

33rd Annual Report
2021-22

Together for a
better future!



Resonance
Specialties

Resonance Specialties Limited



Resonance
Specialties

(₹ in Lacs)

	2017-18	2018-19	2019-20	2020-21	2021-22
Total Income	3,706.86	4,302.11	5,803.15	7,187.29	7,710.58
Profit Before Tax	3.38	475.84	692.11	1,584.00	1,809.86
Profit /(Loss) After Tax	(76.81)	320.46	550.77	1,052.41	1,235.98
Share Capital	1,154.40	1,154.40	1,154.40	1,154.40	1,154.40
Reserves & Surplus	1,171.82	1,492.60	1,898.96	2,912.89	4,025.93
Net Worth	2,326.22	2,647.00	3,053.36	4,067.29	5,180.33
Net Block	1,459.86	1,407.07	1,411.20	1,590.13	1,382.69
Earnings Per Share (₹)	(0.60)	2.78	4.73	8.78	10.64
Book Value Per Share (₹)	20.15	22.93	26.45	35.23	44.87

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. Dwarika Agrawal	Whole-time Director / CFO (resigned w.e.f. June 11, 2022)	(DIN 07194113)
Mr. Charchit Jain	Whole-time Director / CFO (appointed w.e.f. June 23, 2022)	(DIN 09344495)

COMPANY SECRETARY

Mrs. Minal Bhosale (ACS 43010)

AUDITORS

M/s. Kailash Chand Jain & Co.
Chartered Accountants
Edena, 1st Floor, 97, Maharshi Karve Road,
Mumbai – 400 020.

COST AUDITORS

M/s. 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 2802
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 33rd ANNUAL GENERAL MEETING (AGM) of Resonance Specialties Limited will be held on Thursday, August 11, 2022 at 12.30 p.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, 2022 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Prashant Godha (DIN 00012759) who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend on equity shares.

SPECIAL BUSINESS:

4. To ratify the remuneration of the Cost Auditors for the FY 2022-23

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

“RESOLVED THAT pursuant to the provisions of Section 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. 101734) 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 2022-23 be paid remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only) plus applicable tax and reimbursement of traveling and other out of pocket expenses.”

5. To consider the appointment of Mr. Charchit Jain as a Director

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

“RESOLVED THAT Mr. Charchit Jain (DIN: 09344495), who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 23, 2022 under Section 161 of the Companies Act, 2013 (the Act) and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, but who is eligible for appointment and has consented to act as a Director of the Company and in

respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company and whose term of office shall be liable to determination by retirement of the Directors by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this resolution.”

6. To appoint Mr. Charchit Jain as the Whole-time Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, Schedule V 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), the Company hereby accords its approval to the appointment of and remuneration payable to Mr. Charchit Jain (DIN: 09344495), as the Whole-time Director of the Company for a period of 5 years commencing June 23, 2022 to June 22, 2027 on the terms and conditions including remuneration as approved by the Nomination and Remuneration Committee of the Board and as set out in the agreement dated June 23, 2022 entered into between the Company and Mr. Charchit Jain, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, which agreement is hereby specifically approved.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this resolution.”

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

To consider and, if thought fit, to pass, with or without modification(s), the following 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 M/s. Kaygee Laboratories Private Limited, 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 reimbursement 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 the 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.”

8. To make investments, give Loans, guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013

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

“**RESOLVED THAT**, pursuant to the provisions of section 186 of the Companies Act, 2013 (“the Act”) read with relevant rules made as applicable there under and any other applicable provisions of the Act, including any modification(s) thereto or re-enactment(s) thereof for the time being in force, subject to the provisions of the Memorandum and Articles of Association of the company and subject to such other approvals and sanctions as may be necessary, the consent of the members of the company be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as “the Board” which term shall include any Committee thereof) to give any loan(s) and/or any guarantee(s) and/or to provide any security(ies) in connection with any loan(s) to any other body corporate or person and/or to make any

further investments/acquisitions by way of subscription, purchase or otherwise, the securities (including equity shares, preference shares, debentures, or any other kind of instruments, whether convertible or not) of other body corporate, Investment in fixed deposits with bank, other institutions, investment in Mutual Funds, Money Market Funds, Government securities etc. up to an amount of ₹ 50,00,00,000/- (Rupees Fifty Crores only) which is over and above the limits available to the company of sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, and remaining outstanding at any point of time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize and execute all contracts, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as they may in their absolute discretion deem fit to give effect to the foregoing resolution and with power to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the members of the company.

IMPORTANT NOTES FOR CDSL E-VOTING SYSTEM – FOR E-VOTING AND JOINING VIRTUAL MEETINGS:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and General Circular No.2/2022 dated May 5, 2022. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
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 at least 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 Chairperson 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 such as the President of India or the Governor of a State or 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 Exchange 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 AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 5, 2020 and MCA General Circular No. 02/2022 dated May 05, 2022.
8. In continuation of this Ministry's **General Circular No. 20/2020** dated May 5, 2022 and after due examination, MCA has decided to allow companies whose AGMs were due to be held in the year 2022, or become due in the year 2022, to conduct their AGMs on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021. This date has been further extended till 31.12.2022 vide Ministry's General Circular No. 2/2022 dated May 5, 2022.
9. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item Nos. 4 to 8 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on June 23, 2022 considered that the special business under Item No. 4 to 8 being considered unavoidable, be transacted at the 33rd AGM of the Company.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- i. The voting period begins on Monday August 8, 2022 from 9:00 a.m. and ends on Wednesday, August 10, 2022 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 record date i.e. August 5, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. However they can attend the AGM through VC/OAVM.
- 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 CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 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. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

Type of shareholders	Login Method
	<ol style="list-style-type: none"> 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 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. 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.

Type of shareholders	Login Method
	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.
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 022-23058542/43.
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 Physical shareholders and shareholders other than individual holding in Demat form.
- 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 Physical shareholders and other than individual shareholders holding shares in Demat.
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.

- 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. **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- 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.

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.
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:

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, 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 7 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 5, 2022.
 14. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 33rd AGM by email and holds shares as on the cut-off date i.e. August 5, 2022, 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.cdslindia.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 33rd AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 33rd AGM, formally propose to the Members participating through VC/ OAVM Facility to vote on the resolutions as set out in the Notice of the 33rd 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 33rd AGM.
 18. The Scrutinizer shall after the conclusion of e-Voting at the 33rd 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 33rd 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 33rd AGM and the Annual Report for the financial year 2021-22 including therein, inter-alia, the Audited Financial Statements for the financial year ended March 31, 2022, 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 33rd AGM and the Annual Report for the year 2021-22 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:-
- 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.
 - For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
21. The Notice of the 33rd AGM and the Annual Report for the financial year 2021-22 including therein, inter- alia, the Audited Financial Statements for the financial year ended March 31, 2022, 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 33rd 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 6, 2022 to Thursday, August 11, 2022 (both days inclusive) for the purpose of the Annual General Meeting / dividend entitlement.
23. Members are requested to:
- intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date;
 - quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
 - 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 2014-15 have been 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.
 - 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 2022-23 so that the shareholders can claim the said dividend/shares. Thereafter, they shall claim it from the IEPF by filing e-form No. IEPF-5 as prescribed under the Rules and 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.
 - 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, M/s. Adroit Corporate Services 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 M/s. Adroit Corporate Services Pvt. Ltd.
24. 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.
25. The information required to be provided regarding the directors seeking re-appointment is furnished in the Report on Corporate Governance annexed herewith.
26. 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 23, 2022

Minal Bhosale
Company Secretary
ACS 43010

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

Item No. 4

To ratify the remuneration of the Cost Auditors for the FY 2022-23.

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 2022-23. 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 Company and their relatives are concerned or interested, financially or otherwise, in this resolution set out at Item No. 4.

The Board of Directors accordingly recommend the resolution set out at Item No. 4 of the accompanying Notice for the approval of the members.

Item No. 5 & 6

To consider the appointment of Mr. Charchit Jain as a Director.

To appoint Mr. Charchit Jain as the wholetime Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee, at the meeting of the Board of Directors of the Company held on June 23, 2022; Mr. Charchit Jain (DIN: 09344495) was appointed as an Additional Director of the Company with effect from June 23, 2022. He holds office only upto the date of the ensuing Annual General Meeting of the Company. A notice has been received by the Company from a member proposing Mr. Charchit Jain as a candidate for the office of Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee, at the meeting of the Board of Directors of the Company held on June 23, 2022, Mr. Charchit Jain was also appointed as the Whole-time Director of the Company for a period of 5 years from June 23, 2022 to June 22, 2027. Accordingly, an agreement setting out the terms and conditions of his appointment including remuneration payable to him was entered into between the Company and Mr. Charchit Jain, Whole-time Director on June 23, 2022.

This appointment is in compliance with Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and is subject to the approval of the shareholders.

Mr. Charchit Jain, aged 26 years is by qualification a Commerce Graduate (B. Com) and Chartered Accountant from ICAI.

He has nearly 4 years of experience in the field of Accountancy, Taxation, Marketing Management, Business Development and General Management. He was initially working with the Company from April 21, 2021 as General Manager. He hold directorship in M/s. Kaygee Laboratories Private Limited.

He does not hold any equity shares in the Company.

Mr. Charchit Jain is not debarred from holding the office of Director by virtue of any SEBI order or order by any other competent authority.

He is also a member of Audit Committee and Stakeholders Relationship Committee of the Board. He is not a Member of any Committee of the Board of Directors of other Companies.

Under the Reporting period since he was not a Director, the Number of Board Meetings held and attended by him is not applicable.

The Agreement referred to in the resolution at item 6 of the accompanying notice sets out the remuneration and other terms and conditions applicable to Mr. Charchit Jain upon his appointment as the Whole-time Director.

The abstract of the terms and conditions of his appointment as mentioned in the said Agreement are as follows:

1. Mr. Charchit Jain is hereby appointed as Whole-time Directors of the Company, for a Period of 5 (five) years with effect from June 23, 2022 subject to the appointment being previously determined in pursuance of any of the provision of this agreement .
2. The Whole-time Director shall exercise and perform such powers and duties as the Board shall from time to time, determine, and subject to any directions and restrictions, from time to time, given and imposed by the Board and perform all other acts, deeds and things which, in the ordinary course of business, he may consider necessary or proper in the interest of the Company.
3. The Whole-time Director shall devote his wholetime attention and abilities to the business of the Company and shall obey the orders, from time to time, of the Board and in all respects conform to and comply with the directions and regulations made by the Board, and shall use his best endeavors to promote interests of the Company.
4. During the period of his employment the Whole-time Director shall whenever required by the Company undertake such travelling in India and elsewhere as the Board may from time to time direct in connection with or in relation to the business of the Company.
5. The Company shall, in consideration of the performance of his duties, pay to the Whole-time Director during the continuance of this Agreement, the following remuneration:
 - a. Salary of ₹ 87,000/- (Rupees Eighty Seven Thousand Only) per month with such increments as may be decided by the Board subject to a ceiling of ₹ 2,00,000/- (Rupees Two Lacs Only) per month.
 - b. Commission: Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year and as may be determined by the Board of Directors of the Company, subject to the overall ceilings stipulated Section 197 and other applicable provisions of the Companies Act, 2013. The specific amount payable to the Whole-time Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after annual accounts have been adopted by the shareholders.
 - c. Perquisites: In addition to the salary and commission the Whole-time Director shall be entitled to the following perquisites:
 - i. Housing: The expenditure incurred by the Company on hiring furnished accommodation for the Whole-time Director Shall be ₹ 43,500 (Rupees Forty Three Thousand and Five Hundred only). In case no accommodation is provided by the Company, the Whole-time Director shall be entitled to the house rent allowance subject to the said ceiling of 50% of the salary.
 - ii. Medical, Hospitalization and Health-care expenses Reimbursement: Expenses incurred for the Whole-time Director and his family to be paid in accordance with any rules specified by the Company subject to a ceiling of ₹ 25,000/- per annum.
 - iii. Leave Travel Concession: For the Whole-time Director and his family, once in a year incurred in accordance with any rules specified by the Company subject to a ceiling of 1 month salary.

- iv. Personal accident insurance: As per the Rules specified by the Company.
 - v. Provident Fund: Company's contribution to Provident Fund shall be as per the scheme applicable to the employees of the Company.
 - vi. Contribution to National Pension Scheme: Company's contribution to any superannuation fund or national pension scheme shall be in accordance with the rules of the scheme as may be applicable or as may be framed / decided by the Company. Contribution to provident fund, superannuation fund and national pension scheme will not be included in the computation of perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.
 - vii. Gratuity : As per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service. Contribution to provident fund and gratuity will not be included in the computation of perquisites.
 - viii. Encashment of Leave: Encashment of Leave at the end of the tenure of the Whole-time Director will not be included in the computation of perquisites.
 - ix. Car: Provision of car for use on Company's business is not to be considered as perquisites.
 - x. Telephone: Telephone(s) at the residence of the Whole-time Director and mobile phone(s) for official use is not to be considered as perquisites.
6. In the event of no profit or inadequacy of profits, the Company shall pay the aforesaid remuneration to the Whole-time Director by way of salary and perquisites as minimum remuneration.
 7. The Whole-time Director shall be entitled to annual privilege leave on full salary for a period of twenty working days and such leave shall be allowed to be accumulated for not more than thirty days during his tenure of appointment.
 8. The Whole-time Director shall be entitled to :
 - a) the reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and
 - b) the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.
 9. The Whole-time Director shall devote his wholetime attention and abilities to the business of the Company and shall obey the orders, from time to time, of the Board and in all respects conform to and comply with the directions and regulations made by the Board, and shall use his best endeavors to promote interests of the Company.
 10. As long as Mr. Charchit Jain functions as the Whole-time Director, he shall not be paid any sitting fee for attending the Meetings of the Board of Directors or Committee thereof.
 11. As long as Mr. Charchit Jain functions as Whole-time Director, he shall not become interested or otherwise concerned directly or through his wife and/or children, in any selling agency of the Company except with the consent of the Company accorded by a special resolution.
 12. The Whole-time Director shall not during the continuance of his employment with the Company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for his own purpose or for any purpose other than that of the Company of any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and the Whole-time Director shall during the continuance of his employment hereunder also use his best endeavor to prevent any other person from so doing PROVIDED HOWEVER that such divulgence or disclosure by the Whole-time Director to officers and employees of the Company for the purpose of business of the Company shall not be deemed to be contravention of this clause.
 13. Any property of the company or relating to the business of the Company, including memoranda, notes, records, reports, plates, sketches, plans, recorded diskettes, drives, tapes, electronic memory gadgets or other documents which may be in the possession of or under the control of the Whole-time Director or to which the

Whole-time Director has, at any time access shall, at the time of the termination of his employment be delivered by the Whole-time Director to the Company or as it shall direct and the Whole-time Director shall not be entitled to the copyright in any such document which he hereby acknowledges to be vested in the Company or its assigns and binds himself not to retain copies of any of them.

14. If the Whole-time Director shall at any time be prevented by ill health or accident or any physical or mental disability from performing his duties hereunder, he shall inform the Company and supply it with such details as it may reasonably require and if he shall be unable by reasons of ill health or accident or disability for a period of 90 days in any period of twelve consecutive calendar months, to perform his duties hereunder the Company may forthwith terminate his employment hereunder.
15. The Company shall be entitled to forthwith terminate the agreement if he becomes insolvent or makes any composition or arrangement with his creditors or he ceases to be a Director of the Company.
16. In case of death of the Whole-time Director in the course of his employment with the Company, the Company shall pay to his legal representatives the salary and other emoluments payable hereunder for the then current month together with any such further sum as the Board in its sole and uncontrolled discretion may determine.
17. If the Whole-time Director is guilty of inattention to or negligence in the conduct of the business or of any other act or omission inconsistent with his duties as Whole-time Director or of any breach of this Agreement which in the opinion of the Board renders his retirement from the office of Whole-time Director desirable, the Company by not less than thirty days notice in writing to the Whole-time Director determine this Agreement and upon the expiration of such notice the Whole-time Director shall cease to be the Director of the Company.
18. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at anytime by giving to the other party 60 days notice in writing in that behalf without the necessity of showing any cause and on the expiry of the period of such notice this Agreement shall stand determined and the Whole-time Director shall cease to be the Director of the Company. Provided that the aforesaid notice may be waived mutually by the parties hereto.
19. The terms and conditions including the remuneration payable to the Whole-time Director of the said appointment

and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit.

20. This Agreement represents the entire agreement, between the parties hereto on the subject matter thereof. Except Mr. Charchit Jain himself and his relatives, none of the other Directors or Key Managerial Personnel of the Company or their respective relatives may be considered to be interested or concerned in passing of this resolution.

The Board of Directors accordingly recommends the resolutions set out at Item No. 5 & 6 of the accompanying notice for the approval of the members by way of an ordinary resolution. This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of The Institute of Company Secretaries of India (ICSI).

Item No. 7

Approval for entering into Related Party Transaction by the Company.

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 services, conversion services in the ordinary course of Company's business with M/s. Kaygee Laboratories Private Limited (M/s.Vista Organics Private Limited prior to amalgamation into Kaygee Laboratories Private Limited), a related party under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The aggregate value of all such contracts/transactions for purchase or supply of materials, goods or rendering or availing of services is likely to exceed the limits under Section 188 of the Act read with Rules made thereunder. Therefore, the transactions of the Company with M/s. Kaygee Laboratories Private Limited would be material transaction in terms of Companies Act and SEBI (LODR) Regulations, 2015. It is, therefore, proposed to obtain approval of the members to enter into such transactions with M/s. Kaygee Laboratories Private Limited under Section 188 of the Companies Act, 2013 and Regulation 23 (4) of the said SEBI (LODR) Regulations, 2015 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: M/s. Kaygee Laboratories Private Limited
2. Name of the director or Key managerial Person who is related: Mr. Prashant Godha and Mr. Charchit Jain, Directors.
3. Nature of relationship: Companies under the same promoter group / Common Directors.
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 Kaygee Laboratories Private Limited should not exceed ₹ 50 crores in any financial year.

The memorandum of terms and conditions of the transactions entered / to be entered into with Kaygee Laboratories Private Limited 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 other than Mr. Charchit Jain and Mr. Prashant Godha, Directors and their relatives, are concerned or interested, financially or otherwise, in this resolution set out at Item No. 7.

The Board of Directors recommend the passing of ordinary resolution set forth in item no. 7 of the Notice for the approval of the members.

Item No. 8

To make investments, give Loans, guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013.

As per sub-section (2) & (3) of section 186 of the Companies Act, 2013, a company is required to obtain the prior approval of the members through a Special Resolution, in case the company wants to-

- (a) give any loan to any person or other body corporate;
- (b) give any guarantee or provide security in connection with a loan to any other body corporate or person;
- (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, Investment in fixed deposits with bank, other institutions, investment in Mutual Funds, Money Market Funds, Government securities etc. exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

Therefore, the approval of shareholders is being sought for investment limit of ₹ 50 crores keeping in mind the deployments of the surplus funds of the Company.

None of the Directors and/or Key Managerial Personnel (KMP) of the company and/or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the special resolution as set out at Item no. 8 of the accompanying Notice.

The Board commends the passing of the Special Resolution as set out at Item no. 8 of the 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 23, 2022

Minal Bhosale
Company Secretary
ACS 43010

DIRECTORS' REPORT

To,
The Members,
Resonance Specialties Limited

Your Directors have great pleasure in presenting 33rd Annual Report and Financial Statements for the financial year ended March 31, 2022.

FINANCIAL RESULTS/PERFORMANCE:

The financial performance of the Company for the financial year ended March 31, 2022 is summarized below:

Particulars	For the year ended 31.03.2022 (₹ in Lacs)	For the year ended 31.03.2021 (₹ in Lacs)
Total Income	7710.58	7187.29
Profit Before Finance Cost, Depreciation, Exceptional items and Taxation	1809.86	1584.00
Less: Finance cost	6.86	29.04
Depreciation	175.03	98.48
Exceptional items	(0.75)	0
Profit Before Tax	1628.72	1456.48
Taxes including deferred tax	392.74	404.07
Net Profit/(Loss) after tax	1235.98	1052.41

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 BBB-/Stable (Upgraded from 'CRISIL BB+ / Stable')

Short term Rating

- CRISIL A3 (Upgraded from 'CRISIL A4+')

COVID –19 PANDEMIC

In the financial year 2021-22, world over there were waves of Corona-virus pandemic.

Your Company is continuously monitoring the situation closely and has taken/continue to take all the appropriate measures to mitigate the risk associates with the pandemic.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance and Operations Review

Sales and other income for the financial year under report amounted to ₹ 7710.58 lacs as compared with ₹ 7187.29 lacs for the previous year, a growth of 7.28%.

The operations of the Company have resulted in a net profit of ₹ 1235.98 lacs as compared to a net profit of ₹ 1052.41 lacs in the previous financial year, growth of 17.44%.

INTRODUCTION

Your Company is into business of manufacturing and marketing of Pyridine and Pyridine Derivatives, Picolines and some bulk drugs.

The major income derived by your Company is from manufacturing and marketing of pyridine and pyridine derivatives.

The world Pyridine and Pyridine Derivatives and other dependent products / sub-market is valued around USD 600 millions and is growing at a CAGR of about 6.5%. Pyridine is segmented by types such as Pyridine, Beta picoline, Alpha picoline, Gamma picoline. Pyridine is used in several applications such as agrochemicals, Pharmaceuticals, latexes, food and allied industries. Pyridine is also used in different applications such as a solvent and as a denaturant for alcohol antifreezyl mixture, ethyl alcohol and fungicides. Pyridine is also used to manufacture vitamins, medicines, food flavouring, dyes, adhesives, pesticides, herbicides, etc. Nearly half of pyridines produced is used to produce pesticides and herbicides. The increasing usage of Pyridine in these application is expected to drive the market for Pyridine and Pyridine Derivatives.

The Asia-Pacific region is anticipated to be the largest market for the pyridine derivatives because of the significant share of the region in agrochemicals and pharmaceuticals market where these products are used extensively.

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 focusing on Pyridine and its derivatives. 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 by keeping material cost under control inspite of spiraling inflationary trends in the raw material prices. 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:

- Scrubber addition to improve efficiencies
- DG Capacity enhancement
- Finished Goods Godown Extension
- Power savings by Motor optimization
- 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, 2022	March 31, 2021
1.	Debtors Turnover Ratio	8.42	9.04
2.	Inventory Turnover Ratio	4.16	3.65
3.	Interest Coverage Ratio	263.71	51.15
4.	Current Ratio	12.49	3.12
5.	Debt Equity Ratio	0.002	0.02
6.	Operating Profit Margin (%)	22.03%	20.67%
7.	Net Profit Margin (%)	17.00%	14.64%
8.	Return on Net Worth (%)	26.77%	30.25%

Opportunities, Threats, Risk and Concerns

Vision: To be recognized as domestic and internationally integrated specialty chemicals Company through Innovation, Quality and Competence.

Strength of RSL: The strength of RSL will always be its quality commitment to all their renowned customers and competitive rate as compared to market trend, Audit clearances, Quality documents, Updated Certification and having our own backward integration process which very few companies in India have.

Opportunities for RSL: RSL is in the process of adding many intermediates in its product list. RSL is also reaching out to its end users in many major countries with its product range after knowing the end application thoroughly.

Weakness and Threats to RSL: Lack of some raw crude from the global supply chain has hindered volumes of some of the products in the financial year under report. At the same time, we aim at increasing the size of the company's sales and marketing share with stable and growing profitability aiming at increasing total sales and maximize return on investment from our existing products having good production capacity. However Ban/restriction on use of Pyridine in many countries is a cause of concern.

Human Resource Management

At Resonance, we believe that our success is the end results 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.

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.

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, 2022 is ₹ 1154.40 lacs. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

During the year under report, an application was made to BSE for Reclassification of the erstwhile Promoters, Atma Bandhu Gupta and his Family / Family Companies on September 3, 2021 as non-promoter Shareholders. BSE vide their letter dated January 18, 2022, approved the said reclassification of shareholders under Regulation 31A of SEBI Listing Obligation and Disclosure Requirement) Regulations, 2015. The pre and post reclassification, promoter / Promoter group shareholding in the Company is as follows:

	Promoter Holding		Public Holding	
	Shares Held	Percentage	Shares Held	Percentage
Pre-reclassification	71,93,426	62.31	43,50,574	37.69
Post-Reclassification	62,62,201	54.25	52,81,799	45.75

The promoters of the Company are now holding 62,62,201 equity shares of ₹ 10/- each representing 54.25 % of the equity capital of the Company.

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 ₹ 20.33 lacs as R&D expenditure (0.27% of the turnover) as against ₹ 14.14 lacs spent in the previous financial year (0.02% 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 9, 2022.

INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

During the year under report, the Company has transferred to the Investors Education and Protection Fund (IEPF) all the unpaid dividend amount required to be so transferred on or before the due date for such transfer. The Company has also transferred 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 (www.resonancesl.com).

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

DIRECTORS

Mr. Prashant Godha, Non-Executive Director retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Mr. Dwarika Agrawal, Whole-time Director/CFO has tendered his resignation from the employment of the Company on May 10, 2022 and is currently under notice period. The Board places on record its appreciation for the services rendered/ being rendered by him during his tenure as wholetime Director of the Company.

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.

- Mr. Ashish Katariya - Whole-time Director / CEO
- Mr. Dwarika Agrawal - Whole-time Director / CFO (resigned and under notice period)
- Mrs. Minal Bhosale - Company Secretary

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 extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 and in Corporate Governance Report which is annexed.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Details of the familiarisation program of independent directors are disclosed on the website of the Company (<http://www.resonancesl.com/reports/2021/Familiarisation%20Programme%202021-22.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, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2022 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, 2022 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

M/s. Kailash Chand Jain and Co., Chartered Accountants (Firm Registration No. 112318W) are the Statutory Auditors of the Company who are appointed from the conclusion of the 32nd Annual General Meeting and till the conclusion of the 37th Annual General Meeting

The Auditors' Report for the financial year ended March 31, 2022 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 2021-22.

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 2021-22.

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 (<https://resonancesl.com/reports/investor/Policy%20on%20Dealing%20with%20Related%20Party%20Transactions.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 2 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 3 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 Whole-time 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 the following web link (http://www.resonancesl.com/reports/MGT-7_2021-22.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

Mumbai
May 11, 2022

Archana Yadav
Chairman
DIN: 07335198

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.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as applicable [including relaxations granted by SEBI in the wake of Covid-19], with regard to Corporate Governance and the same has been disclosed in this Report. The Company endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

2. BOARD OF DIRECTORS

a. Composition and category of Directors

The present strength of the Board of Directors of the company is 6 Directors of which 2 are professional Non-Promoter Whole-time Directors, 1 is Non-Executive, Non-Independent Director and that the balance 3 Directors are Non-Executive Independent Directors (including one woman director) comprising of one half of the total strength of the Board with independent judgment in the deliberation and decisions of the Board. The Chairperson of the Board is an Independent Director.

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 (26.08.2021)	No. of Equity shares held in the Company*
		Held	attended		
Mrs. Archana Yadav DIN 07335198	Chairperson, Non-Executive, Independent Director	5	5	Yes	0
Mr. Ajay Patadia DIN 00298226	Non-Executive, Independent Director	5	5	Yes	0
Mr. Raj Kamal Prasad Verma DIN 02166789	Non-Executive, Independent Director	5	5	Yes	0
Mr. Prashant Godha DIN 00012759	Non-Executive - Non Independent Director	5	5	Yes	0
Mr. Ashish Katariya DIN 08601262	Executive/ Whole-time Director / CEO	5	5	Yes	20
Mr. Dwarika Prasad Agrawal DIN 07194113	Executive/ Whole-time Director /CFO	5	5	Yes	36

*The above shareholding as at March 31, 2022 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 and Section 8 Companies)	No. of committees in which Member (other than Resonance)	No. of committees of which he/she is Chairperson (other than Resonance)
Mrs. Archana Yadav	3	4	1
Mr. Ajay Patadia	3	0	0
Mr. Raj Kamal Prasad Verma	4	2	1
Mr. Prashant Godha	10	1	0
Mr. Ashish Katariya	0	0	0
Mr. Dwarika Prasad Agrawal	0	0	0

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

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

Except Mrs. Archana Yadav, Mr. Raj Kamal Prasad Verma and Mr. Prashant Godha, 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.

Other Listed companies in which the aforesaid Directors are on the Board.

Sr. No.	Name of the Director	Name of the Company	Position
1.	Mrs. Archana Yadav	J. Kumar Infraprojects Limited	Non-Executive - Independent Director
		V2 Retail Limited	Non-Executive - Independent Director
2.	Mr. Raj Kamal Prasad Verma	Makers Laboratories Limited	Non-Executive - Independent Director, Chairperson
		Krebs Biochemicals and Industries Limited	Non-Executive - Independent Director
3.	Mr. Prashant Godha	Ipca Laboratories Limited	Executive Director
		Makers Laboratories Ltd.	Non-Executive - Non Independent Director

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

The Company held 5 (Five) board meetings during the Financial Year 2021-22. The dates on which the said meetings were held are as follows:

June 3, 2021	August 9, 2021	October 27, 2021
January 25, 2022	March 25, 2022	

The last Annual General Meeting of the Company was held on August 26, 2021.

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. The company does not have any convertible instruments.

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 (<http://www.resonancesl.com/reports/2021/Familiarisation%20Programme%202021-22.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
Commercial	Mrs. Archana Yadav Mr. Ajay Patadia Mr. Raj Kamal Prasad Verma Mr. Prashant Godha Mr. Ashish Katariya Mr. Dwarika Prasad Agrawal
Regulatory	Mr. Ashish Katariya Mr. Dwarika Prasad Agrawal
Finance	Mrs. Archana Yadav Mr. Ajay Patadia Mr. Raj Kamal Prasad Verma Mr. Prashant Godha Mr. Ashish Katariya Mr. Dwarika Prasad Agrawal
Legal and General Management	Mrs. Archana Yadav Mr. Ajay Patadia Mr. Raj Kamal Prasad Verma Mr. Prashant Godha Mr. Ashish Katariya Mr. Dwarika Prasad 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, Chairperson 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 Prasad Agrawal, Whole-time Director. All members of the Audit Committee have knowledge on financial matters and ability to read and understand financial statements. The Chairperson of the Audit Committee is a Practicing 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.

B F Pavri & 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 2021-22

There were 4 (Four) meetings of the Audit Committee during the Financial Year 2021-22. The gap between two meetings did not exceed 120 days. The dates on which the said meetings were held are as follows:

June 3, 2021	August 9, 2021
October 27, 2021	January 25, 2022

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	4	4
Mr. Ajay Patadia	4	4
Mr. Dwarika Prasad Agrawal	4	4

The previous annual general meeting of the Company was held on August 26, 2021 and was attended by Mrs. Archana Yadav, the Chairperson 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, (Chairperson 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 (http://www.resonancesl.com/reports/2021/6b.%20Evaluation%20of%20Directors_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 (<http://www.resonancesl.com/reports/2017/FAMILIARIZATION%20PROGRAMME%20FOR%20INDEPENDENT%20DIRECTORS.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 2021-22

There were 3 (Three) meetings of the Committee during the Financial Year 2021-22. The dates on which the said meetings were held are as follows:

June 3, 2021	January 25, 2022
March 25, 2022	

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	3	3
Mrs. Archana Yadav	3	3
Mr. Ajay Patadia	3	3
Mr. Prashant Godha	3	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 (http://www.resonancesl.com/reports/2021/6b.%20Evaluation%20of%20Directors_RSL.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 re-imbusement 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 2021-22 are as under:

Name of the Director	Sitting fees Paid (₹)	Commission paid (₹)
Mrs. Archana Yadav	1,85,000	Nil
Mr. Raj Kamal Prasad Verma	1,85,000	Nil
Mr. Ajay Patadia	1,85,000	Nil
Mr. Prashant Godha	1,50,000	Nil

None of the Independent Directors have received any remuneration or commission from Company's holding or subsidiary companies.

c) Disclosures with respect to remuneration paid / payable to Whole-time Directors for the financial year 2021-22

i. The details of the remuneration paid/payable to Whole-time Directors for the Financial Year 2021-2022 are given below:

Name of Directors	Salary* (₹)	Benefits/ Perquisites /Pension etc.*	Commission (performance linked) or Stock option	Total (₹)
Mr. Ashish Katariya (Whole-time Director / CEO)	21,11,928	Nil	Nil	21,11,928

Name of Directors	Salary* (₹)	Benefits/ Perquisites /Pension etc.*	Commission (performance linked) or Stock option	Total (₹)
Mr. Dwarika Prasad Agrawal (Whole-time Director / CFO)	20,23,495	Nil	Nil	20,23,495

* 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 Prasad Agrawal on July 21, 2020 which is valid up to July 20, 2025. Either party is entitled to terminate the agreement by giving notice as per the agreement 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, (Chairperson of the Committee), Mrs. Archana Yadav and Mr. Ajay Patadia, all Independent Directors and Mr. Dwarika Prasad Agrawal, Whole-time 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 2021-22

There were 2 (Two) meetings of this committee during the financial year 2021-22. The dates on which the said meetings were held are as follows:

June 03, 2021	October 27, 2021
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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	2	2
Mrs. Archana Yadav	2	2
Mr. Ajay Patadia	2	2
Mr. Dwarika Prasad Agrawal	2	2

Mr. Raj Kamal Prasad Verma, the Chairperson of the Committee attended the last Annual General Meeting of the Company held on August 26, 2021.

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

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 AGM along with special resolutions passed thereat:

Financial Year	Day, Date & Time	Venue	Particulars of special resolution passed
2020-21 32 nd AGM	Thursday, August 26, 2021, 11.30 A.M.	Conducted via two-way Video Conferencing (VC) Facility	1. Authorisation to borrow any sum or sums of money from time to time to the extent of ₹ 50 crores (Rupees Fifty Crores).
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. B. P. Agrawal as Non- Executive Director of the Company. 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.

a. 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.

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

Not applicable

c. Person who conducted the postal ballot exercise.

Not applicable

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

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

e. 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	:	Business Standard, 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 2021-22.

9. GENERAL SHAREHOLDER INFORMATION:

a) Forthcoming Annual General Meeting	Day, Date and Time: Thursday, August 11, 2022 at 12.30 p.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 for the financial year ended March 31, 2022 on May 11, 2022 at Re. 1/- per share (10%) for the financial year ended March 31, 2022
Date of Book Closure	Saturday, August 6, 2022 to Thursday, August 11, 2022 (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 has been paid to BSE for the financial year 2022-23 in April, 2022. The fees of the depositories for the financial year 2021-22 were also paid in May 2022 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) 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 31.3.2022	Please see Annexure 'C'.
l) Dematerialisation of shares and liquidity	95.26% of the paid-up share capital has been dematerialised as on March 31, 2022

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 and Compliance Officer Resonance Specialties Limited Plot no. 54D, Kandivli Industrial Estate Kandivli (W), Mumbai 400 067 E-mail: investors@resonancesl.com Tel: (022) 6210 6053 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 Crores: Long term Rating - CRISIL BBB-/Stable (Upgraded from 'CRISIL BB+ / Stable') Short term Rating - CRISIL A3 (Upgraded from 'CRISIL A4+')
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.

As reported in the last Annual Report, the Company paid fines amounting to ₹ 2,94,000/-, plus GST for 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 out of this waiver of ₹ 1,00,000/- has been confirmed by BSE waiving off the fine imposed under regulation 17(1) via email dated May 10, 2021 and for Regulation 17 (1A) and Regulation 17(2A) via email dated November 25, 2021. Further with respect to Regulation 19(1)/19(2), the Company has complied with above said non – compliances and also paid the fine imposed.

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 Chairperson 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 below.

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.

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 : None year 2021

Number of complaints disposed of during the : None calendar year 2021

Number of complaints pending as on end of the : None calendar year 2021

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 in the last Annual Report and the presentation were made to the exchange regarding the difficulties faced due to the pandemic situation and the Exchange has granted waiver on two count of Non-compliance 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 Chairperson 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 gives their report to the Whole-time 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 Whole-time 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 has 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 Whole-time 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 Chairperson 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.

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 January 25, 2022, 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 Chairperson 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 and wholetime Director being re-appointed.

Mr. Prashant Godha (DIN 00012759)

Mr. Prashant Godha aged 46 years is a graduate in Commerce and has done his Post Graduate Diploma in Business Management. He has experience of nearly 2 decades in the pharmaceuticals industry. He is Director on the Board of M/s. Kaygee Investments Private Limited and M/s. Makers Laboratories Limited, Promoters of the Company. He is also a Director in several other companies.

He does not hold any equity shares in the 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 same but the company is planning to have in place such policy.

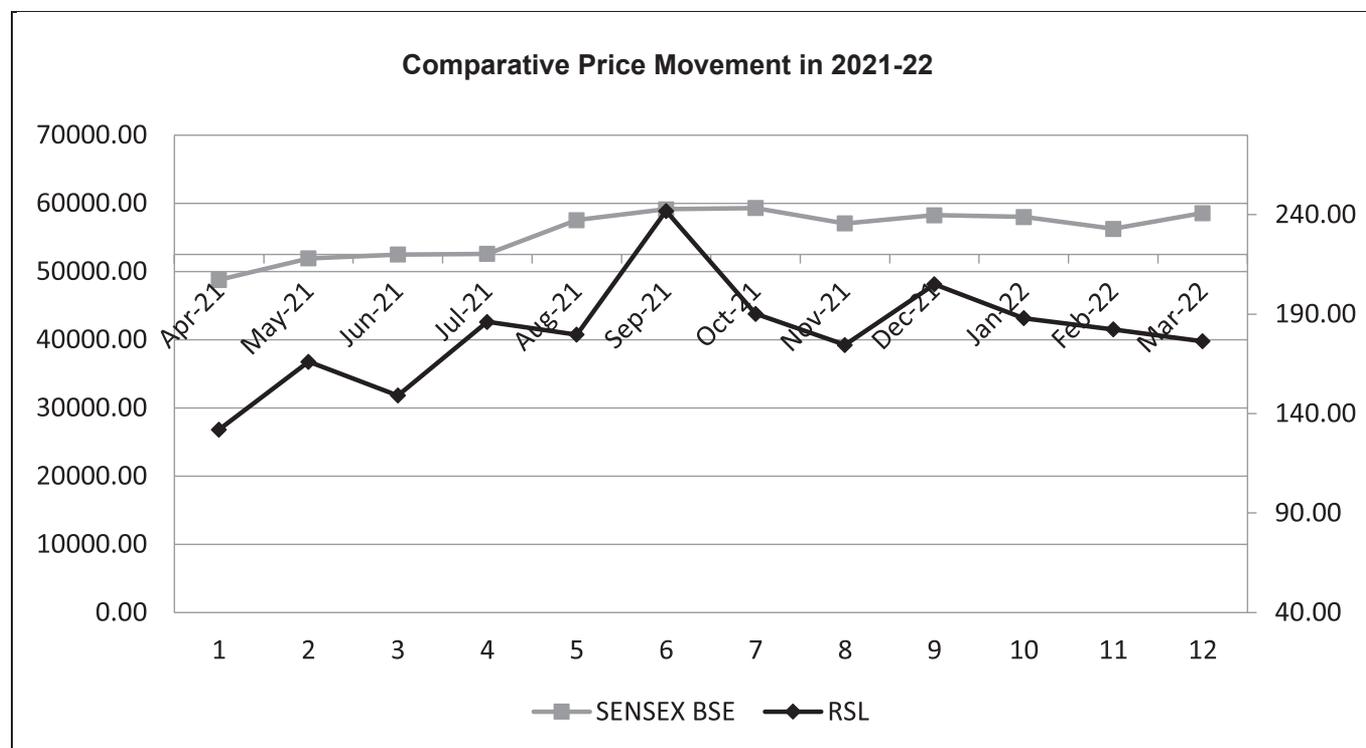
Annexure A

High/Low of Market price of the Company's shares traded on BSE Ltd. (BSE) during the financial year 2021- 22 is furnished below:

Month	Share Price (in ₹)		BSE Sensex	
	High	Low	No. of Shares traded	Value of Shares traded (₹ in Lacs)
April 2021	150.95	115.40	1,93,663	2.58
May 2021	168.00	128.00	3,92,584	5.68
June 2021	174.90	143.00	7,40,577	11.97
July 2021	195.50	140.15	5,58,660	9.37
August 2021	200.00	145.30	4,23,083	7.47
September 2021	254.95	166.00	5,43,787	11.80
October 2021	244.00	180.10	2,42,643	5.30
November 2021	219.80	160.00	3,26,914	6.02
December 2021	244.90	173.00	5,46,135	12.01
January 2022	217.50	180.00	2,19,026	4.42
February 2022	214.70	161.00	2,31,303	4.37
March 2022	194.95	167.00	2,08,662	3.79

Annexure B

Graph of Share Price/ BSE Sensex



Annexure C

Distribution of Shareholding as on March 31, 2022.

Distribution of Shares (Slab Wise)	No. of Shareholders	Percentage to total No. of Shareholders	Total Share	Percentage to Total Share Capital
UPTO - 100	9,904	75.34	5,36,802	4.65
101 - 500	2,298	17.48	6,16,315	5.34
501 - 1000	441	3.35	3,62,401	3.14
1001 - 2000	263	2.00	4,01,585	3.48
2001 - 3000	82	0.62	2,12,159	1.84
3001 - 4000	36	0.27	1,26,280	1.09
4001 - 5000	24	0.18	1,10,395	0.95
5001 -10000	50	0.39	3,60,979	3.13
10001 - 20000	23	0.17	3,21,864	2.79
20001 - 50000	14	0.11	3,99,670	3.46
50001 & Above	10	0.09	80,95,550	70.13
Total	13,145	100.00	1,15,44,000	100.00
No. of shareholders in Physical Mode	3,172	24.13	5,47,549	4.74
No. of shareholders in Electronic Mode	9,973	75.87	1,09,96,451	95.26

Shareholding Pattern as on March 31, 2022 is as follows:

Category	No. of Shareholders (folio)	No. of Shares	Percentage of holding
Indian Promoters	2	62,62,201	54.25
Resident Individual	12,761	42,56,457	36.87
Non Resident Indians (Individuals)	155	1,61,361	1.40
Corporate Bodies	54	91,013	0.79
Directors	4	10,155	0.09
Foreign Institutional Investors	1	3,200	0.03
Clearing Member	18	12,717	0.11
State Govt. Institutions	1	400	0.00
Investor Education And Protection	1	5,77,761	5.00
Foreign Portfolio Investors	1	27,000	0.23
Hindu Undivided Family (HUF)	147	1,41,735	1023
Total	13,145	1,15,44,000	100.00

CEO CERTIFICATION

May 11, 2022

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, 2022.

For **Resonance Specialties Limited**

Ashish Katariya
Whole-time Director / CEO

CEO/CFO CERTIFICATION

May 11, 2022

The Board of Directors

Resonance Specialties LimitedPlot 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, 2022 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 Limited****Ashish Katariya**

Whole-time Director/CEO

For **Resonance Specialties Limited****Dwarika Prasad Agrawal**

Whole-time Director/CFO

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, 2022, 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, 2022.

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****P. R. No.: 1761/2022****Mumbai May 11, 2022****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, 2022 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 the Company *
1	Mrs. Archana Surendra Yadav	07335198	February 8, 2021
2	Mr. Prashant Premchand Godha	00012759	November 10, 2020
3	Mr. Raj Kamal Prasad Verma	02166789	November 10, 2020
4	Mr. Ajay Anantrai Patadia	00298226	June 27, 2020
5	Mr. Dwarika Prasad Agrawal	07194113	July 21, 2020
6	Mr. Ashish Harishbhai 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 No: 12880

P. R. No: 1761/2022

UDIN: F010031D000219757

Place - Mumbai

Date – April 27, 2022

ANNEXURE 2

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

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 implantation 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 visà-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 Yadav	Chairperson of the Committee & Independent Director	2	2
2	Mr. Raj Kamal Prasad Verma	Independent Director	2	2
3	Mr. Ajay Patadia	Independent Director	2	2
4	Mr. Prashant Godha	Non-Executive Director	2	2

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>. Since the Company has a very small amount of CSR spent, it contributes the same to the 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 ₹)	Amount required to be set-off for the financial year, if any (in ₹)
-	-	-	-

6. Average net profit of the company as per Section 135(5): ₹ 8,59,11,090/-
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 17,18,222/-
- (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): ₹ 17,18,222/-
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	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.
17,25,000/-	Not Applicable	Not Applicable	M/s. Prabhat Foundation (CSR Reg. No.: CSR0000848)	17,25,000/-	24/11/2021

(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 INR)	Amount spent in the current financial year (in INR)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in INR)	Mode of implementation -Direct (Yes/ No).	Name	Mode of implementation Through implementing Agency CSR Registration No.
				State	District							
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Not applicable

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.
Not Applicable									

(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): ₹ 17,25,000/-****(g) Excess amount for set off, if any: Not applicable**

Sl. No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per section 135(5)	17,18,222/-
(ii)	Total amount spent for the Financial Year	17,25,000/-
(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	Not Applicable
(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: Not Applicable

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Amount spent in the reporting Financial Year (in INR)	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 INR)
				Name of the Fund	Amount (in INR)	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 INR)	Amount spent on the project in the reporting Financial Year (in INR).	Cumulative amount spent at the end of reporting Financial Year. (in INR)	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 Prasad Agrawal
DIN: 07194113
Whole-time Director/CFO

Archana Yadav
DIN:07335198
Chairperson – CSR Committee

Date: May 11, 2022
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: M/s. 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: June 03, 2021
 - (f) Date of approval of shareholders: August 26, 2021
 - (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,
May 11, 2022

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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 is as under:

Sr. No.	Name of the Director / Key Managerial Personnel and Designation	Remuneration of Director / KMP for the financial year 2021-22 (INR)	% increase/ (decrease) in remuneration in the financial year 2021-22	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Ashish Katariya (Whole Time Director / CEO)	21,11,928	20.35%	5.22
2.	Mr. Dwarika Prasad Agrawal (Whole-time Director / CFO)	20,23,495	49.18%	4.90
3.	Mrs. Archana Yadav (Chairperson)	1,80,000	(30.66%)	0.46
4.	Mr. Ajay Patadia (Director)	1,80,000	(7.56%)	0.46
5.	Mr. Prashant Godha (Director)	1,50,000	Not measurable as previous year' sitting fees is for part of the year.	0.38
6.	Mr. Raj Kamal Prasad Verma (Director)	1,80,000	Not measurable as previous year' sitting fees is for part of the year.	0.46
7.	Mrs. Minal Bhosale (Company Secretary w.e.f. September 15, 2020)	8,55,002	Not measurable as previous year' remuneration was for part of the year.	2.21

- ii. The median remuneration of the employees of the Company during the financial year was ₹ 3,94,630/-.
- iii. In the financial year, there was an increase of 18.63% in the median remuneration of employees.
- iv. There were 53 permanent employees on the rolls of Company as on March 31, 2022.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was 19.57% 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,
May 11, 2022

Archana Yadav
Chairperson

ANNEXURE 5

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended 31st March, 2022.

A. CONSERVATION OF ENERGY

- i. Steps taken or impact on conservation of energy: ETP tanks installed with Level indicators to avoid continuous running of pumps
- ii. The capital investment on energy conservation investments: ₹ 10,000 /-
- iii. Impact of the Above Measures: - Power savings to tunes ₹ 1.61 Lacs per Annum.

FORM - A		
Form for Disclosure of particulars with respect of conservation of energy		
Particulars	2021-22	2020-21
1. Total Energy Consumption	19,62,666	19,71,594
A. Electricity		
(a) Purchased Units (Nos.)		
Total amount ₹ (Lacs)	176.67	172.54
Average rate ₹ /Unit	9.00	8.75
(b) Own Generation		
Through diesel generation unit (Nos.)	29613	50208
Units per litre of diesel	2.99	3.45
Average cost ₹/Unit	30.01	23.20
B. Coal (Quantity - MT)	2806	2718
Total Amount (in Lacs)	297.05	187.54
Average Rate ₹ /KG	10.58	6.9

2. Consumption per unit of production

Pyridines, Lutidines, Collidines, Cyanopyridines	2021-22	2020-21
Electricity (Units/MT)	4813	4541
Coal (MT/MT)	6.88	6.26
HSD (Liters/MT)	24.2	33.5

(B) TECHNOLOGY ABSORPTION / ADOPTION AND INNOVATION.

- Backing of R&D for process development in new products for revenue enhancement.
- i. The efforts made towards technology absorption:
 - Fixed Bed Reaction Technology – Pilot plant modification in-house to suit the experimentation planned for Product development
 - ii. The benefits derived like product improvement, cost reduction, product development or import substitution:
 - Successful distillation of Crudes into value added FG products from new import source. The cost of products derived is halved than synthetic route.
 - Quality achievement for valued customer and dispatching the product yearly without any deviations.
 - Optimization of process parameters to improve yield and better impurity profile which can be cleared easily by distillation
 - iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) There was no import of technology during the year as well as in the last 3 years.
 - iv. The expenditure incurred on R & D

The Company incurred following expenses for research and development.

	2021-22 (INR in Lacs)	2020-21 (INR in Lacs)
a) Capital	Nil	Nil
b) Revenue	20.33	14.14
c) Total	20.33	14.14
d) R & D expenditure as a percentage of turnover	0.27%	0.02%

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

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

Form B for Disclosure of Particulars With Respect To Technology Absorption

(A) RESEARCH AND DEVELOPMENT

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

- Modification of existing catalyst having application in Lutidine & Collidine Reaction.
- Parameter fine tuning on newly modified catalyst to obtain optimized reaction output.
- Optimization in down streaming process of amnoxidation reaction.

II. Benefits derived as a result of above.

- Modified catalyst has resulted into increase in yield efficiency and quality of reaction output crude of lutidine & collidine based reactions.
- Better quality crude results into improved isolation of pure products.
- Optimized reaction parameters have resulted into increase in throughput without compromising yield efficiencies both for lutidine and collidine thereby reducing time cycle of overall reaction process.
- Optimization in amnoxidation distillation operation has resulted into lesser residue generation.

III. Future Plan of Action.

- Utilization of fluid bed & fixed bed reactors by carrying out new products via catalytic reactions using the same technology.
- Optimization in downstreaming operations of existing products to decrease time cycle and increase overall recovery of pure products from crude.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to Exports Activities taken to Increase Exports, Developments of New Export Markets for Product and Export Plans.

The Company is exploring new markets for its value added products through third party exports. The company's exports (including Deemed Exports) were ₹ 4,539.94 Lacs as against ₹ 4,929.86 Lacs during the previous year.

Foreign exchanges earned and out-go during the year ended March 2022.

Foreign Exchange Earnings – ₹ 4,526.20 Lacs

Foreign Exchange Expenditure – ₹ 186.15 lacs

For and on behalf of the Board

Mumbai,
May 11, 2022

Archana Yadav
Chairperson

Form No. MR-3
Secretarial Audit Report

for the financial year ended March 31, 2022

[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, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022, 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, 2022 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
 - (j) The Indian Boilers Act, 1923 & The Indian Boilers Regulations 1950
 - (k) Hazardous Wastes (Management, Handling and Tran boundary Movement) Rules, 2016; and

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:

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.

All decisions at the Board Meetings and Committee Meetings were taken unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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 there were no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc

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

Alok Khairwar
Proprietor
FCS 10031 CP 12880
P. R. No.: 1761/2022
UDIN: F010031D000305172

Place - Mumbai
Date - May 11, 2022

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.

‘Annexure A’

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
FCS 10031 CP 12880
P. R. No.: 1761/2022
UDIN: F010031D000305172

Place - Mumbai
Date - May 11, 2022

INDEPENDENT AUDITOR'S REPORT

To The Members of RESONANCE SPECIALTIES LIMITED

Report on Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **RESONANCE SPECIALTIES LIMITED** (the "Company"), which comprise of the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under the 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, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. 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 ethical 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 obtained by us 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.

<p>1. Inventory Valuation (Finished Goods):</p> <p>4CNP, 2,4,6-Collidine and chemical based inventory forms a significant part of the Company's inventory of which prices are fluctuating in nature and also depends on prices, decisions and conditions of other countries. Inventories are valued at lower of cost and net realisable value.</p>	<p>Auditor's Response</p> <p>Our audit procedures over inventory valuation included the following:</p> <p>Testing the design, implementation and operating effectiveness of key internal financial controls, including controls over valuation of inventory.</p> <p>Testing on a sample basis the accuracy of cost for inventory by verifying the actual manufacturing cost component wise. Testing the net realizable value by comparing actual cost with most recent selling price.</p>
<p>2. Evaluation of Contingent Liabilities</p> <p>(Refer note 45 – "Contingent Liabilities") There are a number of material regulatory and tax cases against the Company. Significant judgement is required in estimating / reassessing the level of provisioning and/ or disclosures. The management's assessment is supported by advice from independent legal/ tax consultants. We considered this as a Key Audit Matter as the eventual outcome of litigations is uncertain and the positions taken by the Management are based on the application of significant judgement and estimation. Any unexpected adverse outcomes could significantly impact the Company's results and financial position.</p>	<p>Auditors Response</p> <p>Our procedures included, Discussing with the management and tax and regulatory department heads to understand matters under litigation; Reading external legal opinions obtained by management, where available; Assessing management's conclusions;</p> <p>For Direct tax litigations, involving internal tax experts to understand the current status of tax cases and monitoring changes in the disputes by reading details received by the Company; Performing detailed procedures on the underlying calculations supporting the provisions recorded and ensuring adequacy of disclosures made.</p> <p>Based on the above procedures performed, we have not identified any significant exceptions relating to disclosure of contingent liabilities and accounting for provisions for litigations.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, 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 will 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 in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 4 of the Companies (Ind AS) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

Report on other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2020' ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of Companies Act, 2013, we give in the Annexure– A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the company, so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the Basis of written representations received from the Directors as on 31st March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022, from being appointed as a Directors 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 and to our 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 Ind AS financial statements in Note No. 45
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. a) The Company has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts.

- b) The Company has represented that no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts.
- c) Based on audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
- vi. The company has complied with section 123 of the act with respect to dividend declared and paid during the year.

For **Kailash Chand Jain & Co.**
Chartered Accountants
Firm Registration No.: 112318W

Saurabh Chouhan
Partner
Membership No.: 167453
UDIN: 22167453AIULUX2707

Date: May 11, 2022
Place: Mumbai

Annexure-A to the Independent Auditor's Report
"Annexure A" to the Independent Auditor's Report to the members of the company on the Ind AS financial statements for the year ended March 31, 2022, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant & Equipment and Intangible Assets;
- (b) The Company has regular programme of physical verification of its PPE. As per information and explanation given to us no material discrepancies were noticed on such verification.
- (c) The title deeds of Immovable properties are held in the name of the company.
- (d) The Company has not revalued its Property, Plant & Equipment and Intangible Assets during the year.
- (e) According to information provided by the management no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.
- (ii) (a) According to information and explanation provided by the management, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification which in our opinion is reasonable having regards to size of the Company and nature of its assets.
- (b) The company has been sanctioned working capital limits upto five crore rupees, in aggregate, from banks or financial institutions. Therefore, this clause is not applicable to the company.
- (iii) (a) According to the information and explanations given to us, the Company has advanced Inter corporate deposit as per details below:

Particulars	Amount	Nature of Relationship	Outstanding Balance as on 31/03/2022
Lyka Labs Limited	10,00,00,000	Non related party	10,00,00,000

- (b) With respect to above, the terms and conditions of the grant of all loans and advances in the nature of loans provided are not prejudicial to the company's interest.

- (c) The above loan as per point (a) is repayable on demand accordingly this clause is not applicable to the company.
- (e) The above loan as per point (a) is repayable on demand and no such demand was made during the year accordingly this clause is not applicable to the company.
- (f) Company has given loans or advances in the nature of loans either repayable on demand, without specification of any terms or period of repayment, details as below:

Particulars	Total Amount	% to total loans granted	Nature of relationship
Lyka Labs Limited	10,00,00,000	100%	Non related party

- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 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) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident funds, goods and service tax and other material statutory dues applicable with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2022, for the period of more than six months from the date becoming payable except the following.

Particulars	Amount in lakhs
TDS as per Traces	₹ 0.20
Income Tax as per Portal	₹ 3.11

- (b) According to the information and explanations given to us there are no dues of Income Tax, Wealth Tax, Goods and Service Tax, Customs Duty, Excess Duty, VAT, Goods and Service tax and cess on account of any dispute which have not been deposited except mentioned below.

Name of the Statute	Nature of dues	Amount (in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income Tax Demand	17.30	A.Y. 2017-18	CIT Appeals
Income tax Act, 1961	Penalty	29.17	A.Y. 2018-19	CIT Appeals

- (viii) As per the information and explanations given to us, the company has not disclosed or surrendered any undisclosed income during the year, therefore this clause is not applicable to the company.
- (ix) (a) According to the records of the company examined by us, and information and explanations given to us the company has not defaulted in repayment of dues to any Financial Institution as at the balance sheet date.
- (b) Company has not been declared a wilful defaulter by any bank or financial institution or any other lender.
- (c) According to the records of the company examined by us, company has not obtained any term loan, therefore this clause is not applicable to company.
- (d) According to the records of the company examined by us, company has not obtained any term loan for a short term or long term purposes, therefore this clause is not applicable to company.
- (e) The company has not raised any money from any person or entity for the account of or to pay the obligations of its associates, subsidiaries or joint

ventures, therefore this clause is not applicable to company.

- (f) The company has not raised any loans during the year by pledging securities held in their subsidiaries, joint ventures or associate companies. Therefore this clause is not applicable to company.
- (x) (a) The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (x) of the Order are not applicable to the Company.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence this clause is not applicable to the company.
- (xi) (a) According to information and explanations given to us there were no frauds on the Company by its officers or employees noticed or reported by the management for the year under review.
- (b) No auditors of the company have filed a report in Form ADT-4 with the Central Government as prescribed under the Companies (Audit and Auditors) Rules, 2014. Therefore this clause is not applicable to company.
- (c) There is no whistle-blower complaints, therefore this clause is not applicable to the company.
- (xii) According to the information and explanations given to us the Company is not a Nidhi Company hence clause 3(xii) of the order is not applicable.
- (xiii) According to the explanations and information given to us, all the transactions of the related parties at the Company, for the year under review are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details of the same have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.
- (xiv) According to the explanations and information given to us, company have an internal audit system which is commensurate with its size and business activities and report of the internal auditor has been taken into consideration.
- (xv) According to the information and explanation given to us the Company has not entered into any non cash transaction with directors or persons connected with him as per provisions of Section 192 of the Companies Act, 2013.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence clause 3(xvi) of the order is not applicable.
- (xvii) According to the explanations and information given to us, company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) During the year there has been resignation of statutory auditors, however there were no objections, issues or concerns raised by the outgoing auditors.
- (xix) According to the explanations, information given to us and on evaluation of ageing reports, financial ratios and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) According to the explanations, information given to us there is no unspent amount of CSR to be transfer to Fund specified in Schedule VII to the Companies Act. Therefore this clause is not applicable to the company.

(xxi) According to the explanations, information given to us, the company does not prepare consolidated financials since it does not have any subsidiary, associate or joint venture and therefore this clause is not applicable to the company.

For **Kailash Chand Jain & Co.**
Chartered Accountants
Firm Registration No.: 112318W

Saurabh Chouhan
Partner
Membership No.: 167453
UDIN: 22167453AIULUX2707

Date: May 11, 2022
Place: Mumbai

Annexure –B

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON FINANCIAL STATEMENTS OF RESONANCE SPECIALTIES LIMITED

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

We have audited the internal financial controls over financial reporting RESONANCE SPECIALTIES LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the Ind AS 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”.

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.

AUDITOR’S 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, issued by ICAI 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 Institute of Chartered Accountants of India. 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 other material respects has, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 **Kailash Chand Jain & Co.**
Chartered Accountants
Firm Registration No.: 112318W

Saurabh Chouhan
Partner
Membership No.: 167453
UDIN: 22167453AIULUX2707

Date: May 11, 2022

Place: Mumbai

BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Note No.	Audited As At 31 st March 2022 (₹ in Lacs)	Audited As At 31 st March 2021 (₹ in Lacs)
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,058.81	1,251.14
Right to Use of Assets	3	306.87	313.72
Capital work-in-progress	3	44.40	3.74
Other intangible assets	3	17.01	25.27
Financial assets			
i. Investments	4	11.85	11.30
ii. Other financial assets	5	72.14	70.89
Other Non Current Asset	6	10.54	14.31
Total non-current assets		1,521.62	1,690.37
Current assets			
Inventories	7	1,165.42	1,657.95
Financial assets			
i. Investments	8	-	64.05
ii. Trade receivables	9	820.02	942.06
iii. Cash and cash equivalents	10	226.15	501.77
iv. Bank balances other than (iii) above	11	627.35	85.35
v. Other financial assets	12	1,004.00	0.05
Other current assets	13	312.79	521.52
Total current assets		4,155.73	3,772.75
Total assets		5,677.35	5,463.12
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,154.40	1,154.40
Other equity	15	4,025.93	2,912.89
Total Equity		5,180.33	4,067.29
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
i. Borrowings			-
ia. Lease Liability		7.04	9.39
Provisions	16	23.00	16.15
Deferred tax liabilities	17	134.22	161.57
Total Non-Current Liabilities		164.26	187.11
Current Liabilities			
Financial liabilities			
i. Borrowings	18	-	60.88
ia. Lease Liability		2.18	1.80
ii. Trade payables	19		
- Total outstanding dues of micro and small enterprises		62.43	257.87
- Others		52.06	589.15
iii. Other financial liabilities	20	38.06	47.72
Other current liabilities	21	89.49	93.32
Provisions	22	69.79	44.82
Current tax liability (net of taxes paid)		18.75	113.17
Total Current Liabilities		332.76	1,208.72
Total Liabilities		497.02	1,395.83
Total Equity and Liabilities		5,677.35	5,463.12

Corporate information 1
Significant accounting policies 2
The notes referred to above form an integral part of the financial statements 3 to 54

As per our report of even date attached

For **Kailash Chand Jain & Co**

Chartered Accountants
Firm Registration No. 112318W

For & on behalf of the Board

For **RESONANCE SPECIALTIES LIMITED**

CA Saurabh Chouhan
Partner
Membership No.: 167453

CA Dwarika Agrawal
Director
DIN: 07194113

Mr. Ashish Katariya
Director
DIN: 08601262

Place: Mumbai,
Dated 11th May 2022

CS Minal Bhosale
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Note No.	Audited 31 st March 2022 (₹ in Lacs)	Audited 31 st March 2021 (₹ in Lacs)
INCOME			
Revenue from Operations	23	7,421.66	7,028.77
Other Income	24	288.92	158.52
Total Income		7,710.58	7,187.29
EXPENDITURE			
Cost of materials consumed	25	2,247.47	2,727.07
Conversion Charges	26	1,960.58	1,716.97
(Increase)/Decrease in inventories of Finished Goods, and work in process	27	208.31	(128.33)
Employees benefit Expenses	28	432.04	379.50
Other Expenses	29	1,052.32	908.08
Total expenses		5,900.72	5,603.29
Earning Before Interest, Depreciation & Taxation		1,809.86	1,584.00
Finance Cost	30	6.86	29.04
Depreciation and Amortisation	31	175.03	98.48
Profit/(Loss) Before Exceptional item and Taxation		1,627.97	1,456.48
Exceptional Items (income) / expenses	32	(0.75)	-
Profit/(Loss) Before Taxation		1,628.72	1,456.48
Less: Provision for			
Current Tax		441.26	371.72
Taxation of earlier years		(23.80)	39.48
Deferred Tax (Asset)/Expenses		(24.72)	(7.13)
Profit/(Loss) for the period from Continuing Operations		1,235.98	1,052.41
Other Comprehensive Income			
A (i) items that will not be reclassified to profit or loss		(10.13)	(30.54)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.63	(7.94)
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		(7.50)	(38.48)
Total Comprehensive Income for the period (Comprising Profit/(Loss) and other comprehensive income for the period)		1,228.48	1,013.93
Earning per equity share			
Basic and Diluted earning per share		10.64	8.78
Face value per share		10.00	10.00

As per our report of even date attached
For **Kailash Chand Jain & Co**
Chartered Accountants
Firm Registration No. 112318W

CA Saurabh Chouhan
Partner
Membership No.: 167453

Place: Mumbai,
Dated 11th May 2022

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

CA Dwarika Agrawal
Director
DIN: 07194113

CS Minal Bhosale
Company Secretary

Mr. Ashish Katariya
Director
DIN: 08601262

CASH FLOW STATEMENT FOR THE YEAR ENDING March 31, 2022

Particulars	(₹ in Lacs)	
	Audited 31 st March 2022	Audited 31 st March 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	1628.72	1456.48
Non Cash adjustment to reconcile profit/(loss) before tax to net cash flows		
Depreciation		98.48
Interest Income on Inter Corporate Deposits	175.03	
Interest on Lease Liability	(33.34)	
Profit on Sale of Investments	1.03	
Profit of Sale of Vehicle	(6.82)	
Interest Expense	(0.27)	
Provision for Bad Debts and Advances written back	6.86	29.04
Other Comprehensive Income (net of tax)	-	0.17
Interest on Fixed deposit with bank	(7.50)	
Unwinding interest income on Deposits	(30.77)	(10.49)
(Gain)/Loss on MTM of Investments	(1.24)	(4.51)
Unwinding Lease Rent	(0.55)	(15.35)
Fixed Assets Written Off	-	4.16
	3.09	
Operating Profit before Change in Working Capital Changes	1734.24	1557.98
Movement in working Capital		
Increase(Decrease) in Trade payable	(732.52)	187.81
Increase(Decrease) in Long term provisions	6.85	(24.24)
Increase(Decrease) in Other current liabilities	(3.83)	77.61
Increase(Decrease) in Other current financial liabilities	(9.66)	3.50
Increase/(Decrease) in Provisions	24.97	7.05
Decrease/(Increase) in Inventories	492.53	(319.46)
Decrease/(Increase) in Trade Receivables	122.04	(328.58)
Decrease/(Increase) in Long Term advances	-	
Decrease/(Increase) in Other current assets	208.73	(289.74)
Decrease/(Increase) in Other Financial Assets	0.00	(0.05)
Change in Working Capital	109.11	(686.09)
Cash generated from operation	1843.35	871.89
Direct Taxes paid	(510.77)	(443.81)
Net cash flow from operating activities	(A) 1332.58	428.08
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchases of Fixed assets including capital advances	(61.43)	(84.59)
Other Long Terms Financial Assets	-	6.51
Interest received from bank	26.83	10.49
Intercompany Deposits given	(1000.00)	
Interest on Intercompany Deposits	33.34	
Sale of Mutual Funds	70.86	
Sales of Fixed assets	50.38	
Mutual Funds Purchased	-	-50.00
Net cash flow from Investment activities	(B) (880.02)	(117.59)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from short term borrowings (Net)	(60.88)	60.88
Dividend paid	(115.44)	
Payment of Lease Liabilities Principal	(1.97)	(0.57)
Payment of Lease Liabilities Interest	(1.03)	(0.35)
Interest paid	(6.86)	(28.69)
Net cash flow /(used in) from Financing activities	(C) (186.18)	31.27
Net cash increase/(decrease) in cash and cash equivalents	(A+B+C) 266.38	341.76
ADD : cash and cash equivalents at the beginning of the year	587.12	245.36
Cash and cash equivalents at the end of the year	853.50	587.12
Components of cash and cash equivalents		
Cash on hand	0.52	0.50
Bank balance in current accounts	225.63	501.27
Bank balance in Fixed deposit accounts	627.35	85.35
	853.50	587.12

As per our report of even date attached

For **Kailash Chand Jain & Co**

Chartered Accountants

Firm Registration No. 112318W

CA Saurabh Chouhan

Partner

Membership No.: 167453

Place: Mumbai,

Dated 11th May 2022

For & on behalf of the Board

For RESONANCE SPECIALTIES LIMITED**CA Dwarika Agrawal**

Director

DIN: 07194113

CS Minal Bhosale

Company Secretary

Mr. Ashish Katariya

Director

DIN: 08601262

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A) Equity share capital

(1) Current reporting period As on 31.03.2022

(₹ in Lacs)				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Authorised Share Capital - Equity shares of ₹ 10/- each		1,500.00		1,500.00
	-	1,500.00	-	1,500.00
Equity shares of INR 10 each issued, subscribed and fully paid		1,154.40		1,154.40
	-	1,154.40	-	1,154.40

(2) Previous reporting period as on 31.03.2021

(₹ in Lacs)				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Authorised Share Capital - Equity shares of ₹ 10/- each		1,500.00		1,500.00
	-	1,500.00	-	1,500.00
Equity shares of INR 10 each issued, subscribed and fully paid		1,154.40		1,154.40
	-	1,154.40	-	1,154.40

B) Other equity

(1) Current reporting period As on 31.03.2022

Particulars	Reserves and Surplus			Revaluation Reserve	Total
	Retained Earnings	Capital Reserve	Actuarial gain/(loss) on defined benefit obligation (Not to be reclassified to P&L)		
Balance at April 1, 2021	2,368.10	20.00	(38.48)	563.27	2,912.89
Profit / (Loss) for the year	1,235.98	-			1,235.98
Other Comprehensive Income for the FY 21-22			(7.50)		(7.50)
Dividend paid for the year FY 20-21	(115.44)	-	-		(115.44)
Balance at Mar 31, 2022	3,488.64	20.00	(45.98)	563.27	4,025.93

(2) Previous reporting period As on 31.03.2021

Particulars	Reserves and Surplus			Revaluation Reserve	Total
	Retained Earnings	Capital Reserve	Actuarial gain/(loss) on defined benefit obligation (Not to be reclassified to P&L)		
Balance at April 1, 2020	1,315.69	20.00		563.27	1,898.96
Profit / (Loss) for the year	1,052.41				1,052.41
Other Comprehensive Income for the FY 20-21			(38.48)		(38.48)
Balance at Mar 31, 2021	2,368.10	20.00	(38.48)	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 **Kailash Chand Jain & Co**

Chartered Accountants
Firm Registration No. 112318W

For & on behalf of the Board

For RESONANCE SPECIALTIES LIMITED

CA Saurabh Chouhan
Partner
Membership No.: 167453

CA Dwarika Agrawal
Director
DIN: 07194113

Mr. Ashish Katariya
Director
DIN: 08601262

Place: Mumbai,
Dated 11th May 2022

CS Minal Bhosale
Company Secretary

Note: 1**Accompanying notes to financial statements for the year ended March 31, 2022.****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 straight line 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 straight line 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:

(I) Financial Assets:

➤ **Initial recognition and measurement**

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

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

➤ **Subsequent Measurement**

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

Financial assets at fair value

Financial assets at amortised cost.

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

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

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

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

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

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

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

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

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing 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 recognized 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 recognized 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 derecognized (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 payable, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payable 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 capitalized 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 realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company, or the counter party.

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 collect ability 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 whichever is earlier.

j) Retirement and other 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 expense 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. Gratuity:

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.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

iii. Annual Privilege Leave:

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.

iv. Provident Fund:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

v. 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.

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 expense 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

(₹ in Lacs)

Particulars	April to March 22	April to March 21
Segment Revenue		
- India	2,895.45	2,128.69
- Outside India	4,526.21	4,900.08
Total	7,421.66	7,028.77

n) Taxation:

Current Tax

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

Deferred Tax

- i. 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.
- ii. 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.

iii. 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.

iv. 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.

v. 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.

vi. 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.

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. Judgement 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 judgement 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/ litigation against the Company as it is not possible to predict the outcome of pending matters with accuracy.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Note No. 3

Property, Plant and Equipment

(₹ in 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, 2020	197.90	3,111.83	21.63	52.97	33.08	154.89	138.13	3,710.43
Additions	-	261.72	-	0.26	-	-	3.10	265.08
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2021	197.90	3,373.55	21.63	53.23	33.08	154.89	141.23	3,975.51
Additions	12.61	1.62	-	4.51	-	-	2.04	20.77
Disposals	-	52.47	16.90	46.85	13.44	-	-	129.66
As at March 31, 2022	210.51	3,322.70	4.73	10.89	19.64	154.89	143.27	3,866.62
Depreciation								
As at April 1, 2020	182.37	2,128.65	17.07	46.38	22.65	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	186.08	2,201.85	17.57	48.15	24.27	154.75	91.68	2,724.36
Charge for the year	20.24	124.74	0.50	2.02	2.69	-	9.72	159.91
Disposals	-	2.54	15.62	44.31	13.99	-	-	76.46
As at March 31, 2022	206.32	2,324.05	2.45	5.86	12.97	154.75	101.40	2,807.81
Net Block								
As at March 31, 2021	11.82	1,171.70	4.06	5.08	8.81	0.14	49.55	1,251.14
As at March 31, 2022	4.19	998.65	2.28	5.04	6.67	0.14	41.87	1,058.81

(₹ in Lacs)

Right to Use of Assets			
Particulars	Land	Office Building	Total
Cost			
As at April 1, 2020	399.49	-	399.49
Additions	-	12.35	12.35
Disposals	-	-	-
As at March 31, 2021	399.49	12.35	411.84
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2022	399.49	12.35	411.84
Depreciation			
As at April 1, 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
Charge for the year	4.75	2.10	6.86
Disposals	-	-	-
As at March 31, 2022	100.39	4.57	104.97
Net Block			
As at March 31, 2021	303.85	9.88	313.72
As at March 31, 2022	299.10	7.78	306.87

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lacs)

Intangible Assets		
Particulars		In House Developed Technology
Cost		
As at April 1, 2020		138.93
Additions		-
Disposals		-
As at March 31, 2021		138.93
Additions		-
Disposals		-
As at March 31, 2022		138.93
Depreciation		
As at April 1, 2020		110.26
Charge for the year		3.40
Disposals		-
As at March 31, 2021		113.66
Charge for the year		8.26
Disposals		-
As at March 31, 2022		121.92
Net Block		
As at March 31, 2021		25.27
As at March 31, 2022		17.01

Statement showing movement in Capital Work in Progress

(₹ in Lacs)

Particulars	As on April 1, 2020/2021	Additions during the year	Capitalised during the year	Closing Balance
As at March 31, 2021	184.22	-	180.48	3.74
As at March 31, 2022	3.74	60.56	19.90	44.40

Capital Work In Progress consists of

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Building	-	0.17
Plant and Machinery	44.40	3.57
Total	44.40	3.74

- 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.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Additional Regulatory Information

(i) (a) Title deeds of Immovable Properties not held in name of the Company as on 31.03.2022 (₹ in Lacs)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
NIL						

(b) Title deeds of Immovable Properties not held in name of the Company as on 31.03.2021

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
NIL						

Capital-Work-in Progress (CWIP)

(a) For Capital-work-in progress as on 31.03.2022, ageing schedule are as under: (₹ in Lacs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	40.83	3.57			44.40
Projects temporarily suspended	-	-	-	-	-

(b) For capital-work-in progress as on 31.03.2022, whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule are as under :-

(₹ in Lacs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-

(a) For Capital-work-in progress as on 31.03.2021, ageing schedule are as under: (₹ in Lacs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.74				3.74

(b) For capital-work-in progress as on 31.03.2021, whose completion is overdue or has exceeded its cost compared to its original plan, CWIP completion schedule are as under :

(₹ in Lacs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	-	-	-	-	-
Project 2	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Intangible assets under development

(a) For Intangible assets under development as on 31.03.2022, ageing schedule are as under:

(₹ in Lacs)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
	-	-	-	-	-

(b) For Intangible assets under development as on 31.03.2022, whose completion is overdue or has exceeded its cost compared to its original plan, Intangible assets under development completion schedule are as under :

(₹ in Lacs)

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

(a) For Intangible assets under development as on 31.03.2021, ageing schedule are as under:

(₹ in Lacs)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
	-	-	-	-	-

(b) For Intangible assets under development as on 31.03.2021, whose completion is overdue or has exceeded its cost compared to its original plan, Intangible assets under development completion schedule are as under :

(₹ in Lacs)

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021

NOTE-4

NON CURRENT INVESTMENTS

Investment in Mutual Funds

At Fair Value through Profit & Loss

SBI Magnum Medium Duration Fund Growth	11.85	11.30
Units Purchased 28771.928 NAV 41.1898 (PY NAV 39.2730)		
	11.85	11.30

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
NOTE-5		
OTHER NON-CURRENT ASSET - FINANCIAL		
At amortised cost		
Security Deposits - Unsecured, considered good	20.01	18.76
Maharashtra Pollution Control Board Advance	52.13	52.13
	72.14	70.89

Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the Related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment

(₹ in Lacs)

Type of Borrower	As on 31.03.2022		As on 31.03.2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
	NIL			

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
NOTE-6		
OTHER NON-CURRENT ASSETS - NON FINANCIAL		
(Unsecured, considered good)		
Advance Tax (net of provisions)	10.54	14.31
(Unsecured, considered Doubtful)		
Advances to suppliers	-	10.00
Less: Provision for doubtful advances	-	(10.00)
	10.54	14.31

NOTE-7**INVENTORIES**

(₹ in Lacs)

(At lower of cost and net realisable value)

Raw Material	66.97	342.99
Stock Work In Progress	168.54	356.05
Finished Goods	881.74	902.54
Packing Material	6.20	6.02
Stores & Spares	16.18	43.23
Fuel	25.79	7.12
	1,165.42	1,657.95

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
NOTE-8		
CURRENT INVESTMENTS		
Investment in Mutual Funds		
At Fair Value through Profit & Loss		
Baroda Large & Mid Cap Fund	-	64.05
Units Purchased 49,99,65.02 NAV 12.8100 (Pur Value 50 Lacs)		
	-	64.05

(₹ in Lacs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Not Due	Due & Over Due	Total	Not Due	Due & Over Due	Total
NOTE-9						
TRADE RECEIVABLES						
Unsecured Trade Receivables - At amortised cost						
Considered good	578.72	241.30	820.02	558.22	383.85	942.06
Which have significant increase in credit risk			-		0.17	0.17
Credit impaired			-			-
	578.72	241.30	820.02	558.22	384.02	942.23
Less: Allowance for doubtful trade receivable			-		0.17	0.17
	578.72	241.30	820.02	558.22	383.85	942.06

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%	0%	100%
Default rate - export	0%	0%	0%	0%

(₹ in Lacs)

Movement in the expected credit loss allowance	2021-22	2020-21
Balance at the beginning of the period	0.17	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit	(0.17)	0.17
Provision at the end of the period	-	0.17

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Trade Receivable as on 31.03.2022 ageing schedule are as under :-

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	241.30				-	241.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables–considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-
	241.30	-	-	-	-	241.30

Trade Receivable as on 31.03.2021 ageing schedule are as under :-

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	383.85					383.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk					0.17	0.17
(iii) Undisputed Trade Receivables – credit impaired						-
(iv) Disputed Trade Receivables–considered good						-
(v) Disputed Trade Receivables – which have significant increase in credit risk						-
(vi) Disputed Trade Receivables – credit impaired						-
	383.85	-	-	-	0.17	384.02

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
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NOTE-10**CASH AND CASH & EQUIVALENTS**

a. Balance with banks		
- In Current Accounts	225.63	51.27
- In Fixed Deposits with original maturity of less than three months	-	450.00
b. Cheques in Hand		-
c. Cash on hand	0.52	0.50
	226.15	501.77

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
NOTE-11		
BANK BALANCES OTHER THAN 7(a) ABOVE		
In Fixed Deposits		
- Margin Money*	20.20	67.75
- Deposits with original maturity of more than three months but less than one year	585.00	-
Bank Balance in Dividend account	22.15	17.60
	627.35	85.35
*(Under Lien towards margin of Letter of Credits and Bank Guarantees)		
NOTE-12		
OTHER CURRENT ASSET - FINANCIAL		
Other Advances recoverable	0.05	0.05
ICD given to Lyka Labs Limited	1,000.00	
Accrued interest on FD	3.95	
	1,004.00	0.05
NOTE-13		
OTHER CURRENT ASSETS - NON FINANCIAL		
(Unsecured, considered good)		
Prepaid expenses	7.48	4.99
Advance Given to Vista Organics Pvt Ltd	242.35	
Advances for supply of goods and services	32.29	16.62
Drawback, MEIS and GST credits	29.15	499.77
Staff advances	1.52	0.14
	312.79	521.52
NOTE-14		
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

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period**

(in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
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) Details of shareholders holding more than 5% shares of the company

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	%	Number of Shares	%
Makers Laboratories Limited	52.50	45.48%	52.50	45.48%
Kaygee Investments Private Limited	10.12	8.77%	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.

c) 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.

d) Shareholding of promoters are as under:-

Particulars	Shares held by promoters at the end of the year 31.03.2022			Shares held by promoters at the end of the year 31.03.2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Makers Laboratories Limited	5,250,000	45.48%	NA	5,250,000	45.48%	Acquired for the first time on 29.09.2020 through SPA
Kaygee Investments Private Limited	1,012,201	8.77%	NA	1,012,201	8.77%	Acquired for the first time on 29.09.2020 through SPA

e) Makers Laboratories Limited is the holding company of RSL, the company is listed on BSE Ltd.

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
NOTE-15		
RESERVE & SURPLUS		
a) Capital Reserve	20.00	20.00
b) Retained Earnings	3,488.64	2,368.10
c) Actuarial gain/(loss) on defined benefit obligation (Not to be reclassified to P&L)	(45.98)	(38.48)
d) Revaluation Reserve	563.27	563.27
	4,025.93	2,912.89

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

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 and the reserve which will be transferred to Revenue Reserve at the time of disposal of the assets

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.

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
NOTE-16		
PROVISIONS - Non Current		
Provision for Gratuity	8.86	16.15
Provision for Leave Encashment	14.14	-
	23.00	16.15
NOTE-17		
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
On account of:		
Property, Plant and Equipment	144.46	166.32
Mark to Mark Income on Fair Valuation of Investments	0.14	3.86
Lease Liability	2.32	2.82
Deferred Tax Asset	146.92	173.00
Timing Difference on Provision for Gratuity (Net of OCI)	2.23	5.29
Timing Difference on Provision for Leave Encashment	4.86	
Timing Difference on Provision for Bonus	3.64	0.51
Timing Difference on Provision for Doubtful Debts	-	2.52
Right to Use of Assets	1.96	3.11
	12.70	11.43
	134.22	161.57
NOTE-18		
SECURED CURRENT BORROWING		
Cash Credit	-	60.88
	-	60.88

Current reporting period As on 31.03.2022

- a) Note on Nature of Security on secured loan
Working Capital facility of ₹ 5Cr is taken from bank secured by first pari pasu charge on all present and future current assets and movable fixed assets of the company
- b) Working capital borrowing carry interest rate of YBL EBLR + 1.15% per annum

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**Previous reporting period As on 31.03.2021**

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

(₹ in Lacs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Not Due	Due & Over Due	Total	Not Due	Due & Over Due	Total
NOTE-19						
TRADE PAYABLE						
Trade payables for goods and services:						
Total outstanding dues of Micro and Small Enterprises	38.31	24.12	62.43	53.67	204.20	257.87
Others	49.45	2.61	52.06	272.03	317.12	589.15
	87.76	26.73	114.49	325.70	521.32	847.02

Note

Detail of dues to micro and small enterprises as define under MSMED act, 2006

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) The principal amount and interest due thereon remaining unpaid to suppliers		
- Principal amount due	62.43	257.87
- Interest due thereon	-	-
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
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 2022. The auditors have relied on such information.

Trade Payables as on 31.03.2022 ageing schedule are as under :-

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	24.12	-	-	-	-	24.12
(ii) Others	2.54	-	-	0.08	-	2.61
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	26.66	-	-	0.08	-	26.73

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Trade Payables as on 31.03.2021 ageing schedule are as under :-

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	(i) MSME	204.19			0.01	
(ii) Others	311.34			5.33	0.45	317.12
(iii) Disputed dues – MSME						-
(iv) Disputed dues - Others						-
	515.53	-	-	5.34	0.45	521.32

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
NOTE-20		
OTHER CURRENT LIABILITIES - FINANCIAL		
Outstanding Payment to Employees	-	47.72
Creditors for Capital Goods	38.06	-
	38.06	47.72

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
NOTE-21		
OTHER CURRENT LIABILITIES - NON FINANCIAL		
Advances from customers	45.83	65.85
Tax Deducted at source payable	11.88	7.75
Other statutory dues payable	31.78	19.72
	89.49	93.32

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
NOTE-22		
Provision - Current		
Provision for Gratuity	-	4.87
Provision for Leave Encashment	5.18	
Provision for Bonus	14.48	6.94
Provision for Expenses	32.25	
Provision for Tax (net of Advances)		
FY 2017-18	4.04	
FY 2018-19	0.74	
FY 2020-21	13.10	33.01
	69.79	44.82

Relative here means relative as defined in the Companies Act, 2013.

* Promoter here means promoter as defined in the Companies Act, 2013.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

	(₹ in Lacs)	
Particulars	2021-22	2020-21
NOTE-23		
REVENUE FROM OPERATIONS (NET)		
Sale of Products**	8,349.09	7,786.62
Less GST on Sale	(927.43)	(757.85)
	7,421.66	7,028.77

** Out of the above total sales, 13.35% (PY - 10%) of sales were made to Vertellus Specialty Materials India Private Limited amounting to ₹ 990.92 lakhs (PY - ₹ 791.76 Lakhs) and 11.65% (PY - 31%) of sales were made to Aceto US LLC amounting to ₹ 864.73 lakhs (PY - ₹ 2,432.61 Lakhs).

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

	(₹ in Lacs)	
Particulars	2021-22	2020-21
- Domestic (A)	2,895.45	2,128.69
- Exports		
*United States of America	1,876.59	3,207.51
*United Kingdom	603.50	150.46
*Africa	145.85	144.18
*France	151.72	237.89
*China	926.95	694.69
*Australia	50.74	15.45
*Germany	552.32	380.15
*Asia (Countries other than India)	218.55	69.74
Total - (B)	4,526.21	4,900.08
Total (A+B)	7,421.66	7,028.77

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:

	(₹ in Lacs)	
Balances at the beginning of the year	65.85	4.91
Movement during the year (Net of received and revenue booked)	(20.02)	60.94
Advances received which have remained outstanding at the end of the year	45.83	65.85

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lacs)

Particulars	2021-22	2020-21
NOTE-24		
OTHER INCOME		
Interest on:		
Fixed deposit with bank	30.77	10.49
Advance to Related Party	7.20	-
ICD	33.34	-
Unwinding Interest Income	0.10	4.51
Sale of Assets:		
Mutual Funds	6.82	-
Vehicle	0.27	-
Gain on foreign exchange transactions	43.11	67.18
Export Benefit/Duty Drawback	57.58	60.77
Fair Valuation of Investments	0.55	15.35
MEIS Application Income*	96.48	-
Other Receipts	12.70	0.22
	288.92	158.52

* During the year ended 31st March 2022, an amount of ₹ 96.48 lakhs which is received as MEIS Income (export benefit) is accounted in other income as per IND AS 115.

NOTE-25

(₹ in Lacs)

COST OF MATERIAL CONSUMED**A. RAW MATERIALS**

Inventory at the beginning of the period	342.99	184.56
Add : Purchases	1,935.38	2,849.61
	2,278.37	3,034.17
Less: Inventory at the end of the period	66.97	342.99
	2,211.40	2,691.18

B. PACKING MATERIALS

Inventory at the beginning of the period	6.02	12.12
Add : Purchases	36.25	29.79
	42.27	41.91
Less: Inventory at the end of the period	6.20	6.02
	36.07	35.89

TOTAL COST OF MATERIAL CONSUMED - A+B**2,247.47** **2,727.07****NOTE-26**

(₹ in Lacs)

CONVERSION CHARGES

Conversion Charges	1,960.58	1,716.97
	1,960.58	1,716.97

(Refer Related Party Note 42)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	(₹ in Lacs)	
	2021-22	2020-21
NOTE-27		
(INCREASE) / DECREASE IN INVENTORIES		
Inventories at the end of the year		
Work in progress	168.54	356.05
Finished goods	881.74	902.54
	1,050.28	1,258.59
Inventories at the beginning of the year		
Work in progress	356.05	456.37
Finished goods	902.54	673.89
	1,258.59	1,130.26
	208.31	(128.33)
NOTE-28		
EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	383.04	350.99
Contribution to Provident and Other Funds	18.13	13.95
Provision for Gratuity Expenses	4.18	6.82
Provision for Leave Encashment Expenses	19.32	-
Workmen and staff welfare expenses	7.37	7.74
	432.04	379.50
NOTE-29		
OTHER EXPENSES		
Stores and Consumables	69.82	24.47
Power and Fuel	518.51	377.88
Freight and Transport Charges	128.70	54.51
*Repair & Maintenance	50.58	109.71
Traveling, Conveyance, Lodging and Boarding	5.86	6.06
Clearing & Forwarding Charges	47.47	74.22
Postage, Telephone and Internet Charges	9.80	9.40
Professional and Legal Expenses	51.99	87.60
Insurance Premium	19.17	16.36
Rent	-	24.41
Rates and Taxes	27.43	12.78
Selling and Distribution	13.44	35.73
R & D Expenses	20.33	14.14
Director Sitting Fee	7.05	7.88
**Remuneration to auditors	6.50	5.40
Doubtful Debts	-	0.17
Penalty Paid to BSE	-	3.47
GST Excess Credit W/off	29.22	-
Water Disposal Charges	13.26	-
CSR Expenses	17.25	8.50
MEIS Application Income Reversed	-	17.26
Effluent Treatment & Desludging Charges	9.45	6.43
Miscellaneous Expenses	6.49	11.70
	1,052.32	908.08

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	(₹ in Lacs)	
	2021-22	2020-21
*Repair & Maintenance		
For Plant & Machineries	47.38	92.00
For Buildings	0.08	3.74
For Others	3.12	13.97
	50.58	109.71
**Remuneration to auditors:		
Audit fees including limited review	6.50	5.40
Certification and other services	-	0.30
	6.50	5.70

NOTE-30

FINANCE COST

Interest on CC Account	0.42	1.05
Interest On Lease Liability	1.03	0.35
Interest On Income Tax		12.41
Bank Charges	5.41	15.23
	6.86	29.04

NOTE-31

DEPRECIATION AND AMORTISATION

Depreciation	166.77	95.08
Amortisation	8.26	3.40
	175.03	98.48

NOTE-32

EXCEPTIONAL ITEMS

Insurance Claim received	(3.69)	-
Loss by Cyclone	2.94	-
	(0.75)	-

NOTE-33

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	(₹ in Lacs)	
	2021-22	2020-21
The revenue from geographical region		
- India	2,895.45	2,128.69
- Outside India	4,526.21	4,900.08
	7,421.66	7,028.77

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

1. Customers accounting more than 10% of total sales

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Aceto US LLC	11.65%	31%
Vertellus Specialty Materials India Private Limited	13.35%	10%

2. Of the above, revenue from sales to USA amounts to ₹ 1,876.59 lakhs and to China amounting to ₹ 926.95 lakhs (PY USA 2,432.61 lakhs)

3. The non-current assets attributable to any particular geographical segment is not material for disclosure.

NOTE-34

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

Leave Encashment - The company has provided an expense of ₹ 19.31 lakhs for leave encashment as per Actuarial valuation. The expense is shown in Employee Benefit expenses in Profit and Loss Statement

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 a funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The plan typically exposes the company to actuarial risk

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	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Present Value Of Defined Benefit Obligation at the beginning of the year	21.03	40.40
Interest Cost	1.03	1.93
Current Service Cost	3.15	4.90
Benefits Paid	(0.22)	(56.74)
Actuarial (Gain) / Loss	10.13	30.54
Fair Value of Plan Assets	(26.25)	-
Present Value Of Defined Benefit Obligation at the end of the year	8.87	21.03

Expense Recognised in Statement of Profit and loss

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Current Service Cost	3.15	4.90
Interest Expense	1.03	1.93
Total Expenses recognized in Statement of Profit and Loss	4.18	6.83

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**Expense recognized in Other Comprehensive Income**

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Component of actuarial gain/losses on obligation:		
Due to change in financial assumption	(0.53)	(3.20)
Due to change in demographic assumption	-	(1.45)
Due to change in experience adjustment	10.61	35.19
Return on plan assets excluding amounts included in interest income	0.05	-
Total Expenses recognized in Other Comprehensive Income	10.13	30.54

Reconciliation of net defined benefit - Gratuity Liability

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Net opening provisions in books of accounts	21.02	40.40
Transfer in/(out) obligation	10.08	30.54
Transfer in/(out) plan asset	-	-
Employee benefit expenses	4.18	6.82
Amounts recognized in Other Comprehensive Income	-	-
Benefits paid by the Company	(0.22)	(56.74)
Contributions to plan assets	-	-
Closing provisions in books of accounts	35.06	21.02

Funded status of the plan

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Present value of unfunded obligation	-	21.02
Present value of funded obligation	-	-
Fair value of plan asset	26.20	-
Net Liability/(Asset)	26.20	21.02

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	(₹ in Lacs)	
	Impact on defined benefit obligation(in INR)	
	As at March 31, 2022	As at March 31, 2021
1% Increase in Discount rate	33.99	20.32
1% Decrease in Discount rate	36.21	21.78
1% Increase in Salary growth rate	36.20	21.76
1% Decrease in Salary growth rate	33.98	20.32

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

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

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	5.99%	5.52%
Salary Escalation Rate	6.00%	6.00%
Turnover Rate	25.00%	25.00%
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

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

NOTE-35

Financial Instruments

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

Particulars	Carrying Value		Fair Value	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(₹ in Lacs)				
Financial assets				
- at amortised cost				
Trade Receivables	820.02	942.23	820.02	942.23
Cash and bank balances	853.49	587.12	853.49	587.12
Other Financial Assets	1,004.00	0.05	1,004.00	0.05
Total Financial Assets	2,677.51	1,529.40	2,677.51	1,529.40
Financial liabilities				
- at amortised cost				
Borrowings	-	60.88	-	60.88
Trade Payables	114.49	847.01	114.49	847.01
Other financial liabilities	38.06	47.72	38.06	47.72
Total Financial Liabilities	152.55	955.61	152.55	955.61

- 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-36

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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	(₹ in Lacs)					
Investment carried at FVTPL						
SBI Magnum Medium Duration Fund Growth	11.85	11.30	-	-	-	-
Baroda Large & Mid Cap Fund	-	64.05	-	-	-	-
Total	11.85	75.35	-	-	-	-

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

NOTE-37

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 takes 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:

Particulars	Currency	(in Lacs)			
		As at March 31, 2022		As at March 31, 2021	
		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
Advances Received		-	-	0.88	64.54
ii. Unhedged Receivables in foreign currency					
Trade and Other Receivables	USD	4.62	350.40	7.75	568.57
	EURO			0.05	4.68
Advances to Suppliers	USD	0.33	25.10	-	-

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

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.

Particulars	%	Effect on Profit		
		Change in Currency	As at March 31, 2022	As at March 31, 2021
USD	+5%		18.78	11.00
	-5%		(18.78)	(11.00)
EURO	+5%		-	0.23
	-5%		-	(0.23)

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, 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-38

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.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Borrowings	-	60.88
Trade Payables	114.49	847.01
Other financial liabilities	38.06	47.72
Less: cash and cash equivalents	(226.15)	(501.77)
Net debt	(73.60)	453.84
Total Equity	1,154.40	1,154.40
Other Equity	4,025.93	2,912.89
Total equity	5,180.33	4,067.29
Total member's capital	5,180.33	4,067.29
Capital and net debt	5,106.74	4,521.13
Gearing ratio (%)	(1.44)	10.04

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, 2022 and March 31, 2021.

NOTE-39

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-40**CSR Expenditure:**

- Gross amount required to be spent by the Company during the year ₹ 17.18 lakhs (previous year ₹ 7.63 lakhs).
- Amount spent by the Company during the year is as follows:

	(₹ in Lacs)		
Particulars	Paid in cash	Yet to be paid in cash	Total
Donation to Prabhat Foundation	17.25	-	17.25
	17.25	-	17.25

(Refer Related Party Note 42)

- Company spent ₹ 8.50 lakhs during the previous year

NOTE-41**I. TAX EXPENSE**

	(₹ in Lacs)	
Particulars	2021-22	2020-21
Current Tax	441.26	371.72
Short/ (excess) provision of income tax	(23.80)	39.48
Deferred Tax	(24.72)	(7.13)
Total	392.74	404.07

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

II. RECONCILIATION OF CURRENT RATE OF TAX AND EFFECTIVE RATE OF TAX

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Current taxes		
Accounting profit before income tax	1,628.72	1,456.48
At India's statutory income tax rate	25.17%	25.17%
Tax on profit	409.92	366.57
Effect on Deductible expense	4.34	9.73
Effect of Gratuity, Bonus and Leave Encashment	1.16	-
Effect of Depreciation	-	0.86
Others	(2.58)	-
Effect of Tax on Earlier Years	(23.80)	-
Interest on Tax	3.70	-
MAT Credit Adjusted	-	2.50
Income tax expense - Net	392.74	379.66

III. The Company has exercised an option given under Section 115 BAA of The Income Tax Act, 1961, and hence the provisions of Minimum Alternative Tax (MAT) are not applicable

IV. RECONCILIATION OF DEFERRED TAX

Particulars	(₹ in Lacs)		
	Opening	Recognised in Statement of profit and loss	Closing
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)	161.57
Property, Plant and Equipment	166.32	(21.87)	144.46
Remeasurement gain/(loss) on defined benefit plans	(5.29)	3.06	(2.23)
Employee benefits Bonus and Leave Encashment	(0.51)	(8.00)	(8.51)
Expected credit loss	(2.52)	2.52	-
MTM on Investments	3.86	(3.72)	0.14
Lease Liability	2.82	(0.50)	2.32
Right to Use of Assets	(3.11)	1.15	(1.96)
As at March 31, 2022	161.57	(27.36)	134.22

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

NOTE-42

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 (w.e.f. 17/12/2020)	Holding Company
Kaygee Investments Pvt Ltd (w.e.f. 17/12/2020)	Promoter
Alok Gupta (till 18/01/2022)	Promoter
Anoop Gupta (till 18/01/2022)	Promoter
Atma Bandhu Gupta (till 18/01/2022)	Promoter
Avignon Chemicals Pvt Ltd (till 18/01/2022)	Promoter
Usha Gupta (till 18/01/2022)	Promoter
Ushma Investments Pvt Ltd (till 18/01/2022)	Promoter
Vista Finance and Leasing Pvt Ltd (till 18/01/2022)	Promoter

ii Key Management Personnel

	Relationship
Atma Bandhu Gupta (resigned w.e.f. 21/12/2020)	Managing Director
Ashish Katariya (appointed w.e.f. 09/11/2019)	Whole time Director
Archana Surendra Yadav	Independent Director
Ajay Patadia (appointed w.e.f. 27/06/2020)	Independent Director
Rajkamal Prasad Verma (appointed w.e.f. 10/11/2020)	Independent Director
Yaqoob Ali (Resigned w.e.f 18/06/2020)	Independent Director
Prashant Godha (appointed w.e.f. 10/11/2020)	Non-Executive Director Director
Bishwanath Prasad Agrawal (resigned w.e.f. 21/12/2020)	Non-Executive Director
Dwarika Agrawal (appointed as Whole-time Director w.e.f. 21/07/2020)	Chief Financial Officer and Whole-time Director
Arti Lalwani (resigned w.e.f. 14/09/2020)	Company Secretary
Minal Bhosale (Appointed w.e.f. 15/09/2020)	Company Secretary

iii Other Related Parties

(Entities in which directors or their relatives have significant influence and with whom there were transactions during the period)

Vista Organics Private Limited

Prabhat Foundation

B) Transactions with related parties

Particulars	(₹ in Lacs)							
	Entities where control exists - Promoters		Key Management Personnel		Other Related Parties		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	Upto Mar'2022	Upto Mar'2021	Upto Mar'2022	Upto Mar'2021	Upto Mar'2022	Upto Mar'2021	Upto Mar'2022	Upto Mar'2021
Purchase of Goods and Services								
- Vista Organics Pvt Ltd	-	-	-	-	1,960.58	1,716.97	1,960.58	1,716.97
Sales of Capital Assets								
- Vista Organics Pvt Ltd					49.93	-	49.93	-

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lacs)

Particulars	Entities where control exists - Promoters		Key Management Personnel		Other Related Parties		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	Upto Mar'2022	Upto Mar'2021	Upto Mar'2022	Upto Mar'2021	Upto Mar'2022	Upto Mar'2021	Upto Mar'2022	Upto Mar'2021
Professional and Consultancy Fees								
- Sarita Agrawal	-	-	-	-	-	17.30	-	17.30
- Alok Gupta					-	6.00	-	6.00
Donation								
Prabhat Foundation					17.25	8.50	17.25	8.50
Director Remuneration								
- Atma Bandhu Gupta	-	-	-	85.77	-	-	-	85.77
- Ashish Katariya			21.12	17.55			21.12	17.55
- Dwarika Agrawal			20.23	13.56			20.23	13.56
Sitting Fees to Non-Executive Directors								
- Archana Surendra Yadav	-	-	1.85	2.60			1.85	2.60
- Bishwanath Prasad Agrawal	-	-	-	1.55			-	1.55
- Ajay Patadiya			1.85	1.95			1.85	1.95
- Prashant Godha			1.50	0.87			1.50	0.87
- Rajkamal Prasad Verma			1.85	0.92			1.85	0.92
Rent								
- Ushma Investments Pvt Ltd	-	6.75	-	-	-	-	-	6.75
- Avignon Chemicals Pvt Ltd	-	6.75	-	-	-	-	-	6.75
- Vista Finance and Leasing Pvt Ltd	-	6.75	-	-	-	-	-	6.75
- Makers Laboratories Limited	3.00	0.92	-	-	-	-	3.00	0.92
Interest Received								
- Vista Organics Pvt Ltd					7.20		7.20	-
Salary								
- Usha Gupta	-	5.61	-	-	-	-	-	5.61
- Arti Lalwani			-	0.15			-	0.15
- Minal Bhosale			8.55	3.31			8.55	3.31
Balance Outstanding								
a) Interest Free Deposit								
- Makers Laboratories Limited	1.50	1.50	-	-	-	-	1.50	1.50
b) Advance Against Supplies								
- Vista Organics Pvt Ltd					242.35	-	242.35	-
Trade Payables/(Receivables)								
- Vista Organics Pvt Ltd	-	-	-	-	0.00	179.00	0.00	179.00
Total	4.50	28.28	56.95	128.23	2,277.31	1,927.77	2,338.76	2,084.28

NOTE-43

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

(₹ in Lacs)

	As at March 31, 2022	As at March 31, 2021
Other expenses	20.33	14.14
	20.33	14.14

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

NOTE-44

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, 2022 on an undiscounted basis are as follows:

	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Less than one year	3.00	3.00
One to Five years	8.08	11.08
More Than five years	-	-
	11.08	14.08

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-45

Contingent Liabilities

	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
1. Bank Guarantee issued by banks on behalf of the Company against lien of fixed deposit receipts:	20.00	20.00
2. During the year 2020-21 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 Lakh on 10.02.2021 under protest and the matter is still pending with Hon'ble Supreme Court. Further in the year 2021-22 Maharashtra Pollution Control Board vide order dated 30.09.2021 demand raised of ₹ 355.97 lakh by Hon'ble National Green Tribunal in Original application No. 64/2016. A civil appeal has been filed in Hon'ble Supreme Court against NGT order dated 30.09.2021, and the Supreme Court of India, under order dated 27.04.2022 has given stay on the additional compensation.	355.97	173.77
3. Claim against the company by Glaxosmithkline Pharmaceutical V/s RSL customer but not admitted. The outcome of the same is pending in City Civil Court, Mumbai (Refer Point 2 in Note 50)	33.63	33.63
4. Counter Claim against the company by M/s V Tribhovandas but not admitted. The outcome of the same is pending in City Civil Court, Mumbai.	4.98	4.98
5. 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	17.30
6. Penalty demand for the AY 2018-19 against which the company filed the appeal before CIT under Rule 45 of Income Tax Act 1961	29.17	-
7. Outstanding Demand for various years, refelected on Income Tax Website.	3.11	-
8. Outstanding Demand for default in TDS for various years, refelected on Income Tax Website.	0.20	1.33
	464.36	251.01

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**NOTE-46****Commitments**

	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
Other Commitments		
Letter of Credit Outstanding	-	-

NOTE-47**Earning per Share**

	(₹ in Lacs)			
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Profit after Tax		1,228.48		1,013.93
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 ₹)		10.64		8.78
Diluted Earnings per Share (in ₹)		10.64		8.78

NOTE-48**Change in Method of Depreciation**

During the year ended 31st March 2022, the Company has changed the method of depreciation prospectively from WDV to SLM and the assets are depreciated on the basis of balance useful life as on 1st April 2021 as per Companies Act, 2013. Due to this, there is an increase in depreciation by ₹ 78.15 lakhs for year.

NOTE-49**Expenditure in Foreign Currency**

During the year ended 31st March 2022, the Company has incurred expenses in foreign currency amounting to ₹ 3.90 Lakhs for commission on sales

NOTE-50**Events Occurring After the Balance Sheet Date**

- The Company has announced a dividend @10% of paid up value amounting to ₹115.44 lakhs
- Claim against the company by Glaxosmithkline Pharmaceutical V/s RSL (refer Note 45 Contingent Liability, point No. 3). This matter was settled out of court without any liability of payment

NOTE-51

The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

NOTE-52

The company submits monthly statement of stock and trade receivables to bank every month and the statements submitted are in agreement with the books of accounts.

NOTE-53

Following are the Ratios :-

		(₹ in Lacs)	
Ratios	Formula	As at March 31, 2022	As at March 31, 2021
(a) Current Ratio	Current assets / Current liability	12.49	3.12
(b) Debt-Equity Ratio	Debt / equity	0.002	0.02
(c) Debt Service Coverage Ratio	Net Operating Income/ Total Debt service	132.79	15.87
(d) Return on Equity Ratio	Net Income / Equity	0.30	0.35
(e) Inventory turnover ratio	Cost of goods sold / Average value of Inventory	4.16	3.65
(f) Trade Receivables turnover ratio	Net Credit sales / Average Account Receivables	8.42	9.04
(g) Trade payables turnover ratio	Credit Purchase / Average Account Payables	4.94	4.17
(h) Net capital turnover ratio	Sale / Net Assets	1.94	2.74
(i) Net profit ratio	PAT / Total Income	0.17	0.14
(j) Return on Capital employed	EBIT / Capital Employed	0.34	0.40
(k) Return on investment	Return (Benefits) from Investment / Cost of Investment	0.12	0.26

NOTE-54

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

NOTE-55

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, 2022.

As per our report of even date attached

For **Kailash Chand Jain & Co**

Chartered Accountants

Firm Registration No. 112318W

For & on behalf of the Board

For RESONANCE SPECIALTIES LIMITED

CA Saurabh Chouhan

Partner

Membership No.: 167453

CA Dwarika Agrawal

Director

DIN: 07194113

Mr. Ashish Katariya

Director

DIN: 08601262

Place: Mumbai,

Dated 11th May 2022

CS Minal Bhosale

Company Secretary



Resonance
Specialties

Resonance Specialties Limited

Registered Office: 54-D, Kandivli Industrial Estate, Charkop, Kandivli (West), Mumbai – 400 067
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Email: info@resonancesl.com | Website: www.resonancesl.com