1,338.49
NOTE-7		
CURRENT INVESTMENTS		
Investment in Mutual Funds		
At Amortised Cost		
SBI Magnum Medium Duration Fund Growth	11.30	10.00
<i>Unit Purchase 28771.928 NAV 39.2730 (pur. value 10 lacs)</i>		
BARODA LARGE & MID CAP FUND	64.05	-
<i>Unit Purchase 49,99,65.02 NAV 12.8100 (Pur Value 50 Lacs)</i>		
	75.35	10.00
NOTE-8		
TRADE RECEIVABLE - At amortised cost		
- Unsecured, Considered Good	942.06	613.65
Which have significant increase in credit risk	0.17	-
Credit impaired	-	-
	942.23	613.65
Less: Allowance for doubtful trade receivable	0.17	-
	942.06	613.65

Due from Related Party - Refer Note 41

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed. The Company estimates the following matrix at the reporting date which is calculated on overdue amounts.

Particulars	Less than 30 Days	30 to 60 days	60 -120 Days	120 Days and Above
Default rate - local	0%	0%	-	100%
Default rate - export	0%	0%	-	-

	(₹ Lacs)	
	2020-21	2019-20
Movement in the expected credit loss allowance	-	-
Balance at the beginning of the period	-	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit	0.17	-
Provision at the end of the period	0.17	-

Particulars	(₹ Lacs)	
	As at March 31, 2021	As at March 31, 2020
NOTE-9		
CASH AND CASH & EQUIVALENTS		
a. Balance with banks	68.87	26.05
- In Current Accounts		
- In Fixed Deposits with original maturity of less than three months	450.00	155.73
b. 'Cheques in Hand	-	-
c. Cash on hand	0.50	0.70
	519.37	182.48

NOTE-10		
BANK BALANCES OTHER THAN 7(a) ABOVE		
In Fixed Deposits (Margin Money)*	67.75	62.89
	67.75	62.89

*(Under Lien towards margin of Letter of Credits and Bank Guarantees)

NOTE-11		
OTHER CURRENT ASSET - FINANCIAL		
Other Advances recoverable	0.05	-
	0.05	-

NOTE-12		
OTHER CURRENT ASSETS - NON FINANCIAL		
(Unsecured, considered good)		
Prepaid expenses	4.99	5.91
Prepaid Rent	-	4.16
Advances for supply of goods and services	16.62	29.43
Drawback, MEIS and GST credits	499.77	119.20
Staff advances	0.14	0.21
	521.52	158.91

NOTE-13		
EQUITY		
i) SHARE CAPITAL		
AUTHORISED:		
1,50,00,000 (PY: 1,50,00,000) Equity shares of ₹ 10/- each	1,500.00	1,500.00
	1,500.00	1,500.00
ISSUED, SUBSCRIBED & PAID UP		
1,15,44,000 (PY:1,15,44,000) Equity shares of ₹ 10/- each fully paid up	1,154.40	1,154.40
	1,154.40	1,154.40

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount Rs	Number of Shares	Amount Rs
At the beginning of the year	115.44	1,154.40	115.44	1,154.40
Issued during the year			-	-
Outstanding at the end of the year	115.44	1,154.40	115.44	1,154.40

b) Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) The Company is a wholly owned subsidiary of Makers Laboratories Limited, a company listed on the BSE and NSE.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	%	Number of Shares	%
Vista Finance and Leasing Pvt.Ltd	5.18	4.49%	39.64	0.34
Usma Investment Pvt.Ltd	2.56	2.21%	32.95	0.29
Makers Laboratories Ltd	52.50	45.48%	-	-
Kaygee Investments Pvt Ltd	10.12	8.77%	-	-

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 ownership of shares.

(₹ Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
NOTE-14		
RESERVE & SURPLUS		
a) Capital Reserve	20.00	20.00
b) Revaluation Reserve	563.27	563.27
c) Retained Earnings	2,329.62	1,315.69
	2,912.89	1,898.96

Capital Reserve

This reserve has been created from State subsidy received for establishment of Industry in MIDC, subsidy was received in FY 1994-95

Revaluation Reserve

Plant, Machinery, Land & Building were revalued in FY 2005-06, Intangible assets were also revalued in 2006-07. The balance is against unamortised amount of revaluation done.

Retained earnings

Retained earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves, if any, and amount distributed as dividend and adjustments on account of transition to Ind AS.

(₹ Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
NOTE-15		
PROVISIONS - Non Current		
Provision for Gratuity	16.16	40.40
	16.16	40.40
NOTE-16		
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
On account of:		
Property, Plant and Equipment	166.32	181.34
Mark to Mark Income on Fair Valuation of Investments	3.86	-
Lease Liability	2.82	-
Deferred Tax Asset	173.00	181.34
Timing differences on allowance of expenses - provision for doubtful advance	-	2.78
Timing Differences on allowance of expenses under Income tax Act	-	9.85
MAT Credit Entitlement	-	2.50
Timing Difference on Provision for Gratuity	5.29	-
Timing Difference on Provision for Bonus	0.51	-
Timing Difference on Provision for Doubtful Debts	2.52	-
Right to Use of Assets	3.11	-
	11.43	15.13
	161.57	166.21
NOTE-17		
SECURED CURRENT BORROWING		
Cash Credit	60.88	-
	60.88	-

a) *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)

b) Working capital borrowing carry interest rate of 11.55% per annum

NOTE-18**TRADE PAYABLE**

Total outstanding dues of micro and small enterprises	18.30	1.92
Others	828.71	657.28
	847.01	659.20
Trade payable - related parties (Refer Note 39)	179.00	6.03
Trade payable - others	668.01	651.25
	847.01	657.28

Note**Detail of dues to micro and small enterprises as define under MSMED act, 2006****a) The principal amount and interest due thereon remaining unpaid to suppliers**

- Principal amount due	18.30	1.92
- Interest due thereon	-	-

Particulars	(₹ Lacs)	
	As at March 31, 2021	As at March 31, 2020
b) Amount paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond appointed day	-	-
- Interest paid thereon	-	-
Amount of interest accrued and remaining unpaid as at year end	12.33	12.33
Amount of interest due and payable for the period of delay	-	-
Amount of further interest remaining due and payable in the succeeding year	-	-

The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information and confirmation available with the company as per March 31st 2021. The auditors have relied on such information.

NOTE-19**OTHER CURRENT LIABILITIES - FINANCIAL**

Current maturities of long term debts		
Outstanding Payment to Employees	47.72	44.22
	<u>47.72</u>	<u>44.22</u>

NOTE-20**OTHER CURRENT LIABILITIES - NON FINANCIAL**

Advances from customers	65.85	4.91
Tax Deducted at source payable	7.75	5.40
Statutory dues payable	19.72	3.05
	<u>93.32</u>	<u>13.36</u>

NOTE-21**Provision - Current**

Provision for Gratuity		4.87	7.22
Provision for Bonus		6.94	
Provision for Tax (net of Advances)			
FY 2017-18	4.04		
FY 2018-19	28.97	33.01	
		<u>44.82</u>	<u>7.22</u>

NOTE-22**REVENUE FROM OPERATIONS (NET)**

Particulars	2020-21	2019-20
Sale of Products**	7,786.62	6,374.70
Less GST on Sale	-757.85	-761.07
	<u>7,028.77</u>	<u>5,613.63</u>

** Out of the above total sales, 31% of sales are made to Aceto US LLC amounting to ₹ 2,432.61 lacs and 10% of sales are made to Vertellus Specialty Materials India Private Limited amounting to ₹ 791.76 lacs

** Out of the above total sales, 12% of sales are made to Orient International Holding Shanghai Foreign Trade amounting to ₹ 783.83 lacs and 11% of sales are made to Vertellus Specialty Materials India Private Limited amounting to ₹ 707.60 lacs

1. Disclosure relating to disaggregation of revenue in terms of Ind AS-115

	(₹ Lacs)	
Particulars	2020-21	2019-20
- Domestic (A)	2,128.69	2,177.20
- Exports		
*United States of America	3,207.51	1,269.52
*United Kingdom	150.46	7.65
*Africa	144.18	43.56
*France	237.89	176.63
*China	694.69	1,359.89
*Australia	15.45	43.05
*Israel	34.88	21.48
*Germany	380.15	349.54
*Asia (Countries other than India)	34.86	165.12
Total - (B)	4,900.07	3,436.43
Total (A+B)	7,028.77	5,613.63

2. Contract Liability

The Contract liability primarily relate to advances received from the customers against orders. Significant changes in the contract liabilities balance during the period are as under:

	(₹ Lacs)	
Particulars	2020-21	2019-20
Balances at the beginning of the year	4.91	58.79
Movement during the year (Net of received and revenue booked)	60.94	-53.89
Advances received which have remained outstanding at the end of the year	65.85	4.91

	(₹ Lacs)	
Particulars	2020-21	2019-20
NOTE-23		
OTHER INCOME		
Interest on Fixed deposit with bank	10.49	6.69
Unwinding Interest Income	4.51	4.15
Gain on foreign exchange transactions	67.18	46.00
Cash discount		0.89
Export Benefit/Duty Drawback	60.77	115.19
Fair Valuation of Investments	15.35	-
Other Receipts	0.22	16.59
	158.52	189.51
NOTE-24		
COST OF MATERIAL CONSUMED		
A. RAW MATERIALS		
Inventory at the beginning of the period	184.56	116.22
Add : Purchases	2,849.61	2,488.32
	3,034.17	2,604.54
Less: Inventory at the end of the period	342.99	184.56
	2,691.18	2,419.98
B. PACKING MATERIALS		
Inventory at the beginning of the period	12.12	-
Add : Purchases	29.79	38.15
	41.91	38.15
Less: Inventory at the end of the period	6.02	12.12
	35.89	26.03
TOTAL COST OF MATERIAL CONSUMED - A+B	2,727.07	2,446.01

Particulars	(₹ Lacs)	
	2020-21	2019-20
NOTE-25		
PURCHASES OF TRADED GOOD		
(a) Purchases	-	53.95
	<u> </u>	<u>53.95</u>
NOTE-26		
(INCREASE) / DECREASE IN INVENTORIES		
Inventories at the end of the year		
Work in progress	356.05	456.37
Finished goods	902.54	673.89
Traded Goods	-	-
	<u>1,258.59</u>	<u>1,130.26</u>
Inventories at the beginning of the year		
Work in progress	456.37	660.39
Finished goods	673.89	100.12
Traded Goods	-	-
	<u>1,130.26</u>	<u>760.50</u>
	<u>-128.33</u>	<u>-369.76</u>
NOTE-27		
EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	350.99	327.39
Contribution to Provident and Other Funds	13.95	16.03
Provision for Gratuity Expenses	6.82	12.85
Workmen and staff welfare expenses	7.74	33.35
	<u>379.50</u>	<u>389.62</u>
NOTE-28		
OTHER EXPENSES		
Stores and Consumables	24.47	56.72
Power and Fuel	377.88	485.07
Freight and Transport Charges	128.72	131.01
Conversion Charges	1,716.97	1,215.70
Repair & Maintenance		
For Plant & Machineries	92.00	87.32
For Buildings	3.73	4.15
For Others	14.00	0.74
Traveling, Conveyance, Lodging and Boarding	6.06	33.94
Postage, Telephone and Internet Charges	9.40	8.15
Professional and Legal Expenses	89.90	89.22
Insurance Premium	16.36	14.32
Rent (on - value and short term asset on lease)	24.41	27.63
Rates and Taxes	12.78	9.06
Commission	35.73	6.77
R & D Expenses	14.14	107.57
Director Sitting Fee	7.88	6.78
Audit Fees	3.10	5.00
Doubtful Debts	0.17	-
Penalty paid to BSE	3.47	-
CSR Expenses	8.50	-
MEIS Application Income Reversed	17.26	
Other Expenses	18.12	28.72
	<u>2,625.05</u>	<u>2,317.87</u>

Particulars	(₹ Lacs)	
	2020-21	2019-20
NOTE-29		
FINANCE COST		
Interest on fixed term Loan	-	0.02
Interest on others	-	0.00
Finance Expenses	1.05	23.08
Interest on MSME	-	12.33
Interest On Lease Liability	0.35	
Interest On Income Tax	12.41	
Bank Charges	15.23	
	29.04	35.43
NOTE-30		
DEPRECIATION AND AMORTISATION		
Depreciation	95.08	87.41
Amortisation	3.40	4.31
	98.48	91.72
NOTE-31		
EXCEPTIONAL ITEMS		
Sales tax payment	-	119.61
Excise duty payment	-	26.59
	-	146.20

NOTE-32
Segment Reporting

Disclosure as required by Ind AS 108 “Operating Segment”, of the Companies (Indian Accounting Standards) Rules, 2015.

Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company’s performance in accordance with Ind AS “Operating Segment”, accordingly the Company has only one reportable operating segment i.e. Chemical Manufacturing

Additional disclosure required as per Ind AS 108

Particulars	Amount in ₹	
	2020-21	2019-20
The revenue from geographical region		
- India	2,128.69	2,183.86
- Outside India	4,900.08	3,436.43
	7,028.77	5,620.29

1. Customers accounting more than 10% of total sales

Particulars	2020-21	2019-20
Aceto US LLC	31%	-
Vertellus Specialty Materials India Private Limited	10%	11%
Orient International Holding Shanghai Foreign Trade	-	12%

2. Of the above, revenue from sales to USA amounts to Rs 2,432.61 lacs (previous year Rs -783.83 lacs to Orient International Holding Shanghai Foreign Trade).
3. The non-current assets attributable to any particular geographical segment is not material for disclosure.

NOTE-33

Disclosure in accordance with Ind AS – 19 “Employee Benefits”, of the Companies (Indian Accounting Standards) Rules, 2015

Gratuity - The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is unfunded.

The following table summarizes the components of net benefit expense recognized in the statement of profit and loss and in the balance sheet.

Movement in Present Value of Defined Benefit Obligation

Particulars	(₹ Lacs)	
	As at March 31, 2021	As at March 31, 2020
Present Value Of Defined Benefit Obligation at the beginning of the year	40.40	33.18
Interest Cost	1.93	2.03
Current Service Cost	4.90	3.57
Benefits Paid	-56.74	-5.63
Actuarial (Gain) / Loss	30.54	7.26
Present Value Of Defined Benefit Obligation at the end of the year	21.02	40.41

Expense Recognised in Statement of Profit and loss

Particulars	(₹ Lacs)	
	As at March 31, 2021	As at March 31, 2020
Current Service Cost	4.90	3.57
Interest Expense	1.93	2.03
Benefits Paid	-56.74	-5.63
Actuarial (Gain) / Loss	30.54	7.26
Total Expenses recognized in Statement of Profit and Loss	-19.37	7.23

Expense recognized in Other Comprehensive Income

Particulars	(₹ Lacs)	
	As at March 31, 2021	As at March 31, 2020
Component of actuarial gain/losses on obligation:		
Due to change in financial assumption	35.19	1.72
Due to change in demographic assumption	-1.45	-
Due to change in experience adjustment	-3.20	5.54
Total Expenses recognized in Other Comprehensive Income	31.54	7.26

Reconciliation of net defined benefit - Gratuity Liability

Particulars	(₹ Lacs)	
	As at March 31, 2021	As at March 31, 2020
Net opening provisions in books of accounts	40.40	33.18
Transfer in/(out) obligation	30.54	7.26
Transfer in/(out) plan asset	-	-
Employee benefit expenses	6.82	5.59
Amounts recognized in Other Comprehensive Income	-	-
Benefits paid by the Company	-56.74	-5.63
Contributions to plan assets	-	-
Closing provisions in books of accounts	21.02	40.40

Funded status of the plan

Particulars	(₹ Lacs)	
	As at March 31, 2021	As at March 31, 2020
Present value of unfunded obligation	21.02	40.40
Present value of funded obligation	-	-
Fair value of plan asset	-	-
Net Liability/(Asset)	21.02	40.40

Sensitivity Analysis of Gratuity:

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Particulars	(₹ Lacs)	
	Impact on defined benefit obligation(in Rs)	
	As at March 31, 2021	As at March 31, 2020
1% Increase in Discount rate	20.32	39.13
1% Decrease in Discount rate	21.78	41.77
1% Increase in Salary growth rate	21.76	41.28
1% Decrease in Salary growth rate	20.32	39.58

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

Particulars	As at	
	March 31, 2021	March 31, 2020
Discount Rate	5.42%	5.47%
Salary Escalation Rate	6.00%	10.00%
Turnover Rate	25.00%	20.00%
Mortality Table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality.

Risk Exposure

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

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

Longevity risk - The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

Regulatory Risk - Any Changes to the current Regulations by the Government, will increase (in most cases) or Decrease the obligation which is not anticipated. Sometimes, the increase is many fold which will impact the financials quite significantly.

Actuarial risk

Salary Increase Assumption - Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the obligation at a rate that is higher than expected.

Attrition/Withdrawal Assumption

If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions

NOTE-34

Financial Instruments

The carrying value and fair value of financial instruments by categorywise is as follows:

(₹ Lacs)

Particulars	Carrying Value		Fair Value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets				
- at amortised cost				
Trade Receivables	942.23	613.65	942.23	613.65
Cash and bank balances	587.12	245.37	587.12	245.37
Other Financial Assets	0.05	-	0.05	-
Total Financial Assets	1,529.40	859.02	1,529.40	859.02
Financial liabilities				
- at amortised cost				
Borrowings	60.88	-	60.88	-
Trade Payables	847.01	659.20	847.01	659.20
Other financial liabilities	47.72	44.22	47.72	44.22
Total Financial Liabilities	955.61	703.42	955.61	703.42

- The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

NOTE-35

Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard.

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Financial Assets	Level 1		Level 2		Level 3	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Current Investmentst carried at Amortised Cost						
SBI Magnum Medium Duration Fund Growth	11.30	10.00	-	-	-	-
Unit Purchase 28771.928 NAV 39.2730 (pur. value 10 lacs)			-	-	-	-
BARODA LARGE & MID CAP FUND	64.05	-	-	-	-	-
Unit Purchase 49,99,65.02 NAV 12.8100 (Pur Value 50 Lacs)			-	-	-	-
Total	75.35	10.00	-	-	-	-

NOTE-36**Financial Risk Factors**

The Company's business activities are exposed to a variety of financial risks: market/business risk, credit risk, exchange risk, etc. The Company's focus is to foresee the unpredictability of financial and business risks and seek to minimize potential adverse effects of these risks on its business and financial performance.

i. Business/ Market Risk

The primary business/market risk to the Company is the price risk and its ability to pass on the same to its customers. The Company's operations extend to a number of countries across the globe and its products pricing competitiveness is a primary factor for the acceptability of Company's products in those markets. The Company has a robust procurement process, which ensures that its pricing power is not adversely affected by price changes in the market place for its raw materials.

The Company, however, has a risk from dependence on any single customer as there are 2 customers accounting for more than 10% of Company's annual revenue. The company take proper precaution to secure the transaction with such customers. The Company also continuously forays into different markets/countries to reduce its complete dependence on any particular country or customer group.

ii. Credit risk

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

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

iii. Foreign currency risk

The Company has a system of regularly monitoring its currency wise exposures. The significant part of Company's receivables and borrowings are in US Dollars which operates as a natural hedge against each other. The Company has a policy not to borrow in a currency where it has no business exposure. The company is in the process of starting currency hedging to safeguard currency exchange losses.

iv. The unhedged foreign currency exposure is as follows:

(₹ Lacs)

Particulars	Currency	As at March 31, 2021		As at March 31, 2020	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
i. Unhedged foreign exchange liability					
Trade and Other Payables	USD	3.87	276.24	2.01	152.47
Advances Received		0.88	64.54	-	-
ii. Unhedged Receivables in foreign currency					
Trade and Other Receivables	USD	7.75	568.57	5.13	382.07
	Euro	0.05	4.68	0.16	12.47

Sensitivity Analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD and GBP exchange rates, with all other variables held constant. 5% is the sensitivity rate which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items that are not hedged by derivative instruments and adjusts their translation at the year end for a 5% change in foreign currency rates. The sensitivity analysis includes foreign vendors. A positive number below indicates increase in profit or equity where the INR strengthens by 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit.

Currency	% Change in Currency	Effect on Profit	
		As at March 31, 2021	As at March 31, 2020
USD	+5%	11.00	11.61
	-5%	-11.00	-11.61
EURO	+5%	0.23	0.62
	-5%	-0.23	-0.62

v. Interest risk

The Company has domestic borrowings mainly in the nature of bank overdraft facilities. The domestic interest risk is exposed to the changes in the RBI bank rate. The Company manages this risk by managing its working capital effectively.

vi. Estimation uncertainty relating to COVID-19 outbreak

Being manufacturers of chemical manufacturing, the operations of the Company were exempted from lockdown declared by both the Central and State Governments in the wake of Covid - 19 pandemic. The Company continued with the manufacturing operations at all its manufacturing sites albeit with challenges such as shortage of manpower, availability of materials and disruptions in the logistics and supply chain. The Company has considered the possible effects that may result due to the lockdown announced consequent to outbreak of Covid -19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. Based on internal and external sources of information and economic forecasts, the Company expects the carrying amount of these assets will be recovered and will continue to have sufficient liquidity to fund its business operations as well as expansion plans. However, a definitive assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment and the situation is still evolving.

NOTE-37

Capital Management

For the purpose of the Company's capital management, capital includes paid-up equity share capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholders' value.

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

Particulars	(₹ Lacs)	
	As at March 31, 2021	As at March 31, 2020
Borrowings	60.88	-
Trade Payables	847.01	659.20
Other financial liabilities	47.72	44.22
Less: cash and cash equivalents	-519.37	-182.48
Net debt	436.24	520.94
Total Equity	1,154.40	1,154.40
Other Equity	2,912.89	1,898.96
Total equity	4,067.29	3,053.36
Total member's capital	4,067.29	3,053.36
Capital and net debt	4,503.52	3,574.30
Gearing ratio (%)	9.69	14.57

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

No changes were made in the objectives, policies or processes for managing the capital during the years ended March 31, 2021 and March 31, 2020.

NOTE-38

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. During the year the Company has not settled any such transactions.

NOTE-39**CSR Expenditure:**

a. Gross amount required to be spent by the Company during the year ₹ 7.63 (previous year Nil).

b. Amount spent by the Company during the year is as follows:

(₹ Lacs)

Particulars	Paid in cash	Yet to be paid in cash	Total
	-	-	-
Donation to Prabhat Foundation	8.50	-	8.50
	8.50	-	8.50

c. Company did not spent any amount during the previous year as it was not applicable

NOTE-40**i. Tax Expense**

(₹ Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax	371.72	154.83
Short/ (excess) provision of income tax	39.48	0.27
Defererd Tax	-7.13	-13.77
Total	404.07	141.33

ii. Reconciliation of current rate of tax and effective rate of tax**Current taxes**

Accounting profit before income tax	1,456.47	692.10
At India's statutory income tax rate	25.17%	27.82%
Tax on profit	366.57	192.54
Effect of non deductible expense	9.73	3.05
Effect of deductible expenses and set off of losses	-	-
Effect of Depreciation	0.86	2.20
Others		-15.99
MAT Credit Adjusted	2.50	-
Income tax expense - Net	379.66	181.80

iii. Tax liability as per Minimum Alternate tax on book profits

Minimum Alternate tax rate	NA	17%
Computed tax liability on book profits	NA	125.74
Tax effect on adjustments		0
Adjustment of OCI		0
Others		0
Minimum Alternate tax on book profits	NA	125.74

iv. Reconciliation of deferred tax

(₹ Lacs)

Particulars	Opening	Recognised in Statement of profit and loss	Recognised in Other Comprehensive Income	Closing
Property, Plant and Equipment	180.97	0.37	-	181.34
Remeasurement gain/(loss) on defined benefit plans	-2.39	-8.85	-	-11.24
Employee benefits Bonus	-0.14	1.53	-	1.39
Expected credit loss	-2.78	-	-	-2.78
As at March 31, 2020	175.66	(6.95)	-	168.71
Property, Plant and Equipment	181.34	-15.02	-	166.32
Remeasurement gain/(loss) on defined benefit plans	-11.24	5.95	-	-5.29
Employee benefits Bonus	1.39	-1.90	-	-0.51
Expected credit loss	-2.78	0.27	-	-2.52
MTM on Investments	-	3.86		3.86
Lease Liability	-	2.82		2.82
Right to Use of Assets	-	-3.11		-3.11
As at March 31, 2021	168.71	-7.13	-	161.58

NOTE-41

Related Party Disclosure as required by Indian Accounting Standard – Ind AS 24 “Related Party Transactions” of the Companies (Accounting Standards) Rule 2015.

A List of the related parties

i Entities where Control Exists

	Relationship
Makers Laboratories Limited	Holding Company
Kaygee Investments Pvt Ltd	Promoter
Mr. Alok Gupta	Promoter
Mr. Anoop Gupta	Promoter
Dr. Atma Bandhu Gupta	Promoter
Avignon Chemicals Pvt Ltd	Promoter
Mrs. Usha Gupta	Promoter
Ushma Investments Pvt Ltd	Promoter
Vista Finance and Leasing Pvt Ltd	Promoter

ii Key Management Personnel

Dr. Atma Bandhu Gupta (resigned w.e.f. 21.12.2020)	Managing Director
Mr. Ashish Katariya (appointed w.e.f. 09.11.2019)	Whole time Director
Mrs. Archana Surendra Yadav	Independent Director
Mr. Ajay Patadia (appointed w.e.f. 27.06.2020)	Independent Director
Mr. Prashant Godha (appointed w.e.f. 10.11.2020)	Non-Executive Director Director
Mr. Rajkamal Prasad Verma (appointed w.e.f. 10.11.2020)	Independent Director

Dr. Yaqoob Ali (Resigned w.e.f 18.06.2020)	Independent Director
Mr. Bishwanath Prasad Agrawal (resigned w.e.f. 21.12.2020)	Non-Executive Director
Mr. Dwarika Agrawal (appointed as Director Finance w.e.f. 21.07.2020)	Chief Financial Officer and Director Finance
Mrs. Arti Lalwani (resigned w.e.f. 14.09.2020)	Company Secretary
Mrs. Minal Bhosale (Appointed w.e.f. 15.09.2020)	Company Secretary

B) Transactions with related parties

(₹ Lacs)

Description	Entities where control exists - Holding Company		Entities where control exists - Promoters		Key Management Personnel		Other Related Parties		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Purchase of Goods and Services										
- Vista Organics Pvt Ltd	-	-	-	-	-	-	1,716.97	1,215.70	1,716.97	1,215.70
Professional and Consultancy Fees										
- Ms. Sarita Agrawal	-	-	-	-	-	-	17.30	4.19	17.30	4.19
- Mr. Alok Gupta							6.00	9.00	6.00	9.00
Director Remuneration										
- Dr. Atma Bandhu Gupta	-	-	-	-	85.77	52.01		-	85.77	52.01
- Mr. Ashish Katariya					17.55	-			17.55	-
- Mr. Dwarika Agrawal					13.56	-			13.56	-
Sitting Fees to Non-Executive Directors										
- Ms. Archana Surendra Yadav	-	-	-	-	2.60	3.06			2.60	3.06
- Dr. Yaqoob Ali	-	-	-	-	-	1.67			-	1.67
- Dr. Bishwanath Prasad Agrawal	-	-	-	-	1.55	2.06			1.55	2.06
- Mr. Ajay Patadia					1.95	-			1.95	-
- Mr. Prashant Godha					0.87	-			0.87	-
- Mr. Rajkamal Prasad Verma					0.92	-			0.92	-
Rent										
- Ushma Investments Pvt Ltd	-	-	6.75	9.00	-	-			6.75	9.00
- Avignon Chemicals Pvt Ltd	-	-	6.75	9.00	-	-			6.75	9.00
- Vista Finance and Leasing Pvt Ltd	-	-	6.75	9.00	-	-			6.75	9.00
- Makers Laboratories Limited	-	-	0.92	-	-	-			0.92	-
Salary										
- Mrs. Usha Gupta	-	-	5.61	8.00	-	-			5.61	8.00
- Mr. Dwarika Agrawal						12.58			-	12.58
- CS Arti Lalwani					0.15	0.67			0.15	0.67
- CS Minal Bhosale					3.31	-			3.31	-
									-	-
Balance Outstanding										
Interest Free Deposit										
- Makers Laboratories Limited	-	-	1.50	-	-	-			1.50	-
Trade Payables										
- Vista Organics Pvt Ltd	-	-	-	-	-	-	179.00	117.29	179.00	117.29
- Ushma Investments Pvt Ltd	-	-	-	2.02	-	-			-	2.02
- Avignon Chemicals Pvt Ltd	-	-	-	2.02	-	-			-	2.02
- Vista Finance and Leasing Pvt Ltd	-	-	-	1.99	-	-			-	1.99
Total	-	-	28.28	41.03	128.22	72.04	1,919.27	1,346.18	2,075.77	1,459.25

NOTE-42

Disclosure in respect of R & D expenditure included in respective head of accounts is as under:

Particulars	(₹ Lacs)	
	As at March 31, 2021	As at March 31, 2020
Other expenses	14.14	107.57
	<u>14.14</u>	<u>107.57</u>

NOTE-43

Disclosure in accordance with Ind AS – 116 “Leases”, of the Companies (Indian Accounting Standards) Rules, 2015)

The Company's lease asset primarily consist of leases for Land and Buildings having the various lease terms.

The details of the contractual lease liabilities as at March 31, 2021 on an undiscounted basis are as follows::

Particulars	(₹ Lacs)	
	As at March 31, 2021	As at March 31, 2020
Less than one year	3.00	-
One to Five years	11.08	-
More Than five years	-	-
	<u>14.08</u>	<u>-</u>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTE-44

Contingent Liabilities

Particulars	(₹ Lacs)	
	As at March 31, 2021	As at March 31, 2020
1. Bank Guarantee issued by banks on behalf of the Company against lien of fixed deposit receipts:	20.00	20.00
2. Demand raised by Maharashtra Pollution Control Board vide order dated 17.09.2020 passed by Hon'ble National Green Tribunal in Original application No. 64/2016 and as per order dated 14.12.2020 passed by Hon'ble Supreme Court we have paid 30% amount of (Compensation) ₹ 52.13 Lacs on 10.02.2021 under protest and the matter is still pending with Hon'ble Supreme Court.	173.77	-
3. Claim against the company by a customer, Glaxosmithkline Pharmaceutical but not admitted. The outcome of the same is pending in City Civil Court, Mumbai. Pending the outcome the same is considered as contingent liability in the current year.	33.63	33.63
4. Income tax demand for the AY 2017-18 against which the company filed the appeal before CIT (A) 21, Mumbai/10231/2019-20	17.30	-
5. Outstanding Demand for default in TDS for various years, reflected on Income Tax Website.	1.33	-
Total	<u>246.03</u>	<u>53.63</u>

NOTE-45

Commitments

Particulars	(₹ Lacs)	
	As at March 31, 2021	As at March 31, 2020
Other Commitments		
Letter of Credit Outstanding	-	253.39

NOTE-46**Earning per Share**

Particulars	(₹ Lacs)			
	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
Profit after Tax		1,013.93		545.53
Equity Shares Outstanding at the end of the year	-	-		
- Equity Shares Outstanding at the beginning of the year	115.44		115.44	
- Add: Shares issued during the year	-		-	
- Equity Shares at the end of the year		115.44		115.44
Weighted average number of equity shares		115.44		115.44
Face value per Share		10.00		10.00
Basic Earnings Per Share(in ₹)		8.78		4.73
Diluted Earnings per Share (in ₹)		8.78		4.73

Note 47**Events Occuring After the Balance Sheet Date**

The Board has recommended a dividend @ ₹ 1/- for their (10%) for the financial year accordingly to ₹ 115.44 lacs subject to the approval of the shareholder of the ensuring AGM.

Note 48

Figures for the previous year have been regrouped / reclassified / reinstated, wherever considered necessary.

Note 49

The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2021.

As per our report of even date attached
For **V.R.Bhabhra & Co**
Firm Registration No. 112861W
Chartered Accountants

CA Vimal R Bhabhra
Partner
Membership No.046043

Place : Mumbai,
Dated : June 3, 2021

For & on behalf of the Board
For **RESONANCE SPECIALTIES LIMITED**

CA Dwarika Agrawal
Director
DIN: 07194113

Mrs. Minal Bhosale
Company Secretary

Mr. Ashish Katariya
Director
DIN: 08601262



Resonance Specialties Limited

Registered Office: 54-D, Kandivli Industrial Estate, Charkop, Kandivli (West), Mumbai – 400 067
CIN: L25209MH1989PLC051993 | Tel: 022 – 6857 2827 | Fax: 022 – 2868 8544
Email: info@resonancesl.com | Website: www.resonancesl.com