

# Intense

**Responsive Industries Limited**  
**Axiom Cordages Limited**  
**Annual Report 2010-11**







**The word that  
best defines us is...**



# Inte

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It's  
the extent

of creative energy  
that drives our  
world.

It's  
the diversity

of innovation that we  
bring to life each day.

# nse

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It's  
the trust

that national and  
international customers  
repose in our efforts.

It's  
our commitment

to reach new levels of  
performance in a dynamic  
global marketplace.

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# **Axiom Cordages Limited Statutory Reports and Financial Statements**



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## Responsive Industries Limited

Responsive Industries Limited (RIL) is one of the leading global manufacturers of polyvinyl chloride (PVC) based products. We are among the top three global producers of vinyl flooring and possess the largest domestic capacity in PVC flooring and artificial leather cloth segments.

Our product portfolio includes PVC flooring, automotive upholstery solutions, FMCG and pharmaceutical packaging and transparent sheeting, which find diverse sectoral applications: healthcare, hospitality, transportation, IT and telecom, retail, education, sports infrastructure and real estate.

A decorative graphic of pink paint splashes and drips is positioned behind the 'Inside every' text.

# Inside every

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**80 %** of standalone revenue comes from poly vinyl chloride (PVC) flooring and artificial leather cloth

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**20 %** of standalone revenue comes from packaging (FMCGs & pharmaceuticals) and soft sheeting

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**60 %** of consolidated revenue comes from exports

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**50 %** of standalone revenue comes from exports

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**88 %** of flooring revenues from exports

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**19 %** of leather cloth revenues from exports

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**11** sales offices

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**300+** retailers

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**23,500 million+** market capitalization\*

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\* 'as on date of signing of the Directors Report'

We are a BSE & NSE listed Company, and a part of BSE Mid cap 200 Index. CRISIL Research has rated us a valuation grade of '3/5' combined with a fundamental grade of '3/5'. Fitch has assigned Responsive and Axiom 'A-' rating.



## Axiom Cordages Limited

Axiom Cordages Limited, a subsidiary of Responsive, is into the manufacture of specialised synthetic ropes made of polypropylene (PP), polyethylene (PE), nylon and polyester. Axiom has the largest installed capacity in the domestic shipping ropes segment.

These ropes find applications in shipping and cargo, oil rigs, fishing and other industrial segments. Axiom is India's largest exporter of new generation synthetic ropes, manufactured after high end technical research and know-how. The major export markets are Europe, USA, the Middle East and Singapore.



# facet of life

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86 % subsidiary of Responsive

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100 % export oriented unit (EOU)

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90 % revenues from exports

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40 % share in consolidated revenues

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10 overseas sales distributors

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# Presence



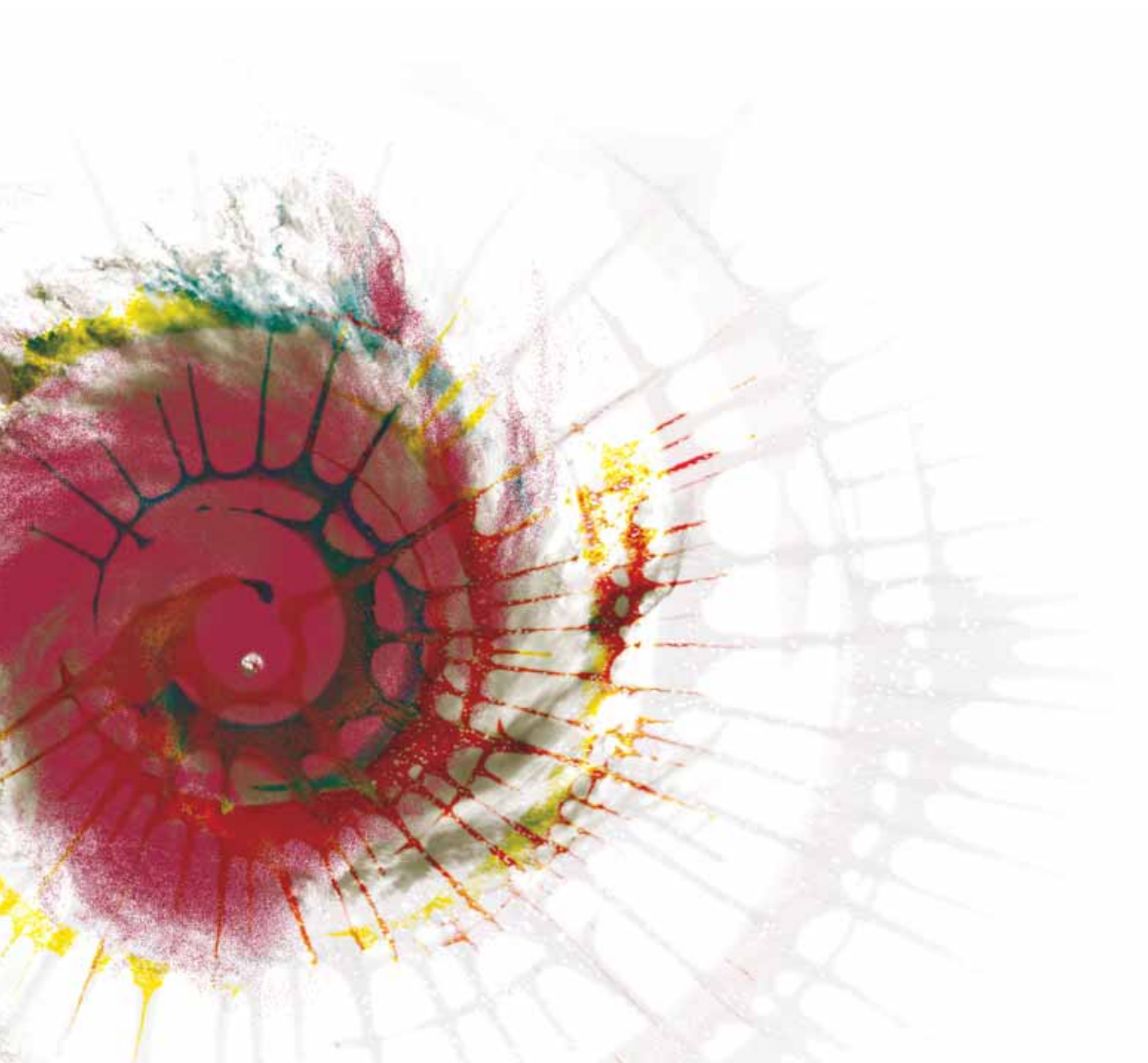
## Responsive Industries Limited

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- Manufacturing Facility, Mumbai, India
  - Existing Client Distribution
  - Near Future Potential Clients
-



# Creating an enterprise of technology and teamwork



**1982**

Responsive Polymers is incorporated

**1992**

The first high-grade vinyl and PVC processing plant is set up, leveraging contemporary global technologies

The expansion of facilities is undertaken to cater to domestic demand

**1999**

Axiom Impex International Ltd. is incorporated

**2000**

Responsive Polymers enhances focus on export markets

Responsive Polymers receives international certifications of products and processes

**2004**

Responsive Polymers significantly upgrades machinery and production capabilities

Axiom undertakes capacity expansion and product innovation

**2006**

Axiom drives business expansion

**2007**

Responsive Polymers is renamed Responsive Industries Ltd. (RIL)

Capacity expansion is undertaken to increase the production of PVC leather cloth, PVC flooring, PVC sheeting, and PVC rigid pipes.

**2008**

FMO and Banyan Tree Netherlands Sovereign Fund invests in Axiom.

**2009**

Responsive widens the product portfolio through enhanced thrust on innovation

**2010**

Axiom Impex International Ltd. was renamed Axiom Cordages Ltd.



## Responsive Industries Limited

ISO 9001:2000



For consistently providing quality products to customers

US FDA



Received the DMF Registration for rigid blister films, used for pharmaceutical packaging

ISO 14001:2004



For the implementation of environmental management system and adherence to environmental norms

## Associations

U.S. Green Building Council



For providing education and training to employees of member organisations in green initiatives related to constructions

World Floor Covering Association



Provides practical solutions and tools to member organisations to modernise their business

Indian Green Building Council



For participating in the green building movement to facilitate India's emergence as one of the world leaders in green buildings by 2010

Star Net Association of USA



Will permit Responsive to become the preferred vendor for top-notch U.S. contractors



# Axiom Cordages Limited

International Maritime Organisation



Develops and maintains the regulatory framework for shipping and is responsible for safety and security, environmental, legal, technical and other shipping concerns.



**We aim to  
create an  
environment**

EVOLVED MANAGEMENT STRATEGIES

**in which  
creativity,  
capability and  
motivation**

AND IMPROVED LEVELS OF PERFORMANCE

**intensify and  
flourish.**

HELP US DELIVER ON OUR COMMITMENTS.

The manufacturing units of both Responsive and Axiom are located at Boisar, Thane, 125 kms away from Mumbai. They are strategically located with easy access to ports, roadways, and railways.

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## Responsive Industries Limited

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Responsive's manufacturing unit is equipped with advanced machinery, which employs cutting-edge technology.

Well experienced plant managers and operating engineers supervise the operations.

We have set up a well equipped testing and research laboratory for quality testing and assurance.

Responsive's manufacturing units receives 6 MW power from the MSEB grid, with an option to draw an additional 20% power. The unit also enjoys a 750 KVA diesel generator for back-up power support.

A 750,000 litres annual capacity water purification plant has been installed at Responsive's units.

Our primary raw materials are PVC resins, plasticisers, stabilisers, coated cotton fabric, lubricants, pigments and solvents, with PVC resins comprising the major bulk of the raw materials. Around 55% of the raw materials are imported, while the rest are sourced locally.

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## Axiom Cordages Limited

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Axiom's facilities include a 60-acre rope manufacturing unit at Boisar and an upcoming facility at Tarapur Industrial Complex.

The unit gets uninterrupted power supply.

The manufacturing unit has highly trained support staff for operations, marketing, internal controls and management.

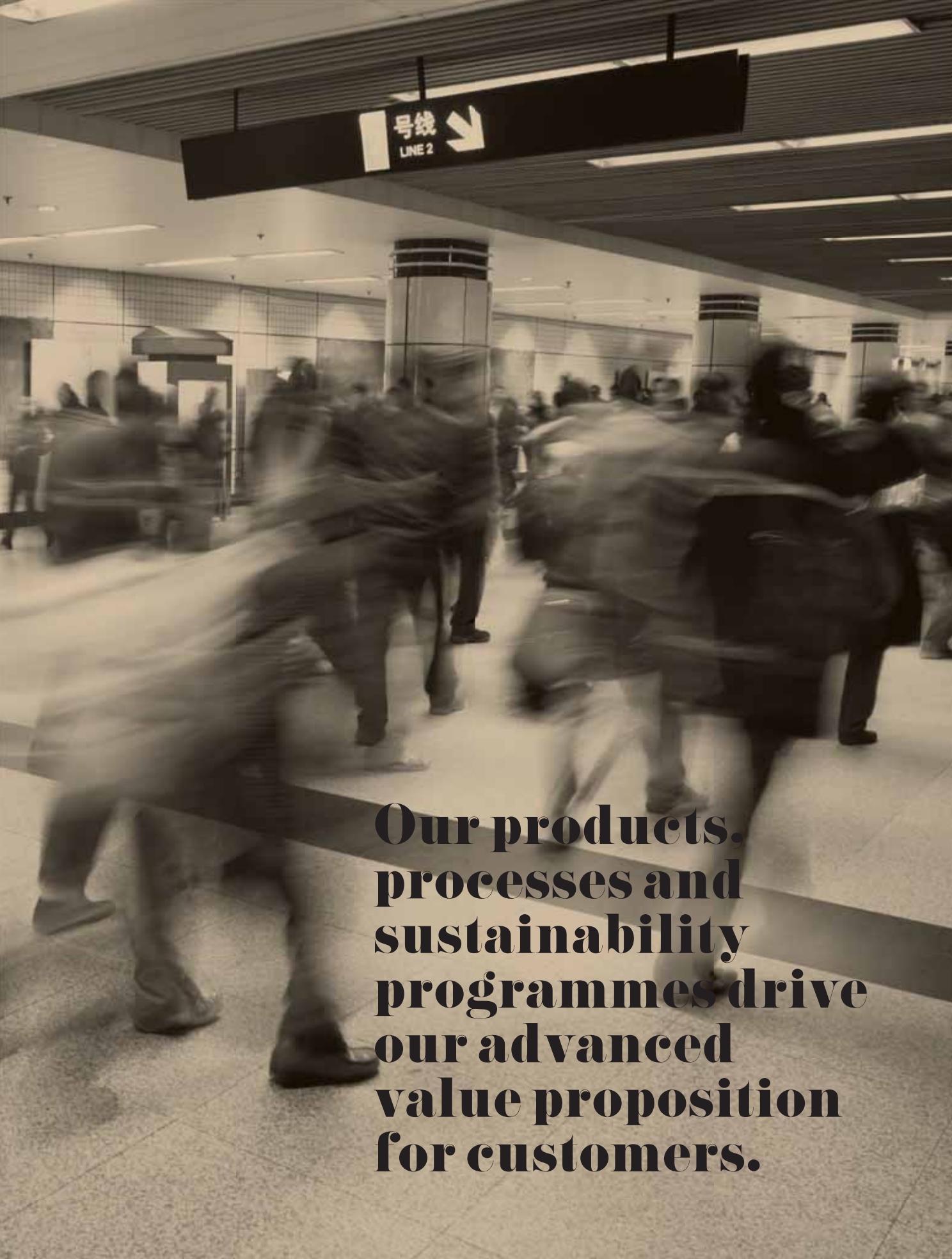
We use state-of-the-art machines, imported from Germany and Korean manufacturers.

Our primary raw materials are HDPE and PP granules and Nylon, which are sourced locally.

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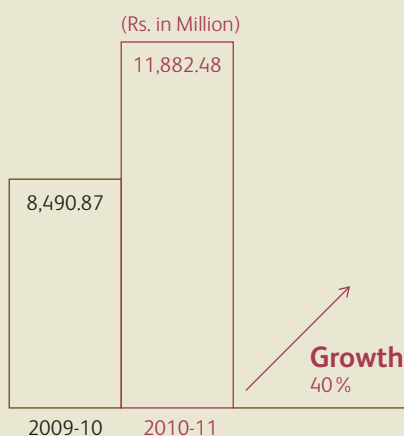




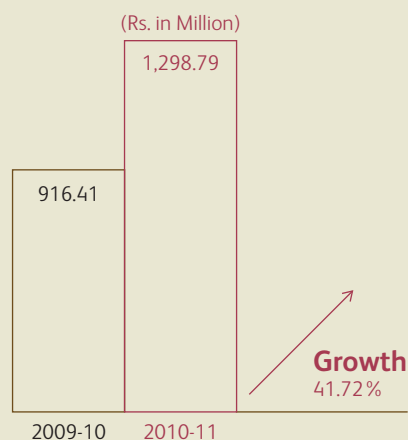
**Our products,  
processes and  
sustainability  
programmes drive  
our advanced  
value proposition  
for customers.**

# An insight into growing numbers

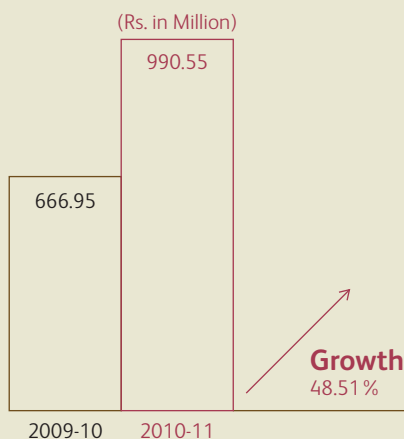
## Consolidated financial highlights



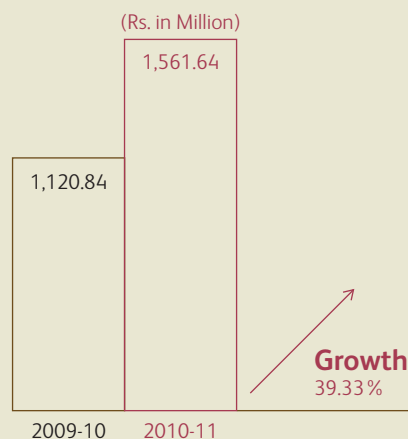
Total Income



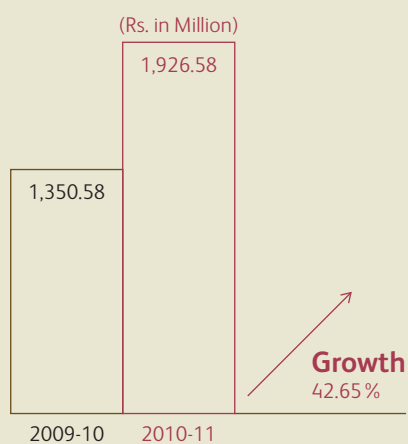
Profit Before Tax (PBT)



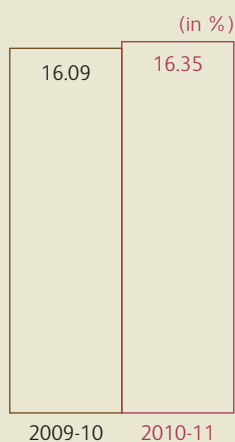
Profit After Tax (PAT)



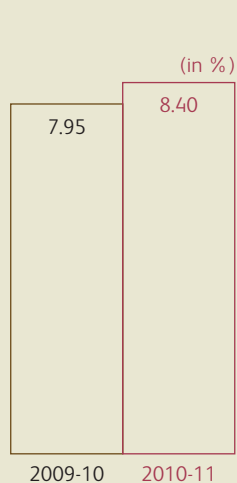
Cash Profit



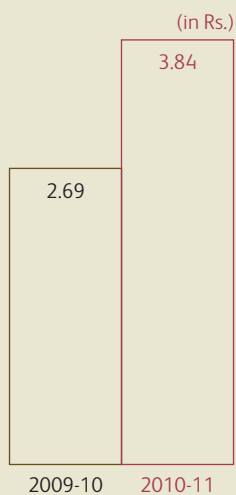
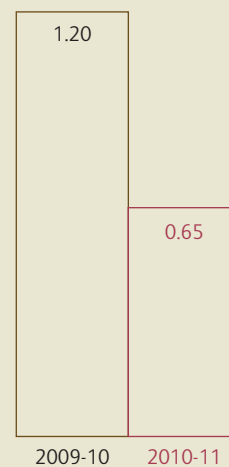
EBIDTA



EBIDTA Margin



Net Profit Margin

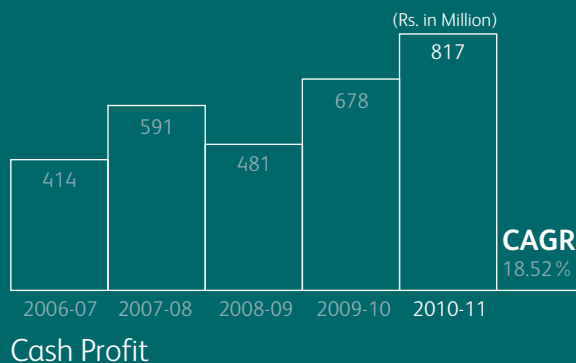
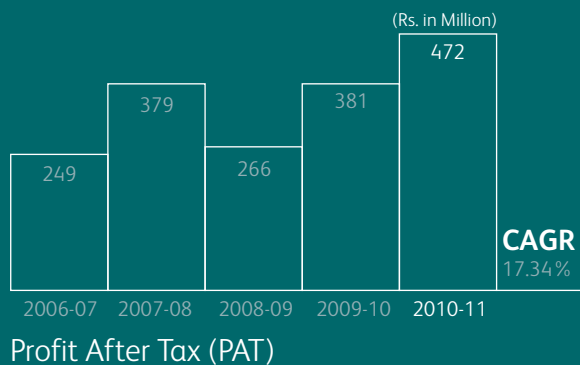
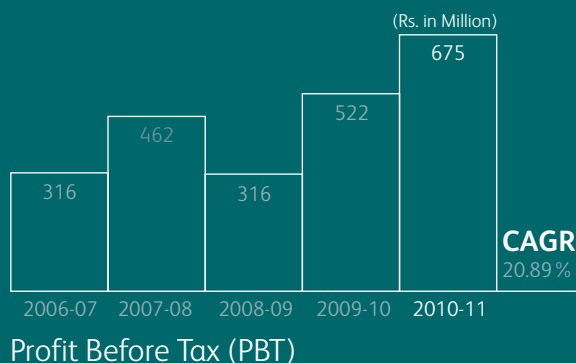
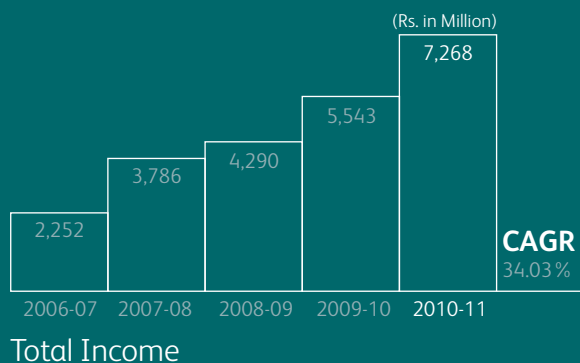
Basic EPS  
(Face Value - Re. 1/- each)

Debt Equity Ratio

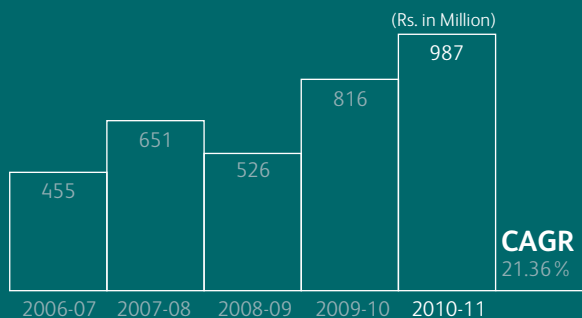
Note : Bar Graphs not to scale

# 5 year financial highlights - Responsive

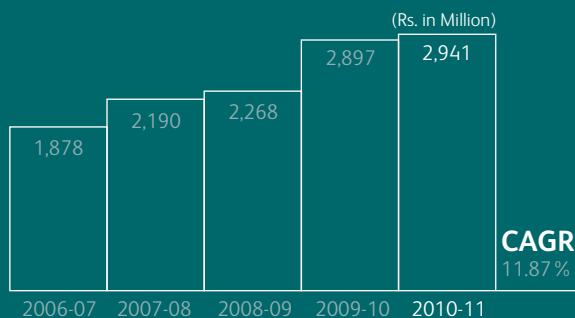
## Standalone financial highlights







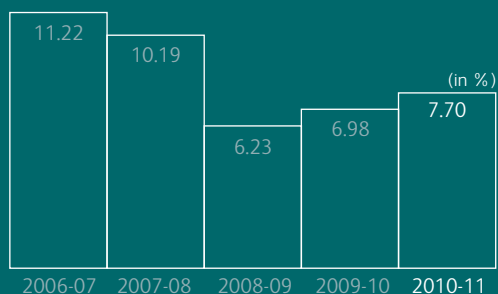
EBITDA



Gross Block



EBITDA Margin



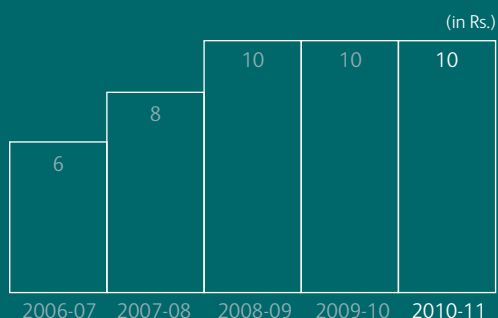
Net Profit Margin



Basic EPS (Face Value - Re. 1/- each)



Book Value (Face Value - Re. 1/- each)



Dividend Payout

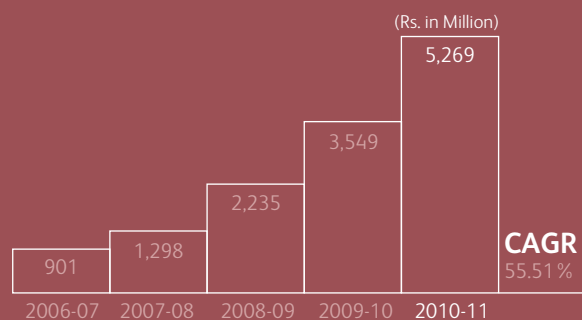


Debt Equity Ratio

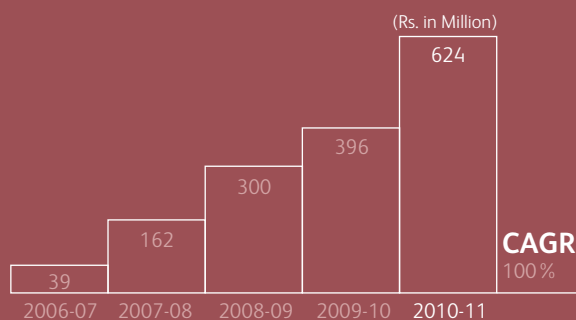
Note : Bar Graphs not to scale

# 5 year financial highlights - Axiom

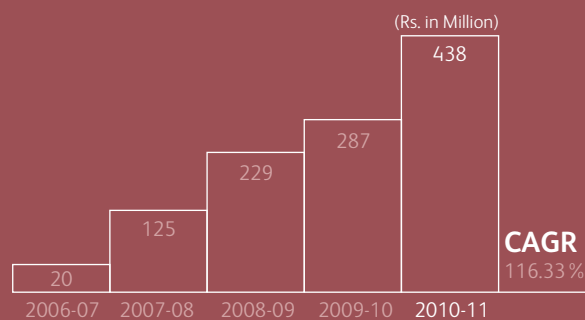
## Subsidiary financial highlights



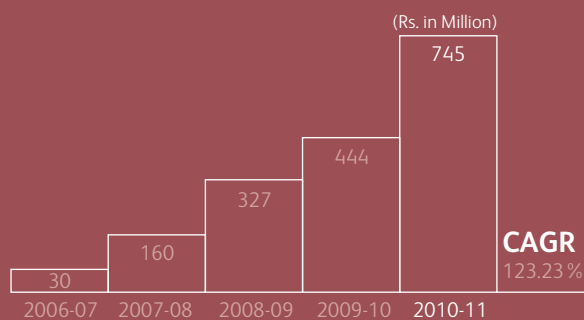
Total Income



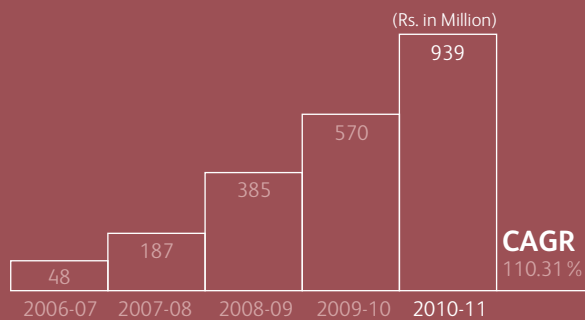
Profit Before Tax (PBT)



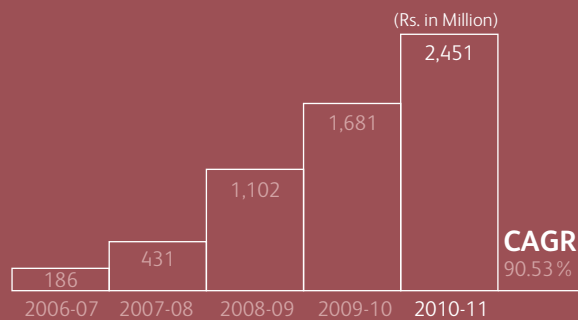
Profit After Tax (PAT)



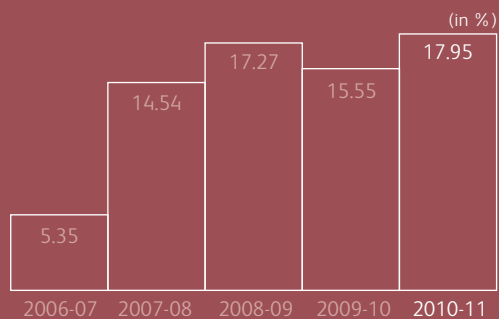
Cash Profit



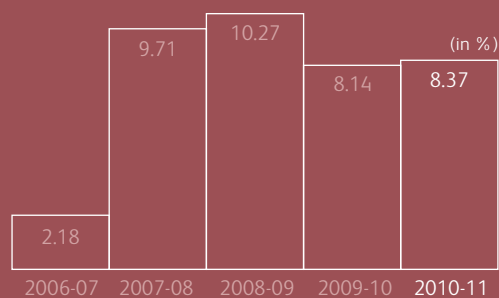
EBITDA



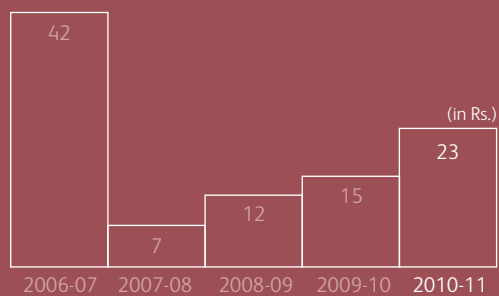
Gross Block



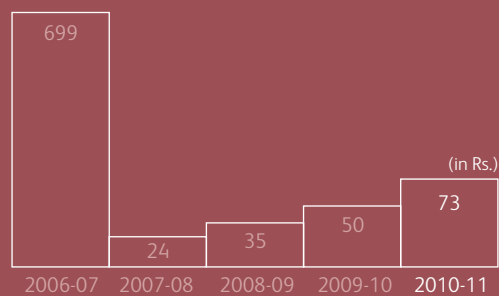
EBITDA Margin



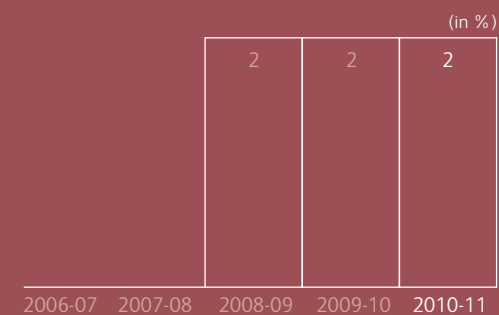
Net Profit Margin



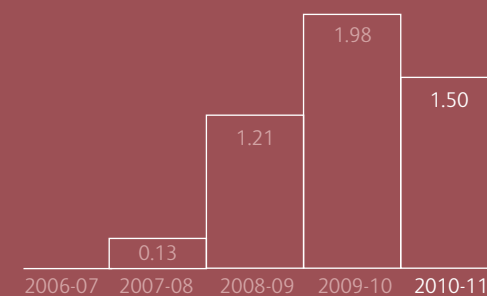
EPS



Book Value per share



Dividend Payout\*



Debt Equity Ratio\*\*

\* The Directors did not declare dividend in 2006-07 & 2007-08

\*\* The Company had zero debt in 2006-07

Note : Bar Graphs not to scale

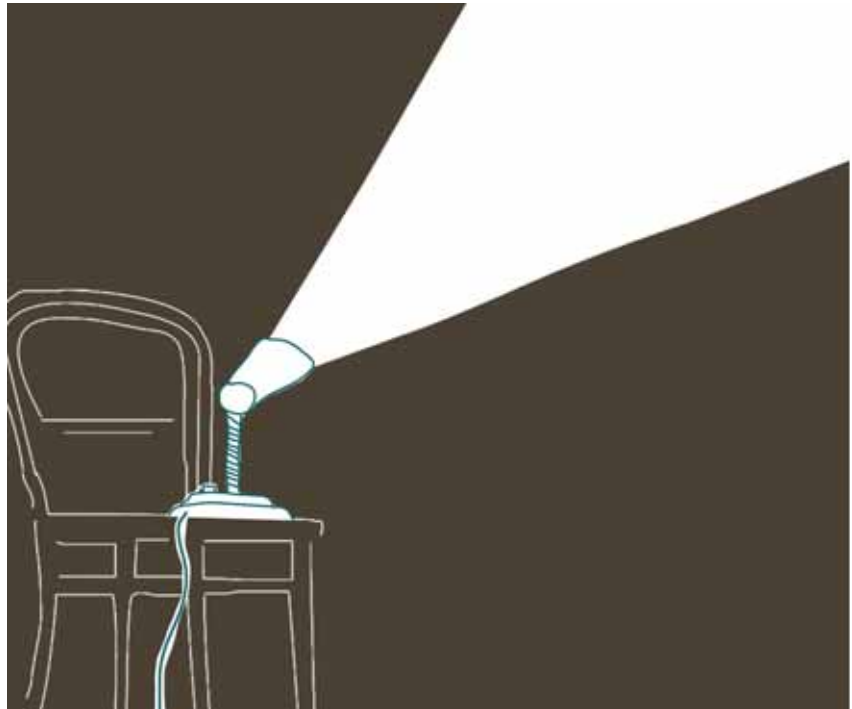




**We have adopted  
challenging  
environmental  
standards  
relevant to our  
operations.**

# Chairman's Message

INNOVATIONS IN  
TECHNOLOGY AND  
PRODUCTIZATION WILL  
BE STEERED BY THE  
EMERGING ECONOMIES  
IN ALLIANCE WITH  
GLOBALLY ACCLAIMED  
PARTNERS FROM  
ADVANCED NATIONS.



## Dear Shareholders,

### We are witnessing an age of paradigm shifts:

global economic growth is now driven by countries, which were hitherto labelled 'developing' by the developed world; the demographic dividend is now enjoyed by India and China, while matured economies are languishing under the burden of an ageing and unproductive population; more importantly, standards of higher educational infrastructure have improved considerably in the developing world and the fruits of research and development (R&D) are being leveraged by businesses to create global markets.

### These socio-economic trends are leading to significant and far-reaching implications

innovations in technology and productisation will be steered by the emerging economies in alliance with globally acclaimed partners from advanced nations. Even the population of the developing world are demanding a better quality of life, creating mega-markets for products and services.



THE BIGGEST HIGHLIGHT OF THE YEAR HAS BEEN THE CAPACITY ADDITION IN VINYL FLOORING AND PVC CLOTH-TWO MAJOR PRODUCTS CONTRIBUTING TO THE TOPLINE.

IN FISCAL 2010, WE CONTINUED OUR CAPACITY EXPANSIONS AT BOTH RESPONSIVE AND AXIOM. AS PART OF OUR EXTENSIVE EXPANSION PROGRAMME, WE PLAN TO INTENSIFY OUR TECHNOLOGY LEVERAGE, FORAY INTO UNEXPLORED MARKETS, WIDEN OUR DOMESTIC OPERATIONS, AND CONTINUE TO CONSOLIDATE OUR POSITION AS ONE OF THE INDUSTRY FRONTRUNNERS.

For example, the global market for flooring is US\$150 Billion and is expected to grow by only 4%. On the other hand, the Indian market could be anywhere between US\$1 Billion and US\$1.5 Billion (although no reliable data is available) and it is growing at a faster rate compared to global markets. Responsive is the pioneer of vinyl product in India and amongst the top three companies globally. Our objective for vinyl products has always been to capture the entire customer spectrum, from the high-end to the low-end.

There are, however, obvious challenges. For an industry like ours, technology poses the biggest entry barrier, which during the initial years we were fortunate to receive from Daewoo Corp. We subsequently took it to the next level by virtue of our in-house R&D activities. Besides, certification can prove to be another limiting aspect. Responsive and Axiom possess the relevant certifications to supply products globally.

The biggest highlight of the year has been the capacity addition in vinyl flooring and PVC cloth, which are the two major products contributing to the topline. The capacity expansion would help us cater to the rising industry demands globally. Although we have reported encouraging numbers in 2010-11, rise in input costs (triggered by volatile international crude prices) remains a matter of concern. To hedge against price volatilities, we have now decided to reduce contract tenures, translating into significant benefits for the Company and the consumer.

In fiscal 2010, we continued our capacity expansions at both Responsive and Axiom. As part of our extensive expansion programme, we plan to intensify our technology leverage, foray into unexplored markets, widen our domestic operations, and continue to consolidate our position as one of the industry frontrunners.

Over the next two to three years, revenue from vinyl flooring and leather cloth will significantly increase, owing to the massive capacity expansion already being executed. Besides, the focus would be on producing green products, which help reduce our environmental impact.

Responsive is a zero debt Company, creating a significant room to raise debt to fund future expansions. In addition, we would focus on harnessing more effectively the latent skills and competencies of our people through continuous training. The markets for the products of Responsive and Axiom are witnessing a steady uptrend, and we must be prepared to leverage the opportunities.

Let me conclude by reiterating our commitment to keep raising the quality standards, expand business horizons and drive a positive change in the lives of all stakeholders by manufacturing green products and enabling people to lead a better quality of life.

Thanks for your rock-hard support and unrelenting faith in our endeavours.

Warm wishes,

Atit Agarwal

# The intensity of our customer orientation helps shape our future





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Responsive's products represent its inherent strength, sharpened by 29 years of industry experience.

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Certified quality, recyclability, cost-effectiveness, durability, eco-friendliness, creativity in designs, slip-resistance, anti-bacterial and antistatic features and moisture-and-stain-resistance comprise the principal features of Responsive's products.

Axiom's ropes are water resistant, strong, lightweight, abrasion resistant and non-corrosive. The ropes possess controlled elongation, shock absorption capacity, and immunity to extreme atmospheric conditions - a result of 11 years of relentless drive for innovation in a constantly evolving market scenario.



# Leading the market

## A matter of prestige

Responsive's products were used in events like the Commonwealth Games and the Olympics. We provide flooring and upholstery solutions to Indian Railways, Mercedes Benz, Tata and Volvo, to name a few.

## Replacement demand

Responsive's and Axiom's products enjoy high replacement demand, generating repeat business. Moreover, as per International Maritime Laws, after a specified number of trips, ropes have to be compulsorily replaced, creating enhanced business opportunities for Axiom.

## 85%

market share in the domestic surface transport manufacturing industry

## 95%

market share in the domestic three-wheeler upholstery and canopy market

## 65%

market share in the domestic PVC flooring market

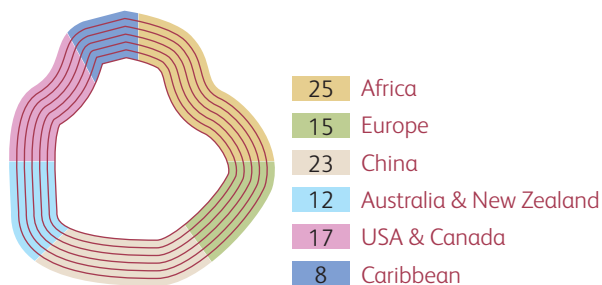
## 60%

market share in the domestic shipping ropes industry



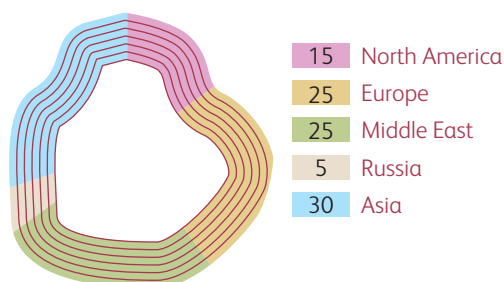
### Responsive's products find use across 70 countries globally

Geographic revenue break-up ( % )



### Axiom's products enjoy footprints across 65 countries of the world

Geographic revenue break-up ( % )



### Low competition

We enjoy an edge on pricing and product quality over our global peers and domestic competition is low.

### Strategic alliances and partnerships

We have formed strategic alliances and partnerships with some of the globally acclaimed companies of the world.

### Certified quality

Responsive's products have received DMF registration under FDA, and have been certified by agencies like ISO, ASTM, EN standard certification and CE certification.

Axiom's products have received Germanischer Lloyds certification for quality and minimum breaking strength. We have received certification from Lloyds Register of Shipping, which only a few global manufacturers have received.

We have received the ISO 9000 and 14001 certifications for our quality commitments. The ropes are eligible to pass the stringent quality parameters of inspecting agencies like Bureau Veritas, DNV and SGS.

# We continue to invest in operational capability to execute long-term growth plans. Besides, capacity expansion entails economies of scale, reassured customers and big-ticket orders.

## High-end technology leverage

A combination of in-house customisation, in-plant integration, process layout and IT infrastructure with an efficient communication system and technical know-how have helped us achieve cost competitiveness, increased employee productivity and enabled faster response to customers.

For rope manufacture, we use modern hi-tech and state-of-the-art machines and technical know-how from Europe. Axiom possesses an R&D facility and testing laboratory that helps in improving the strength of ropes and lowering raw material costs. Our constant research and development endeavours have helped us bring out innovative products.

## Capacity expansion

Responsive has undertaken brown-field expansion at the existing unit. During the year, it has successfully added manufacturing capacities in vinyl flooring and PVC leather cloth.

As part of our expansion plan, we are planning to triple the existing capacity of vinyl flooring by 2012, which is expected to increase our share in the global PVC flooring market to nearly 10%. Besides, we are also augmenting the capacity of PVC leather cloth

Capacity expansion of Responsive would be completed by September 2012. The new production capacity would help improve revenues, profitability and market share. The technologically superior infrastructure would result in higher capacity utilisation, streamline existing operations and reduce operational bottlenecks.

### Proposed CAPEX break-up

Mode of funding	Total Amount	Status
Debt	Rs. 3.5 Billion	Received sanction
Equity (internal accruals and promoter funding)	Rs. 2.1 Billion	Will be sanctioned, if required
Total CAPEX	Rs. 5.6 Billion	

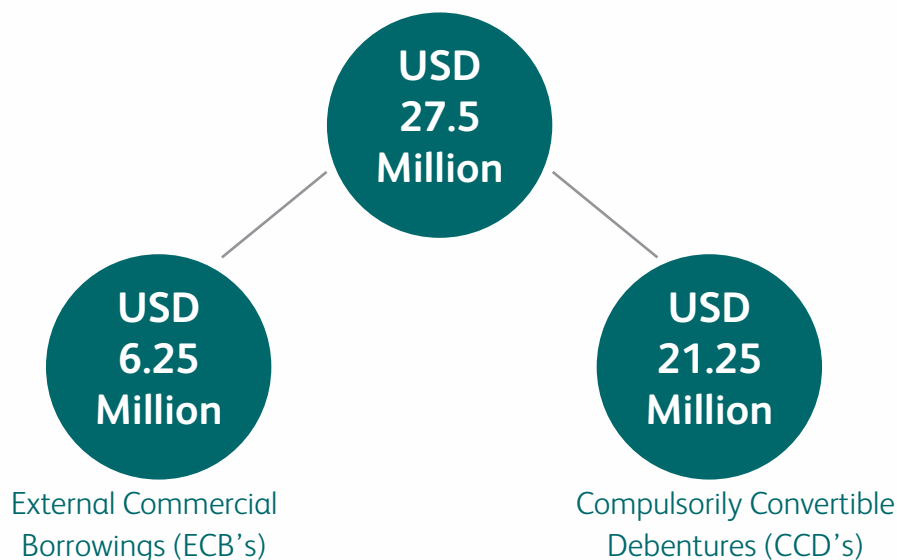


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At Axiom, we plan to expand the rope manufacturing capacity by 2013. The capital required for the expansion would be invested in phases between 2011 and 2013.

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#### FMO (Dutch Sovereign Fund) and Banyan Tree funding for capacity expansion at Axiom



#### Widening our presence

At Responsive, we plan to widen our global footprint to 130 countries by 2013 from our 70 country presence. We would be offering premium products in larger volumes to developed markets of America and Europe. We plan to enter the high growth developing countries of Asia, Middle East and Africa with our range of globally accredited superior quality products.





We make  
products that  
enrich the way  
our customers  
live, work, shop,  
travel, conduct  
businesses,  
receive  
healthcare  
support and  
entertain  
themselves.



**They  
wait  
for our  
futuristic  
products  
with  
Intense  
aspirations.**

**RIL**  
**caters to**



**Educational Institutes**



**Fitness Centres**



**Healthcare**



**Transportation**



**Specialty**





Fitness centres  
Gymnasiums  
Sports' Courts  
Athletic centres



Commercial Spaces  
Offices  
Warehouses

Transportation  
Railways  
Automobiles  
Airports  
Buses

Specialty  
Shopping malls & organised retail  
Movie halls  
Amusement parks  
Schools & educational institutes  
Hotels & Restaurants  
IT & Telecom  
Cultural centres



Healthcare  
Hospitals  
Clinics & Labs  
Packaging  
Pharmaceuticals  
FMCGs  
Electronics

# Axiom caters to

## Marine industry

Shipping

Fishing

Aquaculture

## Oil Exploration

## Defence

Navy

Military applications

## Power

## Construction



Transport  
 Railways  
 Automobiles  
 Airports  
 Buses  
 Telecom  
 Sports  
 General purposes  
 Industrial ropes  
 Packaging



## PVC flooring tiles

### Product categories

a) Homogenous flooring b) Heterogeneous flooring c) Compact/Acoustic flooring d) Safety & Transport flooring  
e) Antistatic & Conductive flooring f) Rubber flooring g) Sports flooring h) Printed flooring

### Features

a) Major contributor to the top line b) A high growth product c) Available in easily installable and customisable forms – sheets & tiles d) Used in high traffic areas like malls, restaurant, offices and gyms

### Industry applications

Automobiles, Railways, Airports, Buses, Hospitals & Clinics, Fitness Centres, Shopping Malls, Educational Institutes, Commercial spaces, i.e., Offices, IT & Telecom, Hotels & Restaurants, Movie theatres and Amusement Parks, Homes

### Demand drivers

a) Economy and Industry growth b) Infrastructure development c) Proposed capital expenditure by Indian Railways  
d) Shift in consumer preferences and rising disposable incomes e) Increased exports

## PVC leather clothing and seat covering

### Product categories

a) Sponge leather b) Un-foamed leather c) Coated leather

### Features

a) Major contributor to the top line b) A high growth product c) Synthetic leather cloth is fast replacing natural leather

### Industry applications

Railways, Automobiles, Buses, Household items (Jackets, wallets, footwear, sports goods, shoes, belts, purses, garments, furniture, bags, soft luggage, diary covers, cushion covers etc.)

### Demand drivers

a) Economy and Industry growth b) Proposed capital expenditure by Indian Railways c) Shift in consumer preferences and rising disposable incomes d) Increased exports

# Rigid Blister Films

## Product categories

Packaging films

## Features

a) PVC Rigid Blister Films are flexible and durable b) Can be thermoformed, welded, printed and laminated

## Industry applications

For packing FMCGs, electronics and pharmaceuticals (toothbrushes, shaving razors, food, drugs & capsules and electronics)

## Demand drivers

a) Industry growth b) Replacement demand c) Shift in consumer preferences and rising disposable incomes

# Soft Plastic Sheeting

## Product categories

a) Opaque sheeting b) Printed films c) Clear transparent films

## Features

a) Also known as transparent sheeting, it has multiple uses across industries b) Used in various household items

## Industry applications

Rainwear, Shower curtains, Baby mats & nappies, Soft luggage, Covers for fridges, televisions, washing machines and computers, Table mats, Diary & passbook covers, Stationary items (files & folders)

## Demand drivers

a) Industry growth b) Replacement demand c) Shift in consumer preferences and rising disposable incomes

# Shipping Ropes

## Product categories

a) 3-strand ropes b) 4-strand ropes c) 8-strand ropes d) 12-strand ropes

## Features

a) The 8-strand ropes account for 75 % of production b) The length of 3 and 4-strand ropes range from 40mm to 120mm  
c) The 12-strand ropes makes us one of the only three manufacturers in the world

## Industry applications

Shipping, Oil Exploration, Defence & Navy, Power, Construction, Transport, Telecom, Sports, General purposes

## Demand drivers

a) Economy and Industry growth b) Increased sea bound exports c) Mandatory replacement demand d) Increased port construction and infrastructure development



# In step with multiple brands





Indian Railways



**Reliance**  
Industries Limited  
Reliance Industries Limited



**LARSEN & TOUBRO**  
Larsen & Toubro



**PENTAGON**

Pentagon



**VIDEOCON**

Videocon



Tata



*Hindustan Unilever Limited*  
Hindustan Unilever Limited



Oil and Natural Gas Corporation Ltd.  
ONGC



**PHILIPS**

Philips



Bhabha Atomic Research Centre



**State Bank  
of India**

State Bank of India

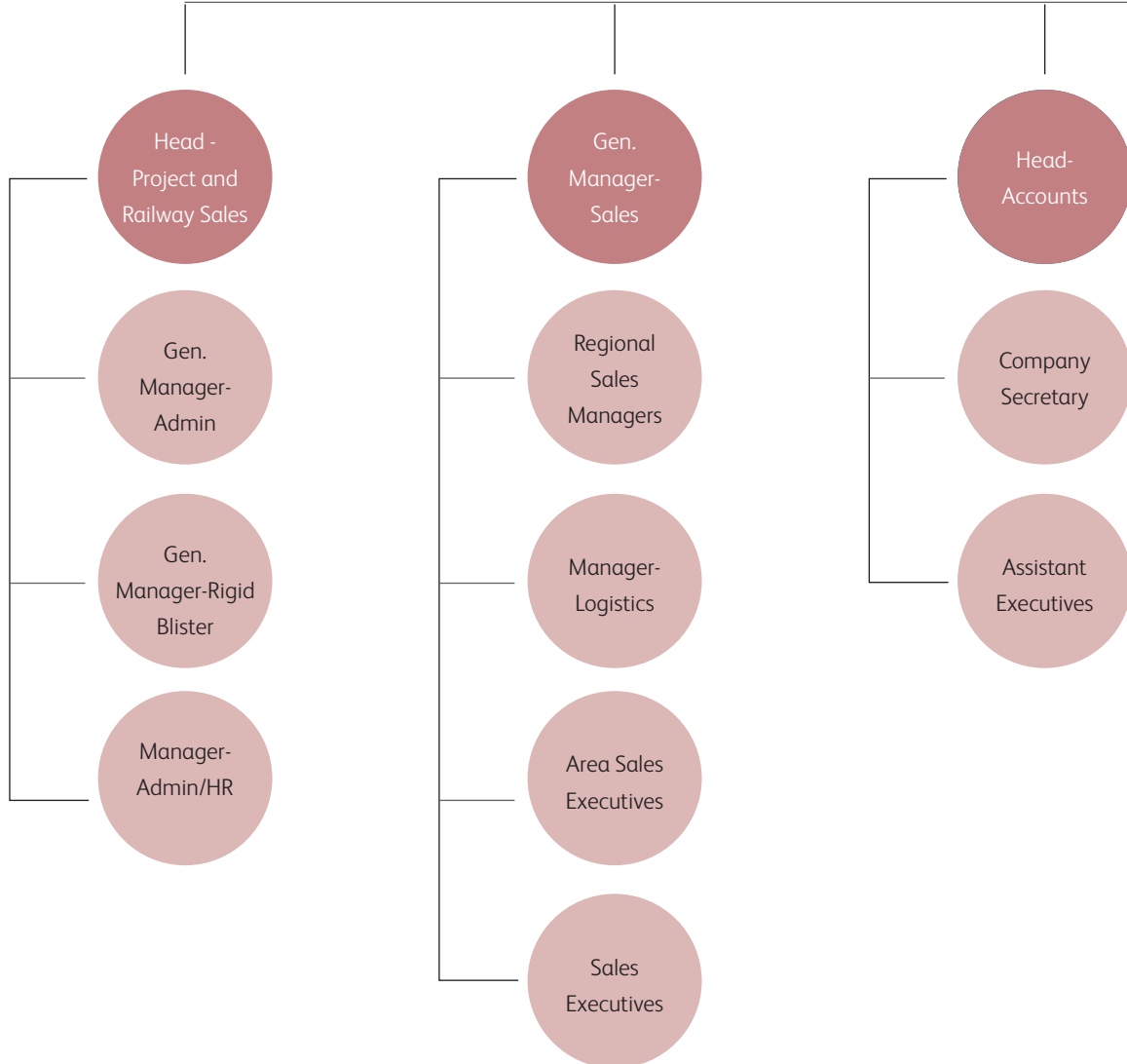


**LG**

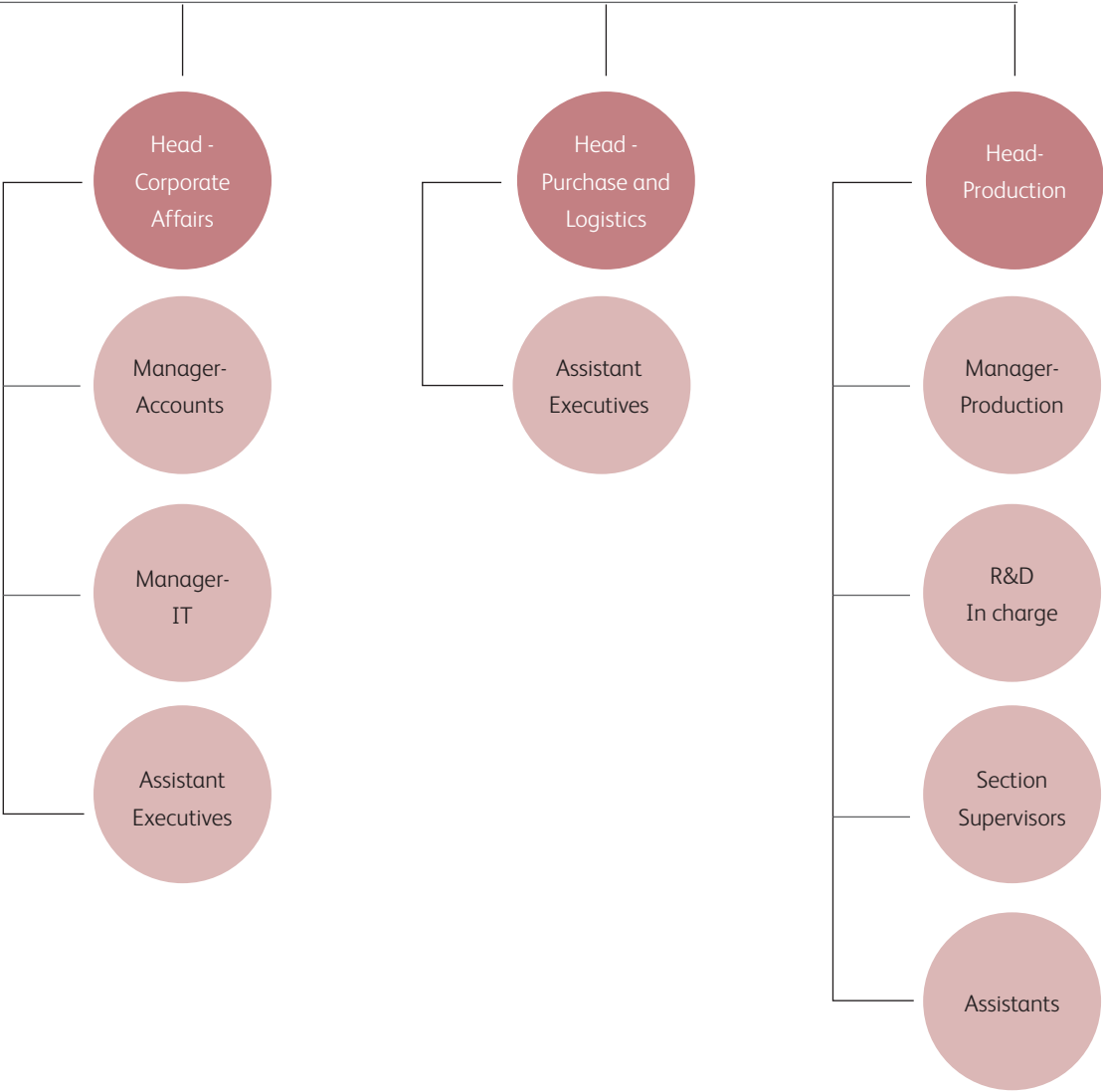
Life's Good  
LG



# Organisational structure







# Board of Directors



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**Mr. Atit Agarwal, 33**
**On the Board of:**

Chairman & Whole-time Director of Responsive  
Chairman & Whole-time Director of Axiom

**Qualifications:**

Bachelor of Science Degree in International Marketing from Bentley University  
Master of Business Administration in finance from McCalum Graduate School of Business (Bentley University)

**Experience:**

Rich and diverse experience of multiple industries, including commercial banking

**Role:**

Visualises the overall business strategy  
Provides the inspiration and guideline behind product development in line with evolving requirements and aspirations of clients across the world  
Focuses on widening the customer base, quality enhancement, technology upgradation and innovation, improving efficiency and performance  
Leverages his global business insight and enduring relationships with multi-cultural clients to reinforce the visibility of the Responsive and Axiom brands across multiple geographies globally  
His vision has transformed Responsive and Axiom into a rapidly growing globally acclaimed enterprise over the last decade, winning several accreditations.

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**Mrs. Swati Agarwal, 30**
**On the Board of:**

Non-Executive Director of Responsive  
Whole-Time Director of Axiom

**Qualifications:**

Bachelor's degree in management studies

**Experience:**

7 years of industry experience

**Role:**

Responsible for overseeing general administration at both Responsive & Axiom

---

**Mr. S.S.Thakur, 82**
**On the Board of:**

Independent Non-Executive Director of Responsive

**Qualifications:**

Graduate in Mathematics from Madras University

**Experience:**

Former Controller, Foreign Exchange, Reserve Bank of India (RBI)  
Key role in promoting the enactment of the Foreign Exchange Regulation Act (FERA), 1973  
Former Senior Advisor, UN International Civil Service  
Chairman, Central Depository Services (India) Ltd. (CDSL)  
Former Chairman, HDFC Bank  
Has worked in MCX Stock Exchange  
Experience across Banking, Foreign Exchange and Capital Market related areas  
As the Advisor to Governor at the Bank of Zambia, brought about extensive reforms as part of Zambia's Structural Adjustment Programme

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**Other Directorships:**

Public Director on the Bombay Stock Exchange (BSE)

Non-Executive Director of Reliance Capital Ltd.

Lafarge India Pvt. Ltd.

KEC International Ltd.

Kotak Mahindra Old Mutual Life Insurance Co. Ltd.

DSP BlackRock Trustee Company Pvt. Ltd.

MCX Stock Exchange India Ltd.

Shrenuj & Co. Ltd.

Kamat Hotels (India) Ltd.

Quantum Advisors Co. Pvt. Ltd.

Quantum Information Services Pvt. Ltd.

Urban Infrastructure Venture Capital Ltd.

KLG Capital Services Ltd.

Harirani Investment and Trading Pvt. Ltd.

**Mr. V.K. Chopra, 65****On the Board of:**

Independent Non-Executive Director of Responsive

**Qualifications:**

Chartered Accountant, CAIIB

**Experience:**

Former Banker at Central Bank of India, Oriental Bank of Commerce, SIDBI and Corporation Bank

Former SEBI Official

Experience in the Commercial Banking, Foreign Exchange and Capital Market & Financial Market related areas

**Other Directorships:**

Pantaloon Retail India Limited

Rolta India Limited

Deewan Housing & Finance Limited

Metlife India Insurance Co. Ltd.- Bangalore

Havells India Ltd.- Noida

Future Finance Ltd

Religare Asset Management Co. Ltd.

SIDBI Venture Capital Ltd.

Reliance Capital Pension Fund Ltd.

Jaiprakash Associates Ltd.-Noida

Milestone Capital Advisors Ltd.

Deutsche Post Bank Home Finance Ltd.

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**Mr. Akil Hirani, 42**
**On the Board of:**

Independent Non-Executive Director of Responsive

**Qualifications & Achievements: :**

BA-Psychology,  
LLB

**Experience:**

Solicitor, Mumbai and England & Wales

Attorney-at-Law, California

Partner in Majmudar & Co., International Lawyers

Ranked as a top tier law firm by Chambers and Partners, Legal 500, Practical Law Company

Experience in M & A, joint ventures, private equity, project finance, tax structuring, corporate recognitions and technology deals

**Other Directorships:**

Hirani Foundation U.S. 25

Hirani Properties and Investments Private Limited

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**Mr. Michael  
Freedman, 50**
**On the Board of:**

Independent Non-Executive Director Of Responsive

Director of FloorFolio Industries

**Qualifications & Achievements: :**

Graduate of New York University Stern School of Business

**Experience:**

Vast experience in the commercial flooring industry

Developed successful products for Armstrong, Marley Flexco Inc, LG Floors and Responsive

Formulated unique programs and forged partnerships

Helped new companies and products in USA achieve leadership position in the flooring industry

Introduced LG Floors to North America

Regional sales manager in Marley Flexco Inc.; contract specialist for Armstrong Commercial Flooring, extensively collaborating with architecture and design communities

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**Mr. Santosh B.  
Shinde, 41**
**On the Board of:**

Non-Executive Director of Responsive

**Qualifications:**

Bachelor's Degree in Commerce

**Experience:**

15 years industry experience

**Role:**

Oversees administrative affairs of Responsive

---

## Mr. Rajesh Pandey, 41

### On the Board of:

Independent Non-Executive Director of Responsive  
Director at Axiom

### Qualifications:

Bachelors degree in Chemical Engineering

### Experience:

16 years of experience in manufacturing

12 years of experience in the field of rope manufacture

### Role:

Oversees chemical engineering of Responsive

Responsible for production and supervision of day-to-day factory  
operations at both Responsive and Axiom

## Mr. Bharat Mahalik, 38

### On the Board of:

Director at Axiom

### Qualifications:

Bachelor's Degree in Commerce

### Experience:

12 years industry experience in general administration

### Role:

Oversees administrative affairs of Axiom

## Mr. Sankaran Krishnamurthy, 64

### On the Board of:

Independent Non-Executive Director of Axiom

### Qualifications:

Graduate in Mathematics from Madras University

### Experience:

Former Dy. MD of State Bank of India

Former MD & CEO of SBI Life Insurance Co. Ltd.

18 years experience in Corporate Finance and Project Appraisal

Experienced in SME lending

Pioneered 'Entrepreneur Scheme' and development of Ancillary units under  
Bhopal Local Head office

Advised a Pune based IT company on insurance solutions

### Other Directorships:

Aptus Value Housing Finance India Ltd.

Sri Kaveri Medical Care (Trichy) Ltd.

## Mr. Subramaniam Santhanakrishnan, 67

### On the Board of:

Independent Non-Executive Director at Axiom

### Qualifications & Achievements :

Postgraduate from Madras University

Certified Associate of Indian Institute of Bankers (CAIIB)

Qualified trainer (Dip. in Trg and Development) from ISTD and DSM from Bombay University

Contributed several articles in financial journals on banking and credit

### Experience:

Former Dy. MD of State Bank of India

Executive Chairman of Credit Information Bureau of India Ltd. (CIBIL)

### Other Directorships:

Easy Access Financial Services Ltd.

ICICI Home Finance Ltd.

Dhanlaxmi Bank Ltd.

Sundaram Clayton Ltd.

TVS Credit Service Ltd.

Reliance Capital Trustee Co.Ltd.

## Mr. Sanjiv Singhal, 44

### On the Board of:

Axiom, representing Banyan Tree Growth Capital

### Qualifications & Achievements :

Management Degree from Wharton Business School (USA)

Master's Degree with distinction from the University of Essex, UK

Bachelor's Degree with honours from the Delhi University

Honoured with the Chevening Scholarship from the British Council to spend 10 weeks at the London School of Economics in 2001

Authored the book Internet Banking: The Second Wave

### Experience:

3 years as an entrepreneur of an automobile components manufacturing company

13 years of banking experience in Citibank and Standard Chartered Bank. In Standard Chartered Bank, headed Structured Finance for SE Asia from Singapore and for India

### Other Directorships:

GEI Industrial Systems Ltd

Trimax IT Infrastructure Limited

Deepak Fasteners Limited



# No. 1 at LACP Awards

The Responsive Annual Report 2009-10 received significant global acclaim



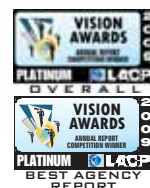
## It was ranked no. 1

in the list of 50 Best Annual Reports of the world by the League of American Communication Professionals (LACP), USA, at the Vision Award 2010

## The report also won in two other categories both Platinum Awards,

for the Best Overall Annual Report and the Best Agency Report in Consumer Services

The LACP Vision Awards is the world's largest award programme for annual reports in which over 2,500 companies from over 20 countries participate





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# Responsive Industries Limited

STATUTORY REPORTS AND FINANCIAL STATEMENTS

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# Directors' Report

## To the Shareholders

To  
The Members,

Your Directors have great pleasure in presenting this Twenty Ninth Annual Report on the business and operations of your Company with the Audited Statement of Accounts for the year ended 31st March, 2011.

### Financial Performance

	(Rs. in Million)	
Financial Results	2010-11	2009-10
Sales and Other Income	7,267.53	5,542.86
Profit before Interest, Depreciation & Tax	996.29	815.99
Less: Interest (Net)	38.04	41.33
Profit before Depreciation & Tax	958.25	774.66
Less: Depreciation	283.49	253.02
Profit before Tax	674.76	521.64
Less: Provision for Taxation	122.04	140.22
Net Profit after Tax	552.72	381.42
Less: Prior Period Adjustment	4.16	-
Balance Brought Forward from previous year	1,157.72	805.21
Profit available for appropriations	1,706.28	1,186.63
Appropriations		
Transfer to General Reserve	-	-
Proposed Dividend – Equity Shares	26.16	24.79
Corporate Dividend Tax	4.24	4.12
Balance carried to Balance Sheet	1,675.88	1,157.72

## Operations

Your Company has posted a turnover of Rs. 7,178.61 Million, an increase of about 31.29% as compared to Rs. 5,467.71 Million in the previous financial year. The Company recorded a net profit of Rs. 552.72 Million as against Rs. 381.42 Million in the corresponding previous financial year depicting a rise of 44.91%.

## Dividend

Considering the profitability for the year under consideration and the future capital requirements of the Company, your Directors recommended a Dividend of Re. 0.10/- per Equity Share of Re. 1/- each (i.e. 10%) for the year ended 31st March, 2011 and seek your approval for the same.

## Setting up of Mega Project

During the year under consideration, the Company has set up an Expansion Project for the manufacture of PVC/CCF Leather Cloth and Vinyls Floorings at Company's factory located at Village Betegaon, Boisar (E), Tal. - Palghar, Dist. - Thane and commercial production has been started.

## Sub-Division of Shares

The Company reinforced its investor-friendliness with another initiative: a sub-division of the face value of equity shares from Rs. 10/- per share to Re. 1/- per share in pursuance of the resolution passed by the shareholders in the Annual general meeting held on 10th September, 2010.

This sub-division was carried with specific objectives: to increase the volume of floating stock, to increase affordability for smaller shareholders and stimulate a higher trading volume without increasing the Company's equity

## A Dividend per share of Re. 0.10/- has been recommended on each Equity Share of Re. 1/- (i.e. 10%) for the year ended 31st March, 2011

base. In view of the above, the authorised equity share capital of the Company was altered to 42,00,00,000 equity shares of Re. 1/- each and the issued and the paid-up share capital of the Company to 26,16,45,000 equity shares of Re. 1/- each.

## Listing on NSE

For years, the Company's small equity capital prevented its listing on the National Stock Exchange of India. Following the stock split, your Company's equity increased, which made the listing possible. In the opinion of the Management, the listing, which came into effect from October 2010 and help narrow the gap between the market capitalisation and what the Company's fundamentals warrant.

## Allotment of Equity Shares Pursuant to Conversion of CCDs

The Board in their meeting held on 9th August, 2010 has allotted 13,72,500 Equity Shares of Rs. 10/- each at a premium of Rs. 500/- per share pursuant to conversion of 0% 7000 Compulsorily Convertible Debentures (CCDs).

## Consolidated Financial Statements

The Ministry of Corporate Affairs (MCA) by General Circular No. 2/2011 dated 8th February, 2011, issued a direction under Section 212(8) of the Companies Act, 1956 that the provisions of Section 212 shall not apply to Companies in relation to their subsidiaries, subject to fulfilling certain conditions mentioned in the said circular with immediate effect. The Board of Directors of your Company at its meeting held on 20th May, 2011, approved the Audited Consolidated Financial Statements for the financial year 2010-11 in accordance with the Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as Clause 32 of the Listing Agreement, which include financial information of all its subsidiaries, and forms part of this report. The Consolidated Financial Statements of your Company for the financial year 2010-11, are prepared in compliance with applicable Accounting Standards and where applicable Listing Agreement as prescribed by the Securities and Exchange Board of India.

The annual accounts and financial statements of the subsidiary company of your Company and related detailed information shall be made available to members on request and are open for inspection at the Registered Office of your Company. Your Company has complied with all the conditions as stated in the circular and accordingly has not attached the financial statements of its subsidiary Companies for the financial year 2010-11. A statement of summarised financials of the subsidiary of your Company including capital, reserves, total assets, total liabilities, details of investment, turnover, etc., pursuant to the General Circular issued by Ministry of Corporate Office, forms part of this report.

## Directors

During the year 2010-11, Mr. Shobha Singh Thakur, Mr. Vijay Kumar Chopra, Mr. Akil Hirani and Mr. Michael Freedman have been appointed as Additional Directors. As per the provisions of Section 260 of the Companies Act, 1956, these Directors hold office only up to the date of the forthcoming Annual General Meeting of the Company, and are eligible for appointment as Directors. The Company has received notices under Section 257 of the Act, in respect of

the above persons, proposing their appointment as Directors of the Company. Resolutions seeking approval of the Members for the appointment of Mr. Shobha Singh Thakur, Mr. Vijay Kumar Chopra, Mr. Akil Hirani and Mr. Michael Freedman as Directors of the Company have been incorporated in the Notice of the forthcoming Annual General Meeting along with brief details about them.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rajesh Pandey retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Accordingly, his re-appointment forms part of the notice of the ensuing Annual General Meeting.

## Directors' Responsibility Statement

As required by Section 217(2AA) of the Companies Act, 1956, your Board of Directors hereby state:

- that in preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the Directors have prepared the annual accounts on a going concern basis.

## Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the stock

Exchanges. A separate report on Corporate Governance and a certificate from M/s. P. P. Shah & Co., Practicing Company Secretaries regarding compliance with the conditions of Corporate Governance is given in a separate section and forms part of the Annual Report. Further, a declaration signed by the Chairman cum Whole-time Director, affirming compliance with the code of conduct by all the Board Members and Senior Management personnel along with Certificate from CEO/CFO required under clause 49(V) of the Listing Agreement are also given therein.

## Pledge of Shares

None of the equity shares of the Directors of the Company are pledged with any banks, financial institutions.

## Particulars of Employees

There was no employee drawing remuneration exceeding the specified limit, during the year under consideration, hence details prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (particulars of employees) Rules, 1975 are not applicable.

## Public Deposits

The Company has not accepted any public deposits during the year under review.

## Auditors

M/s. Haribhakti & Co., Chartered Accountants, who are the statutory auditors of the Company, hold office in accordance with the provisions of the Act upto the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

## Management Discussion and Analysis

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion & Analysis Report for the year under review, is given under a separate section and forms part of the Annual Report.

## Conservation of Energy, Technological Absorption, Foreign Exchange Earnings and Outgo

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988. The required information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure to the Directors' Report.

## Group

Pursuant to intimation from the Promoters, the names of the Promoters & entities comprising the "group" are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1977.

## Industrial Relations

The industrial relations at the manufacturing facilities of your Company have been cordial during the year. Your Directors wish to place on record the commitment and involvement of the employees at all levels and look forward to their co-operation.

## Acknowledgements

Your Directors express their thanks and appreciation to the shareholders, customers, bankers and all other business associates for the continuous support given by them to the Company and their confidence in its management and to the employees of the Company for their valuable contributions.

For and on behalf of the Board

For **Responsive Industries Limited**

Place: Betegaon

Date: 20th May, 2011

**Atit Agarwal**

(Chairman)

# Annexure - A to the Directors' Report

## Information pursuant to the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988.

### A) Conservation of Energy

- a) Energy conservation measures taken N.A.
- b) Additional investments proposal, if any being implemented for reduction of consumption of energy N.A.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods N.A.
- d) Total energy consumption

Power & Fuel Consumption	Financial Year 2010-11	Financial Year 2009-10
<b>1 Electricity</b>		
<b>(a) Purchased</b>		
Units	19,801,734	17,834,927
Total amount (Rs. in Million)	114.78	96.64
Rate/Unit (Rs.)	5.80	5.42
<b>(b) Own Generation</b>		
(i) Through Diesel Generation		
Units	Nil	Nil
Units per Liter of Diesel Oil	Nil	Nil
Cost/Units	Nil	Nil
(ii) Through Steam Turbine/Generator		
Units	Nil	Nil
Units per Liter of Diesel Oil	Nil	Nil
Cost/Units	Nil	Nil
<b>2 Coal (Specify quantity and where used)</b>		
Quantity (Tonnes)	Nil	Nil
Average Rate	Nil	Nil
<b>3 Furnace Oil</b>		
Quantity (in Liters)	3,123,876	2,488,335
Total Amount (Rs. in Million)	73.03	51.11
Average Rate (Rs.)	23.38	20.54
<b>4 Other/Internal Generation (Please give details)</b>		
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil

## B) Technology Absorption

Efforts made in technology absorption

Nil

Nil

## C) Foreign Exchange Earnings & Outgo

(Rs. in Million)

Total Exchange Earned	4,565.97	2,624.30
Total Outgo	4,023.50	2,850.12

For and on behalf of the Board

For **Responsive Industries Limited**

Place: Betegaon

Date: 20th May, 2011

**Atit Agarwal**

(Chairman)

## Annexure -B

**Persons constituting group coming within the definition of “Group” for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:**

Sr. No.	Name of the Entity
1.	Wellknown Business Ventures Pvt. Ltd.
2.	Mavi Business Ventures Ltd.
3.	Efficient Builders Ltd.
4.	Axiom Cordages Limited
5.	Goldstreet Infrastructure LLP
6.	Fairpoint Industries LLP
7.	OneSource Trading Company LLP
8.	AASuperior Enterprises LLP
9.	Goldstreet Enterprises LLP
10.	Fairpoint Tradecom LLP
11.	Onesource Enterprises LLP
12.	Mavi Enterprises LLP

# Corporate Governance Report

**(As Required Under Clause 49 of The Listing Agreement Entered Into With Stock Exchanges)**

## **I. Company's Philosophy**

Your Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term shareholders value while safeguarding the interest of all the stakeholders. It is this conviction that has led the Company to make strong corporate governance values intrinsic in all operations. The Company is led by a distinguished Board, which includes Independent Directors. The Board provides a strong oversight and strategic counsel. The Company has established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide management the strategic direction it needs to create long-term shareholders value.



## II. Board of Directors

### Composition:

The Board of the Company has an optimum combination of Executive, Non-Executive and Independent Directors. The composition of the Board of the Directors is in conformity with the Code of Corporate Governance under the Listing Agreement. Details of the Directors and their directorships/memberships in Committees of other Companies (excluding our Company) are as under.

Name of Director	Category	No. of Directorships in other Public Limited Companies*	Committee Positions	
			Chairman**	Member**
Mr. Atit Agarwal	Chairman & Whole-time Director	1	-	-
Mrs. Swati Agarwal	Non-Executive	1	-	-
Mr. Santosh Shinde	Non-Executive	-	-	-
Mr. Rajesh Pandey	Non-Executive	1	1	-
Mr. Shobha Singh Thakur (Since 9th November, 2010)	Independent	8	3	4
Mr. Vijay Kumar Chopra (Since 9th November, 2010)	Independent	13	5	4
Mr. Akil Hirani (Since 9th November, 2010)	Independent	-	-	-
Mr. Michael Freedman (Since 10th February, 2011)	Independent	-	-	-

\* Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 are excluded for this purpose.

\*\*Only Audit Committee and Shareholders' / Investors' Grievance Committee have been considered for the purpose of the Committee positions as per Listing Agreement.

### Board Meetings

During the year, 11 (Eleven) Board Meetings were held on 12th April, 2010, 30th April, 2010, 29th May, 2010, 14th June, 2010, 30th July, 2010, 9th August, 2010, 13th August, 2010, 30th October, 2010, 9th November, 2010, 28th January, 2011 and 10th February, 2011 and the particulars of attendance of the Directors are as under :

Name of Director	No. of Board meetings attended	Attendance at AGM held on 10th September, 2010
Mr. Atit Agarwal	11	Yes
Ms. Swati Agarwal	4	Yes
Mr. Ashok Jha	8	No
Mr. Rajesh Pandey	9	No
Mr. Santosh Shinde	10	No
Mr. Ramesh Mistry	2	No
Mr. Shobha Singh Thakur	2	-
Mr. Akil Hirani	1	-
Mr. Vijay Kumar Chopra	1	-

## III. Audit Committee

### Terms of Reference

The broad terms of reference of the Audit Committee are those as set in Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The Committee reviews the reports of the Internal Auditors and discuss the same with them periodically. The Committee also meets Statutory Auditors to discuss their findings and suggestions on financial accounts.

### Audit Committee Composition

The Audit Committee consists of 2 Independent Directors and 1 Non-Executive Director having requisite knowledge of Finance, Accounts and Company Law. The Company Secretary, Mr. Dhiraj Kumar D. Neve, acts as the Secretary of the Committee.

### Audit Committee Meetings

During the year under review, the Committee met 4 times on 14th June, 2010, 13th August, 2010, 9th November, 2010 and 10th February, 2011.

Names of the Committee Members along with their attendance are given below:

Name of the Member	Designation	No. of meetings attended
Mr. Rajesh Pandey	Chairman	4
Mr. Santosh Shinde	Member	4
Mr. Shobha Singh Thakur	Member	1
Mr. Ramesh Mistry	Member	1

## IV. Remuneration Committee

During the last quarter of the financial year 2010-11, the Board of Directors of the Company constituted the Remuneration Committee.

### Terms of Reference

Terms of reference of the Remuneration Committee, include the matters relating to the remuneration payable to the Whole-time Directors and commission, if any, to be paid to the Non -Executive Directors, apart from sitting fees. The Committee's recommendation in this regard needs to be placed before the Board for approval.

### Remuneration Committee Composition

The Remuneration Committee consists of three Independent Directors, namely Shri S.S. Thakur, Shri Akil Hirani and Shri V.K. Chopra.

## V. Share Transfer and Shareholders'/Investors' Grievance Committee

### Terms of Reference

The Shareholders'/Investors' Grievance Committee deals with matters relating to transfer of shares, issue of duplicate/new shares, sub-divided and consolidated share certificates and redressal of shareholders/investors grievances.

### Share Transfer and Shareholders'/Investors' Grievance Committee Meetings:

The above Committee met 4 times during the financial year ended 31st March, 2011.

### Name of the Committee Members along with their attendance is given below –

Name of the Member	Designation	No. of meetings attended
Mr. Rajesh Pandey	Chairman	4
Mr. Santosh Shinde	Member	4
Mr. S.S. Thakur	Member	1
Mr. Ramesh Mistry (upto 30th July, 2010)	Member	2

The Company Secretary, Shri Dhiraj Kumar D. Neve, has been designated as Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges.

### Details of Investor Complaints

Number of Complaints from 1st April, 2010 to 31st March, 2011

Pending as on 1st April, 2010	Received	Redressed	Pending as on 31st March, 2011
Nil	Nil	Nil	Nil

## VI. General Body Meetings

### (i) Location and time of last three Annual General Meetings

The last three Annual General Meetings of the Company were held at the Registered Office of the Company at Village Betegaon, Boisar (East), Mahagaon Road, Tal. - Palghar, Dist. - Thane – 401 501.

Year	Date	Time	Type of Meeting	Special Resolutions Passed
2009-10	10th September, 2010	10.30 a.m.	Annual General Meeting	Issue of equity shares under Section 81(1A) of the Companies Act, 1956
2008-09	30th September, 2009	10.00 a.m.	Annual General Meeting	1. Issue of equity shares under Section 81(1A) of the Companies Act, 1956. 2. Amendment in Articles of Association of the Company.
2007-08	20th August, 2008	11.00 a.m.	Annual General Meeting	Issue of equity shares under Section 81(1A) of the Companies Act, 1956

There were no Special Resolutions passed by the Company through Postal Ballot during the last year. No Special Resolution is proposed to be passed through Postal Ballot at the ensuing annual General Meeting.

### (ii) Extra-Ordinary General Meetings held during last three years

The Extra-ordinary General Meetings of the Company during the last three years were held at the Registered Office of the Company at Village Betegaon, Boisar (East), Mahagaon Road, Tal. - Palghar, Dist. - Thane – 401 501.

Year	Date	Time	Type of Meeting	Special Resolutions Passed
2010-11	31st January, 2011	10.00 a.m.	Extra-ordinary General Meeting	Modification to the special Resolution passed under Section 81(1A) of the Companies Act, 1956 in the Annual General Meeting held on 10th September, 2010.
2009-10	28th May, 2009	11.00 a.m.	Extra-ordinary General Meeting	1. Alteration of Capital Clause in the Memorandum of Association. 2. Substitution of Articles of Association. 3. Ratification for modification of number of shares to be issued upon conversion of 0% CCDs.
	27th November, 2009	10.00 a.m.	Extra-ordinary General Meeting	For further issue of securities under Section 81(1A)

## VII. Code of Conduct

The Code of Conduct for the Directors and employees of the Company has been laid by the Board and necessary declaration has been obtained from them.

## VIII. Disclosures

- (i) There are no transactions of materially significant nature that have been entered into by the Company with the Promoters, Directors, their relatives and the Management and in any company in which they are interested, that may have potential conflict with the interest of the Company.
- (ii) The Company has complied with the requisite regulations relating to capital markets. No penalties/strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during the last three years.

## IX. Means of Communication

The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual results and announces forthwith results to all the Stock Exchanges, where the shares are listed. The results are published normally in Free Press Journal and Navshakti.

The results are also displayed on the Company's website "www.responsiveindustries.com".

The Management Discussion & Analysis Report forms part of the Annual Report.

## X. General Shareholder Information

### 1. Annual General Meeting

Date:	20th June, 2011
Time:	10.30 a.m.
Venue:	Village Betegaon , Mahagaon Road, Boisar (E), Tal. - Palghar, Dist. - Thane – 401 501, Maharashtra

### 2. Financial Calendar (Tentative)

Financial Year of the Company	1st April, 2011 to 31st March, 2012
Results for the Quarter ending:	
30th June, 2011	On or before 14th August, 2011
30th September, 2011	On or before 14th November, 2011
31st December, 2011	On or before 14th February, 2012
31st March, 2012	On or before 15th May, 2012 or 30th May, 2012

### 3. Date of book Closure

### 4. Listing of Equity Shares on the Stock Exchange

1. Bombay Stock Exchange Ltd  
P.J. Towers, Dalal Street, Fort  
Mumbai – 400 001
2. National Stock Exchange of India Ltd.  
Exchange Plaza  
Bandra – Kurla Complex  
Bandra (East) Mumbai – 400 051  
Listing Fees as applicable have been paid

## 5. Stock code/Symbol

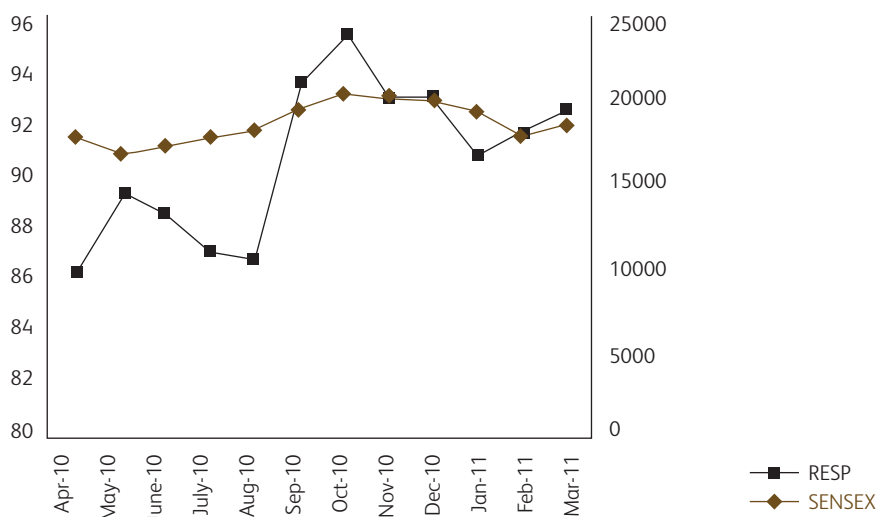
(a) Stock Exchange	Stock Code
1. Bombay Stock Exchange Ltd.	505509
2. National Stock Exchange of India Ltd.	RESPONIND
(b) Demat ISIN Number in NSDL & CDSL for Equity Shares	INE 688D01026

## 6. Stock Market Data

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High# (Rs.)	Low# (Rs.)	High (Rs.)	Low (Rs.)
April-2010	92.07	87.50	-	-
May-2010	95.00	84.53	-	-
June-2010	84.50	82.82	-	-
July-2010	92.55	82.35	-	-
Aug-2010	92.50	83.59	-	-
Sep-2010	97.50	87.99	-	-
Oct-2010	98.60	90.25	94.30	90.75
Nov-2010	100.00	88.45	100.00	88.55
Dec-2010	95.50	90.75	94.60	90.10
Jan-2011	96.50	85.65	95.20	85.65
Feb-2011	93.90	89.00	93.70	88.50
Mar-2011	94.80	89.00	95.00	89.70

# adjusted for subdivision of equity share into 10 equity shares of Re 1 each, wherever applicable.

## 7. Performance of Responsive Industries Limited share price in comparison to BSE SENSEX.



## 8. Registrar and Share Transfer Agents

Shareholders correspondence should be addressed to the Registrar and Share Transfer Agents of the Company at the following address:

Link Intime India Private Ltd.,	Tel No.: 91(022) 25963838
C-13, Pannalal Silk Mills Compound,	Fax No.: 91(022) 25946969
LBS Marg, Bhandup (W),	E-mail: mumbai@linktime.co.in
Mumbai – 400 078.	Web: www.linkintime.co.in

## 9. Share Transfer System

The shares received for transfers duly completed in all respect in physical form are registered and dispatched normally within three weeks. Demat confirmations are normally sent within two weeks. All transfer requests received are processed and approved by the Shareholders' /Investors' Grievance Committee.

As required under clause 47(c) of the Listing Agreements entered into by the Company with the Stock Exchanges, a certificate is obtained every six months from a Practicing Company Secretary with regard to, inter alia, effecting transfer, transmission, sub-division, consolidation, renewal and exchange of equity shares within one month of their lodgment. The certificate is also forwarded to BSE and NSE where the equity shares are listed.

## 10. Distribution of Shareholding as on 31st March, 2011

Range	No. of Shareholders	% of total shareholders	No. of Shares held	% of shareholding
1 to 500	186	80.52	24956	0.01
501 to 1000	14	6.06	13135	0.01
1001 to 2000	6	2.60	8760	0.01
2001 to 3000	2	0.87	5500	0.00
3001 to 4000	2	0.87	6084	0.00
4001 to 5000	-	-	-	-
5001 to 10000	4	1.73	26859	0.01
10001 and above	17	7.35	261559706	99.96
<b>Total</b>	<b>231</b>	<b>100.00</b>	<b>261645000</b>	<b>100.00</b>

## 11. Shareholding Pattern as on 31st March 2011

Sr. No.	Category	No. of shares held	% of Shareholding
1	Promoter and Promoter Group	156000310	59.62
2	Foreign Institutional Investors	11469980	4.38
3	Financial Institutions	1400000	0.53
4	Other Bodies Corporate	140153	0.06
5	Overseas Corporate Bodies	92322902	35.29
6	Clearing Member	1701	0.00
7	Public	309894	0.12
8	Non Resident Indians	60	0.00
	<b>Grand Total</b>	<b>261645000</b>	<b>100.00</b>



**12. Dematerialisation of shares and liquidity**

As of 31st March, 2011, 261644000 equity shares representing 99.99% of the paid up equity capital of the Company have been dematerialised with the following Depositories:

Description	ISIN No.	Depositories
Fully Paid	INE 688D01026	National Securities Depository Ltd (NSDL) Trade World, A Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013.
		Central Depository Services (India) Ltd. (CDSL) Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Fort, Mumbai – 400 023.

**13. Outstanding GDRs/ADRs/Warrants or any convertible Instruments**

As of date the Company has not issued these types of securities.

**14. Registered Office & Plant Location**

Village Betegaon, Mahagaon Road,  
Boisar (E), Tal. - Palghar, Dist. - Thane – 401 501.

**15. Address for correspondence**

Shareholders should address correspondence to the Company's Registrars and Share Transfer Agents at the address mentioned below. Shareholders could also contact the Registered Office of the Company at the address mentioned below.

**Registrar & Share Transfer Agents:**

Link Intime India Private Ltd.,  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (W),  
Mumbai – 400078

**Registered Office:**

Village Betegaon, Mahagaon Road,  
Boisar (E), Tal. - Palghar, Dist. - Thane – 401 501.

**16. Secretarial Audit for Reconciliation of Capital**

A qualified Practicing Company Secretary carries out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

**17. Practicing Company Secretary's Certificate on Corporate Governance**

As required under clause 49 of the Listing Agreement, M/s. P.P. SHAH & Co., Practicing Company Secretaries have verified the compliance of the Corporate Governance norms by the Company. Their certificate is annexed hereto.

## Declaration on Compliance with the Code of Conduct Under Clause 49 of the Listing Agreement

This is to confirm that the Company has adopted a Code of Conduct for its Directors and Senior Management Personnel, which is displayed on the Company's web site.

I confirm that all the Members of the Board of the Company and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to each one of them, for the financial year ended, 31st March, 2011.

Place : Betegaon

**Atit Agarwal**

Dated : 20th May, 2011

Chairman & Whole-time Director

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## Certificate on Corporate Governance

To

The Members of RESPONSIVE INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by RESPONSIVE INDUSTRIES LIMITED ("the Company") for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement.

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

For **P.P. SHAH & Co.**

Practicing Company Secretary

**Pradip C. Shah**

Partner

FCS –1483

COP – 436

Place : Mumbai

Dated : 20th May, 2011

# Management Discussion & Analysis Report

## A. Industry Structure and Developments

Responsive Industries Limited exclusively engages in the manufacture of PVC products widely used in both, the household and commercial arenas. During last year, the Indian plastic products sector witnessed a sturdy double-digit growth, with voluminous off-take from key user industries like packaging, automotives and infrastructure.

Slowdown in the Indian manufacturing sector resulted in a meagre 7.8 % fourth quarter GDP, as against 9.4 % in the same three-month period of the previous fiscal. However, overall GDP for 2010-11 exhibited overall improvement – an above-average 8.5 %, from 2009-10's 8 %, thanks to the appreciable quality of raw materials, construction activities and financial services performance.

During the year under review, Responsive Industries Limited's performance was satisfactory. The Company succeeded in meeting a hefty chunk of the demand for PVC products. Despite the slowdown, the Company sees a bright future for its business.

## B. Opportunities and Threats

The Company is among market leaders in the PVC products segment. The consumption of PVC products like PVC Leather Cloth has increased at a reasonable rate in the commercial as well as household segments. For other PVC products like PVC Sheeting and PVC Rigid too, the consumption in commercial purposes has increased notably. With this growing demand of PVC products in the domestic markets as well as the overseas markets for commercial and household applications, the Company expects several avenues opening up for profitable growth. The Company is poised to meet these challenges and continue to be among the frontrunners in this sector.

The unorganised sector in domestic markets poses the greatest threat to the Company, with its cheaper imports. European and other overseas competition are also marked challenges for the Company. However, the strong product development and market efforts have enabled the Company to stay ahead.

## C. Product Wise Performance

The Company specialises and is focused towards producing excellence in PVC products. The product wise performance during the year is shown below.

Product	<b>Production</b> (Sq. Mtr./Linear Mtr./Kg)	Production (Sq. Mtr./Linear Mtr./Kg)	<b>Sales</b> (Rs. in Million)	Sales (Rs. in Million)
	<b>(2010-11)</b>	(2009-10)	<b>(2010-11)</b>	(2009-10)
	<b>Qty. (000)</b>	Qty. (000)		
PVC Leather Cloth	40,367.00	43,980.47	2,493.00	2,353.56
PVC Flooring	13,364.00	10,745.52	4,008.00	2,673.81
PVC Sheeting	5,622.00	5,885.98	219.10	247.99
PVC Rigid	4,328.00	4,419.70	359.70	352.78

## D. Outlook

With increased capacity utilisation, strong product development, and market efforts, the Company is optimistic about its growth in the coming years.

## E. Risk and Concerns

Your Company has a clearly documented risk management policy. The management team of the Company regularly identifies, reviews, and assesses such risk and decides appropriate guideline for mitigating the same.

## F. Internal Control Systems and their Adequacy

The Company has instituted adequate internal control procedure commensurate with the nature of its business and the size of its operations to conduct business smoothly.

We conduct an internal audit at regular intervals at our manufacturing facilities, in which we cover key areas of operations. It is an independent objective and assurance function to evaluate and improve the effectiveness of risk management control, and governance processes.

## G. Financial & Operational Performance

Your Company achieved net sales of Rs. 7,178.61 Million for the year ended 31st March, 2011, as compared to Rs. 5,467.71 Million in the previous fiscal year. Further, the Company recorded a net profit after tax of Rs. 552.72 Million as compared to Rs. 381.42 Million for the previous year.

In term of geographical markets performance of the Company is as follows.

Sales	(Rs. in Million)	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Local	2,589.24	2,822.98
Export	4,589.37	2,644.73
<b>Total</b>	<b>7,178.61</b>	<b>5,467.71</b>

## H. Human Resources

Responsive Industries Limited's total strength, including factory and regional office employees, is about 1,300. The Company's industrial relations continued to be harmonious during the year under review. Your Company conducts regular in-house training programmes for employees at all levels.

## I. Transparency in Sharing Information

Transparency refers to sharing information and acting in an open manner. Processes and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them. Your Company believes in total transparency in sharing information about its business operations with all its stakeholders. Your Company strives to provide maximum possible information in this report to keep the stakeholders updated about the business performance.

## J. Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may constitute a 'forward looking statement' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed and implied. Important factors that could make a difference to your Company operation include economic condition affecting demand/supply and price condition in the domestic markets in Government Regulations, tax laws and other statutes and other incidental factors.

# Auditors' Report

To

The Members of **Responsive Industries Limited**

1. We have audited the attached Balance Sheet of Responsive Industries Limited ('the Company') as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (CARO) as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii. 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;
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required.
  - vii. Based on our audit conducted as above, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
    - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Haribhakti & Co.**

*Chartered Accountants*

FRN 103523W

**Sarah George**

*Partner*

Membership No. 45255

Place: Mumbai

Date: 20th May, 2011

# Annexure to Auditors' Report

**[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Responsive Industries Limited on the financial statements for the year ended 31st March, 2011]**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodic manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) As informed, the Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.  
  
Accordingly, clauses (iii) (b), (c), (d), (e), (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company and hence, not reported upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the

Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

- (v) (a) According to the information and explanations given to us, we are of the opinion that there is no transaction that need to be entered into the register under Section 301 of the Companies Act, 1956.

Accordingly, clauses (v) (b) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company and hence, not reported upon.

- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system which is commensurate with the size and nature of its business.
- (viii) To the best of our knowledge, the Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under Section 441 A of the Companies Act, 1956, we are not in a position to comment upon



the regularity or otherwise of the Company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to information and explanation given to us and based on document and records provided to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loan.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had not issued any debentures. However, the Company has not created any security or charge in respect of debentures issued in earlier years.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Haribhakti & Co.**  
*Chartered Accountants*  
 FRN 103523W

**Sarah George**  
*Partner*  
 Membership No. 45255

Place: Mumbai  
 Date: 20th May, 2011

Auditors' Report		Cash Flow Statement	Schedules & Notes	Balance Sheet Abstract
	Balance Sheet	Profit and Loss Account		

# Balance Sheet

as at 31st March, 2011

Particulars	Schedule No.	(Rs. in Million)	
		As at 31st March, 2011	As at 31st March, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	261.65	247.92
Share Application Money (Pending Allocation)		584.72	760.22
Reserves & Surplus	B	2,536.51	1,332.10
		<b>3,382.88</b>	<b>2,340.24</b>
<b>Loan Funds</b>			
Secured Loans	C	686.54	464.40
Unsecured Loans	D	-	700.00
Supplier's Credit (In Foreign Currency)		613.62	1,018.39
Deferred Tax Liabilities (Net)		103.18	122.39
		<b>4,786.22</b>	<b>4,645.42</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	E		
Gross Block		2,941.19	2,896.91
Less: Depreciation		1,104.67	821.66
Net Block		1,836.52	2,075.25
Capital Work in Progress (including Capital Advances)		2,342.93	1,212.01
		4,179.45	3,287.26
<b>Investments</b>	F	398.73	570.00
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	G	395.32	324.95
Sundry Debtors	H	144.63	477.96
Cash & Bank Balances	I	77.18	211.38
Loans & Advances	J	58.09	94.52
		675.22	1,108.81
<b>Less: Current Liabilities &amp; Provisions</b>	K		
Current Liabilities		415.64	246.65
Provisions		51.54	74.00
		467.18	320.65
<b>Net Current Assets</b>		208.04	788.16
Significant Accounting Policies & Notes Forming Part of the Accounts	S	<b>4,786.22</b>	<b>4,645.42</b>

As per our attached report of even date

For **HARIBHAKTI & CO.**  
Chartered Accountants

**Sarah George**  
Partner  
Membership No. 45255

Place: Betegaon  
Date: 20th May, 2011

For and on behalf of the Board of Directors

**Atit Agarwal**  
Director

**Santosh Shinde**  
Director

**Dhirajkumar Neve**  
Company Secretary

Place: Betegaon  
Date: 20th May, 2011

# Profit and Loss Account

for the year ended 31st March, 2011

Particulars	Schedule No.	(Rs. in Million)	
		Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>INCOME</b>			
Gross Sales		7,557.39	5,749.21
Less: Excise Duty		378.78	281.51
Net Sales		7,178.61	5,467.71
Other Income	L	88.92	75.15
Increase / (Decrease) in Stocks	M	(8.53)	(44.18)
		<b>7,259.00</b>	<b>5,498.68</b>
<b>EXPENDITURE</b>			
Manufacturing & Other Expenses	N	6,009.51	4,489.01
Personnel Cost	O	84.23	63.78
Administrative & Other Expenses	P	82.00	54.64
Selling & Marketing Expenses	Q	86.97	75.26
Interest & Finance Charges	R	38.04	41.33
Depreciation	E	283.49	253.02
		<b>6,584.24</b>	<b>4,977.04</b>
<b>Profit Before Tax</b>		<b>674.76</b>	<b>521.64</b>
Less: Provision for tax			
Current Tax		141.24	94.59
Deferred Tax (Credit)/Charge		(19.20)	43.61
Tax Adjustment for earlier years		-	2.02
<b>Profit After Tax</b>		<b>552.72</b>	<b>381.42</b>
Less: Prior Period adjustment		4.16	-
Add: profit brought forward from earlier years		1,157.72	805.21
		<b>1,706.28</b>	<b>1,186.63</b>
<b>Appropriations</b>			
Proposed Dividend		26.16	24.79
Tax on Dividend		4.24	4.12
<b>Balance carried to Balance Sheet</b>		<b>1,675.88</b>	<b>1,157.72</b>
<b>Earning Per Share of Re. 1 each/- (in Rs.)</b>			
Basic		2.14	1.54
Diluted		2.09	1.45
Significant Accounting Policies & Notes Forming Part of the Accounts	S		

As per our attached report of even date

For **HARIBHAKTI & CO.**  
Chartered Accountants

**Sarah George**  
Partner  
Membership No. 45255

Place: Betegaon  
Date: 20th May, 2011

For and on behalf of the Board of Directors

**Atit Agarwal**  
Director

**Santosh Shinde**  
Director

**Dhirajkumar Neve**  
Company Secretary

Place: Betegaon  
Date: 20th May, 2011

# Cash Flow Statement

for the year ended 31st March, 2011

Sr. No.	Particulars	(Rs. in Million)	
		Year ended 31st March, 2011	Year ended 31st March, 2010
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	<b>Net Profit Before Tax</b>	<b>674.76</b>	<b>521.64</b>
	<b>Adjustments For:</b>		
	Depreciation	283.49	253.02
	Loss on Sale/Discard of Fixed Assets	0.46	0.26
	Interest Expense	38.04	41.34
	Interest Income	(9.06)	(26.99)
	Dividend Income	(3.77)	0.00
	Provision For Bad Debts	9.79	3.71
	Provision for Diminution in Value of Investment	2.00	-
	(Profit) on Sale of Investment	-	(0.71)
	Provision for Gratuity	1.05	0.00
	Unrealised (Gain) on Foreign Exchange	(10.82)	(3.04)
	<b>Operating Profit Before Working Capital Changes</b>	<b>985.94</b>	<b>789.23</b>
	<b>Adjustment For:</b>		
	Inventories	(70.38)	(94.37)
	Trade & Other Receivables	325.45	(307.06)
	Loans and Advances	36.42	338.99
	Trade Payables	169.06	(619.61)
	<b>Cash Generated From Operations</b>	<b>1,446.49</b>	<b>107.17</b>
	Income Tax Paid	(170.41)	7.56
	<b>Net Cash From Operating Activities</b>	<b>1,276.08</b>	<b>114.74</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Purchase of Fixed Assets (Including Capital Advances)	(1,176.47)	(1,703.28)
	Sale of Fixed Assets	0.39	0.24
	Interest Received	9.05	26.99
	Dividend Income	3.77	-
	Sale / (Purchase) of Investments	169.24	(465.13)
	Profit on sale of Investments	-	0.71
	<b>Net Cash Used in Investing Activities</b>	<b>(994.02)</b>	<b>(2,140.48)</b>

# Cash Flow Statement

for the year ended 31st March, 2011 (Contd.)

Sr. No.	Particulars	(Rs. in Million)	
		Year ended 31st March, 2011	Year ended 31st March, 2010
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Issue of Shares	699.98	-
	Interest Paid	(38.04)	(41.34)
	(Repayment) / Receipt of Loans	(873.76)	1,475.49
	(Payment) / Receipt of Share Application Money	(175.50)	760.22
	Fixed Deposits pledged against Letter of Credit	2.06	(38.07)
	Payment of Dividend (Including Dividend Distribution Tax)	(28.91)	(29.01)
	<b>Net Cash Used in Financing Activities</b>	<b>(414.17)</b>	<b>2,127.29</b>
	(Decrease) / Net Increase in Cash and Cash Equivalents	(132.11)	101.55
	<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>173.30</b>	<b>71.75</b>
	<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>41.19</b>	<b>173.30</b>

## NOTES:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents at the year end consist of Cash in Hand and Balances with Banks as follows:

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
Cash & Cash Equivalent (As per Schedule "I")	77.19	211.38
Less: Unrealised Gain / (Loss) in Banks Accounts	(0.01)	0.01
Less: Fixed Deposits under Lien	36.01	38.07
<b>Total</b>	<b>41.19</b>	<b>173.30</b>

- Figures in brackets represents outflows.
- Previous Year figures have been recast/restated wherever necessary.

As per our attached report of even date

For **HARIBHAKTI & CO.**  
Chartered Accountants

**Sarah George**  
Partner  
Membership No. 45255

Place: Betegaon  
Date: 20th May, 2011

For and on behalf of the Board of Directors

**Atit Agarwal**  
Director

**Santosh Shinde**  
Director

**Dhirajkumar Neve**  
Company Secretary

Place: Betegaon  
Date: 20th May, 2011

# Schedules forming part of the accounts for the year ended 31st March, 2011

Particulars	As at 31st March, 2011	(Rs. in Million) As at 31st March, 2010
<b>SCHEDULE - A : Share Capital</b>		
<b>Authorised</b>		
420,000,000 (P.Y. 42,000,000 Equity Shares of Rs. 10/- each) Equity Shares of Re. 1/- each	420.00	420.00
	<b>420.00</b>	<b>420.00</b>
<b>Issued, Subscribed &amp; Paid-up</b>		
261,645,000 (P.Y. 24,792,000 Equity Shares of Rs. 10/- each) Equity Shares of Re. 1/- each fully paid up.	261.65	247.92
(Of the above 157,440,000 Equity Shares of Re. 1/- each (P.Y. 15,744,000 Equity Shares of Rs. 10/- each) have been allotted as Bonus Shares by capitalisation of Profit and Loss Account in F.Y. 2007-08.)		
(Of the above 14,31,57,640 Equity Shares of Re. 1/- each (P.Y. 1,43,15,764 Equity Shares of Rs. 10/- each) are held by the Holding Company Wellknown Business Ventures Private Limited)		
(Refer Note No. 4)	<b>261.65</b>	<b>247.92</b>
<b>SCHEDULE - B : Reserves and Surplus</b>		
Capital Reserve Account	1.38	1.38
<b>Securities Premium Account</b>		
Balance as per last account	172.90	172.90
Add: Additions during the year	686.25	-
	859.15	172.90
General Reserve	0.10	0.10
Profit and Loss Account	1,675.88	1,157.72
	<b>2,536.51</b>	<b>1,332.10</b>
<b>SCHEDULE - C : Secured Loans (Refer Note 5 to Schedule "S")</b>		
Working Capital Loans from Banks	580.87	368.19
Buyer Credit from Banks	87.05	-
Other Loans	-	90.00
Vehicle Loans	18.62	6.21
	<b>686.54</b>	<b>464.40</b>
<b>SCHEDULE - D : Unsecured Loans</b>		
0% Nil (P.Y. 7000) Compulsorily Convertible Debentures of Rs. 100,000/- each	-	<b>700.00</b>
	-	<b>700.00</b>

# Schedules

forming part of the accounts for the year ended 31st March, 2011

## SCHEDULE - E : Fixed Assets

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As At	Additions	Deductions	As at	Up to 31st	For the	As at	As At 31st
	1st April, 2010	During the year	During the year	31st March, 2011	March, 2010	year during the year	31st March, 2011	March, 2010
Freehold Land	78.10	-	-	78.10	-	-	78.10	78.10
Factory Buildings	147.70	-	-	147.70	17.73	4.93	125.04	129.97
Plant & Machinery	2,586.88	20.59	-	2,607.47	781.66	268.67	1,557.14	1,805.22
Electric Installations	22.34	1.98	-	24.32	5.16	2.43	16.73	17.18
Computers	6.48	0.61	-	7.09	2.49	1.08	3.52	3.97
Furniture & Fixtures	1.16	0.05	-	1.21	0.18	0.08	0.95	0.98
Office Equipments	6.24	0.91	0.07	7.08	0.58	0.32	6.20	5.66
Weighing Scale	0.25	0.01	-	0.25	0.03	0.01	0.22	0.21
Motor Cars	25.64	11.87	1.26	36.26	6.01	2.71	27.99	19.63
Motor Trucks	22.12	9.59	-	31.71	7.82	3.26	20.63	14.30
<b>TOTAL</b>	<b>2,896.91</b>	<b>45.61</b>	<b>1.33</b>	<b>2,941.19</b>	<b>821.66</b>	<b>283.49</b>	<b>1,836.52</b>	<b>2,075.24</b>
<b>Previous Year</b>	<b>2,267.94</b>	<b>629.71</b>	<b>0.74</b>	<b>2,896.91</b>	<b>568.89</b>	<b>253.02</b>	<b>2,075.24</b>	

Note: Additions in Plant and Machineries reflects Rs. 1.77 Million towards Foreign Exchange Fluctuations Gains which has been depreciated during the year. (P.Y. Rs. 8.93 Million).



# Schedules

forming part of the accounts for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE - F : Investments</b>		
(As per Annexure "1")	398.73	570.00
	<b>398.73</b>	<b>570.00</b>
<b>SCHEDULE - G: Inventories</b>		
(As taken, valued and certified by the Management)		
Raw Materials	346.13	261.58
Stores and Spares	2.09	5.23
Packing Materials	3.09	5.60
Work in Progress	44.01	40.67
Finished Goods	-	11.87
	<b>395.32</b>	<b>324.95</b>
<b>SCHEDULE - H : Sundry Debtors</b>		
(Unsecured)		
(a) Debts due for more than six months		
Considered Good	0.29	17.00
Considered Doubtful	13.50	3.71
	13.79	20.71
(b) Other Debts (Considered Good)	144.34	460.96
	158.13	481.67
Less: Provision for Doubtful Debts	13.50	3.71
	<b>144.63</b>	<b>477.96</b>
<b>SCHEDULE - I : Cash and Bank Balances</b>		
Cash on hand	2.12	4.63
<b>Balances with Scheduled Banks</b>		
On Current Accounts	38.84	168.48
In Fixed Deposit Accounts **	36.22	38.27
** [ Includes Rs. 36.01 Million (P.Y. Rs. 38.07 Million) over which bank has lien]		
	<b>77.18</b>	<b>211.38</b>
<b>SCHEDULE - J : Loans and Advances</b>		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	29.91	70.72
Balance with Customs, Excise, VAT, etc.	15.99	14.17
Other Deposits	12.19	9.63
	<b>58.09</b>	<b>94.52</b>

# Schedules

forming part of the accounts for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE - K : Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors		
- Due to Micro, Small and Medium Enterprises (Refer Note 17 to Schedule "S")	5.46	1.56
- Others	245.63	203.25
Advance received from Customers	143.25	12.72
Other Current Liabilities	21.30	29.12
	<b>415.64</b>	<b>246.65</b>
<b>Provisions</b>		
Provision for Gratuity	5.21	-
Provision for Tax (Net of Advances)	15.93	45.09
Proposed Dividend	26.16	24.79
Provision for Dividend Distribution Tax	4.24	4.12
	<b>51.54</b>	<b>74.00</b>
	<b>467.18</b>	<b>320.65</b>

Particulars	(Rs. in Million)	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>SCHEDULE - L : Other Income</b>		
Interest on Fixed Deposits [TDS Rs. 0.13 Million (P.Y. Rs. 0.31 Million)]	1.33	1.75
Other Interest	7.72	26.99
<b>Dividend Income</b>		
Long Term Investments - Non Trade	0.49	0.43
Investments in subsidiary - Long Term	3.28	3.28
Commission Received [TDS Rs. 0.01 Million (P.Y. Rs. Nil)]	0.10	-
Gain on Exchange Fluctuations (Net)	66.44	38.24
Profit on Sale of Investments	-	0.71
Rent Income [(TDS Rs. 0.06 Million (P.Y. Rs. 0.09 Million)]	0.60	0.60
Insurance Claim Received	4.40	-
Other Income	4.56	3.15
	<b>88.92</b>	<b>75.15</b>

# Schedules

forming part of the accounts for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>SCHEDULE - M : Increase / (Decrease) in Stocks</b>		
<b>Closing Stocks</b>		
Stock-in-Process	44.01	40.67
Finished Goods	-	11.87
	<b>44.01</b>	<b>52.54</b>
<b>Less : Opening Stocks</b>		
Stock-in-Process	40.67	96.72
Finished Goods	11.87	-
	52.54	96.72
	<b>(8.53)</b>	<b>(44.18)</b>
<b>SCHEDULE - N : Manufacturing &amp; Other Expenses</b>		
<b>Raw Materials Consumed</b>		
Opening Stock	261.58	128.14
Add: Purchases	5,712.98	4,341.55
Less: Closing Stock	346.13	261.58
	<b>5,628.43</b>	<b>4,208.11</b>
<b>Other Expenses</b>		
Power & Fuel Charges	188.16	147.75
Loading and Unloading Charges	68.32	45.71
Packing Materials Consumed	55.00	40.54
Stores and Spares Consumed	49.65	27.97
Repairs & Maintenance (Trucks)	0.00	-
Repairs & Maintenance (Machinery)	19.61	18.19
Repairs & Maintenance (Buildings)	0.34	0.74
	<b>6,009.51</b>	<b>4,489.01</b>
<b>SCHEDULE - O : Personnel Costs</b>		
Salaries, Wages & Bonus	75.02	55.05
Workmen & Staff Welfare Expenses	6.82	6.96
Contribution to Provident & Other Funds	2.39	1.77
	<b>84.23</b>	<b>63.78</b>

# Schedules

forming part of the accounts for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>SCHEDULE - P : Administration &amp; Other Expenses</b>		
Rent, Rates and Taxes	5.68	4.17
Insurance	2.71	2.50
Communication Costs	5.33	4.03
Printing & Stationery	3.67	3.04
Travelling, Conveyance & Motor Car Expenses	15.44	12.73
Legal & Professional Charges	21.27	8.14
Repairs & Maintenance (Others)	3.33	3.90
Auditors Remuneration	1.70	1.80
Provision for Doubtful Debts	9.78	3.71
Provision for Diminution in Investment	2.02	-
Loss on Sale / Discard of Fixed Assets	0.46	0.26
Miscellaneous Expenses	10.61	10.36
	<b>82.00</b>	<b>54.64</b>
<b>SCHEDULE - Q : Selling and Marketing Expenses</b>		
Freight, Clearing & Forwarding Charges	70.40	58.96
Business Promotion Expenses	9.76	7.44
Brokerages, Commissions & Discount	6.81	8.86
	<b>86.97</b>	<b>75.26</b>
<b>SCHEDULE - R : Interest and Finance Charges</b>		
Interest on Vehicle Loan	1.27	1.39
Interest on Buyer Credit	0.33	-
Interest on Bank Loan	18.49	33.65
Other Interest	6.37	1.19
Bank Charges	11.58	5.10
	<b>38.04</b>	<b>41.33</b>

# Annexure 1

forming part of the Schedule "F" to the accounts for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
<b>INVESTMENTS</b>		
<b>(A) Long Term Investments</b>		
<b>Non Trade</b>		
<b>Quoted</b>		
<b>Equity Shares</b>		
Energy Development Company Limited	1.31	1.31
[13,000 (P.Y. 13,000) Equity Shares of Rs. 10/- each fully paid up ]		
Jai Corp Limited	1.17	1.17
[1,000 (P.Y. 1,000) Equity Shares of Re. 1/- each fully paid up ]		
Syschem India Limited	0.27	0.27
[138,000 (P.Y. 138,000) Equity Shares of Rs. 10/- each fully paid up ]		
Reliance Industrial Infrastructure Limited	26.42	26.42
[20,600 (P.Y. 20,600) Equity Shares of Rs. 10/- each fully paid up ]		
Wellworth Overseas Limited	0.09	0.09
[100,000 (P.Y. 100,000) Equity Shares of Re. 1/- each fully paid up ]		
<b>Unquoted</b>		
Barclays Securities (India) Private Limited	44.00	44.00
[44 (P.Y. 44) Equity linked Debentures at Rs. 10 Lakh each]		
Benchmark AMC A/c BDP Series 66	50.00	218.00
Jaiho Industries Limited	6.03	
[4,020,000 (P.Y. 4,020,000) Equity Shares of Rs. 10/- each fully paid up ]		
Less : Provision for Diminution in Investment	2.02	6.03
<b>Mutual Funds</b>		
JM Contra Fund - Dividend Plan Rs. 10/- per unit	5.00	5.00
[488,998 (P.Y. 488,998) units of Rs. 10/- each fully paid up ]		
HDFC Mutual Fund	0.76	-
Citi Financial Consumer Finance (India) Limited	2.00	2.00
[1 (P.Y. 1 ) Non-Convertible Debentures of Rs. 20 Lakh ]		
<b>Investment in Subsidiary</b>		
<b>Unquoted</b>		
Axiom Cordages Limited	6.00	6.00
[16,400,000 (P.Y. 16,400,000) Equity Shares of Rs. 10/- each fully paid up ]		
0% Compulsorily Convertible Debentures of Axiom Cordages Limited	257.70	257.70
[2,577 (P.Y. 2,577) Debentures of Rs. 100,000/- each fully paid up ]		

# Annexure 1

forming part of the Schedule "F" to the accounts for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
<b>(B) Current Investments</b>		
<b>Mutual Funds</b>		
Reliance Asset Management A/C Debt PMS	-	2.00
<b>Total (Rs.)</b>	<b>398.73</b>	<b>570.00</b>
Aggregate of Unquoted Investments (At Cost)	361.73	531.73
Aggregate amount of Quoted Investments	37.04	38.27
Aggregate Quoted Investments (At Market Value)	13.89	17.84

# Schedules forming part of the accounts for the year ended 31st March, 2011

## SCHEDULE: "S"

### I. Company Overview

Responsive Industries Limited ('RIL' or 'the Company'), is a major producer and supplier of various products like Vinyl flooring, Rigid PVC, Leather Cloth & Soft Sheeting's. Applications for Vinyl Flooring include Printing Flooring & Other Flooring and in case of Rigid PVC, it includes Packaging of Pharmaceutical Products in Pharma industry.

### II. Significant Accounting Policies

#### a) Basis of Preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with Generally Accepted Accounting Principles under the historical cost convention on an accrual basis and in accordance with the applicable accounting standards issued by The Institute of Chartered Accountants of India. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

The Company follows the mercantile system of accounting in general and recognises income and expenditure on accrual basis except as otherwise stated.

#### b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates

are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between actual results and estimates are recognised in the period in which the results are known / materialised.

#### c) Inventories

Inventories are valued at lower of cost or net realisable value. Materials-in-transit are valued at cost-to-date. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition including excise duty payable on goods produced. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. The cost formulae used for determination of cost is 'First in First Out' (FIFO)

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### d) Cash Flow Statement

The Cash Flow Statement is prepared by the "indirect method" set-out in Accounting Standard 3 on "Cash Flow Statement" and presents the Cash Flows by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered, highly liquid bank balances.

#### e) Revenue Recognition

- (i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.
- (ii) Revenue from sale of goods is recognised when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and



# Schedules forming part of the accounts for the year ended 31st March, 2011

rewards of ownership are transferred to the customers and no effective ownership is retained. Sales are net of Sales Tax/Value Added Tax. Excise Duty recovered is presented as a reduction from gross turnover.

- (iii) Revenue in respect of export sales is recognised on the basis of dispatch of goods for exports.(i.e. on the date of Bill of Lading).
- (iv) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (v) Dividend income is recognised when the shareholders' right to receive payment is established by the Balance Sheet date. Dividend from subsidiaries is recognised even if same are declared after the Balance Sheet date but pertains to period on or before the date of Balance Sheet as per the requirement of schedule VI of the Companies Act, 1956.
- (vi) Other Income is accounted for on accrual basis, when certainty of receipt is established.

## f) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Cost of acquisition comprise all costs incurred to bring the assets to their location and working condition upto the date assets are put to use. Cost of construction comprise of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to specific assets upto the date the assets are put to use.

## g) Depreciation & Amortisation

Depreciation on fixed assets is provided on Straight-line method, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. The Company provides

pro-rata depreciation for additions / deletions made during the reporting period, except for the asset each costing Rs. 5000 or less, for which depreciation is provided at hundred percent.

## h) Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## i) Foreign Currency Transactions

### (i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### (ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

# Schedules forming part of the accounts for the year ended 31st March, 2011

## (iii) Exchange Differences

The gains or losses resulting from such translations are included in the Profit and Loss Account. Revenue, expense and cash flow items denominated in foreign currency are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction. Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled, except to the extent, relating to fixed assets are adjusted to carrying value of fixed assets.

## j) Investments

Investments that are readily realisable and intended to be held generally for not more than a year are classified as current investment. All other investments are classified as long term investment. Current investment is carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the Investment.

## k) Employee Benefits

Employee benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident fund and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the Profit and Loss Account in the period in which the service is rendered.

Employee benefits under defined benefit plans, such as gratuity which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the project unit cost method, on the

basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. The Company's obligations recognised in the Balance Sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

## l) Borrowing Cost

Borrowing cost attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalised as part of the cost of such assets upto the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

## m) Segment Reporting

### Identification of segments:

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

### Inter segment Transfers:

The Company generally accounts for inter segment transfers at cost.

### Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

### Unallocated items:

Includes general corporate income and expense items which are not allocated to any business segment.

# Schedules forming part of the accounts for the year ended 31st March, 2011

## Segment Policies:

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### n) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

### o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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, except when the results would be anti-dilutive.

### p) Accounting For Taxation on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Income taxes are accrued at the same period in which the related revenue and expense arise. A provision is made for income tax annually based on the tax liability computed

after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or

# Schedules forming part of the accounts for the year ended 31st March, 2011

virtually certain, as the case may be, that sufficient future taxable income will be available

MAT paid in accordance with the tax laws, which give rise to the future economic benefits in the form of tax credit against future income tax liability, is not recognised as an asset in the Balance Sheet.

## q) Provisions, Contingent Liabilities & Contingent Assets

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

## III. Notes to Accounts

1. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated in the financial statements and are realisable in the ordinary course of business. The provision for all known liabilities is adequate.
2. In respect of balance confirmations sought by the Company from various parties reflected under Sundry Debtors, Sundry Creditors and Loans & Advances some have responded to the request of the Company. As such balances of Sundry Debtors, Sundry Creditors and Loans & Advances are taken as appearing in the books of accounts and are subject to confirmation and reconciliation, if any. Consequential impact, if any, will be considered as and when determined.
3. No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements at that date or for the period then ended, other

than those reflected or fully disclosed in the books of account.

## 4. Sub division of shares

Effective 11th October, 2010 the Company has subdivided the face value of equity shares from Rs. 10/- each to Re. 1/- each (sub division), after obtaining shareholders' approval vide special resolution passed in the 28th Annual General Meeting of the Company held on 10th September, 2010. The basic and diluted earnings per share disclosed, (Refer Note 12 below) have been computed for the current year and recomputed for the previous year based on the revised face value of Re. 1 each.

## 5. Secured Loans

### i. Working Capital Loan from Banks

It is secured by first charge in the form of Floating charge on whole of the current assets, book debts & Movable Property. Further, secured by second ranking pari passu charge on entire movable Fixed Assets of the Company both present & future.

### ii. Buyer's Credit

It is secured by first pari passu charge on entire assets and second ranking pari passu charge on entire movable fixed assets of the Company.

### iii. Vehicle Loans

It is secured by specific assets.

6. During the year, in order to comply with the Accounting Standard (AS) 15 (Revised 2005) "Employee Benefits" as notified by the Companies Accounts Standard, Rule 2006, the method of accounting of Gratuity has been changed from cash basis to accrual basis of accounting and accordingly provision has been made as on 31st March, 2011 on the basis of actuarial valuation. Due to change in this accounting policy, the profit for the year is lower by Rs. 5.21 Million having consequential effect on the Reserves and Surplus and Current Liabilities.

# Schedules

forming part of the accounts for the year ended 31st March, 2011

## 7. Disclosure as per AS-15 Revised

The principal assumptions used in the actuarial valuation of Gratuity are as follows:

Discount rate	8.25 %
Attrition rate	2.00 %
Expected rate of future salary increase	6.00 %

Change in present value of defined benefit obligation

	(Rs. in Million)
Present value of obligation as at 1st April, 2010	4.16
Interest Cost	0.34
Current Service Cost	0.29
Benefits paid	(0.28)
Actuarial loss on obligations	0.98
Present Value of obligation as at 31st March, 2011	<b>5.49</b>

Amount recognised in the Balance Sheet

	(Rs. in Million)
Present value of obligation as at 31st March, 2011	5.49
Fair Value of plan assets as at the end of the year	Nil
Funded status	Nil
Unrecognised Past Service Cost as at 31st March, 2011	Nil
Unrecognised Transitional Liability as at 31st March, 2011	Nil
Net (Assets)/ Liability recognised in the Balance Sheet	<b>5.49</b>

Expenses recognised in the Profit and Loss Account

	(Rs. in Million)
Current Service Cost	0.29
Past Service Cost	Nil
Interest Cost	0.34
Expected return on plan assets	Nil
Net Actuarial loss recognised during the year	0.98
Total Expenses recognised in the Profit and Loss Account	<b>1.61</b>

# Schedules

forming part of the accounts for the year ended 31st March, 2011

## Balance Sheet Reconciliation

	(Rs. in Million)
Opening Net Liability	4.16
Expenses as above	1.61
Net Transfer In	Nil
(Net Transfer Out)	Nil
Employer's Contribution	(0.28)
Net Liability Recognised in the Balance Sheet	<b>5.49</b>

## Other Disclosures

	(Rs. in Million)
Defined Benefit Obligation	6.18
Plan Assets	Nil
Surplus / (Deficit)	6.18
Experience Adjustments on Plan Liabilities – Loss	0.98
Experience Adjustments on Plan Liabilities – Gain	0.04

Since, the Company has started providing the gratuity as per AS-15 (Revised) from 2010-11, figures are given only for current year.

The Company expects to contribute Rs. Nil to its Gratuity Plan for the next year.

In assessing the Company's Post Retirement Liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables. The base being the LIC 1994-96 ultimate tables.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

- The Company had issued 7,000 (0% compulsorily convertible debentures of Rs. 100,000/- each) in the Previous Year. The said debentures have been converted into 1,372,500 equity shares at a price of Rs. 510/- per share as per Board Resolution Passed in the Board of Meeting held on 9th August, 2010. The said conversion is at a premium of Rs. 500/- share.

# Schedules forming part of the accounts for the year ended 31st March, 2011

## 9. Director's Remuneration

Particulars	(Rs. in Million)	
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
a) Whole-time Director:		
Salary	1.20	1.20
Company's contribution to Provident and other funds	Nil	Nil
Other perquisites	Nil	Nil
<b>Total</b>	<b>1.20</b>	<b>1.20</b>
b) Non-Executive Director:		
Sitting Fees	0.02	NIL
<b>Total</b>	<b>0.02</b>	<b>NIL</b>

Note:

- As the liabilities for gratuity are provided on actuarial basis for the Company as a whole the amounts pertaining to the Directors is not ascertainable & therefore not included above.
- Since no commission is payable to any managerial person, computation of net profit u/s 349 of the Companies Act, 1956 is not given.

## 10. Auditor's Remuneration (excluding service tax)

Particulars	(Rs. in Million)	
	For the year ended 31st March, 2011	For the Year ended 31st March, 2010
Audit Fees (Including Limited Review)	1.70	1.70
Certification work	0.20	Nil
Out-of-pocket expenses	0.16	0.016
<b>Total</b>	<b>2.06</b>	<b>1.716</b>

## 11. Taxes on Income

The Deferred Tax Liability as on 31st March, 2011 comprises of:

			(Rs. in Million)
Sr. No.	Particulars	Opening as on 31st March, 2010	Adjustment during the year
			Closing as on 31st March, 2011
1	Depreciation	123.74	(13.67)
2	Disallowance u/s 40(a)(ia)	(1.35)	-
3	Expenses allowed on payment basis	-	(3.14)
4	Others	-	(2.39)
<b>Deferred Tax Liability</b>		<b>122.39</b>	<b>(19.20)</b>
			<b>103.19</b>



# Schedules

forming part of the accounts for the year ended 31st March, 2011

## 12. Earning Per Share (As per AS – 20)

(Rs. in Million)

### i) Basic EPS

	Year ended 31st March, 2011	Year ended 31st March, 2010
A Net Profit after tax available for equity shareholders used as Numerator	548.56	381.42
B Weighted Average number of Equity Shares used as Denominator	256,756,644	247,920,000
C Basic income per share (in rupees)	2.14	1.54

### ii) Diluted EPS

(Rs. in Million)

	Year ended 31st March, 2011	Year ended 31st March, 2010
A Net Profit after tax available for equity shareholders (Rupees) used as Numerator	548.56	381.42
B Weighted Average number of Equity Shares used as Denominator	263,041,984	263,083,730
C Diluted earning per share (in Rupees)	2.09	1.45

## 13. Related Party Disclosures

### (a) Key Management Personnel

Mr. Atit Agarwal

Whole-time Director

Mr. Rajesh Pandey

Director

### (b) Relatives of key management personnel

i) Mr. Abhishek Agarwal

ii) M/s Om Prakash Agarwal H.U.F.

iii) M/s Sharad Kumar Agarwal H.U.F.

### (c) Subsidiary

Axiom Cordages Limited

### (d) Fellow Subsidiary

Sun Plastochem Limited

### (e) Holding Company

Wellknown Business Ventures Private Limited

### (f) Enterprise owned or significantly influenced by Key Management Personnel or their relatives:

i) One Source Trading Company LLP (with effect from 25th March, 2011)

ii) One Source Enterprises LLP

iii) AA Superior Enterprises LLP

# Schedules

forming part of the accounts for the year ended 31st March, 2011

There are no transactions during the current year with the related parties mentioned in (b), (d) and (f) (ii) & (iii)

Following are the transactions with the related parties mentioned in (a), (c), (e) and (f) (i) above

(Rs. in Million)

	In relation to (a) above		In relation to (b) (ii) & (iii) above		In relation to (c) above		In relation to (d) above		In relation to (e) above		In relation to (f) (i) above	
	Current Year	Prev. Year	Current Year	Prev. Year	Current Year	Prev. Year	Current Year	Prev. Year	Current Year	Prev. Year	Current Year	Prev. Year
Loans & Advances Received	Nil	Nil	Nil	Nil	576.42	918.18	Nil	Nil	Nil	Nil	Nil	Nil
Loans and Advance Repaid	Nil	Nil	Nil	67.46	576.42	918.18	Nil	Nil	Nil	Nil	Nil	Nil
Refund of Share Application Money	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	10.00	Nil	Nil	Nil
Loan Given	Nil	Nil	Nil	9.19	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rent Income	Nil	Nil	Nil	Nil	0.60	0.60	Nil	Nil	Nil	Nil	Nil	Nil
Director's Remuneration	1.2	1.2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rent Expense	0.03	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.09	Nil
Sales	Nil	Nil	Nil	Nil	38.56	72.48	Nil	Nil	Nil	Nil	Nil	Nil
Purchases	Nil	Nil	Nil	Nil	585.51	528.10	Nil	Nil	Nil	Nil	Nil	Nil
Amount Outstanding at the end of the year												
Rent Deposit Payable	Nil	Nil	Nil	Nil	5.00	5.00	Nil	Nil	Nil	Nil	Nil	Nil
Amount Payable	0.05	Nil	Nil	Nil	Nil	Nil	5.00	5.00	Nil	Nil	0.07	Nil
Amount Receivable	Nil	Nil	Nil	Nil	0.04	0.09	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- In case of (a) above, Rs. 1.20 Million is Remuneration of Mr. Atit Agarwal as Directors Remuneration in current year & previous year & out of above Rs. 0.03 Million is payable in respect of current year. Also Rs. 0.03 Million is Rent Expense of Mr. Rajesh Pandey & out of it Rs. 0.02 Million is Payable.
- In case of (b) above, individual break-up for previous years figures can't be ascertained so not given.
- Related Parties as disclosed by Management and relied upon by auditors.
- No amount pertaining to related parties have been provided for as doubtful debts. Also, no amount has been written off / back which was due from / to related parties.

# Schedules

forming part of the accounts for the year ended 31st March, 2011

## 14. Additional Information Pursuant to the Provision of Part II of the Schedule VI of the Companies Act 1956.

### a. C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currencies

		(Rs. in Million)	
Sr. No.	Particulars	Year ended	Year ended
		31.03.2011	31.03.2010
i)	<b>Value of imports calculated on C.I.F. basis</b>		
a)	Purchase of Raw Material	2,885.15	2,080.61
b)	Stores and Components	3.88	3.03
c)	Capital Goods	1,113.97	751.88
ii)	<b>Expenditure in Foreign Currencies (accrual Basis)</b>		
a)	Foreign Travelling	0.80	0.16
b)	Freight – Exports	23.39	13.54
c)	Exhibition Expenses	Nil	3.14
d)	Testing charges	0.19	0.79
iii)	<b>Earnings in Foreign Currencies (accrual basis)</b>		
	Export Sales – F.O.B.	4,565.97	2,624.30

### b. Value of Imported and Indigenous Raw Materials, Stores & Spares consumed during the year.

		(Rs. in Million)			
<b>Raw Materials</b>		<b>Current Year</b>		<b>Previous year</b>	
Sr. No.	Description	%	Amount	%	Amount
i.	Imported	55.14	3,103.73	48.65	2,047.44
ii.	Indigenous	44.86	2,524.70	51.35	2,160.67
		<b>100.00</b>	<b>5,628.43</b>	<b>100.00</b>	<b>4,208.11</b>

		(Rs. in Million)			
<b>Stores &amp; Spares</b>		<b>Current Year</b>		<b>Previous year</b>	
Sr. No.	Description	%	Amount	%	Amount
i.	Imported	8.38	4.16	11.43	3.20
ii.	Indigenous	91.62	45.50	88.57	24.77
		<b>100.00</b>	<b>49.66</b>	<b>100.00</b>	<b>27.97</b>

# Schedules

forming part of the accounts for the year ended 31st March, 2011

## 15. Foreign Currency Exposure (unhedged)

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

		(Amount in Million)			
Sr. No.	Particulars	\$ for Year ended	Rs. For Year ended	\$ for Year ended	Rs. For Year ended
		31.03.2011	31.03.2011	31.03.2010	31.03.2010
i)	Debtors	\$ 0.069	3.07	\$ 6.86	309.39
ii)	Advance from Debtors	\$ 2.97	132.34	\$ 0.01	0.45
iii)	Creditors	\$ 13.86	617.60	\$ 23.75	1071.13
iv)	Advance to Creditors	\$ 0.24	10.69	\$ 0.66	29.77

## 16. Segmental Information

### i) Primary (Business) Segment

As the Company's business consists of one reportable business segment of Plastic products, hence, no separate disclosures pertaining to attributable Revenues, Profits, Assets, Liabilities, Capital Employed are given.

### ii) Secondary (Geographical) Segment

Secondary segment reporting is performed on the basis of geographical location of the customers. The operation of the Company comprises local sales and export sales. The Management views the Indian market and Export market as distinct geographical segments. The following is the distribution of the Company's sale by geographical markets:

		(Rs. in Million)	
Sales		Year Ended 31st	Year Ended 31st
		March, 2011	March, 2010
India		2,589.24	2,822.98
Export		4,589.37	2,644.73
<b>Total</b>		<b>7,178.61</b>	<b>5,467.71</b>

The following is the carrying amount of segment assets by geographical area in which the assets are located.

		(Rs. in Million)	
Assets		Year Ended 31st	Year Ended 31st
		March, 2011	March, 2010
India		5,250.32	4,747.89
Outside India*		3.07	309.26
<b>Total</b>		<b>5,253.39</b>	<b>5,057.15</b>

# Schedules

forming part of the accounts for the year ended 31st March, 2011

The following is the amount of Capital Expenditure incurred segment-wise.

Capital Expenditure	(Rs. in Million)	
	As at 31.03.2011	As at 31.03.2010
India	1,175.15	1,702.54
Outside India	Nil	Nil
<b>Total</b>	<b>1,175.15</b>	<b>1,702.54</b>

\* Carrying amount of segment assets outside India represents receivable from export Sales.

## 17. Amounts due to Micro, Small and Medium Enterprise:

As per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 following information has been disclosed. This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

Sr. No	Particulars	(Rs. in Million)	
		Year ended 31.03.2011	Year ended 31.03.2010
i)	a) Principal amount remaining unpaid to any supplier at the end of the accounting year included in Sundry Creditors.	5.46	1.56
	b) Interest due on above.	Nil	Nil
ii)	Amount of interest paid by the buyer in term of Section 16 of the Act.	Nil	Nil
iii)	Amount of payment made to the supplier beyond the appointed day during the accounting year.	Nil	Nil
iv)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but wadding the interest specified in this Act.	Nil	Nil

# Schedules forming part of the accounts for the year ended 31st March, 2011

## 18. Disclosure as per AS-19:

As Lessee: Future Rental obligations in respect of premises taken on lease – Operating Lease.

Particulars	31st March, 2011	31st March, 2010
Less than 1 year	Rs. 4.68 Million	Rs. 4.38 Million
More than 1 year but less than 5 years	Rs. 1.08 Million	Rs. 5.76 Million
More than 5 years	Rs. Nil	Rs. Nil

Lease rentals charged to revenue for the current year Rs. 4.38 Million (Previous Year 0.67 Million).

These premises comprise residential flats, office premises & usage of office equipments. The agreements for lease are executed for tenure of 11 to 24 months.

As Lessor: Future Rental income in respect of premises given on lease – Operating Lease.

Particulars	31st March, 2011	31st March, 2010
Less than 1 year	Rs. 0.60 Million	Rs. 0.60 Million
More than 1 year but less than 5 years	Rs. 2.40 Million	Rs. 2.40 Million
More than 5 years	Rs. 0.60 Million	Rs. 1.20 Million

These premises comprise Factory Land. The agreements for lease are executed for tenure of Six Years.

Gross carrying amount of assets : Rs. 13.29 Million

Accumulated Depreciation upto 31.03.2011 : Nil

Depreciation for the year : Nil

## 19. Net dividend remitted in foreign currency:

Year in which Payment is made	Year to which it relates	No. of Non-Resident Shareholders	No. of Equity Shares held	(Rs. in Million) Dividend remitted
2010-11	2009-10	3	8,000,000	8.00
2009-10	2008-09	3	8,000,000	8.00

## 20. The previous year's figures have been regrouped, rearranged, reclassified and reworked wherever necessary.

Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For and on behalf of the Board of Directors

**Atit Agarwal**  
Director

**Santosh Shinde**  
Director

**Dhirajkumar Neve**  
Company Secretary

Place: Betegaon  
Date: 20th May, 2011

## Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956

# Balance Sheet Abstract and Company's Business Profile

### I) REGISTRATION DETAILS

Registration No.

State Code  Balance Sheet Date

### II) CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES MILLION)

Public Issue  Rights Issue

Bonus Issue  Private Placement

### III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RUPEES MILLION)

Total Liabilities  Total Assets

#### SOURCES OF FUNDS

Paid Up Capital  Reserves and Surplus

Secured Loans  Unsecured Loans

Share Application Money  Suppliers Credit

Deferred Tax Liabilities

#### APPLICATION OF FUNDS

Net Fixed Assets  Investments

Net Current Assets  Miscellaneous Expenditure

### IV) PERFORMANCE OF COMPANY

Turnover  Total Expenditure

Profit/(Loss) before Tax  Profit/(Loss) After Tax

Earning per Share in Rs.  Dividends Rate ( %)

### V) GENERIC NAMES OF ONE PRINCIPAL PRODUCT/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No.  Product Description

For and on behalf of the Board of Directors

**Atit Agarwal**

Director

**Santosh Shinde**

Director

**Dhirajkumar Neve**

Company Secretary

Place: Betegaon

Date: 20th May, 2011

## Notes



## Notes



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# Axiom Cordages Limited

STATUTORY REPORTS AND FINANCIAL STATEMENTS

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# Directors' Report

## To the Shareholders

To  
The Members,

Your Directors have pleasure in presenting the Twelfth Annual Report together with Audited Accounts of the Company for the Financial Year ended on 31st March, 2011.

### Financial Performance

Financial Results	(Rs. in Million)	
	Financial Year 2010-11	Financial Year 2009-10
Net Sales	5232.01	3525.86
Profit before Interest and Depreciation	944.86	569.94
Less : Interest	73.44	53.66
Profit Before Depreciation	871.42	516.28
Less : Depreciation	247.39	120.12
Net Profit Before Tax	624.03	396.16
Less: Provision for Taxation		
Current Tax	132.08	71.92
Deferred Tax	59.41	37.15
Tax of Earlier years	(5.29)	0.17
Net Profit after Taxation	437.83	286.92
Add: Profit brought forward from Previous Period	727.19	444.70
Less: Appropriations		
Proposed Dividend	3.81	3.81
Tax on Dividend	0.62	4.12
Balance carried to Balance Sheet	1160.59	727.18

## Dividend

Your Directors are pleased to recommend for your consideration payment of a dividend at the rate of 2% i.e. Re. 0.20 per equity share for the financial year ended on 31st March 2011, amounting to Rs. 3.81 Million.

## Operations

The total turnover of the Company during the period under review stood at Rs. 5232.01 Million with Profit after Tax amounting to Rs. 437.83 Million as compared to Turnover of Rs. 3525.86 Million with Profit after Tax amounting to Rs. 286.92 Million, of previous year.

## Directors

Mr. Bharat Mahalik, Director of the Company retires by rotation at the forth coming Annual General Meeting of the Company and being eligible, offers himself for reappointment.

## Public Deposits

The Company has not accepted any deposits from public during the year. Hence Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.

## Particulars of Employees

None of the employees were in receipt of the remuneration in excess of that specified under provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## Energy, Technology And Foreign Exchange

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo required to be given pursuant to Section 217(1)(e) of the Companies Act, 1956 read together with the companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

## Directors' Responsibility Statement

Pursuant to the requirements Under Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed;
- (ii) appropriate accounting policies have been selected and applied constantly and judgements and estimates

## Directors' Report (Contd.)

made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011 and of the Profit of the Company for the year ended 31st March, 2011;

- (iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

### Auditors

The Company's Statutory Auditors M/s. Haribhakti & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

### Acknowledgements

The Directors wish to place on record their appreciation to the Shareholders, Customers, Banks and other Business Associates for their continued support and cooperation. The Board of Directors also takes the opportunity to acknowledge the dedicated efforts of the staff and officers and their contribution to the success achieved by the Company.

By Order Of the Board,  
For **Axiom Cordages Limited**

Place: Betegaon  
Date: 20th May, 2011

Director

# Annexure Forming Part of the Directors' Report

## A) Conservation of Energy:

- a) Energy conservation measures taken N.A.
- b) Additional investments proposal, if any being implemented for reduction of consumption of energy N.A.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods N.A.
- d) Total energy consumption

Power & Fuel Consumption	Financial Year 2010-11	Financial Year 2009-10
<b>1 Electricity</b>		
<b>(a) Purchased</b>		
Units	7294196	6077880
Total amount (Rs. in Million)	38.75	30.93
Rate/Unit (Rs.)	5.31	5.09
<b>(b) Own Generation</b>		
(i) Through Diesel Generation		
Units	NIL	NIL
Units per Liter of Diesel Oil	NIL	NIL
Cost/Units	NIL	NIL
(ii) Through Steam Turbine/Generator		
Units	NIL	NIL
Units per Liter of Diesel Oil	NIL	NIL
Cost/Units	NIL	NIL
<b>2 Coal (Specify quantity and where used)</b>		
Quantity (Tonnes)	NIL	NIL
Average Rate	NIL	NIL
<b>3 Furnace Oil</b>		
Quantity (in Liters)	NIL	NIL
Total Amount (Rs. in Million)	NIL	NIL
Average Rate (Rs.)	NIL	NIL
<b>4 Other/Internal Generation (Please give details)</b>		
Quantity	NIL	NIL
Total Cost	NIL	NIL
Rate/Unit	NIL	NIL

# Annexure Forming Part of the Directors' Report

## B) Technology Absorption:

Efforts made in technology absorption	NIL	NIL
---------------------------------------	-----	-----

## C) Foreign Exchange Earnings & Outgo:

Total Exchange Earned (Rs. in Million)	3176.08	1772.42
Total Outgo (Rs. in Million)	2421.00	2209.21

By Order Of the Board

For **Axiom Cordages Limited**

Place: Betegaon

Date: 20th May, 2011

Director

# Auditors' Report

To

The Members of **Axiom Cordages Limited**

1. We have audited the attached Balance Sheet of Axiom Cordages Limited ('the Company') as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (CARO) as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. 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;
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v. On the basis of the written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required.
  - vii. Based on our audit conducted as above, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
    - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Haribhakti & Co.**

*Chartered Accountants*

FRN 103523W

**Sarah George**

*Partner*

Membership No. 45255

Place: Mumbai

Date: 20th May, 2011



# Annexure to Auditors' Report

**[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Axiom Cordages Limited on the financial statements for the year ended 31st March, 2011]**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodic manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) As informed, the Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.  
  
Accordingly, clauses (iii) (b), (c), (d), (e), (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company and hence, not reported upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the

Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

- (v) (a) According to the information and explanations given to us, we are of the opinion that there is no transaction that need to be entered into the register under section 301 of the Companies Act, 1956.

Accordingly, clauses (v) (b) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company and hence, not reported upon.

- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) To the best of our knowledge, the Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.  
  
Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to information and explanation given to us and based on document and records provided to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had not issued any debentures. However, the Company has not created any security or charge in respect of debentures issued in earlier years.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Haribhakti & Co.**  
*Chartered Accountants*  
 FRN 103523W

**Sarah George**  
*Partner*  
 Membership No. 45255

Place: Mumbai  
 Date: 20th May, 2011

Auditors' Report		Cash Flow Statement	Schedules & Notes	Balance Sheet Abstract
	Balance Sheet	Profit and Loss Account		

## Balance Sheet as at 31st March, 2011

Particulars	Schedule No.	(Rs. in Million)	
		As at 31st March, 2011	As at 31st March, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	190.47	190.47
Reserves & Surplus	B	1,199.64	766.26
		1,390.11	956.73
<b>Loan Funds</b>			
Secured Loans	C	819.56	625.70
Unsecured Loans	D	1,269.70	1,269.70
		2,089.26	1,895.40
Supplier's Credit in Foreign Currency		372.08	-
Deferred Tax Liabilities (Net)		160.55	101.14
		<b>4,012.00</b>	<b>2,953.27</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	E		
Gross Block		2,451.12	1,680.87
Less: Depreciation		470.27	223.23
Net Block		1,980.85	1,457.64
Add: Capital Work in Progress (including Advances)		1,011.34	749.39
		2,992.19	2,207.03
<b>Investments</b>	F	94.29	100.27
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	G	140.69	125.00
Sundry Debtors	H	758.75	589.06
Cash & Bank Balances	I	127.87	152.13
Loans & Advances	J	108.39	72.19
		1,135.70	938.38
<b>Less: Current Liabilities &amp; Provisions</b>	K		
Current Liabilities		180.40	247.23
Provisions		29.78	45.19
		210.18	292.42
<b>Net Current Assets</b>		925.52	645.97
Significant Accounting Policies & Notes Forming Part of the Accounts	T	<b>4,012.00</b>	<b>2,953.27</b>

As per our attached report of even date

For **HARIBHAKTI & CO.**  
Chartered Accountants

**Sarah George**  
Partner  
Membership No. 45255

Place: Betegaon  
Date: 20th May, 2011

For and on behalf of the Board of Directors

**Atit Agarwal**  
Director

**R.K. Pandey**  
Director

Place: Betegaon  
Date: 20th May, 2011

# Profit and Loss Account

for the year ended 31st March, 2011

Particulars	Schedule No.	(Rs. in Million)	
		Year ended 31st March, 2011	Year ended 31st March, 2010
<b>INCOME</b>			
Gross Sales		5,557.56	3,664.90
Less: Excise Duty		325.55	139.04
Net Sales		5,232.01	3,525.86
Other Income	L	37.12	23.34
Increase / (Decrease) in Stocks	M	17.11	0.69
		<b>5,286.24</b>	<b>3,549.89</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	N	4,158.91	2,831.67
Manufacturing & Other Expenses	O	95.18	79.21
Personnel Cost	P	11.72	9.85
Administrative & Other Expenses	Q	47.63	37.79
Selling & Marketing Expenses	R	27.94	21.43
Interest & Finance Charges	S	73.44	53.66
Depreciation		247.39	120.12
		<b>4,662.21</b>	<b>3,153.73</b>
<b>Profit before Taxation</b>		<b>624.03</b>	<b>396.16</b>
Less: Provision for Taxation			
Current Tax		132.08	71.92
Deferred Tax Charge		59.41	37.15
Tax of Earlier years		(5.29)	0.17
<b>Profit after Taxation</b>		<b>437.83</b>	<b>286.92</b>
Add: Profit brought forward from earlier years		727.19	444.70
		1,165.02	731.62
<b>Appropriations</b>			
Proposed Dividend		3.81	3.81
Tax on Dividend		0.62	0.63
<b>Balance carried to Balance Sheet</b>		<b>1,160.59</b>	<b>727.18</b>
<b>Earning Per Share of Rs. 10/- each (in Rs.)</b>			
Basic		22.99	15.06
Diluted		12.95	12.97
Significant Accounting Policies & Notes Forming Part of the Accounts	T		

As per our attached report of even date

 For **HARIBHAKTI & CO.**  
 Chartered Accountants

**Sarah George**  
 Partner  
 Membership No. 45255

 Place: Betegaon  
 Date: 20th May, 2011

For and on behalf of the Board of Directors

**Atit Agarwal**  
 Director

**R.K. Pandey**  
 Director

 Place: Betegaon  
 Date: 20th May, 2011

# Cash Flow Statement

for the year ended 31st March, 2011

Sr. No.	Particulars	(Rs. in Million)	
		Year ended 31st March, 2011	Year ended 31st March, 2010
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	<b>Net Profit Before Tax</b>	<b>624.03</b>	<b>396.17</b>
	<b>Adjustments For:</b>		
	Depreciation	247.39	120.11
	Loss on sale of fixed Assets	0.13	-
	Interest income	(5.53)	(5.22)
	Interest expenses	73.44	53.66
	Dividend income	(0.45)	(0.45)
	Provision for Bad Debts	0.41	-
	Provision for diminution in value of Investments	5.99	-
	Unrealised (Gain) / loss on Foreign Exchange Fluctuation	(4.66)	(1.17)
	<b>Operating Profit Before Working Capital Changes</b>	<b>940.75</b>	<b>563.10</b>
	<b>Adjustment For:</b>		
	Inventories	(15.69)	(78.08)
	Trade and other receivables	(174.00)	(588.58)
	Loans and Advances	61.44	137.70
	Trade Payables	(216.45)	(119.74)
	<b>Cash Generated From Operations</b>	<b>596.05</b>	<b>(85.60)</b>
	Direct Tax Paid	(97.66)	(24.77)
	<b>Cash From Operating Activities</b>	<b>498.39</b>	<b>(110.37)</b>
	Adjustments of earlier years	(5.29)	0.17
	<b>Net Cash From Operating Activities</b>	<b>503.68</b>	<b>(110.54)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Purchase of Fixed Assets (Including Capital Advances)	(1,032.80)	(1,036.84)
	Sale of Fixed Assets	0.09	-
	Purchase of Investments	-	(30.16)
	Interest received	5.53	5.22
	Dividend Received	0.45	0.45
	<b>Net Cash Used in Investing Activities</b>	<b>(1,026.73)</b>	<b>(1,061.33)</b>

## Cash Flow Statement for the year ended 31st March, 2011 (Contd.)

Sr. No.	Particulars	(Rs. in Million)	
		Year ended 31st March, 2011	Year ended 31st March, 2010
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Receipt of Secured loan	198.91	330.00
	Receipt of Unsecured loan	–	768.20
	Suppliers' Credit in Foreign Currency	372.08	-
	(Decrease) / Increase in Fixed Deposits pledged against Letter of Credit	(16.86)	54.11
	Receipt of Share Application Money	–	-
	Issue of New Equity Shares	–	0.01
	Interest Paid	(73.44)	(53.66)
	<b>Net Cash from Financing Activities</b>	<b>480.69</b>	<b>1,098.65</b>
	<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b>(42.36)</b>	<b>(73.21)</b>
	<b>Cash &amp; Cash Equivalents (Opening)</b>	<b>206.25</b>	<b>279.47</b>
	<b>Cash &amp; Cash Equivalents (Closing)</b>	<b>163.89</b>	<b>206.25</b>

### NOTES:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents at the year end consist of Cash in Hand and Balances with Banks as follows:

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
Cash & Cash Equivalent (As per Schedule "I")	127.86	152.13
Add: Unrealised Gain / (Loss) in Banks Accounts	(1.21)	0.01
Add: Fixed Deposits under Lien	37.24	54.11
<b>Total</b>	<b>163.89</b>	<b>206.25</b>

- Figures in brackets represents outflows.
- Previous Year figures have been recast/restated wherever necessary.

As per our attached report of even date

For **HARIBHAKTI & CO.**  
Chartered Accountants

**Sarah George**  
Partner  
Membership No. 45255

Place: Betegaon  
Date: 20th May, 2011

For and on behalf of the Board of Directors

**Atit Agarwal**  
Director

**R.K. Pandey**  
Director

Place: Betegaon  
Date: 20th May, 2011

## Schedules forming part of the accounts for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE - A : Share Capital</b>		
<b>Authorised</b>		
80,000,000 (P.Y. 80,000,000) Equity Shares of Rs. 10/- each	800.00	800.00
	<b>800.00</b>	<b>800.00</b>
<b>Issued, Subscribed &amp; Paid-up</b>		
19,047,160 (P.Y. 19,047,160) Equity Shares of Rs. 10/- each fully paid-up. (Of the above 18,582,400 Equity Shares of Rs. 10/- each have been allotted as Bonus Shares by capitalisation of Profit and Loss Account in F.Y. 2007-08)	190.47	190.47
(Of the above 1,64,00,000 (P.Y. 1,64,00,000) Equity Shares of Rs. 10/- each are held by Holding Company Responsive Industries Limited)		
(Of the above 2,624,000 (P.Y. 2,624,000) Equity Shares of Rs. 10/- each are held by Ultimate Holding Company Wellknown Business Ventures Private Limited)		
	<b>190.47</b>	<b>190.47</b>
<b>SCHEDULE - B : Reserves and Surplus</b>		
<b>Capital Reserve Account</b>		
Balance as per last account	2.51	2.51
<b>Securities Premium Account</b>		
Balance as per last account	36.54	36.54
<b>Profit and Loss Account</b>	1,160.59	727.18
	<b>1,199.64</b>	<b>766.26</b>
<b>SCHEDULE - C : Secured Loans (Refer Note 4 to Schedule "T")</b>		
Term Loan from Banks	121.33	161.61
Working Capital Loans from Banks	390.76	182.21
<b>Other Loans</b>		
Foreign Currency Loans	261.79	281.87
Buyer Credit with ING Vysya Bank	16.94	-
Vehicle Loans	28.74	-
	<b>819.56</b>	<b>625.69</b>
<b>SCHEDULE - D : Unsecured Loans</b>		
0% (P.Y. 0%) 2,577 (P. Y. 2,577) Compulsorily Convertible		
Debentures of Rs. 100,000/- each	257.70	257.70
0.01% (P.Y. 12%) 6,043 (P.Y. 6,043 ) Compulsorily Convertible		
Debentures of Rs. 100,000/- each	604.30	604.30
0.01% (P.Y. 0.015%) 1,192 (P.Y. 1,192) Compulsorily Convertible		
Debentures of Rs. 100,000/- each	119.20	119.20
0.01% (P.Y. 15.5%) 2,885 (P.Y. 2,885) Compulsorily Convertible		
Debentures of Rs. 100,000/- each.	288.50	288.50
	<b>1,269.70</b>	<b>1,269.70</b>

# Schedules

forming part of the accounts for the year ended 31st March, 2011

## SCHEDULE - E : Fixed Assets (At cost less depreciation)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As At 1st April, 2010	Additions During the year	Deductions During the year	As at 31st March, 2011	Up to 31st March, 2010	For the year ending March, 2011	As at 31st March, 2011	As At 31st March, 2010
Factory Buildings	58.07	-	-	58.07	2.49	1.94	53.64	55.58
Plant & Machinery	1,610.95	745.92	-	2,356.87	216.22	243.66	1,896.99	1,394.74
Electrical Installations	4.58	0.32	-	4.90	1.13	0.23	3.54	3.45
Furniture & Fixtures	0.37	0.00	-	0.37	0.11	0.02	0.24	0.25
Office Equipments	1.06	0.52	-	1.58	0.23	0.06	1.29	0.83
Computers	0.16	-	-	0.16	0.07	0.03	0.06	0.09
Motor Cars	3.14	8.81	0.56	11.39	1.11	0.38	10.25	2.03
Motor Trucks	2.54	15.20	-	17.74	1.87	1.07	14.80	0.67
Weighing Scale	-	0.04	-	0.04	-	0.00	0.04	-
<b>Total (Rs.)</b>	<b>1,680.87</b>	<b>770.81</b>	<b>0.56</b>	<b>2,451.12</b>	<b>223.23</b>	<b>247.39</b>	<b>1,980.85</b>	<b>1,457.64</b>
<b>Previous Year (Rs.)</b>	<b>1,102.30</b>	<b>578.57</b>	<b>-</b>	<b>1,680.87</b>	<b>103.12</b>	<b>120.11</b>	<b>1,457.64</b>	<b>-</b>

Note: Additions in Plant and Machineries reflects Rs. Nil towards Foreign Exchange Fluctuations Gains which has been depreciated during the year.  
(P.Y. Rs. 8.3 Million).



# Schedules

forming part of the accounts for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE - F : Investments</b>		
(As per Annexure "1")	94.29	100.27
	<b>94.29</b>	<b>100.27</b>
<b>SCHEDULE - G: Inventories</b>		
(As taken, valued and certified by the management)		
Raw Materials	97.12	99.10
Stores & Spares	2.87	2.62
Packing Materials	0.38	0.07
Stock in Process	29.86	12.55
Finished Goods	10.46	10.66
	<b>140.69</b>	<b>125.00</b>
<b>SCHEDULE - H: Sundry Debtors</b>		
(Unsecured)		
(a) Debts outstanding for a period of more than six months		
Considered Good	-	0.43
Considered Doubtful	0.41	-
	0.41	0.43
(b) Other Debts (Considered Good)	758.75	588.63
	759.16	589.06
Less: Provision for Doubtful Debts	0.41	-
	<b>758.75</b>	<b>589.06</b>
<b>SCHEDULE - I : Cash and Bank Balances</b>		
Cash on hand	1.06	8.91
<b>Balances with Scheduled Banks</b>		
In Current Accounts	89.57	89.07
In Fixed Deposit Accounts **	37.24	54.15
** [ Includes Rs. 37.24 Million (P.Y. Rs. 54.11 Million) over which bank has lien]		
	<b>127.87</b>	<b>152.13</b>
<b>SCHEDULE - J : Loans and Advances</b>		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	89.17	50.34
Balance with Customs, Excise, etc.	5.26	10.03
Deposits	13.96	11.82
	<b>108.39</b>	<b>72.19</b>

# Schedules

forming part of the accounts for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE - K : Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors		
- Due to Micro, Small and Medium Enterprises (Refer Note 16 to Schedule 'T')		
- Others	154.61	197.40
Advance received from Customers	2.14	8.62
Other Liabilities	23.65	41.20
	<b>180.40</b>	<b>247.23</b>
<b>Provisions</b>		
Provision for Gratuity	0.69	-
Provision For Taxation (Net of Advance Tax)	24.66	40.75
Proposed Dividend	3.81	3.81
Provision for Dividend Distribution Tax	0.62	0.63
	<b>29.78</b>	<b>45.19</b>
	<b>210.18</b>	<b>292.42</b>

Particulars	(Rs. in Million)	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>SCHEDULE - L : Other Income</b>		
Interest on Fixed Deposits [TDS Rs. 0.11 Million (P.Y. Rs. 0.51 Million)]	1.11	3.08
Other Interest Income [TDS Rs. 0.03 Million (P.Y. Rs. 0.05 Million)]	4.42	2.14
Excise Duty Refund Received	-	6.79
Dividends	0.45	0.45
Commission Received [TDS Rs. 0.02 Million (P.Y. Rs. Nil)]	0.24	-
Insurance Claim Received	-	2.94
Gain on Exchange Rate Fluctuation (Net)	29.49	7.16
Miscellaneous Income	1.41	0.78
	<b>37.12</b>	<b>23.34</b>

# Schedules

forming part of the accounts for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>SCHEDULE - M : Increase / (Decrease) in Stocks</b>		
<b>Closing Stocks</b>		
Finished Goods	10.46	10.66
Stock in process	29.86	12.55
	<b>40.32</b>	<b>23.21</b>
<b>Less: Opening Stocks</b>		
Finished Goods	10.66	2.73
Stock in process	12.55	19.79
	23.21	22.52
	<b>17.11</b>	<b>0.69</b>
<b>SCHEDULE - N : Cost of Raw Materials Consumed</b>		
Opening Stock	99.10	22.05
Add: Purchases	4,156.93	2,908.71
	4,256.03	2,930.77
Less: Closing Stock	97.12	99.10
	4,158.91	2,831.67
	<b>4,158.91</b>	<b>2,831.67</b>
<b>SCHEDULE - O : Manufacturing &amp; Other Expenses</b>		
Power & Fuel	38.90	30.99
Loading & Unloading Charges	25.89	22.51
Stores, Spares & Packing Material Consumed	20.20	11.43
Repairs & Maintenance (Machinery)	5.25	4.97
Repairs & Maintenance (Buildings)	-	1.20
Other Manufacturing Expenses	4.94	8.11
	<b>95.18</b>	<b>79.21</b>
<b>SCHEDULE - P : Personnel Costs</b>		
Salaries, Wages, Bonus & Allowances	11.40	9.36
Contribution to Provident & Other Funds	0.17	0.14
Workmen & Staff Welfare Expenses	0.15	0.35
	<b>11.72</b>	<b>9.85</b>

# Schedules

forming part of the accounts for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>SCHEDULE - Q : Administration &amp; Other Expenses</b>		
Rent, Rates & Taxes	9.37	8.67
Insurance	1.79	1.32
Communication Costs	1.38	1.61
Printing & Stationery	0.68	0.56
Travelling & Conveyance	4.07	0.98
Vehicle Expenses	0.07	0.28
Provision for Doubtful Debts	0.41	-
Provision for Diminution in Investments	6.00	-
Loss on Sale / Discard of Assets	0.13	-
Legal & Professional Charges	17.91	17.49
Auditor's Remuneration	0.80	0.80
Miscellaneous Expenses	5.02	6.08
	<b>47.63</b>	<b>37.79</b>
<b>SCHEDULE - R : Selling and Marketing Expenses</b>		
Freight & Forwarding Charges	25.60	18.07
Sales Promotion Expenses	2.28	2.91
Brokerage, Commission & Discount	0.06	0.44
	<b>27.94</b>	<b>21.43</b>
<b>SCHEDULE - S : Interest and Finance Charges</b>		
Interest on Term Loans	16.89	21.74
Interest on Debentures	29.65	8.49
Interest on Buyer Credit	0.12	-
Interest on Foreign Currency Loans	9.87	5.56
Interest to Banks on Working Capital Loans	8.60	11.68
Interest on Vehicle Loans from Banks	0.92	-
Bank Charges	7.39	6.20
	<b>73.44</b>	<b>53.66</b>

# Annexure 1

to the Schedule "F" forming part of the accounts for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
<b>INVESTMENTS</b>		
<b>LONG TERM INVESTMENTS</b>		
<b>NON TRADE</b>		
<b>(A) Quoted in Equity Shares of Rs. 10/- each fully paid up unless otherwise stated</b>		
Creative Eyes Limited	0.27	0.27
10,000 Shares (P.Y. 10,000 Shares)		
Energy Development Limited	0.51	0.51
5,000 Shares (P.Y. 5,000 Shares)		
Power Grid Corporation Limited	0.08	0.08
500 Shares (P.Y. 500 Shares)		
Mavi Industries Ltd.	0.33	0.33
36,750 Shares (P.Y. 36,750 Shares)		
Reliance Industrial Infrastructure Limited	2.64	2.64
1,000 Shares (P.Y. 1,000 Shares)		
In Holding Company		
Responsive Industries Limited	66.45	66.45
4,418,330 Shares (P.Y. 4,418,330) Shares of Re. 1/- each		
<b>(B) Unquoted</b>		
Barclays Securities (India) Private Limited - PMS		
30 Units (P.Y. 30 Units)	30.00	
Less : Provision for Dimunition in Investment	5.99	
<b>Total</b>	<b>94.29</b>	<b>100.27</b>
Aggregate amount of Unquoted Investments (At Cost)	30.00	30.00
Aggregate amount of Quoted Investments (At Cost)	70.27	70.27
Aggregate amount of Quoted Investments (At Market Value)	408.98	382.46

# Schedules forming part of the accounts for the year ended 31st March, 2011

## SCHEDULE: "T"

### I. Company Overview

Axiom Cordages Limited ('ACL' or 'the Company'), a subsidiary of Responsive Industries Limited (RIL) is a major producer and supplier in the synthetic rope manufacturing industry. Application for synthetic ropes includes mooring and towing of ships & rigs and bays in the construction industry.

### II. Significant Accounting Policies

#### a) Basis of Preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with Generally Accepted Accounting Principles under the historical cost convention on an accrual basis and in accordance with the applicable accounting standards issued by The Institute of Chartered Accountants of India. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

The Company follows the mercantile system of accounting in general and recognises income and expenditure on accrual basis except as otherwise stated.

#### b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial

statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between actual results and estimates are recognised in the period in which the results are known / materialised.

#### c) Inventories

Inventories are valued at lower of cost or net realisable value. Materials-in-transit are valued at cost-to-date. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition including excise duty payable on goods produced. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. The cost formulae used for determination of cost is 'First in First Out' (FIFO)

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### d) Cash Flow Statement

The Cash Flow Statement is prepared by the "indirect method" set-out in Accounting Standard 3 on "Cash Flow Statement" and presents the Cash Flows by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered, highly liquid bank balances.

#### e) Revenue Recognition

- (i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.

## Schedules forming part of the accounts for the year ended 31st March, 2011

(ii) Revenue from sale of goods is recognised when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales are net of Sales Tax/Value Added Tax. Excise Duty recovered is presented as a reduction from gross turnover.

(iii) Revenue in respect of export sales is recognised on the basis of dispatch of goods for exports.(i.e. on the date of Bill of Lading).

(iv) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(v) Dividend income is recognised when the shareholders' right to receive payment is established by the Balance Sheet date. Dividend from subsidiaries is recognised even if same are declared after the Balance Sheet date but pertains to period on or before the date of Balance Sheet as per the requirement of schedule VI of the Companies Act, 1956.

(vi) Other Income is accounted for on accrual basis, when certainty of receipt is established.

### f) Fixed Assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Cost of acquisition comprise all costs incurred to bring the assets to their location and working condition upto the date assets are put to use. Cost of construction comprise of those costs that relate directly to specific assets and

those that are attributable to the construction activity in general and can be allocated to specific assets upto the date the assets are put to use.

### g) Depreciation & Amortisation

Depreciation on fixed assets is provided on Straight-line method, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. The Company provides pro-rata depreciation for additions / deletions made during the reporting period, except for the asset each costing Rs. 5000 or less, for which depreciation is provided at hundred percent.

### h) Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### i) Foreign Currency Transactions

#### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

# Schedules forming part of the accounts for the year ended 31st March, 2011

## Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

## Exchange Differences

The gains or losses resulting from such translations are included in the Profit and Loss Account. Revenue, expense and cash flow items denominated in foreign currency are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction. Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled, except to the extent, relating to fixed assets are adjusted to carrying value of fixed assets.

### j) Investments

Investments that are readily realisable and intended to be held generally for not more than a year are classified as current investment. All other investments are classified as long term investment. Current investment is carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the Investment.

### k) Employee Benefits

Employee benefits such as salaries, allowances, non-monetary benefits and employee benefits

under defined contribution plans such as provident fund and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the Profit and Loss Account in the period in which the service is rendered.

Employee benefits under defined benefit plans, such as gratuity which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the project unit cost method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. The Company's obligations recognised in the Balance Sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

### l) Borrowing Cost

Borrowing cost attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalised as part of the cost of such assets upto the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

### m) Segment Reporting

#### Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.



# Schedules

forming part of the accounts for the year ended 31st March, 2011

## Inter segment Transfers

The Company generally accounts for inter segment transfers at cost.

## Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

## Unallocated items

Includes general corporate income and expense items which are not allocated to any business segment.

## Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### n) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

### o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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, except when the results would be anti-dilutive.

### p) Accounting For Taxation on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Income taxes are accrued at the same period in which the related revenue and expense arise. A provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available

# Schedules forming part of the accounts for the year ended 31st March, 2011

against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

MAT paid in accordance with the tax laws, which give rise to the future economic benefits in the form of tax credit against future income tax liability, is not recognised as an asset in the Balance Sheet.

## q) Provisions, Contingent Liabilities & Contingent Assets

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

## III. Notes to Accounts

1. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated in the financial statements and are realisable in the ordinary course of business. The provision for all known liabilities is adequate.
2. In respect of balance confirmations sought by the Company from various parties reflected under Sundry Debtors, Sundry Creditors and Loans & Advances, some have responded to the request of the Company. As such balances of Sundry Debtors, Sundry Creditors and Loans & Advances are taken as appearing in the books of accounts and are subject to confirmation and reconciliation, if any. Consequential impact, if any, will be considered as and when determined.
3. No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements at that date or for the period then ended, other than those reflected or fully disclosed in the books of account.
4. **Secured Loans**
  - i. **Term Loans from Banks**  
It is secured by Equitable Mortgage on Company's Leasehold Land including all plant & machinery, spares, tools, accessories, equipment, furniture, fixtures & fittings both present & future.
  - ii. **Working Capital Loan from Banks**  
It is secured by first charge in the form of Floating charge on Book Debts & Movable Property. Further secured by second ranking pari passu charge on entire movable Fixed Assets of the Company both present & future.

## Schedules forming part of the accounts for the year ended 31st March, 2011

### iii. Foreign Currency Loans

It include External Commercial Borrowings by the Company and the same is secured by way of (i) first rank pari passu over the Immovable Property of the Company by way of equitable mortgage; and (ii) charge first rank pari passu over all the present and the future movable assets of the Company.

### iv. Buyer's Credit

It is secured by first pari passu charge on entire assets with other Banks and second ranking pari passu charge on entire movable fixed assets of the Company.

### v. Vehicle Loans

It is secured by specific assets.

5. During the year, in order to comply with the Accounting Standard (AS) 15 (Revised 2005) "Employee Benefits" as notified by the Companies Accounts Standard, Rule 2006, the method of accounting of Gratuity has been changed from cash basis to accrual basis of accounting and accordingly provision has been made as on 31st March, 2011. Gratuity has been provided on the basis of actuarial valuation. Due to change in this accounting policy, the profit for the year is lower by Rs. 0.69 Million having consequential effect on the Reserves and Surplus and Current Liabilities.

## Schedules forming part of the accounts for the year ended 31st March, 2011

6. As on 31st March, 2011, the rate of Interest on all interest bearing CCD's is reduced to 0.01 %.

### 7. Disclosure as per AS-15 Revised

The principal assumptions used in the actuarial valuation of Gratuity are as follows:

Discount rate	8.25 %
Attrition rate	2.00 %
Expected rate of future salary increase	6.00 %

#### Change in present value of defined benefit obligation (Rs. in Million)

Present value of obligation as at 1st April, 2010	Nil
Interest Cost	0.06
Current Service Cost	0.67
Benefits paid	Nil
Actuarial (gain) / loss on obligations	(0.04)
Present Value of obligation as at 31st March, 2011	0.69

#### Amount recognised in the Balance Sheet (Rs. in Million)

Present value of obligation as at 31st March, 2011	0.69
Fair Value of plan assets as at the end of the year	Nil
Funded status	Nil
Unrecognised Past Service Cost as at 31st March, 2011	Nil
Unrecognised Transitional Liability as at 31st March, 2011	Nil
Net (Assets)/ Liability recognised in the Balance Sheet	0.69

#### Expenses recognised in the Profit and Loss Account (Rs. in Million)

Current Service Cost	0.67
Past Service Cost	Nil
Interest Cost	0.06
Expected return on plan assets	Nil
Net Actuarial (Gain)/ loss recognised during the year	(0.04)
Total Expenses recognised in the Profit and Loss Account	0.69

#### Balance Sheet Reconciliation (Rs. in Million)

Opening Net Liability	Nil
Expenses as above	0.69
Net Transfer In	Nil
(Net Transfer Out)	Nil
Employer's Contribution	Nil
Net Liability Recognised in the Balance Sheet	0.69

## Schedules forming part of the accounts for the year ended 31st March, 2011

Other Disclosures	(Rs. in Million)
Defined Benefit Obligation	0.69
Plan Assets	Nil
Surplus / (Deficit)	0.69
Experience Adjustments on Plan Liabilities – Loss	Nil
Experience Adjustments on Plan Liabilities – Gain	0.04

Since, the Company has started providing the gratuity as per AS-15 (Revised) from 2010-11, figures are given only for current year

The Company expects to contribute Rs. Nil to its Gratuity Plan for the next year.

In assessing the Company's Post Retirement Liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables. The base being the LIC 1994-96 ultimate tables.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

### 8. Director's Remuneration

(Rs. in Million)

Particulars

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
a) Executive Director		
Salary	3.18	2.90
Company's contribution to Provident and other funds	Nil	Nil
Other perquisites	Nil	Nil
<b>Total</b>	<b>3.18</b>	<b>2.90</b>
b) Non-Executive Director:		
Sitting Fees	Nil	Nil

Note:

- As the liabilities for gratuity are provided on actuarial basis for the Company as a whole the amounts pertaining to the Directors is not ascertainable & therefore not included above.
- Since no commission is payable to any managerial person, computation of net profit u/s 349 of the Companies Act, 1956 is not given.

# Schedules

forming part of the accounts for the year ended 31st March, 2011

## 9. Auditor's Remuneration (excluding Service Tax)

(Rs. in Million)		
Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Audit Fees	0.80	0.80
Certification work	Nil	Nil
Out-of-pocket expenses	0.052	0.004
<b>Total</b>	<b>0.852</b>	<b>0.804</b>

## 10. Taxes on Income

The Deferred Tax Liability as on 31st March, 2011 comprises of

(Rs. in Million)			
Sr. No.	Particulars	As at 31st March, 2010	Adjustment during the year
1	Depreciation	101.24	61.77
2	Disallowances u/s 40(a)(ia)	(0.10)	-
3	Expenses allowed on payment basis	-	(0.23)
4	Others	-	(2.13)
	<b>Deferred Tax Liability</b>	<b>101.14</b>	<b>59.41</b>
			<b>160.55</b>

## 11. Earning Per Share (As per AS – 20)

### i) Basic EPS

(Rs. in Million)		
Sr. No.	Particulars	Year Ended 31st March, 2011
A	Net Profit after tax available for equity shareholders (Rupees) used as Numerator	437.83
B	Weighted Average number of Equity Shares used as Denominator	1,90,47,160
C	Basic earning per share (in Rupees)	<b>22.99</b>
		<b>15.06</b>

### ii) Diluted EPS

(Rs. in Million)		
Sr. No.	Particulars	Year Ended 31st March, 2011
A	Net Profit after tax available for equity shareholders (Rupees) used as Numerator	437.83
B	Weighted Average number of Equity Shares used as Denominator	3,38,11,113
C	Diluted earning per share (in Rupees)	<b>12.95</b>
		<b>12.97</b>

# Schedules forming part of the accounts for the year ended 31st March, 2011

## 12. Related Party Disclosures

### (a) Key Management Personnel

Mr. Atit Agarwal	Whole-time Director
Mrs. Swati Agarwal	Whole-time Director
Mr. Rajesh Pandey	Director

### (b) Relatives of key management personnel

Sharadkumar Agarwal H.U.F
Om Prakash Agarwal H.U.F

### (c) Enterprise owned or significantly influenced by Key Management Personnel or their relatives:

- (i) One Source Trading Company LLP (with effect from 25th March, 2011)
- (ii) One Source Enterprises LLP
- (iii) AA Superior Enterprises LLP

### (d) Holding Company, Ultimate Holding Company:

- (i) Responsive Industries Limited: Holding Company
- (ii) Wellknown Business Ventures Private Limited: Ultimate Holding Company.

There are no transactions during the current year with the related parties mentioned in (c) and (d) (ii).

Following are the transactions with the related parties mentioned in (a), (b), and (d) (i) above

Nature of Transactions	(Rs. in Million)					
	In relation to (a) above		In relation to (b) above		In relation to (d) (i) above	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Loans and Advances Given	Nil	Nil	12.00	Nil	576.42	918.18
Loans and Advances Received Back	Nil	Nil	12.00	Nil	576.42	918.18
Rent Expenses	Nil	Nil	Nil	Nil	0.60	0.60
Sales	Nil	Nil	Nil	Nil	585.51	528.10
Purchases	Nil	Nil	Nil	Nil	38.56	72.48
Remuneration to Directors	3.18	2.90	Nil	Nil	Nil	Nil
<b>Amount Outstanding at the end of the year</b>						
Deposit Receivable	Nil	Nil	Nil	Nil	5.00	5.00
Amount Payable	0.07	Nil	Nil	Nil	0.045	0.09

### Notes

- i) In case of (a) above, Rs. 1.2 Million is given to Atit & Swati Agarwal each in current year as well as previous year & Rs. 0.78 Million is given to Rajesh Pandey as Directors Remuneration in current Year & Rs. 0.50 Million in previous year.
- ii) In case of (b) above, Rs. 11.70 Million is given & received back from Om Prakash Agarwal HUF & Rs. 0.30 Million is given & received back from Sharad Kumar Agarwal HUF in current year.
- iii) Related Parties as disclosed by Management and relied upon by auditors.
- iv) No amount pertaining to related parties have been provided for as doubtful debts. Also, no amount has been written off / back which was due from / to related parties.

# Schedules

forming part of the accounts for the year ended 31st March, 2011

## 13. Additional Information Pursuant to the Provision of Part II of the Schedule VI of the Companies Act 1956.

### a. C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currencies

		(Amount in Million)	
Sr. No.	Particulars	Year ended 31st March, 2011	Year ended 31st March, 2010
<b>i)</b>	<b>C.I.F. Value of Imports</b>		
a)	Purchases of Raw Material	1,350.55	1,211.62
b)	Stores and Components	2.45	1.72
c)	Capital Goods	1,007.58	973.15
<b>ii)</b>	<b>Expenditure in Foreign Currency (Accrual Basis)</b>		
a)	Freight – Exports	19.73	12.04
b)	Bank Charges	0.58	0.33
c)	Export Commission	0.05	0.20
d)	Legal and Professional Charges	2.95	2.24
e)	Exhibition Expenses	0.04	0.62
f)	Interest on ECB	9.87	5.55
g)	Interest on CCD's	29.65	3.46
<b>iii)</b>	<b>Earnings in Foreign Currencies (Accrual Basis)</b>		
	Export Sales – F.O.B.	3,176.08	1,772.42

### b. Value of Imported and Indigenous Raw Materials, Stores & Spares consumed during the year.

#### Raw Materials

Raw Materials			(Rs. in Million)		
Sr. No.	Description	Current Year		Previous year	
		%	Amount	%	Amount
i.	Imported	33	1,384.71	42	1,200.19
ii.	Indigenous	67	2,774.20	58	1,631.48
		100	4,158.91	100	2,831.67

#### Stores & Spares

Stores & Spares			(Rs. in Million)		
Sr. No.	Description	Current Year		Previous year	
		%	Amount	%	Amount
i.	Imported	12	2.51	15	1.76
ii.	Indigenous	88	17.69	85	9.67
		100	20.20	100	11.43



# Schedules

forming part of the accounts for the year ended 31st March, 2011

## 14. Foreign Currency Exposure (Unhedged)

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Sr. No.	Particulars	(Amount in Million)			
		Year ended 31st March, 2011		Year ended 31st March, 2010	
		Amount in \$	Amount in Rs.	Amount in \$	Amount in Rs.
i)	Debtors	\$ 13.79	614.51	\$ 12.54	565.55
ii)	Advance from Debtors	\$ 0.04	1.82	\$ 0.19	8.57
iii)	Creditors	\$ 10.82	482.33	\$ 3.68	165.97
iv)	Advance to Creditors	\$ 0.38	16.82	\$ 0.35	15.79

## 15. Segmental Information

### Primary (Business) Segment

As the Company's business consists of one reportable business segment of Manufacturing and Selling of Synthetic Ropes of different polymers & combination and hence, no separate disclosure pertaining to attributable Revenues, Profits, Assets, Liabilities and Capital employed are given.

### Secondary (Geographical) Segment

Secondary segment reporting is performed on the basis of geographical location of the customers. The operation of the Company comprises of local sales and export sales. The Management views the Indian market and Export market as distinct geographical segments. The following is the distribution of the Company's sales by geographical markets :

Sales	(Rs. in Million)	
	For the year ended on 31st March, 2011	For the year ended on 31st March, 2010
India	2,036.19	1,753.44
Export	3,195.82	1,772.42
<b>Total</b>	<b>5,232.01</b>	<b>3,525.86</b>

The following is the carrying amount of segment assets by geographical are in which the assets are located.

Assets	(Rs. in Million)	
	For the year ended on 31st March, 2011	For the year ended on 31st March, 2010
India	3,607.68	2,748.82
Outside India *	614.51	565.39
<b>Total</b>	<b>4,222.19</b>	<b>3,314.21</b>

# Schedules

forming part of the accounts for the year ended 31st March, 2011

The following is the amount of Capital Expenditure incurred segment-wise.

Capital Expenditure	(Rs. in Million)	
	As at 31.03.2011	As at 31.03.2010
India	1,032.24	1,036.81
Outside India	Nil	Nil
<b>Total</b>	<b>1,032.24</b>	<b>1,036.81</b>

\* Carrying amount of Segment assets outside India represents receivables from export sales.

16. As on 31st March 2011, there are no amounts due to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those Suppliers who have responded to the enquiries made by the Company for this purpose.

## 17. Disclosure as per AS-19

As lessee: Future Rental obligations in respect of premises taken on lease – Operating Lease.

Particulars	31st March, 2011	31st March, 2010
Less than 1 year	Rs. 9.02 Million	Rs. 9.21 Million
More than 1 year but less than 5 years	Rs. 2.40 Million	Rs. 10.82 Million
More than 5 years	Rs. 0.60 Million	Rs. 1.20 Million

Lease rentals charged to revenue for the current year Rs. 9.21 Million (Previous Year 8.48 Million).

These comprise factory land, residential flats, office premises & usage of office equipments. The agreements for lease are executed for tenure of 11 to 72 months.

## 18. Net dividend remitted in foreign currency

(Amount in Rs.)				
Year to which it relates	Year in which payment made	No. of Non-Resident Shareholders	No. of Equity Shares held	Dividend remitted (Rs.)
2009-10	2010-11	2	200	40

19. The previous year's figures have been regrouped, rearranged, reclassified and reworked wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For and on behalf of the Board of Directors

**Atit Agarwal**  
Director

**R.K. Pandey**  
Director

Place: Betegaon  
Date: 20th May, 2011

## Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956

# Balance Sheet Abstract and Company's Business Profile

### I) REGISTRATION DETAILS

Registration No. U 2 5 2 0 9 M H 1 9 9 9 P L C 1 1 9 4 2 7

State Code 1 1 Balance Sheet Date 3 1 . 0 3 . 2 0 1 1

### II) CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES MILLION)

Public Issue N I L Rights Issue N I L

Bonus Issue N I L Private Placement N I L

### III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RUPEES MILLION)

Total Liabilities 4 0 1 2 . 0 2 Total Assets 4 0 1 2 . 0 2

#### SOURCES OF FUNDS

Paid Up Capital 1 9 0 . 4 7 Reserves and Surplus 1 1 9 9 . 6 6

Secured Loans 8 1 9 . 5 6 Unsecured Loans 1 2 6 9 . 7 0

Share Application Money N I L Supplier's Credit 3 7 2 . 0 8

Deferred Tax Liabilities 1 6 0 . 5 5

#### APPLICATION OF FUNDS

Net Fixed Assets 2 9 9 2 . 2 2 Investments 9 4 . 2 7

Net Current Assets 9 2 5 . 5 2 Miscellaneous Expenditure N I L

### IV) PERFORMANCE OF COMPANY

Turnover 5 2 8 6 . 2 4 Total Expenditure 4 6 6 2 . 2 1

Profit/(Loss) before Tax 6 2 4 . 0 3 Profit/(Loss) After Tax 4 3 7 . 8 3

Earning per Share in Rs. 2 2 . 9 9 Dividends Rate ( %) 2 . 0 0

### V) GENERIC NAMES OF ONE PRINCIPAL PRODUCT/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. 3 1 3 1 Product Description H D P E / P P  
R O P E S

For and on behalf of the Board of Directors

**Atit Agarwal**

Director

**R.K. Pandey**

Director

Place: Betegaon

Date: 20th May, 2011

## Notes

## Notes

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# Consolidated

## FINANCIAL STATEMENTS

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# Consolidated Auditors' Report

To

Auditors' Report to the Board of Directors of

**Responsive Industries Limited** on the Consolidated  
Financial Statements

1. We have audited the attached Consolidated Balance Sheet of Responsive Industries Limited ("the Company") and its Subsidiary (collectively referred to as "the group") as at 31st March, 2011 and also the consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated financial statements" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
4. In our opinion and to the best of our information and according to the explanations given to us, the said consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India.
  - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
  - (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Haribhakti & Co.**

*Chartered Accountants*

FRN 103523W

**Sarah George**

*Partner*

Membership No. 45255

Place: Mumbai

Date: 20th May, 2011



# Consolidated Balance Sheet

as at 31st March, 2011

Particulars	Schedule No.	(Rs. in Million)	
		As at 31st March, 2011	As at 31st March, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's Funds</b>			
Share Capital	A	257.23	243.50
Share Application Money (Pending Allocation)		584.72	760.22
Reserves & Surplus	B	3,644.31	2,082.92
		4,486.26	3,086.64
Minority Interest		212.93	136.47
<b>Loan Funds</b>			
Secured Loans	C	1,506.10	1,090.09
Unsecured Loans	D	1,012.00	1,712.00
Buyer Credit (In Foreign Currency)		985.69	1,018.39
<b>Deferred Tax Liabilities (Net)</b>		263.74	223.53
		<b>8,466.72</b>	<b>7,267.12</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	E		
Gross Block		5,392.30	4,577.75
Less: Depreciation		1,574.93	1,044.90
Net Block		3,817.37	3,532.85
Add: Capital Work in Progress (including Capital Advances)		3,354.31	1,961.41
		7,171.68	5,494.26
<b>Investments</b>	F	162.87	340.12
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	G	534.63	448.56
Sundry Debtors	H	903.38	1,067.02
Cash & Bank Balances	I	205.04	363.51
Loans & Advances	J	156.62	161.78
		1,799.67	2,040.87
<b>Less: Current Liabilities &amp; Provisions</b>	K		
Current Liabilities		586.18	488.96
Provisions		81.32	119.17
		667.50	608.13
<b>Net Current Assets</b>		1,132.17	1,432.74
Significant Accounting Policies & Notes Forming Part of the Accounts	S	<b>8,466.72</b>	<b>7,267.12</b>

As per our attached report of even date

For **HARIBHAKTI & CO.**  
Chartered Accountants**Sarah George**  
Partner

Membership No. 45255

Place: Betegaon  
Date: 20th May, 2011

For and on behalf of the Board of Directors

**Atit Agarwal**  
Director**Santosh Shinde**  
Director**Dhirajkumar Neve**  
Company SecretaryPlace: Betegaon  
Date: 20th May, 2011

# Consolidated Profit and Loss Account for the year ended 31st March, 2011

Particulars	Schedule No.	(Rs. in Million)	
		Year Ended 31st March, 2011	Year ended 31st March, 2010
<b>INCOME</b>			
Gross Sales		12,490.88	8,813.54
Less: Excise Duty		704.33	420.55
Net Sales		11,786.55	8,392.99
Other Income	L	125.45	97.88
Increase / (Decrease) in Stocks	M	8.58	(43.49)
		<b>11,920.58</b>	<b>8,447.38</b>
<b>EXPENDITURE</b>			
Manufacturing & Other Expenses	N	9,639.53	6,800.69
Personnel Costs	O	95.95	73.63
Administrative & Other Expenses	P	129.03	91.84
Selling & Marketing Expenses	Q	114.91	96.68
Interest & Finance Charges	R	111.48	95.00
Depreciation	E	530.87	373.13
		<b>10,621.77</b>	<b>7,530.97</b>
<b>Profit Before Tax</b>		<b>1,298.81</b>	<b>916.41</b>
Less: Provision for tax			
Current Tax		273.33	166.51
Deferred Tax Charge		40.21	80.76
Tax Adjustments for earlier years		(5.29)	2.19
<b>Profit After Tax</b>		<b>990.56</b>	<b>666.95</b>
Less: Prior Period Adjustment		4.16	-
Less: Minority Interest		76.45	41.28
Add: Profit brought forward from earlier years		1,605.56	1,013.22
		<b>2,515.51</b>	<b>1,638.89</b>
<b>Appropriation</b>			
Proposed Dividend		29.97	28.60
Dividend Distribution Tax		4.86	4.75
<b>Balance carried to Balance Sheet</b>		<b>2,480.68</b>	<b>1,605.54</b>
<b>Earnings Per Share of Re. 1 each (in Rs.)</b>			
Basic		3.84	2.69
Diluted		3.75	2.54
Significant Accounting Policies & Notes Forming Part of the Accounts	S		

As per our attached report of even date

For **HARIBHAKTI & CO.**  
Chartered Accountants

**Sarah George**  
Partner  
Membership No. 45255

Place: Betegaon  
Date: 20th May, 2011

For and on behalf of the Board of Directors

**Atit Agarwal**  
Director

**Santosh Shinde**  
Director

**Dhirajkumar Neve**  
Company Secretary

Place: Betegaon  
Date: 20th May, 2011

# Consolidated Cash Flow Statement for the year ended 31st March, 2011

Sr. No.	Particulars	(Rs. in Million)	
		Year ended 31st March, 2011	Year ended 31st March, 2010
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	<b>Net Profit Before Tax</b>	<b>1,298.79</b>	<b>916.42</b>
	<b>Adjustments For:</b>		
	Depreciation	530.87	373.13
	Loss on Sale of Fixed Assets	0.59	0.26
	Provision For Bad Debts	10.19	3.71
	Interest Expense	111.48	95.00
	Interest Income	(14.59)	(24.30)
	Dividend Income	(4.22)	(4.16)
	Provision for Gratuity	2.02	-
	Provision for Diminution in Value of Investment	8.01	-
	(Profit) on Sale of Investment	-	(0.71)
	Unrealised (Gain) on Foreign Exchange	(15.48)	(4.21)
	<b>Operating Profit Before Working Capital Changes</b>	<b>1,927.66</b>	<b>1,355.14</b>
	<b>Adjustment For:</b>		
	Inventories	(86.07)	(171.07)
	Trade & Other Receivables	151.45	(895.64)
	Loans and Advances	5.16	281.60
	Trade Payables	54.07	(726.58)
	<b>Cash Generated From Operations</b>	<b>2,052.27</b>	<b>(156.55)</b>
	Income Tax Paid	(268.07)	(17.21)
	<b>Net Cash From Operating Activities</b>	<b>1,784.20</b>	<b>(173.76)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Purchase of Fixed Assets (Including Capital Advances)	(2,209.27)	(2,740.12)
	Sale of Fixed Assets	0.48	0.24
	Interest Received	14.58	24.30
	Dividend Income	4.22	4.16
	Sale / (Purchase) of Investments	169.24	(295.29)
	Loss on sale of Investments	-	0.71
	<b>Net Cash Used in Investing Activities</b>	<b>(2,020.75)</b>	<b>(3,006.01)</b>

# Consolidated Cash Flow Statement

for the year ended 31st March, 2011 (Contd.)

Sr. No.	Particulars	(Rs. in Million)	
		Year ended 31st March, 2011	Year ended 31st March, 2010
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Interest Paid	(111.48)	(95.00)
	Deferred Suppliers Credit and Proceeds from Borrowings	(33.12)	1,018.39
	(Repayment) / Receipt of Loans	(269.66)	1,541.91
	Dividend Paid (Including Dividend Distribution Tax)	(33.35)	(33.46)
	Increase / (Decrease) in Fixed Deposits pledged against Letter of Credit	18.93	(92.18)
	(Payment) / Receipt of Share Application Money	(175.50)	760.22
	Issue of Share Capital	13.73	0.00
	Receipt of Share Premium	686.25	0.00
	Unrealised Gain on Foreign Exchange Fluctuation	-	-
	<b>Net Cash Used in Financing Activities</b>	<b>95.81</b>	<b>3,099.89</b>
	<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b>(140.75)</b>	<b>(79.88)</b>
	<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>271.34</b>	<b>351.22</b>
	<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>130.59</b>	<b>271.34</b>

## NOTES:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents at the year end consist of Cash in Hand and Balances with Banks as follows:

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
Cash & Cash Equivalent (As per Schedule "I")	205.04	363.51
Less: Unrealised Gain / (Loss) in Banks Accounts	1.20	(0.00)
Less: Fixed Deposits under Lien	73.25	92.18
<b>Total</b>	<b>130.59</b>	<b>271.34</b>

- Figures in brackets represents outflows.
- Previous Year figures have been recast/restated wherever necessary.

As per our attached report of even date

For **HARIBHAKTI & CO.**  
Chartered Accountants**Sarah George**  
Partner

Membership No. 45255

Place: Betegaon  
Date: 20th May, 2011

For and on behalf of the Board of Directors

**Atit Agarwal**  
Director**Santosh Shinde**  
Director**Dhirajkumar Neve**  
Company SecretaryPlace: Betegaon  
Date: 20th May, 2011

# Schedules

Forming Part of the Consolidated Balance Sheet as at 31st March, 2011

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE - A : Share Capital</b>		
<b>Authorised</b>		
420,000,000 (P.Y. 42,000,000 Equity Shares of Rs. 10/- each)	420.00	420.00
Equity Shares of Re. 1/- each		
	<b>420.00</b>	<b>420.00</b>
<b>Issued, Subscribed &amp; Paid-up</b>		
261,645,000 Equity Shares of Re. 1/- each fully paid up (P.Y. 24,792,000 Equity Shares of Rs. 10/- each fully paid up). Less: 441,833 numbers of Equity Shares held by Axiom Cordages Limited (Subsidiary Company) (Of the above 157,440,000 Equity Shares of Re. 1/- each (P.Y. 15,744,000 Equity Shares of Rs. 10/- each) have been allotted as Bonus Shares by capitalisation of reserves in F.Y. 2007-08.)	257.23	243.50
(Of the above 143,157,640 Equity Shares of Re. 1/- each (P.Y. 14,315,764 Equity Shares of Rs. 10/- each) are held by the holding company Wellknown Business Ventures Private Limited)		
	<b>257.23</b>	<b>243.50</b>
<b>SCHEDULE - B : Reserves and Surplus</b>		
Capital Reserve - Opening Balance	1.38	1.38
Capital Reserve (on Consolidation)	303.16	303.16
Securities Premium - Opening Balance	172.74	172.74
Add: Amount received during the year	686.25	0.00
	858.99	172.74
General Reserve	0.10	0.10
Profit and Loss Account	2,480.68	1,605.54
	<b>3,644.31</b>	<b>2,082.92</b>
<b>SCHEDULE - C : Secured Loans (Refer Note 4 to Schedule "S")</b>		
Term Loan from Bank	121.33	161.61
Working Capital Loan from Banks	971.62	550.40
External Commercial Borrowing	261.80	281.87
Vehicle Loans	47.36	6.21
Buyer's Credit from Banks	103.99	-
Other Loan	-	90.00
	<b>1,506.10</b>	<b>1,090.09</b>
<b>SCHEDULE - D : Unsecured Loans</b>		
0% Nil (P.Y. 7000) Compulsorily Convertible Debentures of Rs. 100,000/- each	-	700.00
0.01 % (P.Y. 12 %) 6,043 ( P.Y. 6,043) Compulsorily Convertible Debentures of Rs. 100,000/- each	604.30	604.30
0.01 % (P.Y. 0.015 %) 1,192 (P.Y. 1,192) Compulsorily Convertible Debentures of Rs. 100,000/- each	119.20	119.20
0.01 % (P.Y. 15.5 %) 2,885 (P.Y. 2,285) Compulsorily Convertible Debentures of Rs. 100,000/- each	288.50	288.50
	<b>1,012.00</b>	<b>1,712.00</b>

# Schedules

Forming Part of the Consolidated Balance Sheet as at 31st March, 2011

## SCHEDULE - E : Fixed Assets (At Cost Less Depreciation)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As At 1st April, 2010	Additions During the year	Deductions During the year	As at 31st March, 2011	Up to 31st March, 2010	For the year during the year	Up to 31st March, 2011	As at 31st March, 2010
Land	78.10	-	-	78.10	-	-	-	78.10
Factory Buildings	205.78	-	-	205.78	20.22	6.87	27.09	185.56
Plant & Machinery	4,197.83	766.50	-	4,964.33	997.87	512.34	1,510.21	3,454.12
Electric Installations	26.92	2.30	-	29.22	6.29	2.66	8.95	20.63
Computers	6.64	0.61	-	7.25	2.56	1.11	3.67	4.07
Furniture & Fixtures	1.53	0.05	-	1.58	0.29	0.10	0.39	1.24
Office Equipments	7.29	1.45	0.07	8.67	0.81	0.38	1.17	7.50
Weighing Scale	0.25	0.05	-	0.30	0.03	0.01	0.04	0.21
Motor Cars	28.78	20.68	1.82	47.64	7.13	3.08	9.40	21.66
Motor Trucks	24.65	24.78	-	49.43	9.69	4.32	14.01	14.96
<b>TOTAL</b>	<b>4,577.77</b>	<b>816.42</b>	<b>1.89</b>	<b>5,392.30</b>	<b>1,044.89</b>	<b>530.87</b>	<b>1,574.93</b>	<b>3,817.37</b>
<b>Previous Year</b>	<b>3,370.24</b>	<b>1,208.28</b>	<b>0.74</b>	<b>4,577.77</b>	<b>672.02</b>	<b>373.13</b>	<b>1,044.89</b>	<b>3,532.88</b>

Note: Additions in Plant and Machineries reflects Rs. 1.77 Million towards Foreign Exchange Fluctuations Gains which has been depreciated during the year.  
(P.Y. Rs. 8.93 Million).

# Schedules

Forming Part of the Consolidated Balance Sheet as at 31st March, 2011

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE - F : Investments</b>		
(As per Annexure "1")	162.87	340.12
	<b>162.87</b>	<b>340.12</b>
<b>SCHEDULE - G : Inventories</b>		
(As taken, valued and certified by the Management)		
Raw Materials (Including Stock in Transit)	441.86	359.29
Work in Progress	73.87	53.22
Finished Goods	10.46	22.53
Packing Materials	3.48	5.67
Stores and Spares	4.96	7.85
	<b>534.63</b>	<b>448.56</b>
<b>SCHEDULE - H : Sundry Debtors</b>		
(Unsecured)		
(a) Debts due for more than six months		
Considered Good	0.29	17.43
Considered Doubtful	13.91	3.71
	14.20	21.14
(b) Other Debts (Considered Good)	903.09	1,049.59
	917.29	1,070.73
Less: Provision for Doubtful Debts	13.91	3.71
	<b>903.38</b>	<b>1,067.02</b>
<b>SCHEDULE - I : Cash and Bank Balances</b>		
Cash on hand	3.17	13.53
<b>Balances with Scheduled Banks</b>		
Current Accounts	128.41	257.55
In Fixed Deposit Accounts **	73.46	92.43
** [ Includes Rs. 73.25 Million (P.Y. Rs. 92.18 Million) over which bank has lien.]		
	<b>205.04</b>	<b>363.51</b>
<b>SCHEDULE - J : Loans and Advances</b>		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	119.22	121.13
Balance with Customs, Excise, etc.	21.25	24.20
Deposits	16.15	16.45
	<b>156.62</b>	<b>161.78</b>

## Schedules Forming Part of the Consolidated Balance Sheet as at 31st March, 2011

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
<b>SCHEDULE - K : Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors		
- Due to Micro, Small and Medium Enterprises	5.46	1.56
- Due to Others	400.29	400.66
Advance received from Customers	145.39	21.34
Other Current Liabilities	35.04	65.40
	<b>586.18</b>	<b>488.96</b>
<b>Provisions</b>		
Provision for Gratuity	5.90	-
Provision for Tax (Net of Advance Tax & TDS)	40.59	85.82
Proposed Dividend	29.97	28.60
Dividend Distribution Tax	4.86	4.75
	<b>81.32</b>	<b>119.17</b>
	<b>667.50</b>	<b>608.13</b>

## Schedules Forming Part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>SCHEDULE - L : Other Income</b>		
Excise Duty Refund	-	6.79
Gain on Exchange Fluctuations (Net)	95.93	45.40
Profit on Sale of Investments	-	0.71
<b>Dividend Income</b>		
Long Term Investments - Non Trade	0.94	0.88
Investments in subsidiary - Long Term	3.29	3.28
Interest on Fixed Deposit (TDS Rs. 0.25 Million) (P.Y. Rs. 0.82 Million)	2.44	4.83
Interest Income (TDS Rs. 0.03 Million) (P.Y. Rs. 0.05 Million)	12.14	29.13
Other Income	5.97	3.92
Commission Income [TDS Rs. 0.03 Million (P.Y. Rs. Nil)]	0.34	-
Insurance Claim Received	4.40	2.94
	<b>125.45</b>	<b>97.88</b>



# Schedules

Forming Part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>SCHEDULE - M : Increase / (Decrease) in Stocks</b>		
<b>Closing Stocks</b>		
Stock-in-Process	73.87	53.22
Finished Goods	10.46	22.53
	<b>84.33</b>	<b>75.75</b>
<b>Less: Opening Stocks</b>		
Stock-in-Process	53.22	116.51
Finished Goods	22.53	2.73
	75.75	119.24
	<b>8.58</b>	<b>(43.49)</b>
<b>SCHEDULE - N : Manufacturing &amp; Other Expenses</b>		
<b>Raw Materials Consumed</b>		
Opening Stock	359.29	151.57
Add: Purchases	9,245.83	6,649.69
	9,605.12	6,801.26
Less: Closing Stock	441.86	360.67
	<b>9,163.26</b>	<b>6,440.59</b>
<b>Other Expenses</b>		
Packing Material Consumed	58.98	41.46
Stores and Spares Consumed	65.89	38.47
Loading and Unloading Charges	94.21	68.23
Power & Fuel Charges	227.05	178.74
Repair & Maintenance (Machineries)	24.85	23.16
Repair & Maintenance (Buildings)	0.34	1.93
Other Manufacturing Expenses	4.95	8.11
	<b>9,639.53</b>	<b>6,800.69</b>
<b>SCHEDULE - O : Personnel Costs</b>		
Salaries, Wages & Bonus	86.42	64.41
Workmen & Staff Welfare Expenses	6.97	7.31
Contribution to Provident & Other Funds	2.56	1.91
	<b>95.95</b>	<b>73.63</b>

# Schedules

Forming Part of the Consolidated Profit and Loss Account for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>SCHEDULE - P : Administration Expenses</b>		
Rent, Rates and Taxes	14.44	12.24
Insurance	4.50	3.82
Communication Costs	6.71	5.64
Printing & Stationery	4.35	3.60
Travelling, Conveyance & Motor Car Expenses	19.51	13.71
Legal & Professional Charges	39.18	25.64
Vehicle Expenses	0.07	0.28
Repair & Maintenance (Others)	3.33	3.90
Auditors Remuneration	2.50	2.60
Provision for Doubtful Debts	10.19	3.71
Provision for Diminution in value of Investment	8.00	-
Loss on sale of Fixed Assets	0.59	0.26
Miscellaneous Expenses	15.66	16.44
	<b>129.03</b>	<b>91.84</b>
<b>SCHEDULE - Q : Selling and Marketing Expenses</b>		
Business Promotion Expenses	12.04	6.63
Brokerages, Commissions & Discount	6.87	9.30
Freight, Clearing & Forwarding Charges	96.00	77.03
Exhibition Expenses	-	3.72
	<b>114.91</b>	<b>96.68</b>
<b>SCHEDULE - R : Interest and Finance Charges</b>		
Interest on Term Loan	16.89	21.74
Interest on Debentures	29.65	8.49
Interest on Term External Comm. Borrowing	9.87	5.56
Interest Paid - Bank / Financial Institute	27.09	45.33
Interest on Buyer's Credit	0.46	-
Interest on Vehicle Loan	2.19	1.39
Bank Charges	18.97	11.30
Other Interest	6.36	1.19
	<b>111.48</b>	<b>95.00</b>

# Annexure 1

Forming Part of the Schedule to the Consolidated Balance Sheet as at 31st March, 2011

Particulars	(Rs. in Million)	
	As at 31st March, 2011	As at 31st March, 2010
<b>LONG TERM INVESTMENTS</b>		
<b>NON TRADE</b>		
<b>(A) Quoted in Equity Shares of Rs. 10/- each fully paid up unless otherwise stated</b>		
Energy Development Company Limited	1.82	1.82
[13,000 (P.Y. 13,000)]		
Jai Corp Limited	1.17	1.17
[1,000 (P.Y. 1,000)]		
Syschem India Limited	0.27	0.27
[138,000 (P.Y. 138,000)]		
Reliance Industrial Infrastructure Limited	29.06	29.06
[21,600 (P.Y. 21,600)]		
Power Grid Corporation	0.08	0.08
[500 (P. Y. 500)]		
Mavi Industries Ltd.	0.33	0.33
[36,750 (P.Y. 36,750)]		
Creative Eyes Limited	0.27	0.27
[10,000 (P. Y. 10,000)]		
Wellworth Overseas Ltd	0.09	0.09
[100,000(P.Y. 100,000) Equity Shares of Re. 1/- each fully paid up]		
<b>Mutual Funds</b>		
JM Contra fund - Dividend Plan of Rs. 10/- per unit	5.00	5.00
[488,998 (488,998) units of Rs. 10/- each fully paid up]		
HDFC Mutual Fund	0.76	-
Citi Financial Consumer Finance (India) Ltd.	2.00	2.00
<b>(B) Unquoted</b>		
Barclays Securities (India) Pvt. Ltd.	74.00	
Less: Provision for Diminution in Investment	6.01	67.99
Benchmark AMC PMS A/c BDP Series 66	50.00	218.00
Jaiho Industries Limited	6.03	
[4,020,000 (1,100,000) Equity Shares of Rs. 10/- each fully paid up]		
Less: Provision for Diminution in Investment	2.00	4.03
<b>(C) Current Investments</b>		
<b>Investments in Mutual Funds</b>		
Reliance Asset Management A/C Debt PMS	-	2.00
<b>Total</b>	<b>162.87</b>	<b>340.12</b>
Aggregate of Unquoted Investments (At Cost)	122.03	300.03
Aggregate of Quoted Investments (At Cost)	40.86	40.09
Aggregate of Quoted Investments (At Market Value)	15.50	20.32

# Schedules

forming part of Consolidated Financial Statements for the year ended 31st March, 2011

## SCHEDULE : "S"

### Significant Accounting Policies and Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2011.

#### 1. Significant Accounting Policies

##### a) Basis of Consolidation

The Consolidated Financial results comprise of the results of Responsive Industries Limited and its Subsidiary Axiom Cordages Limited, which are consolidated in accordance with the Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI) and have been prepared on the following basis

- i) The financial statements of the Company and its Subsidiary have been combined on a line-by-line basis by adding together the balances of items like Assets, Liabilities, Income and Expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- iii) The excess of cost to the Company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognised in the financial statements as goodwill.
- iv) The excess of Company's portion of equity of subsidiary over the cost to the Company of its investments at the dates it become subsidiary is recognised in the financial statements as capital reserves.
- v) Minority Interest is the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their shares in the equity, subsequent to the dates of investments as stated above.

##### b) Basis of Preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with Generally Accepted Accounting Principles under the historical cost convention on an accrual basis and in accordance with the applicable accounting standards issued by The Institute of Chartered Accountants of India. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

The Company follows the mercantile system of accounting in general and recognises income and expenditure on accrual basis except as otherwise stated.

##### c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between actual results and estimates are recognised in the period in which the results are known / materialised.

##### d) Inventories

Inventories are valued at lower of cost or net realisable value. Materials-in-transit are valued at cost-to-date. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition including excise duty payable on goods produced. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. The cost formulae used for determination of cost is 'First in First Out' (FIFO).

# Schedules

forming part of Consolidated Financial Statements for the year ended 31st March, 2011

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## e) Cash Flow Statement:

The Cash Flow Statement is prepared by the "indirect method" set-out in Accounting Standard 3 on "Cash Flow Statement" and presents the Cash Flows by operating, investing and financing activities of the Company.

Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered, highly liquid bank balances.

## f) Revenue Recognition

- (i) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.
- (ii) Revenue from sale of goods is recognised when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales are net of Sales Tax / Value Added Tax. Excise Duty recovered is presented as a reduction from gross turnover.
- (iii) Revenue in respect of export sales is recognised on the basis of dispatch of goods for exports (i.e. on the date of Bill of Lading).
- (iv) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (v) Dividend income is recognised when the shareholders' right to receive payment is established by the Balance Sheet date. Dividend from subsidiaries is recognised even if same are declared after the Balance Sheet date but pertains to period on or before the date of Balance Sheet as per the requirement of schedule VI of the Companies Act, 1956.
- (vi) Other Income is accounted for on accrual basis, when certainty of receipt is established.

## g) Fixed Assets

Fixed assets are stated at cost (or revalued

amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Cost of acquisition comprise all costs incurred to bring the assets to their location and working condition upto the date assets are put to use. Cost of construction comprise of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to specific assets upto the date the assets are put to use.

## h) Depreciation & Amortisation

Depreciation on fixed assets is provided on Straight-line method, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. The Company provides pro-rata depreciation for additions / deletions made during the reporting period, except for the asset each costing Rs. 5000 or less, for which depreciation is provided at hundred percent.

## i) Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## j) Foreign Currency Transactions

### (i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### (ii) Conversion

Foreign currency monetary items are reported

## Schedules forming part of Consolidated Financial Statements for the year ended 31st March, 2011

using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

### (iii) Exchange Differences

The gains or losses resulting from such translations are included in the Profit and Loss Account. Revenue, expense and cash flow items denominated in foreign currency are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction. Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled, except to the extent, relating to fixed assets are adjusted to carrying value of fixed assets.

### k) Investments

Investments that are readily realisable and intended to be held generally for not more than a year are classified as current investment. All other investments are classified as long term investment. Current investment is carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the Investment.

### l) Employee Benefits

Employee benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident fund and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the Profit and Loss Account in the period in which the service is rendered.

Employee benefits under defined benefit plans, such as gratuity which fall due for payment after a period of twelve months from rendering

service or after completion of employment, are measured by the project unit cost method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. The Company's obligations recognised in the Balance Sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

### m) Borrowing Cost

Borrowing cost attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalised as part of the cost of such assets upto the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

### n) Segment Reporting

#### Identification of segments:

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

#### Inter segment Transfers:

The Company generally accounts for inter segment transfers at cost.

#### Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

#### Unallocated items:

Includes general corporate income and expense items which are not allocated to any business segment.

#### Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

# Schedules

forming part of Consolidated Financial Statements for the year ended 31st March, 2011

## o) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

## p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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, except when the results would be anti-dilutive.

## q) Accounting For Taxation on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Income taxes are accrued at the same period in which the related revenue and expense arise. A provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

MAT paid in accordance with the tax laws, which give rise to the future economic benefits in the form of tax credit against future income tax liability, is not recognised as an asset in the Balance Sheet.

## r) Provisions, Contingent Liabilities & Contingent Assets

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

# Schedules

forming part of Consolidated Financial Statements for the year ended 31st March, 2011

## 2. Company considered in the consolidated financial statement is

Name of the Company	Country of Incorporation	% Voting Power held	
		As on 31st March, 2011	As on 31st March, 2010
Axiom Cordages Limited	India	86.10	86.10

## 3. Auditors Remuneration

Particulars	(Rs. in Million)	
	31st March, 2011	31st March, 2010
Audit Fees	2.50	2.50
Certification work	0.20	Nil
Out-of-pocket expenses	0.21	0.02
<b>Total</b>	<b>2.91</b>	<b>2.52</b>

## 4. Secured Loans

### i. Term Loans from Banks

It is secured by Equitable Mortgage on Company's Leasehold Land including all plant & machinery, spares, tools, accessories, equipment, furniture, fixtures & fittings both present & future.

### ii. Working Capital Loan from Banks

It is secured by first charge in the form of Floating charge on book debts & Movable Property. Further, secured by second ranking pari passu charge on entire movable Fixed Assets of the Company both present & future.

### iii. Foreign Currency Loans

It include External Commercial Borrowings by the Company and the same is secured by way of (i) first rank pari passu over the Immovable Property of the Company by way of equitable mortgage; and (ii) charge first rank pari passu over all the present and the future movable assets of the Company.

### iv. Buyer's Credit

It is secured by first pari passu charge on entire assets and second ranking pari passu charge on entire movable fixed assets of the Company.

### v. Vehicle Loans

It is secured by specific assets.

5. During the year, in order to comply with the Accounting Standard (AS) 15 (Revised 2005) "Employee Benefits" as notified by the Companies Accounts Standard, Rule 2006, the method of accounting of Gratuity has been changed from cash basis to accrual basis of accounting and accordingly provision has been made as on 31st March, 2011. Gratuity has been provided on the basis of actuarial valuation. Due to change in this accounting policy, the profit for the year is lower by Rs. 5.90 Million having consequential effect on the Reserves and Surplus and Current Liabilities.



# Schedules

forming part of Consolidated Financial Statements for the year ended 31st March, 2011

## 6. Related Party Disclosures

### (a) Key Management Personnel

Mr. Atit Agarwal	Whole-time Director
Mrs. Swati Agarwal	Whole-time Director
Mr. Rajesh Pandey	Director

### (b) Relatives of key management personnel

- i) Mr. Abhishek Agarwal
- ii) M/s Om Prakash Agarwal H.U.F.
- iii) M/s Sharad Kumar Agarwal H.U.F.

### (c) Fellow Subsidiary

Sun Plastrochem Limited

### (d) Holding Company

Wellknown Business Ventures Private Limited

### (e) Enterprise owned or significantly influenced by Key Management Personnel or their relatives:

- i) One Source Trading Company LLP (with effect from 25th March, 2011)
- ii) One Source Enterprises LLP
- iii) AA Superior Enterprises LLP

# Schedules forming part of Consolidated Financial Statements for the year ended 31st March, 2011

There are no transactions during the current year with the related parties mentioned in (b) (i), (c) and (e) (ii) & (iii)

Following are the transactions with the related parties mentioned in (a) (i), (ii) and (iii), (b) (ii) & (iii), (d) and (e) (i) above

(Rs. in Million)

Nature of Transactions	In relation to (a) above		In relation to (b) (ii) & (iii) above		In relation to (c) above		In relation to (d) above		In relation to (e) (i) above	
	Current Year	Prev. Year	Current Year	Prev. Year	Current Year	Prev. Year	Current Year	Prev. Year	Current Year	Prev. Year
Loans & Advances Received during the year	Nil	Nil	12.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loans & Advances Repaid	Nil	Nil	12.00	67.46	Nil	Nil	Nil	Nil	Nil	Nil
Refund of Share Application Money	Nil	Nil	Nil	Nil	Nil	Nil	10.00	Nil	Nil	Nil
Loan Given	Nil	Nil	Nil	9.19	Nil	Nil	Nil	Nil	Nil	Nil
Rent Expenses	0.03	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.09	Nil
Remuneration to Directors	4.38	4.10	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Amount Outstanding at the end of the year</b>										
Amount Payable	0.11	Nil	Nil	Nil	5.00	5.00	Nil	Nil	0.07	Nil
Amount receivable	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- In case of (a) above, Rs. 3.60 Million is Remuneration of Mr. Atit Agarwal as Directors Remuneration in current year & previous year the rest amounting to Rs. 0.78 Million in current year & Rs. 0.50 Million in previous year is remuneration of Mr. Rajesh Pandey & out of above Rs. 0.09 Million is payable in respect of current year. Also Rs. 0.03 Million is Rent Expense of Mr. Rajesh Pandey & out of it Rs. 0.02 Million is Payable.
- In case of (b) above, Rs. 11.70 Million is given & received back from Om Prakash Agarwal HUF & Rs. 0.30 Million is given & received back from Sharad Kumar Agarwal HUF.
- Related Parties are as disclosed by the Management and relied upon by the auditors.
- No amount pertaining to related parties have been provided for as doubtful debts.
- Also, no amount has been written off / back which was due from / to related parties.

# Schedules

forming part of Consolidated Financial Statements for the year ended 31st March, 2011

## 7. Disclosure as per AS -15 revised

The principal assumptions used in the actuarial valuation of Gratuity are as follows:

Discount rate	8.25 %
Attrition rate	2.00 %
Expected rate of future salary increase	6.00 %

### Change in present value of defined benefit obligation

	(Rs. in Million)
Present value of obligation as at 01.04.2010	4.16
Interest Cost	0.40
Current Service Cost	0.96
Benefits paid	(0.28)
Actuarial (gain) / loss on obligations	0.94
Present Value of obligation as at 31.03.2011	6.18

### Amount recognised in the Balance Sheet

	(Rs. in Million)
Present value of obligation as at 31.03.2011	6.18
Fair Value of plan assets as at the end of the year	Nil
Funded status	Nil
Unrecognised Past Service Cost as at 31.03.2011	Nil
Unrecognised Transitional Liability as at 31.03.2011	Nil
Net (Assets)/ Liability recognised in the Balance Sheet	6.18

### Expenses recognised in the Profit and Loss Account

	(Rs. in Million)
Current Service Cost	0.96
Past Service Cost	Nil
Interest Cost	0.40
Expected return on plan assets	Nil
Net Actuarial (Gain)/ loss recognised during the year	0.94
Total Expenses recognised in the Profit and Loss Account	2.30

### Balance Sheet Reconciliation

	(Rs. in Million)
Opening Net Liability	4.16
Expenses as above	2.30
Net Transfer In	Nil
(Net Transfer Out)	Nil
Employer's Contribution	(0.28)
Net Liability Recognised in the Balance Sheet	6.18

# Schedules

forming part of Consolidated Financial Statements for the year ended 31st March, 2011

## Other Disclosures

	(Rs. in Million)
Defined Benefit Obligation	6.18
Plan Assets	Nil
Surplus / (Deficit)	6.18
Experience Adjustments on Plan Liabilities – Loss	0.98
Experience Adjustments on Plan Liabilities – Gain	0.04

Since, the Company has started providing the gratuity as per AS-15 (Revised) from 2010-11, figures are given only for current year.

The Company expects to contribute Rs. Nil to its Gratuity Plan for the next year.

In assessing the Company's Post Retirement Liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables. The base being the LIC 1994-96 ultimate tables.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

## 8. Segmental Information

### i) Primary (Business) Segment

The segment of the Company has been identified in line with the Accounting Standard 17 on "Segmental Reporting", taking into account the organisation structure as well as the different risks and return of these segments.

The Company's reportable operating segments consists of the following business groups

- PVC Flooring and other PVC Products.
- Ropes.

Segmental Revenue, Results and Capital Employed include the respective amounts identifiable to each of the segments.

# Schedules

forming part of Consolidated Financial Statements for the year ended 31st March, 2011

Particulars	(Rs. in Million)	
	Year ended 31st March, 2011	Year ended 31st March, 2010
<b>1. Segmental Revenue</b>		
a. PVC Flooring and other PVC Products	7,178.61	5,467.71
b. Ropes	5,232.01	3,525.86
<b>Total</b>	<b>12,410.62</b>	<b>8,993.57</b>
Less: Inter-Segment Revenue	624.07	600.58
<b>Income from Operations</b>	<b>11,786.55</b>	<b>8,392.99</b>
<b>2. Segment Results</b>		
a. PVC Flooring and other PVC Products	674.76	521.64
b. Ropes	624.03	396.17
<b>Total</b>	<b>1,298.79</b>	<b>917.81</b>
Less: Inter segment revenue	Nil	1.39
<b>Total Profit before Tax</b>	<b>1,298.79</b>	<b>916.42</b>
<b>3. Segment Assets</b>		
a. PVC Flooring and other PVC Products	5,253.39	4,966.06
b. Ropes	4,222.20	3,245.67
c. Unallocable	(341.41)	(336.45)
<b>Total</b>	<b>9,134.18</b>	<b>7,875.28</b>
<b>4. Segment Liabilities</b>		
a. PVC Flooring and other PVC Products	1,767.34	2,503.43
b. Ropes	2,662.18	2,187.80
c. Unallocable	(267.57)	(262.61)
<b>Total</b>	<b>4,161.95</b>	<b>4,428.62</b>
<b>5. Capital Expenditure</b>		
a. PVC Flooring and other PVC Products	1,175.15	1,702.54
b. Ropes	1,032.24	1,036.81
<b>Total</b>	<b>2,207.39</b>	<b>2,739.36</b>
<b>6. Depreciation and Amortisation</b>		
a. PVC Flooring and other PVC Products	283.48	253.02
b. Ropes	247.39	120.11
<b>Total</b>	<b>530.87</b>	<b>373.13</b>
<b>7. Significant Non-cash Expenditure</b>		
<b>Non-cash Expenditure</b>		
a. PVC Flooring and other PVC Products	11.79	3.71
b. Ropes	6.40	Nil
<b>Unrealised Gain on foreign exchange</b>		
a. PVC Flooring and other PVC Products	(10.82)	(3.04)
b. Ropes	(4.66)	(1.17)
<b>Total</b>	<b>(2.71)</b>	<b>(0.50)</b>

# Schedules

forming part of Consolidated Financial Statements for the year ended 31st March, 2011

## ii) Secondary (Geographical) Segment:

Secondary segment reporting is performed on the basis of geographical location of the customers. The operation of the Company comprises local sales and export sales. The Management views the Indian market and export market as distinct geographical segments. The following is the distribution of the Company's sale by geographical markets.

Sales	(Rs. in Million)	
	For the year ended 31st March, 2011	For the Year ended 31st March, 2010
India	4,001.36	3,975.84
Export	7,785.19	4,417.15
<b>Total</b>	<b>11,786.55</b>	<b>8,392.99</b>

The following is the carrying amount of segment assets by geographical area in which the assets are located.

Assets	(Rs. in Million)	
	31st March, 2011	31st March, 2010
India	8,516.60	7,000.63
Outside India*	617.58	874.65
<b>Total</b>	<b>9,134.18</b>	<b>7,875.28</b>

Capital Expenditure	(Rs. in Million)	
	31st March, 2011	31st March, 2010
India	2,207.39	2,739.35
Outside India	Nil	Nil
<b>Total</b>	<b>2,207.39</b>	<b>2,739.35</b>

\*Carrying amount of segment assets outside India represents receivables from export sales.

## 9. Earning Per Share

### i) Basic EPS

Particulars	(Rs. in Million)	
	Year ended 31st March, 2011	Year ended 31st March, 2010
A Net Profit after tax available for equity shareholders used as Numerator	986.39	666.95
B Weighted Average number of Equity Shares used as Denominator	25,67,56,664	24,79,20,000
C Basic income per share (in rupees)	3.84	2.69

# Schedules

forming part of Consolidated Financial Statements for the year ended 31st March, 2011

ii) Diluted EPS		(Rs. in Million)
Particulars	Year ended 31st March, 2011	Year ended 31st March, 2010
A Net Profit after tax available for equity shareholders used as Numerator	986.39	666.95
B Weighted Average number of Equity Shares used as Denominator	26,30,41,984	26,30,83,930
C Diluted income per share (in rupees)	3.75	2.54

## 10. Disclosure as per AS-19

As Lessee: Future Rental obligations in respect of premises taken on lease – Operating Lease.

Particulars	31st March, 2011	31st March, 2010
Less than 1 year	Rs. 13.10 Million	Rs. 12.99 Million
More than 1 year but less than 5 years	Rs. 1.08 Million	Rs. 14.18 Million
More than 5 years	Rs. Nil	Rs. Nil

Lease rentals charged to revenue for the current year Rs. 12.99 Million (Previous Year 8.55 Million).

These premises comprise residential flats & usage of office equipments. The agreements for lease are executed for tenure of 11 to 24 months.

## 11. Deferred Tax Liability

The Deferred Tax Liability as on 31st March, 2011 comprises of:

Particulars	Opening Year ended 31st March, 2010	Adjustment during the Year	(Rs. in Million)
			Closing Year ended 31st March, 2011
Depreciation	224.98	48.10	273.08
Disallowance u/s 40(a)(ia)	(1.45)	-	(1.45)
Expenses allowed on payment basis	-	(3.37)	(3.37)
Others	-	(4.52)	(4.52)
<b>Deferred Tax Liability / (Assets)</b>	<b>223.53</b>	<b>40.21</b>	<b>263.74</b>

12. The previous year's figures have been regrouped, rearranged, reclassified and reworked wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year

For and on behalf of the Board of Directors

**Atit Agarwal**

Director

**Santosh Shinde**

Director

**Dhirajkumar Neve**

Company Secretary

Place: Betegaon

Date: 20th May, 2011

# Statement pursuant to Section 212

of the Companies Act, 1956, related to Subsidiary Companies.

Rs. in Million				
Name of the subsidiary company	Financial year of the subsidiary company	Number of Shares held by Responsive Industries Limited	Profit/(loss) so far as it concerns the members of Responsive Industries Limited and not dealt with in the accounts of Responsive Industries Limited for the year ended 31st March, 2011	Profit/(loss) so far as it concerns the members of Responsive Industries Limited and dealt with in the accounts of Responsive Industries Limited for the year ended 31st March, 2011
1	2	3	4	5
Axiom Cordages Limited	1st April, 2010 to 31st March, 2011	16,400,000	437.83	Nil

For and on behalf of the Board of Directors

**Atit Agarwal**

Director

**Santosh Shinde**

Director

**Dhirajkumar Neve**

Company Secretary

Place: Betegaon

Date: 20th May, 2011

## Summary of Financial information of Subsidiaries

Particulars	Rs. in Million
	Axiom Cordages Limited
Capital	190.47
Reserve	1,199.64
Total Assets	4,012.00
Total Liabilities	4,012.00
Investment other than investment in subsidiary	94.29
Turnover	5,286.24
Profit before taxation	624.03
Provision for taxation	186.19
Profit after taxation	437.83
Proposed dividend	3.81



# Corporate Information

## Responsive Industries Limited

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### Board of Directors

Mr. Atit Agarwal – Chairman cum Whole-time Director  
Mrs. Swati Agarwal – Non-Executive Director  
Mr. S.S. Thakur – Independent Non-Executive Director  
Mr. V.K. Chopra – Independent Non-Executive Director  
Mr. Akil Hirani – Independent Non-Executive Director  
Mr. Michael Freedman – Independent Non-Executive Director  
Mr. Santosh Shinde – Non-Executive Director  
Mr. Rajesh Pandey – Independent Non-Executive Director

### Company Secretary

Mr. Dhirajkumar Neve

### Statutory Auditors

Haribhakti & Co.  
Chartered Accountants  
42, Free Press House, 4th Floor, 215, Nariman Point,  
Mumbai - 400 021

### Principal Bankers

State Bank of India  
ING Vysya Bank Limited  
Bank of Maharashtra

### Solicitors

Rajani Associates

### Registered Office & Works

Village Betegaon, Boisar (East),  
Mahagaon Road, Tal. - Palghar,  
Dist. - Thane - 401 501.

### Registrars & Share Transfer Agents

Link Intime India Pvt. Ltd.  
C-13 Pannalal Silk Mill Compound, LBS Marg,  
Bhandup (West), Mumbai - 400 078

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## Axiom Cordages Limited

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### Board of Directors

Mr. Atit Agarwal – Chairman cum Whole-time Director  
Mrs. Swati Agarwal – Whole-time Director  
Mr. Rajesh Pandey - Director  
Mr. S. Santhanakrishnan – Independent Director  
Mr. S. Krishnamurthy – Independent Director  
Mr. Sanjiv Singhal - Nominee Director  
Mr. Bharat Mahalik - Director

### Solicitors

Rajani Associates

### Statutory Auditors

Haribhakti & Co.  
Chartered Accountants  
42, Free Press House, 4th Floor, 215, Nariman Point,  
Mumbai - 400 021

### Bankers

State Bank of India  
ING Vysya Bank Limited

### Registered Office & Factory

Gat No. 114B & 120C, Betegaon Village,  
Boisar (E), Tal. - Palghar, Dist. - Thane - 401 501

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## Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.









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