

## NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the members of Responsive Industries Limited will be held on Tuesday, 22<sup>nd</sup> September, 2015 at 11.00 A.M. at Hotel Silver Avenue, Ostwal Empire, Next to Big Bazar, Boisar (West), Thane-401501 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares of the Company for the financial year 2014-15.
3. To appoint a Director in place of Mr. Rajesh Pandey (DIN 00092767), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants (Firm Registration No. 103523W) , as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company scheduled to be held in the year 2016 at such remuneration as may be determined by Board of Directors of the Company.”

### SPECIAL BUSINESS

5. To appoint Mr. Jagannadham Thunuguntla (DIN 02254282) as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Jagannadham Thunuguntla (DIN 02254282), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for three consecutive years for a term up to the conclusion of the 36<sup>th</sup> Annual General Meeting in the calendar year 2018.”

6. To appoint Ms. Jyoti Rai (DIN 07091343) as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Jyoti Rai (DIN 07091343), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for three consecutive years for a term up to the conclusion of the 36<sup>th</sup> Annual General Meeting in the calendar year 2018."

7. To approve remuneration of the Cost Auditors for the financial year ending March 31, 2016 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/S. S.K. Agarwal & Associates, Cost Accountants appointed as the Cost Auditors of the Company by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid remuneration as set out in the statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To approve payment of Commission to Non-Executive Directors and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** in accordance with the provisions of Sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the rules framed thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force & pursuant to clause 49 of the listing agreement and subject to applicable approval(s) as may be required, Non-Executive Directors of the Company be paid, commission in such amounts or proportions as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for the relevant financial year as computed in the manner laid down in Section 198 of the Act, in addition to the sitting fee for attending the meeting of the Board of Directors/committees thereof.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or Nomination & Remuneration committee be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To approve alteration in Articles of Association in respect of payment of Sitting fees and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 and other applicable provisions, if any, the consent of the Members of the Company be and is hereby accorded for alteration of the Articles of Association of the Company as follows:

The existing Clause no. 77 of the Articles of Association of the Company be and is hereby deleted and the following new Clause no. 77 be and is hereby substituted in lieu of the deleted Clause.

77. A Company may pay sitting fee to Independent Non-Executive Director such sum as may be decided by the Board of directors for attending meetings of the Board or committees thereof, which shall not exceed Rs. 1,00,000/- (Rupees one lac only) per meeting of the Board or committee thereof, attended by him/her.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

For and on behalf of the Board,

Place : Mumbai  
Date : 26<sup>th</sup> May, 2015

**Atit Agarwal**  
Chairman & Whole Time Director

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the proxy need not be a member of the company. The instrument appointing a proxy in order to be a valid must be duly filled in all respects and should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
2. In terms of the provisions of the Companies Act, 2013 and the Listing Agreement entered into with the Stock Exchange(s) where shares of the Company are listed, the Register of Members and Share Transfer Books will remain closed from 18<sup>th</sup> September, 2015 to 22<sup>nd</sup> September, 2015 (both days inclusive) for the purpose of Annual General Meeting and Dividend on Equity Shares, if declared at the meeting.
3. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business set out at item Nos. 5 to 9 of the Notice is annexed hereto.
4. Corporate Members are requested to send a duly certified copy of the Board resolution/ Power of Attorney authorizing their representative to attend and vote at the Meeting.
5. Members / Proxies are requested to bring their attendance slips duly filled in along with their copies of the Annual Report to the Meeting for attending the Meeting.

6. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Members holding shares in electronic mode are requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned below quoting their folio number(s).

Link Intime India Pvt Ltd.

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai- 400 078.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime India Pvt Ltd.
8. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
9. Electronic copy of the Notice and Annual Report for 2014-15 is being sent to the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-15 is being sent in the permitted mode.
10. The Annual Report 2014-15 of the Company circulated to the Members of the Company, will be made available on the website of the Company at [www.responsiveindustries.com](http://www.responsiveindustries.com).
11. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 a.m. to 01.00 p.m. up to the date of Annual General Meeting of the Company.
12. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

### 13. **Voting through electronic means**

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 and in compliance of clause 35B of the Listing Agreement with the Stock Exchanges, the Company is pleased to provide its members voting by electronic means (remote e-voting i.e. voting electronically from a place other than the venue of the general meeting) to cast their votes electronically in respect of businesses to be transacted at the 33<sup>rd</sup> Annual General Meeting. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate voting by electronic means.



The facility for voting through polling paper shall be made available at the annual general meeting (AGM) venue. Only those members attending the meeting, who have not cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting through polling paper. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again.

The Company has appointed P.P. Shah & Co., Practising Company Secretary [Address: 218, Veena Chambers, 21, Dalal Street, Fort, Mumbai-400023] as the scrutinizer for conducting remote e-voting and the voting process at the AGM in a fair and transparent manner.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Saturday, 19 September, 2015 (09.00 a.m. IST) and ends on Monday, 21 September, 2015 (05.00 p.m. IST) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15 September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>*Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN Field.</p>
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <**RESPONSIVE INDUSTRIES LIMITED**> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## **ANNEXURE TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("the Act")**

#### **ITEM NO.: 5**

Mr. Jagannadham Thunuguntla was appointed as an Additional Director on the Board of Company on 12 December, 2014. He holds office as an Additional Director upto the date of the ensuing Annual General Meeting and being eligible, offers himself for appointment as a Director, not liable to retire by rotation.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Director requires approval of members. Based on recommendation of Nomination and Remuneration Committee, the Board of Directors have proposed that Mr. Jagannadham Thunuguntla be appointed as an Independent Director of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Jagannadham Thunuguntla for the office of Director of the Company.

Mr. Jagannadham Thunuguntla is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received declaration from Mr. Jagannadham Thunuguntla that he meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered with the Stock Exchanges. In the opinion of the Board, Mr. Jagannadham Thunuguntla fulfils the conditions for his appointment as an Independent Director as specified in the Act and the listing agreement. Mr. Jagannadham Thunuguntla is independent of the management and possesses appropriate skills, experience and knowledge.

Mr. Jagannadham Thunuguntla is a Chartered Accountant as well as Cost and Works Accountant. He has done his executive education in Harvard Business School on "Leadership in Financial Organizations". He is a head of fundamental research at Karvy Stock Broking Limited. He is an angel investor on Indian Angel Network. He is Co-Chairman of Assocham's National Council on Capital Markets. He is currently Co-chairman of PHD Chamber of Commerce's National Council on Economic Affairs. He was Chief Strategist of SMC Global Securities. He had served as Head of Investment Banking of SMC Capitals. Previously he was in Morgan Stanley Capital Markets, having worked on various pitches for IPOs and follow-on offerings. He has rich experience in the fields of Equity Broking, Investment Banking, Wealth Management and Equity Research. He is associated with various student development programs in various business schools such as INSEAD (France), IIM Ahmedabad, IIM Lucknow, ISB Hyderabad, IIT Delhi, IIT Mumbai and IIT Roorkee.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Keeping in view his experience and knowledge it will be in the interest of the Company that Mr. Jagannadham Thunuguntla is appointed as an Independent Director of the Company.

He is a member of Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee of the Board.

Save and except Mr. Jagannadham Thunuguntla and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

The Board recommends the ordinary resolution set out at Item No. 5 of the Notice for approval by the members.

#### **ITEM NO.: 6**

Ms. Jyoti Rai was appointed as an Additional Director on the Board of Company on 13 February, 2015. She holds office as an Additional Director upto the date of the ensuing Annual General Meeting and being eligible, offers herself for appointment as a Director, not liable to retire by rotation.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Director requires approval of members. Based on recommendation of Nomination and Remuneration Committee, the Board of Directors have proposed that Ms. Jyoti Rai be appointed as an Independent Director of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Jyoti Rai for the office of Director of the Company.

Ms. Jyoti Rai is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received declaration from Ms. Jyoti Rai that she meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered with the Stock Exchanges. In the opinion of the Board, Ms. Jyoti Rai fulfils the conditions for her appointment as an Independent Director as specified in the Act and the listing agreement. Ms. Jyoti Rai is independent of the management and possesses appropriate skills, experience and knowledge.

Ms. Jyoti Rai is a Bachelor of Science and post graduate Diploma in Business Management. She is Country Head – India for ABAX Corporate Services Ltd. She is also Chairperson on the DPAI Committee for the Western Chapter, contributing on developing Capital Markets. She is a member of FICCI – Ladies Organization and on the “Swayam Committee” – empowering Women entrepreneurs. She has worked with some of the leading companies like Citibank, Reliance Capital Asset Management, Thomson Reuters, AIG asset management, MCX, SBI-Soc Gen Custodial Services. She was head Business development for Domestic and offshore business of SBI – Soc Gen Global Securities Services Pvt. Ltd. She has rich experience in Marketing and Strategies across segments in Financial Markets.

She does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

Keeping in view her experience and knowledge it will be in the interest of the Company that Ms. Jyoti Rai is appointed as an Independent Director of the Company.

She is a member of Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee of the Board. Ms. Jyoti Rai holds directorship in Axiom Cordages Limited and she is a member of Nomination & Remuneration Committee of Axiom Cordages Limited.

Save and except Ms. Jyoti Rai and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

The Board recommends the ordinary resolution set out at Item No. 6 of the Notice for approval by the members.

#### **ITEM NO.: 7**

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

On recommendation of the Audit Committee, the Board has approved the appointment and remuneration of M/S. S.K. Agarwal & Associates, Cost Accountants as Cost Auditor of the Company at a remuneration of Rs. 2,25,000/- (Rupees Two lakh Twenty Five Thousand Only) inclusive of out-of-pocket expenses for conducting the audit of the cost records of the Company for the financial year ended 31<sup>st</sup> March, 2016.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the ordinary resolution set out at Item No. 7 of the Notice for approval by the members.

#### **ITEM NO.: 8**

The members of the Company on 24.10.2011 through Postal ballot had approved the payment of Commission not exceeding one percent of the net profit of the Company to the Independent Non-Executive Directors of the Company for the period of five years with effect from 1 April, 2011.

According to Section 197 of Companies Act, 2013 the approval of members is required for the payment of commission to the Non-Executive Directors. Further, as per Clause 49 (II)(C) of the listing agreement entered with the Stock Exchanges, all fees/compensation payable to Non-Executive Directors require prior approval of the members.

The Companies Act, 2013 has entrusted new responsibilities on the Non-Executive Directors and widened their duties and liabilities and enhanced their current role. In view of the valuable contribution made by them towards overall engagement with the Company on various policies, strategic and governance related issues, it is proposed to continue to pay Commission to them.

On recommendation of Nomination and Remuneration Committee and approval of the Board, it is proposed to seek approval of the members of the Company under Section 197 of the Companies Act, 2013 and clause 49 of listing agreement for payment of commission at the rate not exceeding one percent on the net profit of the Company computed in accordance with Section 198 of Companies Act, 2013. This remuneration will be distributed as per the decision taken by the Board from time to time. The above payment of Commission shall be over and above the sitting fees paid to the Directors for attending the meeting of the Board/Committee thereof.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 8 of the Notice for payment of commission to Non-Executive Directors of the company.

All the Non-Executive Directors of the Company/their relatives are interested in the resolution set out at Item No. 8 of the Notice. Other than this none of the directors, key managerial personnel or any of their relatives, are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.8 of the Notice.

The Board recommends the ordinary resolution set out at Item No. 8 of the Notice for approval by the members.

#### **ITEM NO.: 9**

As per the provisions of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), a company may pay a sitting fee to a director for attending meetings of the Board or committees thereof, such sum as may be decided by the Board of directors thereof which shall not exceed one lakh rupees per meeting of the Board or committee thereof, provided that for Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.

Presently as per Clause 77 of Articles of Association of Company each Director may be paid out of the funds of the Company, a sum not exceeding Rs. 5000/- (Rupees Five Thousand Only) by way of sitting fee for each meeting of the Board or Committee of the Board, attended by him/her as the Director. Considering the increase in the activities of the Company, it is proposed to authorize the Board of Directors to fix the sitting fees payable to Independent Non-Executive Directors for attending each meeting of the Board or Committee thereof of an amount not exceeding Rs.1,00,000/- (Rupees One lac only).

In terms of Section 14 of the Companies Act, 2013, alteration of the Articles of Association can be effective only by passing a Special resolution and accordingly the Board of Directors recommends alteration in the Articles of Association as stated in the proposed Special Resolution for approval of the shareholders. Accordingly, consent of the members is sought for passing Special resolution as set out at Item No. 9 of the Notice for alteration of Articles of Association of the Company.

The specimen of the amended Articles of Association is available for inspection by the members at the Registered Office of the Company on all working days, except Saturdays between 11.00 a.m. to 01.00 p.m. up to the date of Annual General Meeting of the Company.



All Independent Non-Executive Directors of the Company/their relatives are interested in the resolution set out at Item No. 9 of the Notice. Other than this none of the directors, key managerial personnel or any of their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.9 of the Notice.

The Board recommends the special resolution set out at Item No. 9 of the Notice for approval by the members.

For and on behalf of the Board,

Place : Mumbai  
Date : 26<sup>th</sup> May, 2015

**Atit Agarwal**  
Chairman & Whole Time Director

**Details of Directors Seeking appointment/re-appointment at the 33<sup>rd</sup> Annual General Meeting of the Company. (In pursuance of Clause 49 of the Listing Agreement)**

**ITEM No.:3**

Name of Director	Mr. Rajesh Pandey
DIN	00092767
Date of Birth	10 <sup>th</sup> May, 1971
Nationality	Indian
Date of Appointment	30 <sup>th</sup> October, 2006
Expertise in Specific Functional Area	Production
Qualifications	B.E. (Chemical)
Directorships in other Companies	Axiom Cordages Limited
Memberships/Chairmanships of Committees of other Public Companies (includes only Audit Committee and Shareholders/Investors' Grievance Committee)	Member of Audit Committee in Axiom Cordages Limited
Number of shares held in the company	NIL

Save and except Mr. Rajesh Pandey and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the notice.

**ITEM No.:5 & 6**

For the details of Mr. Jagannadham Thunuguntla and Ms. Jyoti Rai, please refer to the above Explanatory Statement in respect of the Special Business set out at Item No. 5 & 6 of Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

For and on behalf of the Board,

Place : Mumbai  
Date : 26<sup>th</sup> May, 2015

**Atit Agarwal**  
Chairman & Whole Time Director

**CIN:** L99999MH1982PLC027797  
**Website:** www.responsiveindustries.com  
**Email Id:** investor@responsiveindustries.com

**Registered Office:**  
Betegaon, Mahagaon Road,  
Boisar East, Taluka Palghar,  
Dist. Thane-401501  
Phone:022-6656 2821



**RESPONSIVE**

We listen. We're responsive.

**Annual Report  
2014-15**

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<input type="checkbox"/> Salient features of Financial Statement of Subsidiary Company	120

**33<sup>rd</sup> Annual General Meeting on Tuesday, 22<sup>nd</sup> September, 2015 at 11.00 a.m. at  
 Hotel Silver Avenue, Ostwal Empire, Next to Big Bazar, Boisar (West), Thane – 401 501.**



**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Mr. Atit Agarwal  
Mrs. Swati Agarwal  
Mr. Rajesh Pandey  
Mr. S. S. Thakur  
Mr. Michael Freedman (*up to 30/05/2014*)  
Mr. V. K. Chopra (*up to 29/09/2014*)  
Mr. Jagannadham Thunuguntla (*w.e.f. 12/12/2014*)  
Ms. Jyoti Rai (*w.e.f. 13/02/2015*)

Chairman & Whole Time Director  
Non - Executive Director  
Director  
Independent Non - Executive Director  
Independent Non - Executive Director  
Independent Non - Executive Director  
Independent Non - Executive Director  
Independent Non - Executive Director

**COMPANY SECRETARY**

Ms. Alpa Ramani

**STATUTORY AUDITORS**

Haribhakti & Co. LLP  
Chartered Accountants,  
705, Leela Business Park, Andheri-Kurla Road, Andheri (East)  
Mumbai - 400 059

**PRINCIPAL BANKERS**

Union Bank of India, Mumbai  
Bank of India, London Branch  
Canara Bank, London Branch  
Union Bank of India, Hong Kong Branch  
Export-Import Bank of India

**REGISTERED OFFICE & WORKS**

Village Betegaon, Mahagaon Road,  
Boisar (East), Taluka Palghar,  
Dist. Thane – 401 501.  
CIN NO: L99999MH1982PLC027797

**CORPORATE OFFICE**

7<sup>th</sup> Floor, Esperanca Building,  
Shahid Bhagat Singh Road, Colaba,  
Mumbai-400001

Tel No.: 022 66562821  
Fax No.: 022 66562798  
Email: [investor@responsiveindustries.com](mailto:investor@responsiveindustries.com)  
Website: [www.responsiveindustries.com](http://www.responsiveindustries.com)

**REGISTRARS & SHARE TRANSFER AGENT**

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

Tel No.: 91(022) 25963838  
Fax No.: 91(022) 25946969  
E-mail: [rnt.helpdesk@linktime.co.in](mailto:rnt.helpdesk@linktime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)





## DIRECTORS' REPORT

### DEAR MEMBERS,

Your Directors have pleasure in presenting this Thirty-Third Annual Report on the business and operations of your Company with the Audited Financial Statements for the year ended March 31, 2015.

### 1. FINANCIAL PERFORMANCE

Financial Results	(Rs. in million)	
	2014-15	2013-14
Sales and Other Income	15,350.99	18,572.05
Profit before Interest, Depreciation & Tax	1,962.93	1,978.00
Less: Interest (Net)	259.35	294.28
Profit before Depreciation & Tax	1,703.58	1,683.72
Less: Depreciation	1,231.18	1,059.89
Profit before Tax	472.40	623.83
Less: Provision for Taxation	140.50	115.95
<b>Net Profit after Tax</b>	<b>331.90</b>	<b>507.88</b>
Balance brought forward from previous year	3,053.17	2,576.52
<b>Profit available for appropriations</b>	<b>3,385.07</b>	<b>3,084.40</b>
<b>Appropriations</b>		
Transfer to General Reserve	—	—
Proposed Dividend – Equity Shares	26.69	26.69
Corporate Dividend Tax	5.43	4.54
<b>Balance carried to Balance Sheet</b>	<b>3,352.95</b>	<b>3,053.17</b>

### 2. OPERATIONS & STATE OF COMPANY'S AFFAIRS

Your Company earned revenue of Rs. 15,350.99 Million for the year ended 31<sup>st</sup> March, 2015, as compared to Rs. 18,572.05 Million in the previous financial year.

The Company recorded a Net Profit after Tax of Rs. 331.90 Million compared to Rs. 507.88 Million in the previous financial year.

There was no change in nature of business of the Company, during the year under review.

### 3. DIVIDEND

Your Directors recommend a Dividend of 10% i.e. Re. 0.10 per Equity Share of face value of Re. 1/- each fully paid up aggregating to Rs. 26.69 Million for the year ended 31<sup>st</sup> March 2015.

### 4. TRANSFER TO RESERVES

The Board of Directors has not recommended transfer of any amount to reserves.

### 5. SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2015 stood at 266.91 Million. During the year under review, the Company has not issued shares with differential voting rights nor granted any stock options

or sweat equity shares. As on March 31, 2015 none of the Directors of the Company hold instruments convertible into equity shares of the Company.

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

## **6. SUBSIDIARIES, ASSOCIATES & JOINT VENTURES**

The Company has one material non listed Indian Subsidiary Company i.e. Axiom Cordages Limited. The policy for determining material subsidiaries of the Company is available on the website of the Company i.e. [www.responsiveindustries.com](http://www.responsiveindustries.com). Responsive International Limited, a wholly owned subsidiary of the Company has not yet commenced its operations.

The Company does not have any associate Company & Joint venture.

Performance of Axiom Cordages Limited is as follows:

The total revenue of Axiom Cordages Limited stood at Rs.6,045.65 Million (Previous year 6,855.45 Million). Profit after tax for the year stood at Rs.290.09 Million (Previous year 316.68 Million).

The requirement of appointing Independent Director of the Company on the Board of Directors of the subsidiary Company has been duly complied with. The requirements of the Clause 49 of the Listing Agreement with regard to subsidiary company have been complied with. Statement containing salient features of the financial statement of Subsidiary Company in Form AOC-1 forms part of this Annual Report.

## **7. CONSOLIDATED FINANCIAL STATEMENT**

The Consolidated Financial Statements of the Company and of its Subsidiary, Axiom Cordages Limited are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as Listing Agreement as prescribed by the Securities and Exchange Board of India (SEBI).

## **8. 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 required under clause 49(IX) of the Listing Agreement is also given in this Annual Report.

## **9. DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajesh Pandey (DIN 00092767) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Accordingly, his re-appointment forms part of the notice of the ensuing Annual General Meeting.

Mr. Jagannadham Thunuguntla (DIN 02254282) and Ms. Jyoti Rai (DIN 07091343) was appointed as an Additional Independent Director on the Board of the Company w.e.f. 12<sup>th</sup> December, 2014 and 13<sup>th</sup> February, 2015 respectively. The resolution seeking approval of the Members for the appointment of Mr. Jagannadham Thunuguntla and Ms. Jyoti Rai have been incorporated in the notice of the forthcoming Annual General Meeting of the Company along with brief details about them. The Company has received a notice under Section 160 of the Act along with requisite deposit proposing their appointment.

During the year under review, Mr. Atit Agarwal was reappointed as Whole Time Director of the Company for a period of three years w.e.f. 22<sup>nd</sup> August, 2014. Mr. Atit Agarwal, Whole Time Director of the Company draws remuneration from Subsidiary Company i.e. Axiom Cordages Limited.

Mr. S.S. Thakur and Mr. V.K.Chopra were appointed as independent directors at the annual general meeting of the Company held on 09<sup>th</sup> August, 2014 for a period of three consecutive years.

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. During the year, non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

Mr. Michael Freedman (DIN 03289409) & Mr. V.K. Chopra (DIN 02103940), Non-Executive Independent Directors of the Company resigned from the Board w.e.f. 30<sup>th</sup> May, 2014 and 29<sup>th</sup> September, 2014 respectively.

## **10. DIRECTORS' RESPONSIBILITY STATEMENT**

### **Your Directors state that:**

- (a) in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed and there are no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the Profit & loss of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (f) the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

## **11. PLEDGE OF SHARES**

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

## **12. PUBLIC DEPOSITS**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 (“the Act”) read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

## **13. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013**

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

## **14. 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.

## **15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

In accordance with the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, required information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the “Annexure A” to the Directors' Report.

## **16. 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 SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 in “Annexure B”.

## **17. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company has developed a CSR Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The CSR Policy has been uploaded on the website of the Company. The Annual Report on CSR activities is annexed as “Annexure C” and forms a part of this Report.

## **18. EXTRACT OF ANNUAL RETURN**

Extract of the Annual Return in form MGT 9, as required under Section 92(3) of the Companies Act, 2013 is included in this Report as “Annexure D” and forms an integral part of this Report.

## 19. AUDITORS

### 19.1 Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and rules framed thereunder, M/s. Haribhakti & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of the thirty second annual general meeting (AGM) of the Company held on 09<sup>th</sup> August, 2014 till the conclusion of AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. They have confirmed their eligibility and submitted the Certificate in writing that their appointment, if ratified, would be within the prescribed limit under the Act and they are not disqualified for appointment.

The Auditor's Report does not contain any qualification, reservation or adverse remark.

A Resolution seeking member's approval for ratification of appointment of Statutory Auditor forms part of the Notice convening the Annual General Meeting.

### 19.2 Cost Auditors

Pursuant to Section 148 of Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, on recommendations of Audit Committee, your Directors has appointed M/S. S.K. Agarwal & Associates to audit the cost accounts of the Company for the financial year 2015-16.

A Resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

### 19.3 Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed M/S. P.P.Shah & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report in Form MR-3 is annexed herewith as "Annexure E". It does not contain any qualification, reservation or adverse remark except for Non-appointment of Chief Financial Officer (CFO) and not spending of amount towards Corporate Social Responsibility (CSR) by the Company.

As per the provisions of section 203 (1) of the Companies Act, 2013, the Company is required to appoint CFO. The Company is in process of finding suitable person as its Chief Financial Officer. The said provision will be complied in near future. The company was unable to spend the two per cent of the average net profit of the last three financial years as this is the first year of implementation of CSR Policy and it was time consuming to understand the exact nature of project, location of suitable site, finalization of project etc. However, the Company is in process of identifying the areas for implementation of CSR. The Company would ensure in future that all the provision are complied to the fullest extent.

## 20. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the year under review were in the ordinary course of business and on arm's length basis. The Company has not entered into any contract/arrangement/transaction with related parties which could be considered material in nature. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. Your Directors draw attention of the members to note no. 32 to the standalone financial statement which sets out related party disclosures.

The Company has developed a Related Party Transactions Policy which has been uploaded on the website of the Company and web-link thereto has been provided in the Corporate Governance report.



## **21. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has set up an Internal Complaints Committee (ICC) for providing redressal mechanism pertaining to Sexual harassment of women employees at workplace. The Company has not received any complaint pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **22. RISK MANAGEMENT**

The Company has laid down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board has formulated Risk management policy to ensure that the Board, its Audit Committee and its executive management should collectively identify the risks impacting the Company's business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy/ strategy. At present there is no identifiable risk which, in the opinion, of the Board may threaten the existence of the Company.

## **23. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is also defined. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, corrective action are undertaken in the respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

### **Internal Financial Control**

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

## **24. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and employees may report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The employees and directors may report to the Compliance officer and have direct access to the Chairman of the Audit Committee. The Whistle-blower Policy is placed on the website of the Company.

## **25. BOARD MEETINGS**

During the Financial year, total 4 (Four) meetings of the Board of Directors were held on 30<sup>th</sup> May, 2014, 11<sup>th</sup> August, 2014, 14<sup>th</sup> November, 2014 and 13<sup>th</sup> February, 2015 respectively.

## **26. AUDIT COMMITTEE**

The Board has well-qualified Audit Committee with majority of Independent Directors including Chairman. As on date, it comprises of Mr. S. S. Thakur (Chairman of Committee), Mr. Rajesh Pandey, Mr. Jagannadham Thunuguntla and Ms. Jyoti Rai. The Company Secretary of the Company acts as Secretary of the Committee.

## 27. NOMINATION & REMUNERATION POLICY

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The detail of the same has been disclosed in the corporate governance report.

## 28. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, performance evaluation of Board and that of its committees and individual Directors was carried out. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, participation by all directors and developing consensus amongst the directors for all decisions. The Chairman was evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the view of the executive directors and non-executive directors.

## 29. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

## 30. VOLUNTARY DELISTING OF SHARES FROM METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED (\*ERSTWHILE MCX STOCK EXCHANGE LIMITED)

As there was no trading of the equity shares of the Company on Metropolitan Stock Exchange of India Limited\*, the Board of Directors has, at its meeting held on 30<sup>th</sup> May, 2014 has approved voluntarily delisting of total 266912700 equity shares of Re. 1/- each of the Company from the Metropolitan Stock Exchange of India Limited\*. On application of the Company, the Metropolitan Stock Exchange of India Limited\* has, vide letter dated June 30, 2014 approved the delisting of the aforesaid equity shares of the Company from the exchange and the said shares has been suspended from trading w.e.f. July 03, 2014 and delisted from capital market segment of the Exchange w.e.f. July 08, 2014. However, the equity shares of the Company continue to be listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited having nationwide trading terminals.

## 31. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

During the year under review, the Company has not given any loan or guarantee or provided security in connection with loan to any other body corporate or person as specified in Section 186 of the Companies Act, 2013. For information pertaining to Investments, kindly refer notes to financial statements.

## 32. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

There were no employees of the Company drawing remuneration exceeding the specified limit during the year under consideration, hence the details prescribed under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2014-15 and
- (ii) The percentage increase in remuneration of each Director and Company Secretary in the financial year 2014-15.

Sr. No.	Name of the Director/KMP and Designation*	Remuneration of Director/KMP for financial year 2014-15 (Rs. in Million)	Ratio of remuneration of each director to the median remuneration of employees	% increase in remuneration in the financial year 2014-15
1	Mr. Atit Agarwal Chairman and Whole Time Director	2.77	11.40	25.00% (Increase w.e.f. 22.08.2014)
2.	Mr. S.S.Thakur Independent Non-Executive Director	0.53	2.18	--
3	Ms. Alpa Ramani Company Secretary	0.33	--	29.63%

\*Details not given for Mr. V.K. Chopra, Mr. Michael Freedman, Mr. Jagannadham Thunuguntla and Ms. Jyoti Rai as they were Directors only for part of the financial year 2014-15. Details not given for Mrs. Swati Agarwal and Mr. Rajesh Pandey as they did not receive any remuneration from the Company.

- (iii) The Median Remuneration of employees of the Company for the financial year 2014-15 is Rs. 0.24 Million and there was an increase of 21.69 % compared to the previous financial year.
- (iv) The number of permanent employees on the rolls of the Company is 267 for the financial year ended March 31, 2015.
- (v) Average increase in employee's remuneration was around 16%. Revenue for the financial year ended March 31, 2015 decreased by 17.34 % as compared to previous year. Factors considered while recommending increase in compensation are Industry bench marking and overall Contribution made by the individuals.

- (vi) The remuneration of Key Managerial Personnel(KMP) of the Company and the percentage increase in the remuneration of the KMP during 2014-15 is as given in (i) and (ii) above. The total remuneration of Key Managerial Personnel increased by approx. 27% .The performance of the Company is as stated in (v) above.
- (vii) The market capitalization of the Company as on March 31, 2015 was around 33,097 million as compared to 25,423 million as on March 31, 2014. Price Earnings Ratio of the Company was 100 as on March 31, 2015 as against 50.13 as on March 31, 2014.  
 Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer- Not Applicable
- (viii) Average percentage increase made in the salaries of employees other than the key managerial personnel for the FY 2014-15 was approx. 16%. The increase in the remuneration of key managerial personnel was approx.27%. The increase in remuneration is determined based on the performance of the employees of the company.
- (ix) The remuneration of each of the KMP is given in (i) and (ii) above. The performance of the Company, in comparison, is stated in (v) above.
- (x) The remuneration of Whole-Time Director of the Company does not include any variable component. The key parameters for the variable component of remuneration availed by Independent Non-Executive Directors is based on their attendance and contribution at the Board and Committee Meetings.
- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable.
- (xii) It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

### 33. HUMAN RESOURCES

The industrial relations at the manufacturing facilities of your Company have been cordial during the year. Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. The Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources.

### 34. ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

### **35. ENHANCING SHAREHOLDERS VALUE**

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

### **36. ACKNOWLEDGEMENTS**

Your Directors gratefully acknowledge the support given by the Customers, Dealers, Distributors, Suppliers, Bankers, various departments of the Central and State Governments, Local Authorities and members of the Company.

Your Directors would further like to record their appreciation for the unstinted effort put by all Employees of the Company during the year.

For and on behalf of the Board,

Place : Mumbai  
Date : 26<sup>th</sup> May, 2015

**Atit Agarwal**  
Chairman & Whole Time Director

## ANNEXURE TO THE DIRECTORS' REPORT

### ANNEXURE-A

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo Pursuant to Provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.**

**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

<b>Power &amp; Fuel Consumption</b>		<b>Financial Year 2014-15</b>	<b>Financial Year 2013-14</b>
<i>1 Electricity</i>			
(a) Purchased			
Units	27,512,604	25,876,512	
Total amount (Rs. in Million)	195.73	168.14	
Rate / Unit (Rs.)	7.11	6.50	
(b) Own Generation			
(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	
<i>2 Coal (Specify quantity and where used)</i>			
Quantity (Tonnes)	NIL	NIL	
Average Rate	NIL	NIL	
<i>3 Furnace Oil</i>			
Quantity (in M. Tones)	4,235.49	4,040.55	
Total Amount (Rs. in Million)	152.61	172.65	
Average Rate (Rs. per M.T.)	36,032	42,730	
<i>4 Other/Internal Generation (Please give details)</i>			
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:**

Total Exchange Earned (Rs. in Million) 8,767.45 10,651.58  
 Total Outgo (Rs. in Million) 6,929.38 8,167.91

For and on behalf of the Board,

Place : Mumbai  
 Date : 26<sup>th</sup> May, 2015

**Atit Agarwal**  
 Chairman & Whole Time Director

**ANNEXURE-B**

Persons constituting group coming within the definition of “Group” for the purpose of Regulation 10 (a) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, include the following:

Sr. No.	Name of the Entity
1.	Wellknown Business Ventures LLP
2.	Harvest Enterprises Limited
3.	Efficient Builders LLP
4.	Axiom Cordages Limited
5.	Goldstreet Infrastructure LLP
6.	Fairpoint Industries LLP
7.	Onesource Trading Company LLP

For and on behalf of the Board,

Place : Mumbai  
 Date : 26<sup>th</sup> May, 2015

**Atit Agarwal**  
 Chairman & Whole Time Director

**ANNEXURE-C****Annual report on corporate social responsibility (CSR) activities for the financial year 2014-15.**

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Responsive Industries Limited believes that the true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people. The Company believes in reaching out to underserved communities and intends to make a positive difference to society and contribute its share towards the social cause of betterment of communities and areas in which the Company operates. The Company also believes in the trusteeship concept. This entails transcending business interests and grappling with the “quality of life” challenges that underserved communities face, and working towards making a meaningful difference to them.

At Responsive Industries Limited, our mantra is – *We listen. We're responsive.*

In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and is titled as the “CSR Policy” which is based as per The Companies (Corporate Social Responsibility Policy) Rules, 2014 initiated by the Central Government under the relevant provisions of Section 135 of the Companies Act, 2013 and Schedule VII of the said Act.

*Activities under CSR:*

The Company Will carry out CSR activities as specified in Schedule VII to the Companies Act, 2013, including any amendments to it but will not be limited to the following:

- Eradicating hunger, poverty and mal-nutrition, promoting preventive health care and sanitation, including contribution to the Swatch Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
- Protection of natural heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries; promotion and development of traditional arts and handicrafts;
- Measures for the benefit of arm forces veterans, war windows and their dependents;
- Training to promote rural sport, nationally recognized sports, Paralympic sport and Olympic sports;

- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects;
- Slum area development.

Web link to the CSR Policy:

<http://www.responsiveindustries.com/pdf/Investor-information/policies/Corporate-Social-Responsibility-Policy.pdf>

2. The Composition of CSR Committee:

As on date, the Company has a CSR Committee of directors comprising of Mr. Atit Agarwal-Chairman of the Committee, Mr. Rajesh Pandey, Mr. Jagannadham Thunuguntla and Ms. Jyoti Rai.

3. Average net profit of the Company for last 3 financial years: Rs.602.73 Million

4. Prescribed CSR Expenditure (two percent of the amount mentioned in item 3 above): Rs.12.05 Million

5. Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year: Rs.12.05 Million
- b. Amount unspent: Rs.12.05 Million
- c. Manner in which the amount spent during the financial year: Not spent

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

The company was unable to spend the CSR amount as this is the first year of implementation of CSR Policy and it was time consuming to understand the exact nature of project, location of suitable site, finalization of project etc. However, the Company is in process of identifying the areas for implementation of CSR. The Company would ensure in future that all the provision is complied to the fullest extent.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

**Rajesh Pandey**  
Director

**Atit Agarwal**  
Chairman, CSR Committee

Place: Mumbai

Date: 26<sup>th</sup> May, 2015

**ANNEXURE-D**
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2015

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

**I. REGISTRATION AND OTHER DETAILS**

i	CIN	L99999MH1982PLC027797
ii	Registration Date	13-07-1982
iii	Name of the Company	Responsive Industries Limited
iv	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
v	Address of the Registered Office and contact details	Betegaon, Mahagaon Road, Boisar (East), Taluka Palghar, Dist. Thane-401501 Tel: 022 66562821 Fax: 022 66562798 Email: investor@responsiveindustries.com Website: www.responsiveindustries.com
vi	Whether listed Company	Yes
vii	Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400078. Tel No.: 022 25963838 Fax No.: 022 25946969 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	PVC Products	3130	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Wellknown Business Ventures LLP Esperanca, Shahid Bhagat Singh Road, Colaba, Mumbai-400039	AAB-9683(LLPIN)	Holding Entity	55.61	N.A.
2	Axiom Cordages Limited Gut No 114B & 120C, Betegaon Village, Boisar (East), Thane- 401 501	U25209MH1999PLC119427	Subsidiary Company	58.18	2(87)
3	Responsive International Limited Hong kong	—	Subsidiary Company	100	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category wise shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	3562340	0	3562340	1.33	3562340	0	3562340	1.33	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	157705670	0	157705670	59.09	157705670	0	157705670	59.09	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(1):-</b>	161268010	0	161268010	60.42	161268010	0	161268010	60.42	0
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(2):-</b>	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	161268010	0	161268010	60.42	161268010	0	161268010	60.42	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	10965598	0	10965598	4.11	10908706	0	10908706	4.08	-0.03
c) Central Govt.	0	0	0	0	0	0	0	0	0

d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	11469980	0	11469980	4.30	11469980	0	11469980	4.30	0
h) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	22435578	0	22435578	8.41	22378686	0	22378686	8.38	-0.03
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	2668568	0	2668568	1.00	3173269	0	3173269	1.19	0.19
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	104358	0	104358	0.04	412562	0	412562	0.15	0.11
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0	0	0	0	0	0	0
c) Others									
i) Foreign Bodies	80418565	0	80418565	30.13	79520231	0	79520231	29.79	-0.34
ii) NRI / OCBs	3250	0	3250	0.00	12863	0	12863	0.00	0
iii) Clearing Members/ Clearing House	14371	0	14371	0.00	147079	0	147079	0.07	0.07
<b>Sub-Total (B)(2):</b>	83209112	0	83209112	31.17	83266004	0	83266004	31.20	0.03
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	105644690	0	105644690	39.58	105644690	0	105644690	39.58	0
<b>C. Shares held by Custodian for GDRS &amp; ADRS</b>	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL (A+B+C)</b>	266912700	0	266912700	100	266912700	0	266912700	100	0



**(ii) Shareholding of Promoters**

Shareholder's Name	No. of Shares held at the beginning of the year (01.04.2014)			No. of Shares held at the end of the year (31.03.2015)			% Change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Wellknown Business Ventures LLP (Erstwhile Wellknown Business Ventures Pvt Ltd)	148425340	55.61	0	148425340	55.61	0	0
Axiom Cordages Limited	4418330	1.66	0	4418330	1.66	0	0
Harvest Enterprises Limited	3270000	1.23	0	3270000	1.23	0	0
Efficient Builders LLP (Erstwhile Efficient Builders Limited)	1592000	0.60	0	1592000	0.60	0	0
Swati Atit Agarwal	1300010	0.49	0	1300010	0.49	0	0
Saudamini Abhishek Agarwal	937000	0.35	0	937000	0.35	0	0
Atit O. Agarwal	773330	0.29	0	773330	0.29	0	0
Abhishek Omprakash Agarwal	552000	0.21	0	552000	0.21	0	0
<b>TOTAL</b>	<b>161268010</b>	<b>60.42</b>	<b>0</b>	<b>161268010</b>	<b>60.42</b>	<b>0</b>	<b>0</b>

**(iii) Change in Promoters' Shareholding**

There is no change in the Promoter's shareholding between 01.04.2014 to 31.03.2015.

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

Sr. No.	Name**	Shareholding at the beginning of the year (01.04.2014)		Shareholding at the end of the year (31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Fossebridge Limited	32901800	12.33	32901800	12.33
2	Xatis International Limited	32705720	12.25	32705720	12.25
3	Life Insurance Corporation of India	9600481	3.60	9600481	3.60
4	Brenzett Limited	14811045	5.55	13912711	5.21

5	Passage To India Master Fund Limited	5736980	2.15	5736980	2.15
6	Sparrow Asia Diversified Opportunities Fund	5733000	2.15	5733000	2.15
7	Religare Finvest Limited	2500000	0.94	2500000	0.94
8	General Insurance Corporation of India	1365117	0.51	1308225	0.49
9	Kamal Kumar Jalan Securities Pvt. Ltd.	135614	0.05	621304	0.23
10	Rishabh Rajkumar Agarwal*	37830	0.01	37830	0.01
11	Arcadia Share & Stock Brokers Pvt. Ltd.#	1050	0.00	122680	0.05

\*\* The Shares of the Company are traded on a daily basis. Hence the date wise increase/decrease in shareholding is not indicated.

\*Ceased to be in the list of Top 10 shareholders as on 31.03.2015. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01.04.2014.

# Not in the list of Top 10 shareholders as on 01.04.2014. The same has been reflected above since the shareholder was one of the Top 10 shareholder as on 31.03.2015.

#### (v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Atit Agarwal</b>				
	At the beginning of the year	773330	0.29	773330	0.29
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	773330	0.29	773330	0.29
<b>2</b>	<b>Swati Agarwal</b>				
	At the beginning of the year	1300010	0.49	1300010	0.49
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	1300010	0.49	1300010	0.49

Other than listed above, no other Director and Key Managerial Personnel hold any shares in the Company.

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**
**(Rs. in Million)**

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	5,770.26	14.16	-	5,784.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	5,770.26	14.16	-	5,784.42
<b>Change in Indebtedness during the financial year</b>				
Addition	7194.25	-	-	7194.25
Reduction	(7462.92)	(14.16)	-	(7477.08)
<b>Net Change</b>	(268.67)	(14.16)	-	(282.83)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,501.59	-	-	5,501.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	5,501.59	-	-	5,501.59

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

Sr. No.	Particulars of Remuneration	Name of MD / WTD/Manager	
		Mr. Atit Agarwal-WTD	Total
1	Gross Salary		
	(a) Value of Perquisites u/sec 17 (1) of the Income Tax Act, 1961	2.77	2.77
	(b) Value of Perquisites u/sec 17 (2) of the Income Tax Act, 1961	-	-
	(c ) Profits in lieu of salary under section 17 (3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	a. as a % of profit	-	-
	b. others	-	-
5	Others	-	-
	<b>Total (A)</b>	<b>2.77</b>	<b>2.77</b>
	Ceiling as per the Act (being 5% of net profit calculated under Sec 198 of Companies Act, 2013)		40.02

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. S.S.Thakur	Mr. V.K.Chopra (Ceased to be director w.e.f. 29.09.2014)	Mr. Jagannadham Thunuguntla (w.e.f. 12.12.2014)	Ms. Jyoti Rai (w.e.f. 13.02.2015)	
	1. Independent Directors					
	Fee for attending board / committee meetings	0.07	0.03	0.03	-	0.13
	Commission	0.46	0.41	-	-	0.87
	Others	-	-	-	-	-
	Total (1)	0.53	0.44	0.03	0	1.00
	2. Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	0.53	0.44	0.03	0	1.00
	Total Managerial Remuneration (A+B)					3.77
	Overall Ceiling as per the Act	Rs. 8 million (being 1% of net profit of Company calculated as per Section 198 of the Companies Act, 2013)				

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Ms. Alpa Ramani Company Secretary	Total
1	Gross Salary		
	(a) Value of Perquisites u/sec 17 (1) of the Income Tax Act, 1961	0.33	0.33
	(b) Value of Perquisites u/sec 17 (2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17 (3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	a. as a % of profit	-	-
	b. others	-	-
5	Others	-	-
	<b>Total</b>	0.33	0.33

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act):**  
 None

For and on behalf of the Board,

 Place : Mumbai  
 Date : 26<sup>th</sup> May, 2015

**Atit Agarwal**  
 Chairman & Whole Time Director

**ANNEXURE-E**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

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

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

To,  
The Members,  
**Responsive Industries Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Responsive Industries Limited**. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

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

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

- (I) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (III) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (IV) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Report).**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Report).**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Report).**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not notified hence not applicable to the Company during the audit report).**
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited, Bombay Stock Exchange Limited and Metropolitan Stock Exchange of India Limited (Erstwhile known as MCX Stock Exchange Limited, hereinafter referred to as "MCX"\*);

\*Delisted from MCX w.e.f. July 3, 2014.

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

**a. Non Appointment of Chief Financial Officer:**

As per the provisions of section 203 (1) of the Companies Act, 2013, the Company is required to appoint the following Key Managerial Personnel:



- a. Managing Director or Chief Executive Officer or manager and in their absence, a Whole-Time Director.
- b. Company Secretary
- c. Chief Financial Officer

The Company has appointed Company Secretary and an Executive Director (Whole Time Director). The Company has not appointed Chief Financial Officer.

The reasons for not appointing the same has been given in the Directors Report.

**b. Non Spending of amount towards Corporate Social Responsibility (CSR):**

As per section 135 of the Companies Act, 2013, a Company to whom the provisions of CSR applies, is required to spend atleast 2% of average net profits made during the immediately three preceding financial years. As per the financial statement as on March 31, 2014, the Company was required to spend 1,20,54,588 (Rupees One Crore Twenty Lakhs Fifty Four Thousand Five Hundred and Eighty Eight Only) during the financial year on CSR activities. However, the Company has not spent any amount towards the same.

The reasons for not spending the same have been given at an appropriate place in the Directors Report.

**We further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Place: Mumbai

Date: May 26, 2015

**For P. P. Shah & Co.,  
Practicing Company Secretaries  
Pradip Shah  
FCS No. 1483  
C P No.: 436**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. INDUSTRY STRUCTURE AND DEVELOPMENTS

Your Company, Responsive Industries Limited (RIL) is one of the leading providers of vinyl flooring internationally and the largest Indian producer of PVC flooring, artificial leather cloth, rigid film and soft sheeting. We possess the largest domestic capacity in PVC flooring and artificial leather cloth segments. Our products portfolio includes PVC flooring, automotive upholstery solutions, FMCG and pharmaceutical packaging and transparent sheeting. We serve multiple industries, comprising healthcare, hospitality, transportation, IT and telecom, retail, education, sports infrastructure and real estate which are widely used both for household and commercial purposes.

The Indian economy has been adversely affected due to the impact of global financial meltdown, moderating consumption demand and depreciating currency. During the financial year downfall recorded in the manufacturing sector. Indian plastic product sector witnessed strong double-digit growth, with strong offtake from key user industries like packaging, automotive and infrastructure sector.

During the year under review, the Company's performance was satisfactory and the Company was able to meet the demand of PVC product satisfactorily. Despite the slowdown, your Company is seeing bright future for its business and will strive for better performance in coming years.

### B. OPPORTUNITIES AND THREATS

The Company is among the market leaders in PVC products segment. The consumption of PVC products like PVC Leather Cloth is increased with reasonable percentage in both commercial and household purposes and for other PVC products like PVC Sheeting, PVC Rigid, the consumption in commercial purposes has been increased. With this growing demand of PVC products in the domestic market as well as the overseas markets for commercial and household application, the Company is expecting several opportunities for profitable growth. The Company has all geared up to meet these challenges and continue to be among the leaders in this sector.

The threats that the Company faces are from the unorganized sector in the domestic markets due to cheaper imports and European & other countries competition in the overseas market. However, the strong product development and market efforts have enabled the company to stay ahead.

### C. PERFORMANCE OF COMPANY

The company is engaged only in one segment of products i.e. PVC products. The Company produces various types, grades and form of PVC Leather Cloth, PVC Flooring, PVC Sheeting and PVC Rigid.

The total production during the year 2014-15 is 82,193 Sq.Mtrs./L.Mtrs./Kgs.,(Qty. in '000) as against the total production of 91,054 Sq.Mtrs./L.Mtrs./Kgs.,(Qty. in '000) for the previous year 2013-14.

### D. OUTLOOK

With company's increased capacity utilization, strong product development, market efforts, the company is optimistic about its growth in the coming years too.

## 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 for the smooth conduct of the business. Internal audit is conducted at regular intervals at the plants and covers the key areas of operations. It is an independent objective and assurance function responsible for evaluating and improving the effectiveness of risk management control, and governance processes.

## G. FINANCIAL & OPERATIONAL PERFORMANCE

Your company achieved Net Sales of Rs. 14,554.78 million for the year ended 31<sup>st</sup> March, 2015 as compared to Rs. 18,367.70 million in the previous year. Further, your Company recorded net profit after tax of Rs. 331.90 million as compared to Rs. 507.88 million for the previous year.

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

<b>Sales</b>	<b>Year ended 31.03.2015 (Rs. in Million)</b>	<b>Year ended 31.03.2014 (Rs. in Million)</b>
Local	5,740.25	7678.14
Export	8,814.53	10,689.56
<b>Total</b>	<b>14,554.78</b>	<b>18,367.70</b>

## H. HUMAN RESOURCES

Your Company has employee strength of 1000 plus employees in its factories and regional offices. Your Company's industrial relation continued to be harmonious during the year under review. Your Company conducts regular in house training program for employee at all level.

## 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.

**CAUTIONARY STATEMENT:**

Statement in the management discussion and analysis describing the Company's objectives, projections, expectations may constitute a 'forward looking statements' within the meaning of applicable securities law 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 conditions in the domestic markets in Government Regulation, tax law and other statutes and other incidental factors.

For and on behalf of the Board,

Place : Mumbai

Date : 26<sup>th</sup> May, 2015

**Atit Agarwal**

Chairman & Whole Time Director

## CORPORATE GOVERNANCE REPORT

(In accordance with Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), report containing the details of corporate governance systems and processes at Responsive Industries Limited is as under.)

### I. Company's Philosophy on Corporate Governance

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.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement entered into with the stock exchanges with regard to corporate governance.

### II. Board of Directors

#### Composition:

The Board of the Company has an optimum combination of Executive and Non-Executive Directors with at least one woman director and not less than fifty percent of the Board of Directors comprises non-executive directors. The composition of the board is in conformity with clause 49 of the listing agreement. Details of the Directors, their directorships and committee chairmanship/membership held by them in other public companies as on March 31, 2015 (excluding Responsive Industries Limited) are as under:

Name of Director	Category	No. of Directorships in other Public Limited Companies*	Committee	Positions
			Chairman**	Member**
Mr. Atit Agarwal	Whole-time Director (Promoter)	1	-	-
Mrs. Swati Agarwal	Non-Executive (Promoter)	1	-	-
Mr. Rajesh Pandey	Executive	1	-	1
Mr. S. S. Thakur	Independent Non-Executive	4	3	3
Mr. Jagannadham Thunuguntla	Independent Non-Executive	-	-	-
Ms. Jyoti Rai	Independent Non-Executive	1	-	-

Notes:

1.\*Other directorships exclude directorships of Private Limited Companies, Foreign Companies and Section 8 Companies.

2. \*\*Only Audit Committee and Stakeholder's Relationship Committee have been considered for the purpose of the Committee positions as per listing agreement.
3. Mrs. Swati Agarwal is the spouse of Mr. Atit Agarwal. Other than this, none of the Directors have any inter-se relation among themselves.
4. Members of the Board of the Company do not have membership of more than ten Committees or Chairmanship of more than five Committees.
5. Whole- Time Director does not hold any office as an Independent Director in other listed company.
6. The details of the Directors who are being appointed/ reappointed are provided in the Notice to the Annual General Meeting. The brief profile of the Directors is placed on the website of the Company.
7. The tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the independent directors have confirmed that they meet the criteria as mentioned under clause 49 of the listing agreement and Section 149 of the Companies Act, 2013.

#### Directors Resigned during the year:

Mr. Michael Freedman (DIN 03289409) & Mr. Vijay Kumar Chopra (DIN 02103940), Non-Executive Independent Directors of the Company has resigned from the Board w.e.f. 30<sup>th</sup> May, 2014 and 29<sup>th</sup> September, 2014 respectively.

#### Board Meetings

During the year, 4 (Four) Board Meetings were held on 30<sup>th</sup> May 2014, 11<sup>th</sup> August 2014, 14<sup>th</sup> November 2014 and 13<sup>th</sup> February 2015 and the particulars of attendance of the Directors are as under:

Name of Director	No. of Board meetings attended	Attendance at AGM held on 09/08/2014
Mr. Atit Agarwal	4 of 4	Yes
Mrs. Swati Agarwal	4 of 4	Yes
Mr. Rajesh Pandey	4 of 4	Yes
Mr. S.S.Thakur	4 of 4	No
Mr. JagannadhamThunuguntla (w.e.f. 12/12/2014)	1 of 1	N.A.
Ms. Jyoti Rai (w.e.f. 13/02/2015)	N.A.	N.A.
Mr.V. K. Chopra (resigned w.e.f. 29/09/2014)	2 of 2	No
Mr. Michael Freedman (resigned w.e.f. 30/05/2014)	N.A.	N.A.

The terms and conditions of appointment of independent directors are disclosed on the website of the Company.

During the year under review, Separate meeting of the Independent Directors was held to review the performance of Non-Independent Directors, Chairman and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

### III. Committees of the Board

As on 31<sup>st</sup> March 2015, the Company has Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

#### 1. Audit Committee

The Audit Committee is constituted as per the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the listing agreement. Members of the Audit Committee possess financial/accounting expertise/exposure.

Whole Time Director is the permanent invitee to the Audit Committee Meeting. The Audit Committee invites executives, as it considers appropriate, representatives of Statutory Auditors and Internal Auditors to present at its meetings. The Company Secretary acts as the secretary to the audit committee.

#### Composition, Meetings & Attendance

During the year under review, the Committee met 4 (Four) times on 30<sup>th</sup> May, 2014, 11<sup>th</sup> August 2014, 14<sup>th</sup> November 2014 and 13<sup>th</sup> February 2015.

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

Name of the Member	Designation	No. of meetings attended
Mr. S. S. Thakur	Chairman	4 of 4
Mr. Rajesh Pandey	Member	4 of 4
Mr. V. K. Chopra#	Member	2 of 2
Mr. JagannadhamThunuguntla*	Member	1 of 1
Ms. Jyoti Rai*	Member	N.A.

#Mr. V.K. Chopra, Independent Director & member of this Committee has resigned from the Board of the Company.

\*Mr. JagannadhamThunuguntla & Ms. Jyoti Rai, Independent Director have been inducted as member of this Committee.

#### Terms of reference:

##### Powers of Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### Role of Audit committee, inter alia, includes the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment, remuneration and terms of appointment of auditors of the company;
- Approving payment to statutory auditors for any other services rendered by the statutory auditors;

- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



### Review of Information by Audit Committee

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

### 2. Nomination & Remuneration Committee (formerly Remuneration Committee):

During the year under review, the nomenclature of Remuneration Committee was changed and it has been reconstituted as “Nomination & Remuneration Committee” to align with the requirements prescribed under the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The committee comprises of non-executive directors and majority of them are independent. Chairman of the committee is an independent director.

### Composition, Meetings & Attendance

During the year under review, the Committee met 5 (Five) times on 30<sup>th</sup> May, 2014, 11<sup>th</sup> August 2014, 14<sup>th</sup> November 2014, 12<sup>th</sup> December 2014 and 13<sup>th</sup> February 2015.

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

Name of the Member	Designation	No. of meetings attended
Mr.S. S. Thakur	Chairman	5 of 5
Mrs. Swati Agarwal	Member	5 of 5
Mr. JagannadhamThunuguntla*	Member	1 of 1
Mr. Atit Agarwal**	Member	2 of 2
Mr. V.K. Chopra#	Member	2 of 2
Ms. Jyoti Rai*	Member	N.A.

# Mr. V.K. Chopra, Independent Director & member of this Committee has resigned from the Board of the Company w.e.f. 29.09.2014.

\*\* Mr. Atit Agarwal was inducted as a member, during the year under review; he ceased to be member of this committee.

\* Mr. JagannadhamThunuguntla & Ms. Jyoti Rai have been inducted as a member w.e.f. 24.12.2014 and 13.02.2015 respectively.

**Terms of Reference:**

- To identify persons who are qualified to become directors and who may be appointed in senior management level in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To deal with the matters relating to the remuneration payable to Whole time Directors, Key Managerial Personnel and Senior Management Executives and commission, if any, to be paid to Non-Executive directors, apart from sitting fees.
- To review the overall compensation policy, service agreement and other employment conditions of Whole time Directors, Key Managerial Personnel and Senior Management Executives.
- To deal with other matters as the Board may refer to the Nomination and Remuneration Committee ("the Committee") from time to time.

**Nomination & Remuneration Policy:**

The Company recognizes the competitive nature of the current market conditions and this requires the Company to provide competitive remuneration offering to directors and employees to ensure that a high caliber of staff is attracted to the Company and retained once they have gained experience. The Company further acknowledges that it can only excel in service delivery through the exceptional performance of its people and that the remuneration offering to the directors and employees plays a substantial motivational role when exceptional performance is compensated with exceptional rewards. The Remuneration of Whole time Directors, Key Managerial Personnel and Senior Executives of the Company are decided based on certain pre-determined criteria and as per the recommendation of the Committee. The Company pay remuneration to Whole time Directors, Key Managerial Personnel and Senior Executives by way of salary, perquisites, allowances (fixed component), incentives and commission (variable component) based on the recommendation of the Committee and approval of the Board of Directors and shareholders, if applicable.

**Guaranteed Portion of Remuneration:** Whole time Directors and employees are receiving guaranteed portion of their total package on a monthly basis.

**Variable Portion of Remuneration:** Incentive bonus to reward employees for exceptional performance above the accepted standard and is variable. These rewards are based on individual, departmental or Company' performance related to predefined targets. Performance is measured over a 12 months period.

Non-Executive Independent Directors are paid sitting fees for every Meeting of the Board or the Committee attended (except for Stakeholders Relationship Committee) and reimbursement of expenses, if any incurred by them. The remuneration by way of Annual Commission to the Non-Executive Independent Directors is decided by the Board of Directors on recommendation of the Committee and paid to them based on their participation and contribution at the Board / Committee meetings and the time spent on matters other than at meetings, in terms of the approval of the members by postal ballot on 24<sup>th</sup> October, 2011.

The total commission payable to the Directors shall not exceed 1% of the net profit of the Company. The Commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year. The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

**Details of Remuneration, Sitting fees, Commission paid to the Directors during the financial year ended 31st March, 2015 are given below.**

Sr. No.	Name of Director	Sitting Fees (Rs. in Million)	Annual Remuneration /Commission*(Rs. in Million)
1	Mr. Atit Agarwal (Whole-Time Director)	—	2.77
2	Mr. S. S. Thakur (Non-Executive Independent Director)	0.07	0.46*
3	Mr. V. K. Chopra (Non-Executive Independent Director) {upto 29.09.2014}	0.03	0.41*
4	Mr. Jagannadham Thunuguntla (Non-Executive Independent Director) {w.e.f. 12.12.2014}	0.03	--

The Shareholders of the Company at its meeting held on 09<sup>th</sup> August, 2014 has approved the re-appointment of Mr. Atit Agarwal as a Whole-time Director of the Company for a period of 3 years w.e.f. 22<sup>nd</sup> August, 2014.

As on 31<sup>st</sup> March 2015, Mr. Atit Agarwal holds 7,73,330 equity shares and Mrs. Swati Agarwal holds 13,00,010 equity shares in the Company. Other than this, no other director by himself/herself or for any other person on a beneficial basis holds any shares in the Company. The Company has not issued any convertible instruments.

There were no pecuniary relationship or transactions of Non-Executive Directors vis-à-vis the Company.

### 3. Stakeholders' Relationship Committee (formerly Shareholders/Investors Grievance Committee):

During the year under review, the nomenclature of this Committee was changed from Shareholders'/Investors' Grievance Committee to Stakeholders' Relationship Committee to align with the requirements prescribed under the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Chairman of Committee is non-executive director.

#### Composition, Meetings & Attendance

During the year under review, the Committee met 4 (Four) times on 16<sup>th</sup> April 2014, 30<sup>th</sup> July 2014, 10<sup>th</sup> October 2014 and 15<sup>th</sup> January 2015.

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

Name of the Member	Designation	No. of meetings attended
Mrs.Swati Agarwal*	Chairman	N.A.
Mr. Rajesh Pandey	Member	4 of 4
Mr. Atit Agarwal*	Member	3 of 3
Mr. S.S. Thakur#	Member	3 of 4
Mr. Michael Freedman#	Member	1 of 1

\*During the year under review, Mrs. Swati Agarwal & Mr. Atit Agarwal were appointed as a Chairman & member of this Committee respectively.

#Mr. Michael Freedman (due to resignation) & Mr. S.S.Thakur ceased to be member of this Committee.

Ms. Alpa Ramani, Company Secretary of the Company has been designated as Compliance Officer (E-mail ID: investor@responsiveindustries.com ) for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges.

The “SCORES” website of SEBI for redressing of Grievances of the investors is being visited at regular intervals by the Company Secretary and there are no pending complaints registered with SCORES for the Financial Year ended on 31<sup>st</sup> March, 2015.

#### Terms of Reference

The Committee looks into the redressal of complaints of investors such as transfer of shares, non-receipt of declared dividend/notices/annual reports, etc.

#### Details of Investor Complaints

Number of Complaints from 01.04.2014 to 31.03.2015			
Pending as on 01.04.2014	Received	Redressed	Pending as on 31.03.2015
Nil	Nil	Nil	Nil

#### 4. Corporate Social Responsibility Committee

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. Your Company has developed a CSR Policy which is available on the website of the Company.

##### Composition, Meetings & Attendance

During the year under review, the Committee met 2 (Two) times on 14<sup>th</sup> November, 2014 and 13<sup>th</sup> February, 2015.

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

Name of the Member	Designation	No. of meetings attended
Mr. Atit Agarwal**	Chairman	2 of 2
Mr. Rajesh Pandey	Member	2 of 2
Mr. Jagannadham Thunuguntla*	Member	1 of 1
Ms. Jyoti Rai*	Member	N.A.

\*\*Mr. Atit Agarwal have been designated as a Chairman of this Committee in place of Mr. V.K Chopra.

\*Mr. Jagannadham Thunuguntla and Ms. Jyoti Rai have been inducted as member of this Committee.

##### Terms of Reference

The Terms of Reference of the CSR Committee are as under:

- Formulate and recommend to the Board, a CSR Policy.
- Recommend the amount of expenditure to be incurred on CSR activities.
- Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.
- Monitor CSR policy from time to time.

#### IV. General Body Meetings

##### (i) Annual General Meetings (AGM):

Location, date and time of the Annual General Meeting held during the last 3 years.

Financial Year	Date	Time	Location	Special Resolutions Passed
2013-14	09.08.2014	10.00 a.m.	Hotel Silver Avenue Ostwal Empire, Next to Big Bazar, Boisar (West), Thane-401501	Resolution under Section 180 (1)(a) of Companies Act, 2013 & Section 180(1)(c) of Companies Act, 2013
2012-13	10.08.2013	10.30 a.m.	Registered Office	—
2011-12	04.08.2012	10.30 a.m.	Registered Office	—

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

No Extra-Ordinary General Meeting of the Shareholders was held during last three financial years.

**(iii) Postal Ballot**

During the year under review, no resolution has been passed through postal ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through postal ballot.

**V. Disclosures****(i) Related Party Transactions**

The Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in nature. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. Your Directors draw attention of the members to note no. 32 to the standalone financial statement which sets out related party disclosures and they are not in conflict with the interest of the Company at large. The Company has adopted a policy for related Party transactions which has been uploaded on the Company's website at <http://www.responsiveindustries.com/pdf/Investor-information/policies/Related-PartyTransactions-Policy.pdf>

**(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 except for the penalty imposed by the stock exchanges for delay in compliance of Clause 31 of listing agreement for the financial year ended 31.03.2014. The NSE has imposed the penalty of Rs. 5618/- (inclusive of service tax) and the penalty imposed by BSE was Rs. 3,000/-. The same has been paid by the Company.

**(iii) Whistle Blower Policy**

The Company has adopted whistle blower policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The said policy has been also put on the website of the Company i.e. [www.responsiveindustries.com](http://www.responsiveindustries.com)

**(iv) Details of Compliance with mandatory requirements and adoption of non- mandatory requirements**

The Company has complied with the applicable mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement.

**Adoption of Non-Mandatory Requirements****i. Shareholder Rights**

As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

**ii. Audit Qualifications**

The Company's financial statement for the financial year 2014-15 does not contain any audit qualification.

**iii. Reporting of Internal Auditor**

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and directly inter-acts to the audit committee.

**(v) Disclosure of Accounting Treatment**

The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. No deviation is made in following the same.

**(vi) Code of Conduct**

The code of conduct has been put on the Company's website. The members of the board and senior management personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2015. The Annual Report contains declaration to this effect signed by the Mr. Atit Agarwal -Chairman & Whole Time Director of the Company.

**(vii) Subsidiary Companies**

The Company has one material non listed Indian subsidiary Company. The requirement of appointing Independent Director of the Company on the Board of Directors of the subsidiary Company has been duly complied with. All requirements of the Clause 49 of the Listing Agreement with regard to subsidiary company have been complied with.

**(viii) Material Subsidiary policy**

The Company has framed policy for determining "material subsidiaries" to ensure that Board of Directors has overall supervision of functioning of Subsidiaries of the Company and to provide the governance framework for such subsidiaries. The policy is available at

<http://www.responsiveindustries.com/pdf/Investor-information/policies/Policy-on-Material-Subsidiaries.pdf>

**(ix) Certificate under Clause 49 (IX)**

The certificate pursuant to the provisions of Clause 49 (IX) of the listing agreement certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs is annexed and forms part of the Annual Report.

**(x) Familiarisation programme for Directors**

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

## VI. 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 at [www.responsiveindustries.com](http://www.responsiveindustries.com). The company issues news releases on significant corporate decisions/activities and posts them on Company's website. The Company's website provides for separate section for investors where relevant shareholders information is available. The Management Discussion & Analysis Report forms part of the Annual Report.

## VII. General Shareholder Information

### 1. Annual General Meeting

**Date** : 22<sup>nd</sup> September, 2015

**Time** : 11.00 a.m.

**Venue** : Hotel Silver Avenue, Ostwal Empire,  
Next to Big Bazar, Boisar (West),  
Thane- 401 501, Maharashtra

### 2. Financial Calendar (Tentative)

Financial Year of the Company 01<sup>st</sup> April, 2015 to 31<sup>st</sup> March 2016

Results for the Quarter ending:

June 30, 2015	On or before 14 <sup>th</sup> August, 2015
September 30, 2015	On or before 14 <sup>th</sup> November, 2015
December 31, 2015	On or before 14 <sup>th</sup> February, 2016
March 31, 2016	On or before 15 <sup>th</sup> May, 2016 or 30 <sup>th</sup> May, 2016

### 3. Date of book Closure: 18<sup>th</sup> September, 2015 to 22<sup>nd</sup> September, 2015 (Both days inclusive)

### 4. Dividend Payment Date:

Final Dividend, if declared, shall be paid/credited on or after 22<sup>nd</sup> September, 2015.

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

1. Bombay Stock Exchange Limited.  
P.J. Towers,  
Dalal Street, Fort  
Mumbai 400 001

2. National Stock Exchange of India Limited.  
Exchange Plaza,  
Bandra- Kurla Complex,  
Bandra (East)  
Mumbai 400 051

Listing Fees as applicable have been paid.

### 6. Stock code/Symbol

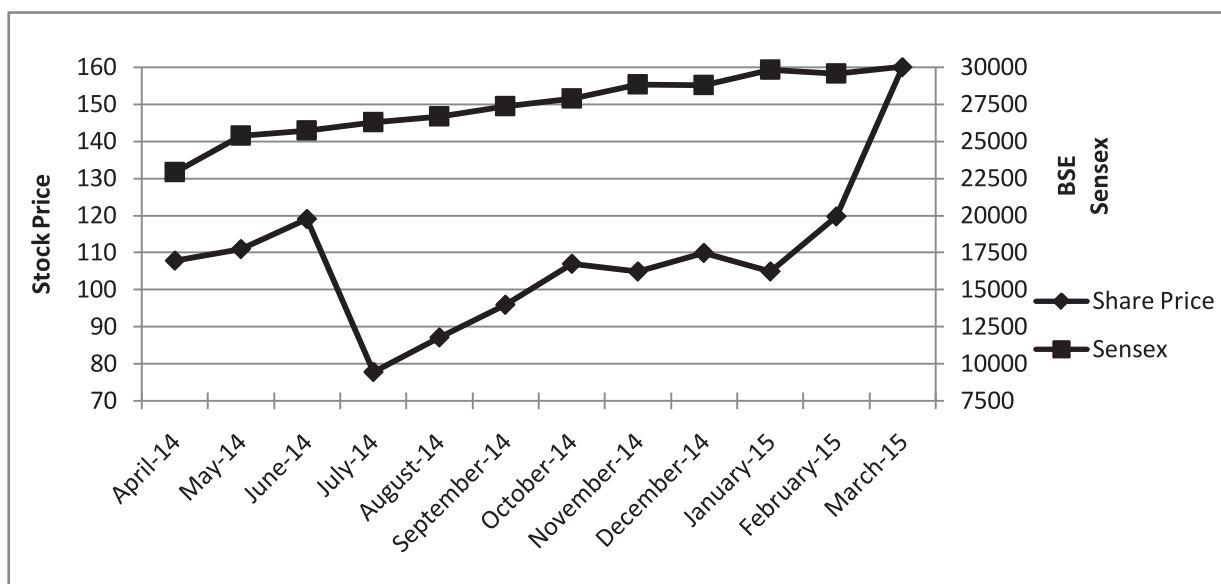
(a) Stock Exchange	Stock Code
1. Bombay Stock Exchange Ltd.	505509
2. National Stock Exchange of India Ltd	RESPONIND
(b) Demat ISIN Number in NSDL & CDSL for Equity Shares	INE688D01026



## 7. Stock Market Data:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)	High(Rs.)	Low(Rs.)
April-2014	107.90	72.40	98.00	83.05
May-2014	111.00	73.00	109.00	81.80
June-2014	119.15	77.85	118.80	77.60
July-2014	77.85	66.40	78.00	66.00
Aug -2014	87.20	67.55	86.75	68.00
Sep-2014	96.00	81.00	96.65	82.70
Oct-2014	107.00	82.00	99.65	82.50
Nov -2014	105.00	87.05	104.00	90.30
Dec-2014	110.00	81.55	95.75	80.65
Jan-2015	105.00	82.00	102.00	82.35
Feb -2015	119.80	85.00	118.00	87.30
Mar -2015	160.00	102.00	155.55	99.70

## 8. Performance of Responsive Industries Limited share Price in comparison to BSE Sensex



## 9. Registrar and Transfer Agents:

Shareholders correspondence should be addressed to the Registrar and Transfer Agents of the company at the following Address:

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

Tel No.: 91(022) 25963838  
 Fax No.: 91(022) 25946969  
 E-mail: [rnt.helpdesk@linktime.co.in](mailto:rnt.helpdesk@linktime.co.in)  
 Website : [www.linkintime.co.in](http://www.linkintime.co.in)

**10. Share Transfer System:**

100% equity shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company.

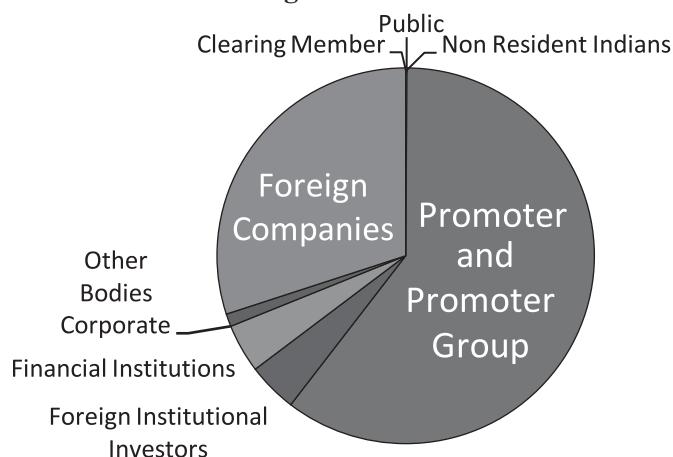
As required by clause 47 (c) of the Listing Agreements entered into by the Company with the Stock Exchanges, a certificate is obtained every six months from a Practicing Company Secretary with regard to, inter alia, effecting transfer, transmission, sub-division, consolidation, renewal and exchange of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

**11. Distribution of Shareholding as on 31<sup>st</sup> March 2015.**

Range	No. of shareholders	% of total shareholders	No. of Shares held	% of shareholding
1 to 500	1457	90.95	146167	0.05
501 to 1000	58	3.62	50040	0.02
1001 to 2000	38	2.37	55057	0.02
2001 to 3000	7	0.44	18563	0.01
3001 to 4000	4	0.25	13760	0.00
4001 to 5000	4	0.25	17884	0.01
5001 to 10000	6	0.37	41577	0.02
10001 and above	28	1.75	266569652	99.87
<b>Total</b>	<b>1602</b>	<b>100.00</b>	<b>266912700</b>	<b>100.00</b>

**12. Shareholding Pattern as on 31<sup>st</sup> March 2015.**

Sr. No.	Category	No. of shares held	% of Shareholding
1	Promoter and Promoter Group	161268010	60.42
2	Foreign Institutional Investors	11469980	4.30
3	Financial Institutions	10908706	4.09
4	Other Bodies Corporate	3173269	1.19
5	Foreign Companies	79520231	29.79
6	Clearing Member	147079	0.06
7	Public	412562	0.15
8	Non Resident Indians	12863	0.00
	<b>Grand Total</b>	<b>266912700</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March 2015**

**13. Dematerialization of shares and liquidity**

As of 31<sup>st</sup> March 2015, 266912700 Equity Shares representing 100% of the paid up equity capital of the company have been dematerialized with the following depositories:

Description	ISIN No.	Depositories
Fully Paid	INE688D01026	National Securities Depository Ltd. (NSDL) Trade World , A Wing , 4th Floor , Kamala Mills Compound , Lower Parel, Mumbai 400013
		Central Depository Services (India) Ltd.(CDSL) Phiroze Jeejeebhoy Towers , 17 <sup>th</sup> Floor, Dalal Street, Fort, Mumbai 400 023

The equity shares of the Company are regularly traded on NSE and BSE.

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

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

**15. Reconciliation of Share Capital Audit Report**

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 and the total issued and listed equity share 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 dematerialized shares held with NSDL and CDSL.

**16. Registered Office & Plant Location**

Village Betegaon ,Mahagaon Road,  
 Boisar (E), Tal. Palghar,  
 Dist. Thane- 401501.

**17. Address for correspondence:**

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

**Registrar & Transfer Agents:**

Link Intime India Private Ltd.,  
 C-13, Pannalal Silk Mills Compound,  
 LBS Marg, Bhandup (W),  
 Mumbai-400078.  
 Tel No.: +91 22 2596 3838  
 Fax No.: +91 22 2594 6969  
 E-mail: [rnt.helpdesk@linktime.co.in](mailto:rnt.helpdesk@linktime.co.in)  
 Website : [www.linkintime.co.in](http://www.linkintime.co.in)

**Registered Office:**

Village Betegaon, Mahagaon Road,  
 Boisar (E), Tal. Palghar, Dist. Thane-401501  
 T:- +91 22 6656 2821  
 F:- +91 22 6656 2798  
 E:- [investor@responsiveindustries.com](mailto:investor@responsiveindustries.com)  
 Website: [www.responsiveindustries.com](http://www.responsiveindustries.com)

**18. Unclaimed Dividends**

Pursuant to the provisions of Section 205C of Companies Act, 1956, the amount of dividend remaining unpaid / unclaimed for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividend and corresponding dates when unpaid / unclaimed dividends are due for transfer to the IEPF:

Financial Year	Date of Declaration	Due Date for Transfer to IEPF
2008-09	30.09.2009	03.12.2016
2009-10	10.09.2010	14.11.2017

Members who have not encashed their dividend warrants are requested to have them revalidated and encashed to avoid transfer to IEPF.

**19. 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 Secretary has verified the compliance of the Corporate Governance norms by the Company. Certificate issued by him in this regard is annexed hereto.

For and on behalf of the Board,

Place : Mumbai  
 Date : 26<sup>th</sup> May, 2015

**Atit Agarwal**  
 Chairman & Whole Time Director

## **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 website.

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 financial year ended March 31, 2015.

Place: Mumbai

Date: 26<sup>th</sup> May, 2015

**Mr. Atit Agarwal**

Chairman & Whole Time Director

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## **CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members

**Responsive Industries Limited**

We have examined the compliance of conditions of Corporate Governance by RESPONSIVE INDUSTRIES LIMITED ("the Company") for the year ended on March 31, 2015 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

Place : Mumbai

Dated : 26<sup>th</sup> May, 2015

Pradip C. Shah

Partner

FCS -1483

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## CERTIFICATE UNDER CLAUSE 49 (IX)

To,  
The Board of Directors  
Responsive Industries Limited

I, Mr. Atit Agarwal, Chairman & Whole-time Director of Responsive Industries Limited hereby certify that

- (a) I have reviewed the financial statements and the cash flow statement of Responsive Industries Limited for the year ended March 31, 2015 and that to the best of my knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the financial year 2014-15 which are fraudulent, illegal or violate the Company's code of conduct.
- (c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. I have not come across any reportable deficiencies in the design or operation of such internal controls.
- (d) I have indicated to the Auditors and the Audit committee that:
  - i. There have been no significant changes in internal control over financial reporting during the year;
  - ii. There have been no significant changes in accounting policies during the year; and
  - iii. There are no instances of significant fraud of which we have become aware.

Place: Mumbai  
Date: 26<sup>th</sup> May, 2015

**Mr. Atit Agarwal**  
Chairman & Whole-time Director

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Responsive Industries Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Responsive Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

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

#### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (2) As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position;
    - (ii) The Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP  
Chartered Accountant  
ICAI Firm Registration No.103523W

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Snehal Shah  
Partner  
Membership No.048539  
Mumbai: May 26, 2015



**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Responsive Industries Limited ("the Company") on the standalone financial statements for the year ended March 31, 2015]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, all the fixed assets of the Company have not been physically verified by the management. However, there is a regular programme of verification, which, in our opinion, is reasonable with regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (ii) (a) The inventory (excluding raw materials in transit) 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. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. 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) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has generally been regular in the repayment of dues to financial institutions or banks.
- (x) 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.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

For Haribhakti & Co. LLP  
Chartered Accountant  
ICAI Firm Registration No.103523W

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Snehal Shah  
Partner  
Membership No.048539  
Mumbai: May 26, 2015

## RESPONSIVE INDUSTRIES LIMITED

## Balance Sheet as at March 31, 2015

(Rs. in million)

Particulars	Note	March 31, 2015	March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	266.91	266.91
Reserves and surplus	3	5,177.13	4,816.45
<b>Non-current liabilities</b>			
Long term borrowings	4	2,844.65	3,434.48
Deferred tax liabilities (Net)	5	359.37	478.98
Other Long term liabilities	6	5.00	5.00
Long-term provisions	7	23.66	3,934.65
<b>Current liabilities</b>			
Short term borrowings	8	1,909.94	3,303.49
Trade payables	9	182.75	262.89
Other current liabilities	10	831.50	554.24
Short-term provisions	11	48.31	4,198.10
<b>TOTAL</b>		<b>11,649.22</b>	<b>12,949.20</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
- Tangible assets	12	7,332.74	8,273.17
- Intangible assets	12	1.34	8,275.00
Non-current investments	13	257.87	260.30
Long-term loans and advances	14	309.61	197.79
Other Non - Current Assets	15	-	594.24
<b>Current assets</b>			
Current investments	16	72.96	92.66
Inventories	17	483.77	432.78
Trade receivables	18	1,781.47	2,133.71
Cash and bank balances	19	574.78	861.72
Short-term loans and advances	20	541.27	238.64
Other current Assets	21	293.41	4,079.96
<b>TOTAL</b>		<b>11,649.22</b>	<b>12,949.20</b>

Significant Accounting Policies forming part of the accounts 1

Other Notes to Accounts 30 to 48

As per our attached report of even date

For and on behalf of the Board

For HARIBHAKTI &amp; CO. LLP

Chartered Accountants

ICAI FRN : 103523W

Atit Agarwal

Rajesh Pandey

Whole time Director

Director

DIN 02330412

DIN 00092767

Snehal Shah

Partner

Membership No. : 048539

Alpa Ramani

Company Secretary

Place : Mumbai

Date : 26<sup>th</sup> May, 2015

Place : Mumbai

Date : 26<sup>th</sup> May, 2015

**RESPONSIVE INDUSTRIES LIMITED**  
**Statement of Profit and Loss for the Year ended March 31, 2015**

(Rs. in million)

Particulars	Note	Year ended March 31, 2015	Year ended March 31, 2014
<b>Revenues</b>			
Revenue from Operations	22	15,455.20	18,716.17
Less: Excise Duty		(319.77)	(293.21)
Revenue from Operations (Net)		15,135.43	18,422.96
Other income	23	215.56	149.09
<b>Total Revenue (I)</b>		<b>15,350.99</b>	<b>18,572.05</b>
<b>Expenses:</b>			
Cost of Materials Consumed	24	12,393.88	15,693.28
Changes in inventories of work-in-progress	25	41.13	(10.89)
Employee benefit expenses	26	103.33	85.09
Finance Costs	27	259.35	294.28
Depreciation and amortisation expenses	12	1,231.18	1,059.89
Other expenses	28	849.72	826.57
<b>Total expenses (II)</b>		<b>14,878.59</b>	<b>17,948.22</b>
<b>Profit before tax (I) - (II)</b>		<b>472.40</b>	<b>623.83</b>
Current tax		99.70	133.90
MAT Credit Entitlement		-	(34.86)
MAT Credit Utilised		163.78	-
MAT Credit reversal of earlier years		-	2.12
Deferred tax charge/ (credit)	5	(119.61)	14.79
Tax of earlier years		(3.37)	-
<b>Profit for the year</b>		<b>331.90</b>	<b>507.88</b>
<b>Earnings per equity share [Face Value of Re. 1 each (PY Re. 1 each)]</b>			
Basic	29	<b>1.24</b>	<b>1.90</b>
Diluted	29	<b>1.24</b>	<b>1.90</b>
Significant Accounting Policies forming part of the accounts	1		
Other Notes to Accounts	30 to 48		

As per our attached report of even date

For and on behalf of the Board

**For HARIBHAKTI & CO. LLP**

Chartered Accountants

**ICAI FRN : 103523W****Snehal Shah**

Partner

**Membership No. : 048539**

Place : Mumbai

Date : 26<sup>th</sup> May, 2015**Atit Agarwal**

Whole time Director

DIN 02330412

**Rajesh Pandey**

Director

DIN 00092767

**Alpa Ramani**

Company Secretary

Place : Mumbai

Date : 26<sup>th</sup> May, 2015

**RESPONSIVE INDUSTRIES LIMITED**  
**Cash Flow Statement for the year ended March 31, 2015**

	(Rs. in million)	
Particulars	Year ended 31-Mar-2015	Year ended 31-Mar-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	472.40	623.83
<b>Add / (Less) : Adjustments for</b>		
Depreciation and Amortisation	1,231.18	1,059.89
Interest Income	(26.47)	(40.61)
Interest Expenses	259.35	294.28
Dividend Income	(5.11)	(5.15)
Loss / (profit) on sale of investments	5.30	(48.04)
Loss / (profit) from foreign exchange fluctuation (net)	(7.89)	(56.56)
Loss / (profit) on sale/discarding of fixed assets	0.15	1.40
Sundry balances written back	(2.56)	(0.56)
Sundry balances written off	5.44	16.48
Provision for gratuity	7.85	3.74
Provision for Doubtful Debts	1.95	-
Provision for Diminution on investments reversed (net)	(3.60)	-
Provision for Doubtful Debts reversed	-	(1.65)
Provision for Doubtful Deposits	2.22	-
Provision for Diminution in Investments	-	0.79
<b>Operating Profit Before Working Capital changes</b>	<b>1,940.21</b>	<b>1,847.84</b>
<b>Add / (Less) : Adjustments for change in working capital</b>		
Increase / (Decrease) in trade payables	(76.68)	(14.03)
Increase / (Decrease) in other current liabilities and short term provision	(18.82)	19.95
(Increase) / Decrease in long term loans and advances	(1.40)	(6.49)
(Increase) / Decrease in Inventory	(50.99)	154.79
(Increase) / Decrease in trade receivables	360.31	(881.00)
(Increase) / Decrease in short term loans and advances	(308.23)	(143.44)
<b>Cash generated from Operations</b>	<b>1,844.40</b>	<b>977.62</b>
Add / (Less) : Direct taxes paid	(126.55)	(95.12)
<b>Net Cash Inflow / (Outflow) from Operating activities (A)</b>	<b>1,717.85</b>	<b>882.50</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Acquisition of Fixed Assets / Capital WIP (Including Capital Advances)	(239.78)	(1,564.98)
Proceeds from sale of fixed assets	0.10	2.01
Interest Received	25.87	38.95
Dividend Received	5.11	5.15
Sale of Investments	20.44	594.59
Acquisition of Investments	-	(170.04)
Fixed Deposits placed with banks	(75.85)	(90.97)
<b>Net Cash Inflow / (Outflow) from Investing activities (B)</b>	<b>(264.12)</b>	<b>(1,185.29)</b>

**RESPONSIVE INDUSTRIES LIMITED**  
**Cash Flow Statement for the year ended March 31, 2015**

	<b>(Rs. in million)</b>	
<b>Particulars</b>	<b>Year ended 31-Mar-2015</b>	<b>Year ended 31-Mar-2014</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Capital subsidy received	327.81	14.73
Vehicle Loan Taken during the year	11.31	18.45
Loans repaid during the year	(465.90)	(367.74)
Short term Loans taken during the year	497.07	1,610.69
Short term loans repaid during the year	(1,890.64)	(105.49)
Interest Paid	(262.07)	(292.84)
Dividend paid (Including Tax on Dividend)	(31.23)	(31.23)
<b>Net Cash Inflow / (Outflow) from Financing activities (C)</b>	<b>(1,813.65)</b>	<b>846.57</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(359.91)</b>	<b>543.79</b>
Add: Cash and Cash Equivalents at the beginning of the year	769.89	226.11
<b>Cash and Cash Equivalents at the end of the year</b>	<b>409.98</b>	<b>769.89</b>

	<b>(Rs. in million)</b>	
<b>Particulars</b>	<b>Year ended 31-Mar-2015</b>	<b>Year ended 31-Mar-2014</b>
Cash on hand	2.24	2.99
Balance with banks	173.83	130.23
Fixed deposits lien marked (as margin money)	231.89	637.53
Add: Unrealised Gain / (Loss) in Bank Accounts	2.02	(0.86)
<b>Cash and Cash Equivalents (closing)</b>	<b>409.98</b>	<b>769.89</b>

As per our attached report of even date

**For HARIBHAKTI & CO. LLP**

Chartered Accountants

**ICAI FRN : 103523W****Snehal Shah**

Partner

**Membership No. : 048539**

Place : Mumbai

Date : 26<sup>th</sup> May, 2015**For and on behalf of the Board****Atit Agarwal**

Whole time Director

DIN 02330412

**Rajesh Pandey**

Director

DIN 00092767

**Alpa Ramani**

Company Secretary

Place : Mumbai

Date : 26<sup>th</sup> May, 2015

**Note 1:****Significant Accounting Policies forming part of Financial Statements Accounts for the year ended 31<sup>st</sup> March 2015.****I. Company Overview**

Responsive Industries Limited ("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 of the Company have been prepared in accordance, with generally accepted accounting principles in India (Indian GAAP) The Company has prepared these Financial Statements to comply in all material aspects with the accounting standard prescribed under section 133 of Companies Act, 2013 ("Act"); read with rule (7) of Companies (Accounts) Rules, 2014 and other provisions of the Act (to the extent notified). The financial statements have been prepared on an accrual basis (unless otherwise stated) and under historical cost convention. The accounting policies have been consistent with those used in the previous year.

**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 recognized in the period in which the results are known / materialized.

**c) Inventories**

Inventories are valued at lower of cost or net realizable 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 realizable 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 recognized 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 and discount. Excise Duty recovered is presented as a reduction from gross turnover.
- (iii) Revenue in respect of export sales is recognized 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 recognized when the shareholders' right to receive payment is established by the Balance Sheet date.
- (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. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.



**g) Depreciation & Amortization**

Depreciation on fixed assets is provided on Straight-line method over the useful life of Asset, as prescribed by Schedule II of the Act. The Company provides pro-rata depreciation from the date of addition / upto the date of deletion made during the reporting period,. Intangible assets are amortized over their respective individual estimated useful lives on a straight – line basis, commencing from the date the asset is available to the company for its use.

**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 recognized 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.

**(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 realized 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 realizable 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 Statement of Profit and Loss 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 recognized 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 recognized immediately in the Statement of Profit and Loss.

**l) Government Grant**

Grants and subsidies from the Government are recognized if the following conditions are satisfied,

- There is reasonable assurance that the Company will comply with the conditions attached to it.
- Such benefits are earned and reasonable certainty exists of the collection.

Government grants or subsidies given with reference to the total investment in an undertaking is treated as capital receipt and credited to capital reserve. The said capital is not available for distribution of dividend nor is considered as deferred income.

**m) Borrowing Cost**

Borrowing cost attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized 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 organized 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.

**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 recognized as an expense in the Statement of Profit and Loss 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 numbers 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.

**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 recognized as an asset in the Balance Sheet.

**r) Provisions, Contingent Liabilities & Contingent Assets**

Provisions involving a substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

## RESPONSIVE INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2015

Particulars	(Rs. In million)	
	31-Mar-15	31-Mar-14
<b>2. Share capital</b>		
<b>Authorised share capital</b>		
42,00,00,000 (PY 42,00,00,000 of Re.1/- each) Equity shares of Re.1/- each	420.00	420.00
	<b>420.00</b>	<b>420.00</b>
<b>Issued, Subscribed and Fully Paid up</b>		
26,69,12,700 (P.Y. 26,69,12,700) Equity shares of Re.1/- each fully paid up	266.91	266.91
	<b>266.91</b>	<b>266.91</b>
<b>a. Reconciliation of shares outstanding at the beginning and at the end of the year</b>		
Opening balance of shares	266,912,700	266,912,700
Closing balance of shares	<b>266,912,700</b>	<b>266,912,700</b>
<b>b. Shares held by holding entity and subsidiary company</b>		
Holding Entity - [Wellknown Business Ventures LLP]	148,425,340	148,425,340
Subsidiary Company - [Axiom Cordages Limited]	4,418,330	4,418,330
<b>c. Details of shareholders holding more than 5% shares in the company</b>		
<b>1) Wellknown Business Ventures LLP</b>		
- Number of share held	148,425,340	148,425,340
- % of total equity share capital	55.61%	55.61%
<b>2) Fossebridge Limited</b>		
- Number of share held	32,901,800	32,901,800
- % of total equity share capital	12.33%	12.33%
<b>3) Xatis International Limited</b>		
- Number of share held	32,705,720	32,705,720
- % of total equity share capital	12.25%	12.25%
<b>4) Brenzett Limited</b>		
- Number of share held	13,912,711	14,811,045
- % of total equity share capital	5.21%	5.55%

**d.** There are no bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

**e. Rights / Preferences and restrictions attached to equity shares.**

Each holder of equity shares is entitled to one vote per equity share. They are entitled to receive dividend proposed by the Board of Directors and approved by shareholders in General Meeting, right to receive annual report and other quarterly / half yearly / annual publications and right to get new shares proportionately in case of issuance of additional shares by the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## RESPONSIVE INDUSTRIES LIMITED

## Notes to financial statements for the year ended March 31, 2015

	(Rs. In million)	
Particulars	31-Mar-15	31-Mar-14
<b>3. Reserve and surplus</b>		
<b>Capital reserves</b>		
Opening balance	57.67	42.94
Add: Capital Subsidy received during the year (Refer Note below)	327.81	14.73
	<b>385.48</b>	<b>57.67</b>
<b>Securities premium account</b>		
Opening balance	1,438.60	1,438.60
Add: during the year	-	-
	<b>1,438.60</b>	<b>1,438.60</b>
<b>General reserves</b>		
Opening balance	0.10	0.10
Closing Balance	<b>0.10</b>	<b>0.10</b>
<b>Surplus balance of Profit and Loss</b>		
Opening balance	3,053.17	2,576.52
Add: profit during the year as per Statement of Profit and Loss	331.90	507.88
<b>Less: Appropriation</b>		
- Proposed dividend (Re. 0.10 Per Share (PY Re. 0.10 Per Share))		
- on Equity Shares	26.69	26.69
- Tax on proposed dividend	5.43	4.54
	<b>3,352.95</b>	<b>3,053.17</b>
<b>Total</b>	<b>5,177.13</b>	<b>4,549.54</b>

The Company's manufacturing facility at Boisar has been granted 'Mega Project' status by Government of Maharashtra and therefore is eligible for Industrial Promotion Subsidy (IPS) under Packaged Scheme of Incentive (PSI) 2007. The company has been granted Eligibility Certificate issued by the Directorate of Industries, Government of Maharashtra in this regard. IPS consists of the following:

1. Electricity Duty exemption for the period of 7 years from the date of commencement of commercial production (from 01/05/2010 to 30/04/2017).
2. 50% exemption from payment of Stamp duty under relevant Government Resolution of Revenue and Forest Department.
3. To the extent of taxes paid to the State Government within a period of 7 years whichever is lower.

IPS will however be restricted to 50% of the eligible fixed capital investments made from 1st April 2007 to 31st March 2012.

The Eligibility Certificate issued allows maximum subsidy of Rs. 2,502.68 millions.

The Packaged Scheme of Incentive (PSI) 2007 is for intensifying and accelerating the process of dispersal of industries to the less developed regions and promoting high tech industries in the developed areas of the State coupled with the object of generating mass employment opportunities.

Further, in terms of the Accounting Standard (AS 12) 'Accounting for Government Grants' prescribed under section 133 of companies Act, 2013 read with rule (7) of companies (Accounts) rules, 2014, eligible incentive is considered to be in the nature of promoters' contribution. Therefore incentive of Rs. 327.81 million received during the year (P.Y. Rs. 14.73 Millions) has been credited to the Capital Reserve.

## RESPONSIVE INDUSTRIES LIMITED

## Notes to financial statements for the year ended March 31, 2015

	(Rs. In million)	
Particulars	31-Mar-15	31-Mar-14
<b>4. Long terms borrowings</b>		
<u>Secured - From Banks</u>		
Vehicle Loans (Refer Note 1 below)	8.26	10.90
External Commercial Borrowing (Refer Note 2 below)	2,836.39	3,423.58
	<b>2,844.65</b>	<b>3,434.48</b>
Note 1: The loans are repayable in equal monthly installments aggregating to Rs. 1.17 millions (P.Y Rs. 0.80 millions)		
The interest rate on above is ranging between 8.50% to 10.60%.		
Loans against vehicles from Banks are secured by way of hypothecation of specific vehicles acquired under the arrangements.		
Note 2: External Commercial Borrowings are secured by way of first pari passu charge on all fixed assets of the Company and second ranking pari passu charge on all current assets of the Company .		
The External Commercial Borrowings are repayable in 24 quarterly installments commencing from December 2012. Interest rate on ECB are 6 months USD LIBOR + 456 basis points.		
<b>5. Deferred tax liabilities (Net)</b>		
Deferred tax liability		
- On depreciation	373.38	489.49
Deferred tax assets		
- Provision for Doubtful Debts	(4.24)	(3.58)
- Provision for Doubtful Deposits	(0.76)	-
- Provision for Diminution in Investments	(0.04)	(1.26)
- Provision for Bonus	(0.71)	-
- Provision for gratuity	(8.26)	(5.67)
	<b>359.37</b>	<b>478.98</b>
<b>Difference between closing and opening balance</b>		
Closing Balance	359.37	478.98
Less : Opening Balance	478.98	464.19
Charge the statement of profit and loss	<b>(119.61)</b>	<b>14.79</b>
<b>6. Other long term liabilities</b>		
Rent Deposit Payable	5.00	5.00
	<b>5.00</b>	<b>5.00</b>
<b>7. Long Term Provisions</b>		
Provision for gratuity (Refer Note No. 39)	23.66	16.19
	<b>23.66</b>	<b>16.19</b>

## RESPONSIVE INDUSTRIES LIMITED

## Notes to financial statements for the year ended March 31, 2015

(Rs. In million)

Particulars	31-Mar-15	31-Mar-14
<b>8. Short terms borrowings</b>		
<u>Loans repayable on demand</u>		
<b><u>From Banks (Secured)</u></b>		
Packing Credit Foreign Currency Loans (Refer Note 1 below)	1,077.77	1,281.09
EBRD (Post Shipment) Loan (Refer Note 2 below)	114.41	-
Buyer's Credit (Refer Note 3 below)	717.76	603.10
Bank Overdraft (Refer Note 4 below)	-	3.19
<b><u>From Other Parties (Unsecured)</u></b>		
Supplier's Credit in Foreign Currency	-	1,416.11
	<b>1,909.94</b>	<b>3,303.49</b>
<p>Note 1: PCFC Loan of Rs. 1077.77 million (PY Rs. 809.77 million) are secured by first ranking pari passu hypothecation charge on entire current assets of the company both present and future.</p> <p>PCFC loan of Rs. Nil (PY Rs. 471.32 million) are secured by hypothecation of mutual funds / Fixed Deposits with bank.</p> <p>Note 2: EBRD (Post Shipment) of Rs. 114.41 (PY Rs. NIL) are secured by first ranking pari passu hypothecation charge on entire current assets of the company both present and future.</p> <p>Note 3: Buyer's Credit of Rs. 717.76 million (PY Rs. 603.10 million) was secured by goods purchased under Letter of credit.</p> <p>Note 4 : Bank Overdraft amounting to Rs. Nil (PY Rs. 3.19 million) secured by fixed deposits held with bank.</p>		
<b>9. Trade payables</b>		
Amount due to Micro, Small and Medium Enterprises (Refer Note 41)	56.28	84.84
Others	126.47	178.05
	<b>182.75</b>	<b>262.89</b>
<b>10. Other current liabilities</b>		
Current Maturities of Long Term Debt [Refer Note 4(1) & 4(2)]	747.00	448.39
Interest accrued but not due on borrowings	2.90	5.62
Advance received from Customers	20.71	19.57
Creditors for expenses	21.09	41.51
Other liabilities (includes unpaid dividend of Rs. 0.005 million, dues to employees & statutory liabilities)	39.80	39.15
	<b>831.50</b>	<b>554.24</b>
<b>11. Short Term Provisions</b>		
Provision for gratuity (Refer Note No.39)	0.65	0.49
Provision for taxation (net of advance tax)	15.54	45.76
Proposed dividend	26.69	26.69
Tax on proposed dividend	5.43	4.54
	<b>48.31</b>	<b>77.48</b>



## RESPONSIVE INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2015

## 12. Fixed assets

## Statement of fixed assets as at March 31, 2015 (Refer Note 43)

Particulars	Gross Block					Accumulated Depreciation			Net Block	
	As At 01-04-2014	Additions	Deductions	Increase / (Decrease) in foreign exchange fluctuations (net)	As At 31-03-2015	As At 01-04-2014	For the Year *	Deduction	As At 31-03-2015	As At 31-03-2014
<b>(i) Tangible Assets</b>										
Land	78.10	-	-	-	78.10	-	-	-	78.10	78.10
Factory Building	152.87	0.62	-	-	153.49	38.16	5.70	-	109.63	114.71
Plant & Equipments	11,530.44	112.10	-	163.37	11,805.91	3,522.84	1,202.92	-	7,080.15	8,007.60
Electrical Installation	28.78	-	-	-	28.78	16.41	3.43	-	8.94	12.37
Furniture and Fixtures	1.69	-	-	-	1.69	0.54	0.26	-	0.89	1.15
Office equipments	9.60	1.27	-	-	10.87	2.07	5.77	-	3.03	7.53
Computer	12.10	0.25	-	-	12.35	7.25	2.96	-	2.14	4.85
Motor Cars	33.18	2.30	1.19	-	34.29	6.70	3.16	0.94	25.37	26.48
Motor Trucks	43.10	10.53	-	-	53.63	22.89	6.40	-	24.34	20.21
Weighing Scale	0.25	-	-	-	0.25	0.08	0.02	-	0.15	0.17
<b>Total tangible assets</b>	<b>11,890.11</b>	<b>127.07</b>	<b>1.19</b>	<b>163.37</b>	<b>12,179.36</b>	<b>3,616.94</b>	<b>1,230.62</b>	<b>0.94</b>	<b>7,332.74</b>	<b>8,273.17</b>
Previous Year	9,970.50	1,524.30	7.40	402.71	11,890.11	2,561.49	1,059.44	3.99	8,273.17	-
<b>(ii) Intangible Assets</b>										
Software	2.48	0.07	-	-	2.55	0.65	0.56	-	1.34	1.83
<b>Total intangible assets</b>	<b>2.48</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>2.55</b>	<b>0.65</b>	<b>0.56</b>	<b>-</b>	<b>1.34</b>	<b>1.83</b>
Previous year	1.79	0.69	-	-	2.48	0.20	0.45	-	1.83	-
<b>Total assets ( i+ii )</b>	<b>11,892.59</b>	<b>127.14</b>	<b>1.19</b>	<b>163.37</b>	<b>12,181.91</b>	<b>3,617.59</b>	<b>1,231.18</b>	<b>0.94</b>	<b>7,334.08</b>	<b>8,275.00</b>
Previous Year	9,972.29	1,524.99	7.40	402.71	11,892.59	2,561.69	1,059.89	3.99	8,275.00	-

\* Refer Note 43

## RESPONSIVE INDUSTRIES LIMITED

## Notes to financial statements for the year ended March 31, 2015

(Rs. In million)

Particulars	31-Mar-15	31-Mar-14
<b>13. Non-current investments (Refer Note 1(j))</b>		
<b>Investments in equity instruments</b>		
<b>In subsidiary companies (Trade, unquoted)</b>		
Axiom Cordages Limited	257.75	257.75
[1,91,32,563 (P.Y. 1,91,32,563) Equity Shares of Rs.10/- each fully paid up ]		
<b>In other companies (Non-Trade, quoted)</b>		
Syschem India Limited of Rs. 10 each	0.19	0.19
[9,526 shares of Rs. 10 each (P.Y.95,266 shares of Re. 1 each)		
Less: Provision for Diminution in Investment	(0.12)	(0.11)
	0.07	0.08
<b>Investments in other instruments (unquoted, non-trade investment)</b>		
Jaiho Industries Limited	-	6.03
Nil [(P.Y.40,20,000 shares)]		
Less: Provision for Diminution in Investment	-	(3.61)
	-	2.42
<b>Other instruments</b>		
<b><u>In Partnership Firms</u></b>		
Investment In Maharashtra Holdings [Refer Note 1(a)]	0.02	0.02
Investment In Mangaon Holdings [Refer Note 1(b)]	0.03	0.03
	<b>257.87</b>	<b>260.30</b>
<b>Aggregate amount of</b>		
a) Quoted non-current investments as per books	0.19	0.19
b) Market value of Quoted non-current investments	0.07	0.08
c) Unquoted non-current investments as per books	257.80	263.83
d) Provision for diminution in value of non-current investments	(0.12)	(3.72)

Note1: Disclosure regarding Investment in Partnership Firms

a) Capital Contribution in Maharashtra Holdings (Total Capital - Rs. 0.05 millions)

Name of Partners	Share of Partner
Mr. Krishnakumar Satyanarayan Agarwal	8.75%
Mrs. Amita Krishnakumar Agarwal	8.75%
Ms. Vidhushree Agarwal	8.75%
Mr. Omprakash Agarwal	8.75%
Mrs. Shantidevi Agarwal	8.75%
Ms. Nishita Agarwal	8.75%
Mr. Satyanarayan Agarwal	8.75%
Mrs. Radhabai Agarwal	8.75%
M/s Responsive Industries Limited	30.00%

b) Capital Contribution in Mangaon Holdings (Total Capital - Rs. 0.05 millions)

M/s Responsive Industries Limited	50.00%
M/s Wellknown Business Ventures LLP	30.00%
Mr. Sharadkumar Agarwal	10.00%
Mrs. Jyoti Agarwal	10.00%

## RESPONSIVE INDUSTRIES LIMITED

## Notes to financial statements for the year ended March 31, 2015

(Rs. In million)

Particulars	31-Mar-15	31-Mar-14
<b>14. Long Term Loans and advances</b>		
<b>Unsecured</b>		
<u>Considered Good unless otherwise stated</u>		
Capital Advances	291.34	178.69
Prepaid expenses	0.43	0.03
<u>Security deposits</u>		
Considered Good	17.84	
Considered Doubtful	2.22	
	<u>20.06</u>	
Less: provision for doubtful deposits	<u>2.22</u>	<u>19.07</u>
<b>Total</b>	<b><u>309.61</u></b>	<b><u>197.79</u></b>
<b>15. Other Non-Current Assets</b>		
<b>Fixed Deposits</b>		
MAT Credit Entitlement	-	136.15
	<u>-</u>	<u>136.15</u>
<b>16. Current Investments (Refer Note 1(j))</b>		
<b>Investments in Mutual Funds (unquoted, non-trade investment)</b>		
JM Multi Strategy Fund - Dividend Plan	2.51	2.51
[1,91,109 (P.Y. 1,91,109) units of Rs. 10/- each fully paid up ] (NAV Rs.20.3443 per Unit)		
Birla Dynamic Bond Fund	25.00	25.00
[12,43,230.61 (P.Y.12,43,230.61) units of Rs. 10/- each fully paid up ] (NAV Rs.24.4426 per Unit)		
BNP Paribas Short Term Income Fund - Subscription A/c	25.00	25.00
[18,37,208.62 (P.Y. 18,37,208.62) units of Rs. 10/- each fully paid up ] (NAV Rs.15.9518 per Unit)		
DWS Treasury Fund Cash Plan	20.45	40.15
[1,94,007.58 (P.Y. 4,74,457.58) units of Rs. 100/- each fully paid up ] (NAV Rs.107.6201 per Unit)		
	<u>72.96</u>	<u>92.66</u>
<b>Aggregate amount of</b>		
a) Quoted current investments as per books	-	-
b) Unquoted current investments as per books	72.96	92.66
c) Market value of Quoted current investments	-	-
d) Provision for diminution in value of current investments	-	-

## RESPONSIVE INDUSTRIES LIMITED

## Notes to financial statements for the year ended March 31, 2015

(Rs. In million)

Particulars	31-Mar-15	31-Mar-14
<b>17. Inventories</b>		
(For Mode of Valuation refer Note No: 1 (c))		
a) Raw Materials ( Including Goods in transit Rs. 218.52 million ( P.Y Rs. 142.04 million) *	441.40	357.50
b) Work in Process **	20.66	61.79
c) Stores & Spares	18.41	13.18
d) Packing Materials	3.30	0.31
	<b>483.77</b>	<b>432.78</b>
 * PVC resin and related raw materials		
** PVC related products		
 <b>18. Trade receivables</b>		
<b>Unsecured</b>		
- More than 6 months from the date they are due for payment		
Good	-	3.33
Considered Doubtful	12.48	10.53
Less: Provision for Doubtful Debts	(12.48)	(10.53)
	-	3.33
- Other Trade Receivables	1,781.47	2,130.38
	<b>1,781.47</b>	<b>2,133.71</b>
 <b>19. Cash and bank balances</b>		
Cash on hand	2.24	2.99
Balance with banks	173.83	130.23
Fixed deposits (Refer Note below)		
- maturity within 3 months	231.89	637.53
	<b>407.96</b>	<b>770.75</b>
 <b>b) Other bank balance</b>		
Fixed deposits		
- maturity beyond 3 months and less than 12 months	166.82	90.97
	<b>166.82</b>	<b>90.97</b>
	<b>574.78</b>	<b>861.72</b>

Note: The above Fixed Deposits is on Lien.

## RESPONSIVE INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2015

	(Rs. In million)	
Particulars	31-Mar-15	31-Mar-14
<b>20. Short-term loans and advances</b>		
<b>(unsecured and considered good)</b>		
Loans and advances to related parties [refer to note (i) below mentioned]	-	0.54
<b>Others:</b>		
Loans and advances to staff	1.40	1.40
Advances recoverable in cash or kind	0.50	0.20
Advance to suppliers	416.81	172.30
Deposits	11.13	10.41
Prepaid expenses	9.53	8.00
Balances with Customs, Central Excise, VAT etc.	101.90	45.79
	<b>541.27</b>	<b>238.64</b>
<b>i) Loans and advances to related parties</b>		
<b>Name of Related Parties</b>		
Axiom Cordages Limited	-	0.54
	<b>-</b>	<b>0.54</b>
<b>21. Other Current Assets</b>		
Interest accrued on Deposits	3.40	2.80
MAT Credit Entitlement	290.01	317.65
	<b>293.41</b>	<b>320.45</b>
<b>22. Revenue from operations</b>		
<b>Operating Revenue</b>		
*Gross Sales	14,874.55	18,660.91
<b>Other Operating Revenue</b>		
Incentives and assistance	579.81	53.84
Other Operating Income	0.84	1.42
	<b>15,455.20</b>	<b>18,716.17</b>
* PVC related products		
<b>23. Other income</b>		
Dividend from Subsidiary company	3.83	3.35
Dividend from other companies	1.28	1.80
Interest on Fixed Deposits	26.47	40.61
Provision for doubtful debts reversed	-	1.65
Gain on Foreign Exchange fluctuation (net)	154.66	52.30
Provision for diminution on investments reversed (net)	3.60	-
Rent Income	0.60	0.60
Profit on trading in commodities	-	0.12
Profit on Sale of Investments	-	48.04
Sundry Balances written back	2.56	0.56
Other miscellaneous income	22.56	0.06
	<b>215.56</b>	<b>149.09</b>

## RESPONSIVE INDUSTRIES LIMITED

## Notes to financial statements for the year ended March 31, 2015

(Rs. In million)

Particulars	31-Mar-15	31-Mar-14
<b>24.* Cost of Materials consumed</b>		
Opening Stock	357.50	531.73
Add: Purchases	12,477.78	15,519.05
	12,835.28	16,050.78
Less: Closing Stock	441.40	357.50
	<b>12,393.88</b>	<b>15,693.28</b>
* PVC resin and related raw materials		
<b>25. Changes in inventories of finished goods and work-in-progress</b>		
<b>Closing Stocks:</b>		
Stock in process	20.66	61.79
	20.66	61.79
<b>Less: Opening Stocks</b>		
Stock in process	61.79	50.90
	61.79	50.90
	<b>41.13</b>	<b>(10.89)</b>
<b>26. Employee benefits expense</b>		
Salaries and wages	83.76	70.80
Provision for Gratuity (Refer Note 39)	7.85	3.74
Contribution to Provident fund and others ( Refer Note 39)	3.04	2.27
Staff welfare expenses	8.68	8.28
	<b>103.33</b>	<b>85.09</b>
<b>27. Finance Costs</b>		
Interest expenses	237.68	259.38
Other Borrowing Costs	21.67	34.90
	<b>259.35</b>	<b>294.28</b>

## RESPONSIVE INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2015

(Rs. In million)

Particulars	31-Mar-15	31-Mar-14
<b>28. Other expenses</b>		
<u>Manufacturing Expenses</u>		
Power & Fuel	348.29	340.37
Loading & Unloading Charges	65.28	74.67
Packing Materials consumed	71.55	80.54
Stores and Spares consumed	64.97	52.93
Repairs & Maintenance (Vehicles)	7.17	0.91
Repairs & Maintenance (Plant & Equipment)	5.07	4.75
Repairs & Maintenance (Buildings)	0.36	0.55
Other Manufacturing Expenses	2.64	6.35
<u>Sales and marketing cost</u>		
Freight & Forwarding Charges	112.71	103.35
Brokerage, Commission & Discount	11.15	11.30
Loading Charges	59.41	50.29
Other Selling & Distribution Expenses	6.22	11.49
<u>Administrative Expenses</u>		
Auditor's Remuneration (Refer Note 31)	1.76	1.77
Communication expenses	6.36	5.47
Conveyance and travelling	17.26	14.43
Insurance charges	5.47	3.74
Legal and professional expenses	11.15	15.70
Membership and subscription charges	6.73	2.70
Printing and stationery	2.86	2.93
Provision for Doubtful Deposits	2.22	-
Provision for Doubtful Debts	1.95	-
Provision for Diminution in Investments	-	0.79
Rates & Taxes	6.56	5.86
Rent expenses (Refer Note 33)	1.56	3.47
Repairs and maintenance		
- Others	8.70	3.80
Loss on sale/ discard of fixed asset	0.15	1.40
Loss on sale of investments (net)	5.30	-
Sundry balances written off	5.44	16.48
Miscellaneous expenses	11.43	10.53
	<b>849.72</b>	<b>826.57</b>
<b>29. Earnings per share (EPS)</b>		
Net Profit after tax (Rs. in million)	331.90	507.88
Weighted average number of equity shares for Basic EPS	266,912,700	266,912,700
Weighted average number of equity shares for Diluted EPS	266,912,700	266,912,700
Face value of Equity Share (Re.)	1	1
<b>Basic Earnings Per Share (Rs.)</b>	<b>1.24</b>	<b>1.90</b>
<b>Diluted Earnings Per Share (Rs.)</b>	<b>1.24</b>	<b>1.90</b>

## RESPONSIVE INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2015

(Rs. In million)

Particulars	31-Mar-15	31-Mar-14
<b>30. Proposed Dividend</b>		
<b>i) Dividend on</b>		
Equity Shares [Re. 0.10 per share (P.Y. Re. 0.10 per share)]	26.69	26.69
	<b>26.69</b>	<b>26.69</b>
<b>ii) Dividend Distribution Tax</b>	5.43	4.54
	<b>5.43</b>	<b>4.54</b>
<b>31. Auditors' remuneration as on March 31, (excluding Service Tax)</b>		
Statutory Audit Fees	1.70	1.70
Certification fees	0.03	0.03
Out of pocket expenses	0.03	0.04
	<b>1.76</b>	<b>1.77</b>
<b>32. Disclosures on Related Parties transactions</b>		
<b>i) Nature and Relationship of Related Parties</b>		
<b>a) Subsidiary Company</b>		
Axiom Cordages Limited		
<b>b) Holding Entity</b>		
Wellknown Business Ventures LLP		
<b>c) Investment in Partnership Firm</b>		
1) Maharashtra Holdings		
2) Mangaon Holdings		
<b>d) Directors &amp; Key Management Personnel</b>		
1) Mr. Atit Agarwal	Whole-Time Director	
2) Mrs. Swati Agarwal	Director	
3) Mr. Rajesh Pandey	Director	
4) Miss. Alpa Ramani	Company Secretary	
<b>e) Relatives of Key Management Personnel</b>		
1) Mr. Abhishek Agarwal		
2) Mrs. Saudamini Agarwal		
<b>f) Entities where Key Management Personnel have Significant Influence</b>		
1) One Source Trading Company LLP		
2) One Source Enterprises LLP		
3) AA Superior Enterprises LLP		



## RESPONSIVE INDUSTRIES LIMITED

Notes to financial statements for the year ended March 31, 2015

(Rs. In million)

Particulars	31-Mar-15	31-Mar-14
<b>ii) Transactions during the year with Related Parties</b>		
<b>Relationship</b>		
<b>a) Subsidiary Company</b>		
Loan given	-	16.72
Loan received back	-	16.72
Rent Income	0.60	0.60
Dividend Paid	0.44	0.44
Dividend Received	3.83	3.35
<b>b) Holding Entity</b>		
Dividend Paid	14.84	14.84
<b>c) Investment in Partnership Firms</b>		
Capital Advance given	-	4.40
<b>d) Directors and Key Management Personnel</b>		
Remuneration ( Refer Note 42)	2.76	2.40
Salary Paid to Company Secretary	0.33	0.26
Dividend Paid	0.21	0.21
<b>e) Relatives of Key Management Personnel</b>		
Dividend paid	0.15	0.15
<b>f) Entities where Key Management Personnel have Significant Influence</b>		
<b>Name of Entities</b>	<b>Nature</b>	
One Source Trading Co. LLP	Rent Expenses	1.19 0.66
One Source Enterprise LLP	Rent Expenses	- 0.53
AA Superior Enterprise LLP	Rent Expenses	- 1.82
One Source Trading Co. LLP	Trade Advances given	7.83 -
One Source Enterprise LLP	Trade Advances given	4.10 -
One Source Trading Co. LLP	Trade Advances received back	0.87 -
AA Superior Enterprise LLP	Monthly Maintenance Charges (including Rates and Taxes)	0.44 -

## RESPONSIVE INDUSTRIES LIMITED

## Notes to financial statements for the year ended March 31, 2015

(Rs. In million)

Particulars			31-Mar-15	31-Mar-14
<b>iii) Closing Outstanding Balances of Related Parties as on March 31,</b>				
<b>Name of Entities</b>	<b>Relationship</b>	<b>Nature</b>		
Axiom Cordages Limited	Subsidiary Company	Rent Deposit payable	5.00	5.00
		Rent receivable	-	0.54
		Investment in Shares	257.75	257.75
Atit Agarwal	Key Management Personnel	Director remuneration payable	0.01	0.02
Alpa Ramani	Key Management Personnel	Salary payable	0.04	0.03
Maharashtra Holdings	Investment in Partnership Firm	Capital Advance	73.76	73.76
Maharashtra Holdings	Investment in Partnership Firm	Capital Contribution	0.02	0.02
Mangoan Holdings	Investment in Partnership Firm	Capital Contribution	0.03	0.03
One Source Trading Company LLP	Entities where key management have significant influence	Advance Rent given	12.39	5.44
One Source Enterprises LLP	Entities where key management have significant influence	Advance given	4.10	-
AA Superior Enterprises LLP	Entities where key management have significant influence	Rent Expense Payable	-	3.11
		Security Deposit	10.10	10.10

Note 1: Related Parties as disclosed by Management and relied upon by auditors.

Note 2: 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.

**33. Disclosure for leases**

Assets taken on Operating Lease

Lease Payments recognised during the year in Statement of Profit and Loss 1.56 3.47

As Lessee: Future Rental obligations in respect of premises taken on Non-Cancellable Operating Lease

**Particulars**

Not later than one year	0.89	1.19
Later than one year and not later than five years	-	0.89
Later than five year	-	-

## RESPONSIVE INDUSTRIES LIMITED

## Notes to financial statements for the year ended March 31, 2015

(Rs. In million)

Particulars	31-Mar-15	31-Mar-14
<b>34. Value of imports during the year (C. I. F. basis) as on March 31,</b>		
<b>Particulars</b>		
Raw Materials	6,590.26	6,420.63
Stores and Components	0.61	1.73
Capital goods	97.31	1,485.51

**35. Expenditure in foreign currency****Particulars**

Testing Charges	0.29	1.15
Exhibition Expenses	0.09	1.35
Legal and Professional Charges	0.17	0.48
Interest on ECB	190.41	209.84
ECGC Premium	6.74	-
Interest on Working Capital Loans (including prepaid expenses)	43.50	45.69
Others	-	0.60
Foreign Travelling	-	0.93

**36. Earnings in foreign currency****Particulars**

Export Sales - FOB ( net of discount)	8,767.45	10,651.58
---------------------------------------	----------	-----------

**37. Unhedged Foreign Currency Exposure as on March 31,****Nature of payment****Currency**

Payable - Short Term Borrowings	USD	1,909.94	3,300.30
Payable - External Commercial Borrowings	USD	3,571.29	3,863.90
Payable - Interest accrued but not due on Working Capital	USD	2.90	5.62
Receivable Bank	USD	20.36	16.05
Payable - Creditors	USD	1.30	7.08
Payable - Creditors	EURO	22.28	-
Payable - Creditors	POUND	-	0.28
Payable - Advance from Debtors	USD	11.46	9.81
Payable - Advance from Debtors	EURO	0.78	0.96
Prepaid Interest on Buyers Credit	USD	2.08	-
Prepaid Interest on EBRD Loan	USD	1.87	-
Receivable - Debtors	USD	1,652.53	2,039.70
Receivable - Advance to Creditors	USD	373.66	147.59

**38. Remittances in foreign currency on account of dividends during the year ended March 31,**

No. of Equity Shareholders	No. of shares	Year to which dividend relates	Amount of Dividend
3	82,061,601	2013-14	8.21

## RESPONSIVE INDUSTRIES LIMITED

## Notes to financial statements for the year ended March 31, 2015

(Rs. In million)

Particulars	31-Mar-15	31-Mar-14
<b>39. Disclosure pursuant to Accounting Standard – 15 (revised) Employee Benefits</b>		
<b>i) Defined Contribution Plans as on March 31,</b>		
<b>Particulars</b>		
Employer's Contribution to Provident Fund	3.04	2.27
<b>ii) Defined Benefit Plans</b>		
<b>Particulars</b>		
<b>a) Change in Defined Benefit Obligation ('DBO')</b>		
Opening present value obligation as on 1st April	16.68	12.94
Interest cost for the year on opening DBO	1.54	1.07
Service cost for the Year	1.25	1.14
Benefit paid	(0.22)	-
Actuarial losses (gains)	5.06	1.53
Closing defined benefit Obligation	24.31	16.68
<b>b) Amount Recognised in Balance Sheet</b>		
PVO at the end of year	24.31	16.68
Fair Value of Plan Assets at the end of the year	-	-
Funded Status	-	-
Unrecognised Past Service Cost	-	-
Unrecognised Transitional Liability	-	-
Amount Recognised in Balance Sheet	24.31	16.68
<b>c) Amount Recognised in Income Statement</b>		
Current Service Cost	1.25	1.14
Past Service Cost	-	-
Interest on Obligation	1.54	1.07
Expected return on Plan Assets	-	-
Net actuarial losses / (gains) recognised	5.06	1.53
Expenses Recognised in Profit and Loss	7.85	3.74
<b>d) Balance Sheet Reconciliation</b>		
Opening Net Liability	16.68	12.94
Expenses as Above	7.85	3.74
Benefits Paid	(0.22)	-
Net Liability Recognised in Balance Sheet	24.31	16.68
<b>e) Actuarial Assumptions: for the year</b>		
Discount Rate	7.80%	9.35%
Attrition Rate	3.00%	3.00%
Annual Increase in Salary Cost	10.00%	10.00%

## RESPONSIVE INDUSTRIES LIMITED

## Notes to financial statements for the year ended March 31, 2015

(Rs. In million)

Particulars	31-Mar-15	31-Mar-14
<b>f) Other Disclosures</b>		
Defined Benefit Obligation	24.31	16.68
Plan Assets	-	-
Surplus / (Deficit)	(24.31)	(16.68)
Experience Adjustments of Plan Liabilities - Loss	0.88	4.15
Other Adjustments	4.18	(2.62)

**g) Amount recognised in current and previous four years**

Particular	As at 31st March				
Gratuity	2015	2014	2013	2012	2011
Experience Adjustments of Plan Liabilities-Loss / (Gain)	0.88	4.15	1.32	3.25	0.98
Experience Adjustments of Plan Assets Loss / (Gain)	-	-	-	-	-
Other Adjustments	4.18	(2.62)	1.10	-	-

**iii) General Description of significant defined plans****Gratuity Plan**

Gratuity is payable to all eligible employees of the Company on death or on resignation, or on retirement after completion of five years of service. In assessing the Company's Post Retirement Liabilities, the company monitors mortality assumptions and uses up-to-date mortality tables. The base being the Indian Assured Lives Mortality (2006-08) ultimate's.

**40. Disclosure in respect of Expenditure on Corporate Social Responsibilities activities**

(Rs. In million)

a) Amount required to be spent by the company during the year	12.05
b) Amount spent during the year (on purpose other than construction/acquisition of assets controlled by the company)	-
c) Provisions created for the balance amount	-

**41. Details of dues to Micro, Small and Medium Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006**

To the extent company has received intimation from the "Suppliers" regarding the Micro, Small and Medium Enterprises Development Act, 2006. The details are provided as under :-

Particulars	31-Mar-15	31-Mar-14
<u>Amount Due and Payable at the year end</u>		
- Principal amount	56.28	84.84
- Interest on above principals	0.26	-
<u>Payment made during the year after the due date</u>		
- Principal	6.40	-
- Interest	-	-
Interest due and payable for Principal already paid	0.26	-
Total Interest accrued and remained unpaid at year end	0.26	-

**42. Director's Remuneration****a) Executive Director**

- Salary- Atit Agarwal	2.76	2.4
- Other Funds	-	-
	<b>2.76</b>	<b>2.4</b>

## RESPONSIVE INDUSTRIES LIMITED

## Notes to financial statements for the year ended March 31, 2015

Particulars	(Rs. In million)	
	31-Mar-15	31-Mar-14
b) Non - Executive Director		
- Sitting Fees	0.13	0.06
- Commission	0.86	0.98
	<b>0.99</b>	<b>1.04</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.

43. Pursuant to compliance with the provisions of revised schedule II of the Act, the Management has reviewed / determined the remaining useful life of the tangible fixed assets. Accordingly, the depreciation on tangible fixed assets is provided for in accordance with the provisions of schedule II of the Act. On account of the above change, depreciation for the current year is lower by 6.16 millions. As per the transitional provisions of Schedule II of the Companies Act, 2013, and in line with the Notification dated August 29, 2014 issued by Ministry of Corporate Affairs (MCA), the Company has charged Rs. 5.41 millions to the statement of Profit and Loss on account of the carrying amount of assets where the remaining useful life of the asset is Nil. As permitted by the notification dated August 29, 2014 issued by the Ministry of Corporate Affairs, the company will comply with the requirements of paragraph 49a) of the Notes to Schedule II of the Companies Act, 2013 relating to componentization from the financial year 2015-2016.

## 44 Value of Imported and Indigenous raw materials and Stores &amp; Spares consumed :

Product	2014-15		2013-14	
	%	Rs in million	%	Rs in million
<b>Raw Materials and Stores &amp; Spares</b>				
- Imported	53%	6,546.41	51%	7,995.58
- Indigenous	47%	5,912.44	49%	7,750.63
	<b>100%</b>	<b>12,458.85</b>	<b>100%</b>	<b>15,746.21</b>

## 45. Segment Reporting

## a) Primary (Business) Segment:

As the Company's business consists of one reportable business segment of Manufacturing and Selling of articles made out of plastics/polymers hence, no separate disclosure pertaining to attributable Revenues, Profits, Assets, Liabilities and Capital employed are given.

## b) Secondary (Geographical) Segment:

Secondary segment reporting is performed on the basis of geographical location of the customers. The operations 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

India	5,740.25	7,678.14
Export	8,814.53	10,689.56
	<b>14,554.78</b>	<b>18,367.70</b>

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

## Assets

India	9,598.71	10,745.86
Outside India	2,050.51	2,203.34
	<b>11,649.22</b>	<b>12,949.20</b>

## RESPONSIVE INDUSTRIES LIMITED

## Notes to financial statements for the year ended March 31, 2015

(Rs. In million)

Particulars	31-Mar-15	31-Mar-14
The following is the amount of Capital Expenditure incurred segment-wise		
<b>Capital Expenditure</b>		
India	239.78	1,564.95
Outside India	-	-
	<b>239.78</b>	<b>1,564.95</b>

## 46. Disclosure as required by clause 32 of Listing agreement

Particulars	Balance as on		Maximum amount outstanding during the period	
	31.03.2015	31.03.2014	2014-15	2013-14
a) Loan and advances in the nature of Loans :				
i) To Subsidiary Company -Axiom Cordages Limited	-	-	-	16.72
ii) To Associates	-	-	-	-
iii) Where there is :				
- No repayment schedule or repayment beyond 7 years	-	-	-	-
- No interest or interests below section 372A of Companies Act,1956	-	-	-	-
iii) To firms /companies in which Directors are interested	-	-	-	-
b) Investment by the Loanee in the shares of RIL and its Subsidiary company	66.45	66.45	66.45	66.45

## 47. Disclosure under section 186 (4) of Companies Act,2013

a) The Company has not given any loan or guarantee or provided security in connection with loan to any other body corporate or person as specified in section 186 (4) of Companies Act, 2013.

## b) Investments during the year :

Particulars	Opening Balance	Additions during the year	Deletions during the year	Reversal of Provision during the year	Closing Balance
Current Year	260.30	-	6.03	3.60	257.87

48. Figures of the previous year have been regrouped, reclassified and/or rearranged wherever necessary to confirm with current year's presentation.

As per our attached report of even date

For HARIBHAKTI &amp; CO. LLP

Chartered Accountants

ICAI FRN : 103523W

Snehal Shah

Partner

Membership No. : 048539

Place : Mumbai

Date : 26<sup>th</sup> May, 2015

For and on behalf of the Board

Atit Agarwal

Whole time Director

DIN 02330412

Alpa Ramani

Company Secretary

Place : Mumbai

Date : 26<sup>th</sup> May, 2015

Rajesh Pandey

Director

DIN 00092767

# Consolidated Financials





## INDEPENDENT AUDITOR'S REPORT

### **To the Members of Responsive Industries Limited Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Responsive Industries Limited (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”) comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company and subsidiary company incorporated in India, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of written representations received from the directors of the Holding Company and Subsidiary Company incorporated in India as on March 31, 2015 and taken on record by the Board of Directors of the Holding Company and Subsidiary Company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) There were no pending litigations which would impact the consolidated financial position of the Group;
- (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 37 to the consolidated financial statements in respect of such items as it relates to the Group;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company incorporated in India.

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.103523W

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Snehal Shah  
Partner  
Membership No.048539  
Mumbai : May 26, 2015

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Responsive Industries Limited on the consolidated financial statements for the year ended March 31, 2015]

- (i) (a) The Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets of the Group, have not been physically verified by the management of the respective entities. However, there is a regular programme of verification which, in our opinion, is reasonable having regard to their size and the nature of its assets.
- (ii) (a) The inventory of the Group (excluding inventories in transit) have been physically verified by the management of the respective entities during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management of the Group are reasonable and adequate in relation to their size and the nature of its business.
- (c) The Group is maintaining proper records of inventory. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given by the management of the Group, there exists an adequate internal control system commensurate with the size of the respective entities and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the respective entities.
- (v) In our opinion and according to the information and explanations given by the management of the Group, the respective entities have not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Group in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Group, is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given by the management of the Group, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given by the management of the Group, there are no dues with respect to income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which have not been deposited on account of any dispute.
- (c) According to the information and explanations given by the management of the Group, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the respective entities.
- (viii) The Group did not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given by the management of the Group, the respective entities have generally been regular in the repayment of dues to financial institutions or banks.
- (x) According to the information and explanations given by the management of the Group, the respective entities have not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given by the Management of the Group, the term loans have been applied for the purpose for which loans were obtained.
- (xii) During the course of examination of the books and records of the Group, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given, we have neither come across any instance of fraud on or by the respective entities, noticed or reported during the year, nor have we been informed of any such instance by the management of the respective entities.

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.103523W

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Snehal Shah  
Partner  
Membership No.048539

Mumbai : May 26, 2015

**RESPONSIVE INDUSTRIES LIMITED**  
**Consolidated Balance Sheet as at March 31, 2015**

(Rs. in Million)

Particulars	Note	March 31, 2015	March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	262.50	262.50
Reserves and surplus	3	8,167.60	7,649.42
<b>Minority Interest</b>		1,615.41	1,490.61
<b>Non-current liabilities</b>			
Long term borrowings	4	2,844.65	3,434.48
Deferred tax liabilities (Net)	5	580.53	689.01
Long-term provisions	6	26.12	18.53
<b>Current liabilities</b>			
Short term borrowings	7	1,909.94	4,110.19
Trade payables	8	193.97	282.38
Other current liabilities	9	864.52	648.82
Short-term provisions	10	76.96	107.89
<b>TOTAL</b>		<b>16,542.20</b>	<b>18,431.33</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
- Tangible assets	11	9,967.43	10,835.44
- Intangible assets	11	1.74	2.40
- Goodwill on Consolidation		661.23	661.23
Non-current investments	12	0.45	2.88
Long-term loans and advances	13	429.38	275.39
Other Non - Current Assets	14	-	136.16
<b>Current assets</b>			
Current investments	15	77.96	97.66
Inventories	16	623.99	585.47
Trade receivables	17	3,075.01	3,218.26
Cash and cash equivalents	18	692.22	1,837.23
Short-term loans and advances	19	713.98	437.39
Other Current Assets	20	298.81	341.82
<b>TOTAL</b>		<b>16,542.20</b>	<b>18,431.33</b>
Significant Accounting Policies forming part of the accounts		1	
Other Notes to Accounts		29 to 41	

As per our attached report of even date

For and on behalf of the Board

For HARIBHAKTI &amp; CO. LLP

Chartered Accountants

ICAI FRN : 103523W

Snehal Shah

Partner

Membership No. : 048539

Place : Mumbai

Date : 26<sup>th</sup> May, 2015

Atit Agarwal

Whole time Director

DIN 02330412

Rajesh Pandey

Director

DIN 00092767

Alpa Ramani

Company Secretary

Place : Mumbai

Date : 26<sup>th</sup> May, 2015

**RESPONSIVE INDUSTRIES LIMITED****Consolidated Statement of Profit and Loss for the Year ended March 31, 2015****(Rs. in Million)**

<b>Particulars</b>	<b>Note</b>	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>
<b>Revenues</b>			
Revenue from operations	21	21,693.28	25,896.58
Less: Excise duty		(628.70)	(742.20)
Revenue from operations (Net)		21,064.58	25,154.38
Other income	22	327.19	268.73
<b>Total Revenue (I)</b>		<b>21,391.77</b>	<b>25,423.11</b>
<b>Expenses:</b>			
Cost of Materials Consumed	23	17,322.32	21,380.54
Changes in inventories of finished goods and work-in-progress	24	31.74	(6.52)
Employee benefit expenses	25	124.30	106.27
Finance Costs	26	264.47	310.97
Depreciation and amortisation expenses	11	1,663.29	1,454.60
Other expenses	27	1,118.96	1,093.53
<b>Total expenses (II)</b>		<b>20,525.08</b>	<b>24,339.39</b>
<b>Profit before tax (I - II)</b>		<b>866.69</b>	<b>1,083.72</b>
Current tax		183.30	233.90
Tax of earlier years		(4.65)	(0.25)
MAT Credit utilized during the year		178.81	52.00
MAT Credit Entitlement		-	(34.86)
MAT Credit reversal of earlier years		-	2.12
Deferred tax charge/(credit)	5	(108.48)	10.05
<b>Profit for the year before Minority Interest</b>		<b>617.71</b>	<b>820.76</b>
Minority Interest		(124.80)	(94.92)
<b>Profit for the year</b>		<b>492.91</b>	<b>725.85</b>
<b>Earnings per equity share [Face Value of Re. 1 each (PY Re. 1 each)]</b>			
Basic	28	2.35	3.13
Diluted	28	2.35	3.13

Significant Accounting Policies forming part of the accounts

1

Other Notes to Accounts

29 to 41

**As per our attached report of even date****For and on behalf of the Board****For HARIBHAKTI & CO. LLP**

Chartered Accountants

**ICAI FRN : 103523W****Atit Agarwal****Rajesh Pandey**

Whole time Director

Director

DIN 02330412

DIN 00092767

**Snehal Shah**

Partner

**Membership No. : 048539****Alpa Ramani**

Company Secretary

Place : Mumbai

Place : Mumbai

Date : 26<sup>th</sup> May, 2015Date : 26<sup>th</sup> May, 2015



**RESPONSIVE INDUSTRIES LIMITED**  
**Consolidated Cash Flow Statement for the year ended March 31, 2015**

(Rs. In Million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	866.69	1,083.72
<b>Add / (Less) : Adjustments for</b>		
Depreciation and Amortisation	1,663.29	1,454.60
Interest Income	(44.14)	(85.90)
Interest Expenses	264.47	310.97
Dividend Income	(1.28)	(1.80)
Loss / (profit) on sale of investments	5.30	(119.59)
Loss / (profit) from foreign exchange fluctuation (net)	(5.45)	(51.56)
Loss / (profit) on sale/discarding of fixed assets	1.04	2.13
Sundry balances written back	(6.03)	(0.87)
Sundry balances written off	5.91	16.48
Provision for gratuity	8.17	4.80
Exchange Loss on forward contract Mark to Market	0.19	-
Provision for Doubtful Debts	1.95	-
Provision for Diminution in Investments	-	3.72
Provision for Doubtful Deposits	2.29	-
Provision for Diminution on investments reversed (net)	(3.60)	-
Provision for bad and doubtful debts reversed	-	(1.65)
<b>Operating Profit Before Working Capital changes</b>	<b>2,758.80</b>	<b>2,615.05</b>
<b>Add / (Less) : Adjustments for change in working capital</b>	<b>-</b>	<b>-</b>
Increase / (Decrease) in trade payables	(81.74)	4.10
Increase / (Decrease) in other current liabilities and short term provision	(78.56)	80.31
(Increase) / Decrease in long term loans and advances	(7.61)	63.65
(Increase) / Decrease in Inventory	(38.52)	167.91
(Increase) / Decrease in trade receivables	202.23	(1,445.72)
(Increase) / Decrease in short term loans and advances	(335.91)	(264.55)
<b>Cash generated from Operations</b>	<b>2,418.69</b>	<b>1,220.75</b>
Add / (Less) : Direct taxes paid	(215.33)	(173.57)
<b>Net Cash Inflow / (Outflow) from Operating activities (A)</b>	<b>2,203.36</b>	<b>1,047.18</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Acquisition of Fixed Assets / Capital WIP	(781.06)	(1,733.05)
Proceeds from sale of fixed assets	0.10	5.78
Interest Received	44.48	82.87
Dividend Received	1.28	1.80
Sale of Investments	20.44	1,422.09
Fixed Deposits placed with banks	(87.85)	(91.02)
Acquisition of Investments	-	(170.09)
<b>Net Cash Inflow / (Outflow) from Investing activities (B)</b>	<b>(802.61)</b>	<b>(481.62)</b>

**RESPONSIVE INDUSTRIES LIMITED**  
**Consolidated Cash Flow Statement for the year ended March 31, 2015**

(Rs. In Million)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Capital subsidy received	327.81	14.73
Vehicle Loan taken during the year	11.31	18.45
Loans repaid during the year	(466.70)	(499.78)
Short term loans taken during the year	497.08	2,402.99
Short term loans repaid during the year	(2,697.24)	(697.32)
Interest Paid	(268.21)	(309.46)
Dividend paid (Including Tax on Dividend)	(34.65)	(31.96)
<b>Net Cash Inflow / (Outflow) from Financing activities (C)</b>	<b>(2,630.60)</b>	<b>897.65</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,229.85)</b>	<b>1,463.21</b>
Add: Cash and Cash Equivalents at the beginning of the year	1,746.02	282.81
<b>Cash and Cash Equivalents at the end of the year</b>	<b>516.17</b>	<b>1,746.02</b>

**Components of Cash and Cash Equivalents at the end of year**

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Cash on hand	5.64	6.06
Balance with banks	220.82	237.65
Fixed deposits lien marked (as margin money)	286.89	1,502.50
Add: Unrealised Gain / (Loss) in Bank Accounts	2.82	(0.19)
<b>Cash and Cash Equivalents (closing)</b>	<b>516.17</b>	<b>1,746.02</b>

**As per our attached report of even date****For HARIBHAKTI & CO. LLP**

Chartered Accountants

**ICAI FRN : 103523W****Snehal Shah**

Partner

**Membership No. : 048539**

Place : Mumbai

Date : 26<sup>th</sup> May, 2015**For and on behalf of the Board****Atit Agarwal**

Whole time Director

DIN 02330412

**Rajesh Pandey**

Director

DIN 00092767

**Alpa Ramani**

Company Secretary

Place : Mumbai

Date : 26<sup>th</sup> May, 2015

## Notes to Consolidated Financial Statements for the year ended March 31, 2015

### 1. Significant Accounting Policies: -

#### I) Basis of Consolidation :

The Consolidated Financial Statements relate to Responsive Industries Limited (Parent Company) 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 Section 129 of the Companies Act 2013 ("the Act") 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 unrealized 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 Parent Company of its investments in the subsidiary over its portion of equity of subsidiaries at the dates they become subsidiary is recognized 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 date it become subsidiary is recognized in the Consolidated Financial Statements as capital reserves.
- v) Minority Interest is the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Parent Company in the subsidiary company and further movements in their shares in the equity, subsequent to the dates of investments as stated above.

#### II) Basis of Preparation of Consolidated Financial Statements

The Consolidated Financial Statements have been prepared in accordance, with generally accepted accounting principles in India (Indian GAAP). The Consolidated Financial Statements to comply in all material aspects with the Accounting Standards prescribed under Section 133 of the Act; read with rule (7) of Companies (Accounts) Rules, 2014 and other provisions of the Act (to the extent notified). The Consolidated Financial Statements have been prepared on an accrual basis (unless otherwise stated) and under historical cost convention. The accounting policies have been consistent with those used in the previous year, unless otherwise stated separately.

**III) The percentage of ownership interest of the Parent Company in the Subsidiary Company is as follows:**

<b>Subsidiary</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
<b>Axiom Cordages Limited</b>	<b>58.18%</b>	<b>58.18%</b>

**a. Use of Estimates**

The preparation of Consolidated 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 Consolidated 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 recognized in the period in which the results are known / materialized.

**b. Inventories**

Inventories are valued at lower of cost or net realizable 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. The cost formulae used for determination of cost is 'First in First Out' (FIFO).

Net realizable 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.

**c. 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.

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

**d. 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 recognized 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 and discount. Excise Duty recovered is presented as a reduction from gross turnover.

- (iii) Revenue in respect of export sales is recognized 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 recognized when the shareholders' right to receive payment is established by the Balance Sheet date
- (vi) Other Income is accounted for on accrual basis, when certainty of receipt is established.

**e. 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 up to 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 up to the date the assets are put to use. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

Goodwill on consolidation is not amortized, however it is tested for impairment, if any at the Balance Sheet date.

**f. Depreciation and Amortization**

Depreciation on fixed assets is provided on Straight-line method over the useful life of Asset, as prescribed by Schedule II of the Act. The Company provides pro-rata depreciation from the date of addition / up to the date of deletion made during the reporting period. Intangible assets are amortized over their respective individual estimated useful lives on a straight – line basis, commencing from the date the asset is available to the Company for its use.

**g. 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 recognized 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.

**h. 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.

**(iii) Exchange Differences**

The gains or losses resulting from such translations are included in the Consolidated Statement of Profit and Loss. 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 realized 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.

**i. Investments**

Investments that are readily realizable 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 recognize a decline other than temporary in the value of the Investment.

**j. 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 Consolidated Statement of Profit and Loss 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 recognized 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 recognized, immediately in the Consolidated Statement of Profit and Loss.

**K. Government Grant**

Grants and subsidies from the Government are recognized if the following conditions are satisfied,

- There is reasonable assurance that the Company will comply with the conditions attached to it.
- Such benefits are earned and reasonable certainty exists of the collection.

Government grants or subsidies given with reference to the total investment in an undertaking is treated as capital receipt and credited to capital reserve. The said capital is not available for distribution of dividend nor is considered as deferred income.

**l. Borrowing Cost**

Borrowing cost attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized 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 operating businesses are organized 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.

**Intersegment 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 recognized as an expense in the Consolidated Statement of Profit and Loss 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 numbers 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 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 recognized as an asset in the Balance Sheet.

#### **q. Provisions, Contingent Liabilities & Contingent Assets**

Provisions involving a substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the Consolidated Financial Statements. Contingent Assets are neither recognized nor disclosed in the Consolidated Financial Statements.

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

Particulars	31-Mar-15	31-Mar-14
<b>2. Share capital</b>		
<b>Authorised share capital</b>		
42,00,00,000 (PY42,00,00,000 of Re.1/- each) Equity shares of Re.1/- each	420.00	420.00
	<b>420.00</b>	<b>420.00</b>
<b>Issued, Subscribed and Fully Paid up (refer to note (i) below mentioned)</b>		
26,69,12,700 (P.Y. 26,69,12,700) Equity shares of Re.1/- each fully paid up	262.50	262.50
	<b>262.50</b>	<b>262.50</b>

**Note(i):****a. Reconciliation of shares outstanding at the beginning and at the end of the year**

Opening balance of shares	262,495,370	262,495,370
Closing balance of shares	<b>262,495,370</b>	<b>262,495,370</b>

**b. Shares held by holding Entity and subsidiary company**

Holding Entity - [Wellknown Business Ventures LLP]	148,425,340	148,425,340
Subsidiary Company - [Axiom Cordages Limited]	4,418,330	4,418,330

**c. Details of shareholders holding more than 5% shares in the company****1) Wellknown Business Ventures LLP**

- Number of share held	148,425,340	148,425,340
- % of total equity share capital	55.61%	55.61%

**2) Fossebridge Limited**

- Number of share held	32,901,800	32,901,800
- % of total equity share capital	12.33%	12.33%

**3) Xatis International Limited**

- Number of share held	32,705,720	32,705,720
- % of total equity share capital	12.25%	12.25%

**4) Brenzett Limited**

- Number of share held	13,912,711	14,811,045
- % of total equity share capital	5.21%	5.55%

**d.** There are no bonus shares, shares issued for consideration other than cash and shares boughtback during the period of five years immediately preceding the reporting date.

**e. Rights / Preferences and restrictions attached to equity shares.**

Each holder of equity shares is entitled to one vote per equity share. They are entitled to receive dividend proposed by the Board of Directors and approved by shareholders in General Meeting, right to receive annual report and other quarterly / half yearly / annual publications and right to get new shares proportionately in case of issuance of additional shares by the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

Particulars	31-Mar-15	31-Mar-14
<b>3. Reserve and surplus</b>		
<b>Capital reserves</b>		
Opening balance	57.67	42.94
Add: Capital Subsidy received during the year (Refer Note below)	327.81	14.73
	<b>385.48</b>	<b>57.67</b>
<b>Capital reserve on Consolidation</b>		
Opening balance	-	303.16
Less: Utilised during the year	-	(303.16)
	-	-
<b>Securities premium account</b>		
Opening balance	2,370.89	1,438.44
Add: during the year	-	932.45
	<b>2,370.89</b>	<b>2,370.89</b>
<b>General reserves</b>		
Opening balance	0.10	0.10
	<b>0.10</b>	<b>0.10</b>
<b>Surplus/(debit) balance of Profit and Loss</b>		
Opening balance	4,958.26	4,267.16
Add: profit during the year as per Consolidated Statement of Profit and Loss	492.91	725.84
<b>Less: Appropriation</b>		
<b>-Proposed dividend</b>		
-on Equity Shares	33.27	29.07
<b>- Tax on proposed dividend</b>	6.77	5.67
	<b>5,411.13</b>	<b>4,958.26</b>
	<b>8,167.60</b>	<b>7,386.92</b>

**Total**

The Parent Company's manufacturing facility at Boisar has been granted 'Mega Project' status by Government of Maharashtra and therefore is eligible for Industrial Promotion Subsidy (IPS) under Packaged Scheme of Incentive (PSI) 2007. The Parent company has been granted Eligibility Certificate issued by the Directorate of Industries, Government of Maharashtra in this regard.

IPS consists of the following:

1. Electricity Duty exemption for the period of 7 years from the date of commencement of commercial production (from 01/05/2010 to 30/04/2017).
2. 50% exemption from payment of Stamp duty under relevant Government Resolution of Revenue and Forest Department.
3. To the extent of taxes paid to the State Government within a period of 7 years whichever is lower.

IPS will however be restricted to 50% of the eligible fixed capital investments made from 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2012.

The Eligibility Certificate issued allows maximum subsidy of Rs. 2,502.68 million.

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

Particulars	31-Mar-15	31-Mar-14
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The Packaged Scheme of Incentive (PSI) 2007 is for intensifying and accelerating the process of dispersal of industries to the less developed regions and promoting high tech industries in the developed areas of the State coupled with the object of generating mass employment opportunities.

Further, in terms of the Accounting Standard (As12) 'Accounting for Government Grants' prescribed under section 133 of companies Act, 2013 read with rule (7) of companies (Accounts) rules, 2014, eligible incentive is considered to be in the nature of promoters' contribution. Therefore incentive of Rs.327.81 million received during the year (P.Y. Rs.14.73 Millions) has been credited to the Capital Reserve

Therefore incentive of Rs. 327.81 million received during the year (P.Y. Rs. 14.73 million) has been credited to the Capital Reserve.

**4. Long terms borrowings**Secured

- From Banks

Vehicle Loans (Refer Note 1)	8.26	10.90
External Commercial Borrowing (Refer Note 2)	2,836.39	3,423.58
	<b>2,844.65</b>	<b>3,434.48</b>

Note 1: The Vehicle loans are repayable in equal monthly instalments aggregating to Rs.1.17millions (PY Rs.0.80 millions) The interest rate on above is ranging between 8.50% to 10.60%.

Loans against vehicles from Banks are secured by way of hypothecation of specific vehicles acquired under the arrangements.

Note 2: External Commercial Borrowings are secured by way of first pari passu charge on all fixed assets of the company and second ranking pari passu charge on all current assets of the company.

The External Commercial Borrowings (ECB) are repayable in 24 quarterly instalments commencing from December 2012. Interest rate on ECB are 6 months USD LIBOR + 456 basis points.

**5. Deferred tax liabilities (Net)**

## Deferred tax liability

- On depreciation

Deferred tax assets	595.54	700.41
- Provision for Doubtful Debts	(4.31)	(3.65)
- Provision for Doubtful Deposits	(0.76)	-
- Provision for Diminution in Investments	(0.04)	(1.26)
- Provision for Bonus	(0.71)	-
- Provision for gratuity	(9.19)	(6.49)
	<b>580.53</b>	<b>689.01</b>

**Difference between closing and opening balance**

Closing Balance	<b>580.53</b>	<b>689.01</b>
Less : Opening Balance	<b>689.01</b>	<b>678.96</b>
Charge to the Consolidated Statement of Profit and Loss	<b>(108.48)</b>	<b>10.05</b>

**6. Long Term Provisions**

Provision for gratuity (Refer Note34)	26.12	18.53
	<b>26.12</b>	<b>18.53</b>

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

Particulars	(Rs. in million)	
	31-Mar-15	31-Mar-14
<b>7. Short terms borrowings</b>		
<u>Loans repayable on demand</u>		
<b><u>From Banks ( Secured)</u></b>		
Packing Credit Foreign Currency Loans PCFC (Refer Note 1 below)	1,077.77	1,926.71
EBRD (Post Shipment) Loan (Refer Note 2 below)	114.41	-
Buyer's Credit (Refer Note 3 below)	717.76	603.10
Bank Overdraft ( Refer note 4 below)	-	69.60
<b><u>From Other Parties: ( Unsecured)</u></b>	-	1,510.78
Supplier's Credit in Foreign Currency	<b>1,909.94</b>	<b>4,110.19</b>

Note 1: PCFC Loan amounting to Rs. Nil (PY Rs.645.61 millions) secured by way of pledge of approved Mutual Funds (Debt Funds / FMPs) Fixed Deposits with Banks.

PCFC Loan of Rs.1077.77 millions (PYRs.809.77millions) are secured by first ranking pari passu hypothecation charge on entire current assets of the company both present and future. PCFC loan of Rs. Nil (PY Rs.471.32 millions) are secured by hypothecation of mutual funds/Fixed Deposits with Banks.

Note2:EBRD (Post Shipment) of Rs.114.41 (PYRs.NIL) are secured by first ranking pari passu hypothecation charge on entire current assets of the company both present and future.

Note 3: Buyer's Credit of Rs.717.76 millions (PY Rs. 603.10 millions) are secured by goods purchased under Letter of credit.

Note 4: Bank Overdraft amounting to Rs. Nil (PY Rs. 69.60 Millions) secured by fixed deposits held with bank.

**8. Trade payables**

Amount due to Micro and Small Enterprises ( Refer Note 40)	56.28	84.84
Others	137.69	197.54
	<b>193.97</b>	<b>282.38</b>

**9. Other current liabilities**

Current Maturities of Long Term Debt ( Refer Note 4)	747.00	449.20
Interest accrued but not due on borrowings	2.90	6.62
Advance received from Customers	21.16	66.74
Creditors for expenses	36.76	77.23
Other liabilities (includes unpaid dividend of Rs.0.005 million, dues to employees and Statutory liabilities)	56.70	49.03
	<b>864.52</b>	<b>648.82</b>

**10. Short Term Provisions**

Provision for gratuity [Refer Note 34]	0.92	0.55
Provision for taxation (net of advance tax)	36.00	72.69
Proposed dividend	33.27	29.00
Tax on proposed dividend	6.77	5.65
	<b>76.96</b>	<b>107.89</b>

## RESPONSIVE INDUSTRIES LIMITED

Notes to Consolidated Financial Statements for the period ended March 31, 2015

## 11. Fixed assets

Statement of fixed assets as at March 31, 2015 ( Refer Note no. 38)										(Rs. in Million)	
Particulars	Gross Block					Accumulated Depreciation				Net Block	
	As At 01-04-2014	Additions	Deductions	Increase / (Decrease) in foreign exchange fluctuations (net)	As At 31-03-2015	Up to 01-04-2014	For the year	Deduction	Up to 31-03-2015	As At 31-03-2015	As At 31-03-2014
<b>(i) Tangible Assets</b>											
Land	78.10	-	-	-	78.10	-	-	-	-	78.10	78.10
Factory Building	210.94	0.62	-	-	211.56	48.41	7.62	-	56.03	155.53	162.53
Plant & Equipments	15,371.35	617.35	10.95	163.37	16,141.12	4,892.62	1,622.04	10.06	6,504.60	9,636.52	10,478.73
Electrical Installation	33.68	-	-	-	33.68	18.46	4.75	-	23.21	10.47	15.22
Furniture and Fixtures	2.51	-	-	-	2.51	0.78	0.38	-	1.16	1.35	1.73
Office equipments	19.26	1.27	-	-	20.53	3.36	9.25	-	12.61	7.92	15.90
Computer	12.41	0.25	-	-	12.66	7.46	3.01	-	10.47	2.19	4.95
Motor Cars	65.12	2.30	1.80	-	65.62	16.12	7.46	1.55	22.03	43.59	49.00
Motor Trucks	60.84	10.53	-	-	71.37	31.78	8.03	-	39.81	31.56	29.06
Weighing Scale	0.31	-	-	-	0.31	0.09	0.02	-	0.11	0.20	0.22
<b>Total tangible assets</b>	<b>15,854.52</b>	<b>632.32</b>	<b>12.75</b>	<b>163.37</b>	<b>16,637.46</b>	<b>5,019.08</b>	<b>1,662.56</b>	<b>11.61</b>	<b>6,670.03</b>	<b>9,967.43</b>	<b>10,835.44</b>
Previous Year	13,831.34	1,632.37	11.90	402.71	15,854.52	3,569.09	1,453.98	3.99	5,019.08	10,835.44	-
<b>(ii) Intangible Assets</b>											
Software	3.31	0.07	-	-	3.38	0.91	0.73	-	1.64	1.74	2.40
<b>Total intangible assets</b>	<b>3.31</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>3.38</b>	<b>0.91</b>	<b>0.73</b>	<b>-</b>	<b>1.64</b>	<b>1.74</b>	<b>2.40</b>
Previous year	2.63	0.69	-	-	3.31	0.29	0.62	-	0.91	2.40	-
<b>Total assets ( i+ii )</b>	<b>15,857.83</b>	<b>632.39</b>	<b>12.75</b>	<b>163.37</b>	<b>16,640.84</b>	<b>5,019.99</b>	<b>1,663.29</b>	<b>11.61</b>	<b>6,671.67</b>	<b>9,969.17</b>	<b>10,837.84</b>
Previous Year	13,833.97	1,633.06	11.90	402.71	15,857.83	3,569.38	1,454.60	3.99	5,019.99	10,837.84	-

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

	(Rs. in million)	
Particulars	31-Mar-15	31-Mar-14
<b>12. Non-current investments ( Refer note 1(i))</b>		
<b>Investments in equity instruments</b>		
<b>Quoted, Non-trade investment</b>		
Mavi Industries Limited	0.33	0.33
[36,750 shares (P.Y.36,750 shares) of Rs.10/- each]		
Syschem India Limited	0.19	0.19
[9,526 shares of Rs. 10 each (P.Y.95,266 shares of Re. 1 each)		
Less: Provision for Diminution in Investment	(0.12)	(0.11)
<b>Unquoted, Non-trade investment</b>		
Jaiho Industries Limited	-	6.03
[Nil (P.Y.40,20,000 shares)]		
Less: Provision for Diminution in Investment	-	(3.61)
<b>Other investments</b>		
<b><u>In Partnership Firms</u></b>		
Investment In Maharashtra Holdings ( Refer Note 1(a)below)	0.02	0.02
Investment In Mangaon Holdings ( Refer Note1(b)below)	0.03	0.03
	<b>0.45</b>	<b>2.88</b>
<b>Aggregate amount of</b>		
a) Quoted non-current investments as per books	0.52	0.52
b) Market value of Quoted non-current investments	0.51	0.56
c) Unquoted non-current investments as per books	0.05	6.08
d) Provision for diminution in value of non-current investments	(0.12)	(3.72)

Note1: Disclosure regarding Investment in Partnership Firms

a) Capital Contribution in Maharashtra Holdings (Total Capital - Rs. 0.05 millions)

Name of Partners	Share of Partner
Mr. Krishnakumar Satyanarayan Agarwal	8.75%
Mrs. Amita Krishnakumar Agarwal	8.75%
Ms. Vidhushree Agarwal	8.75%
Mr. Omprakash Agarwal	8.75%
Mrs. Shantidevi Agarwal	8.75%
Ms. Nishita Agarwal	8.75%
Mr. Satyanarayan Agarwal	8.75%
Mrs. Radhabai Agarwal	8.75%
M/s Responsive Industries Limited	30.00%

b) Capital Contribution in Mangaon Holdings (Total Capital - Rs. 0.05 millions)

M/s Responsive Industries Limited	50.00%
M/s Wellknown Business Ventures LLP	30.00%
Mr. Sharadkumar Agarwal	10.00%
Mrs. Jyoti Agarwal	10.00%

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

		(Rs. in million)	
Particulars		31-Mar-15	31-Mar-14
<b>13. Long Term Loans and advances</b>			
<b><u>Unsecured</u></b>			
<b><u>Considered Good unless otherwise stated</u></b>			
Capital advances		396.20	247.52
Prepaid expenses		0.43	0.03
Other Long term Loans & Advances		0.07	0.07
Loans and advances to staff		-	0.18
<b><u>Security Deposits</u></b>			
Considered Good	32.68		
Considered Doubtful	2.22		
	34.90		
Less: Provision for doubtful deposits	(2.22)	32.68	27.59
<b>Total</b>		<b>429.38</b>	<b>275.39</b>
<b>14. Other Non-Current Assets</b>			
MAT Credit Entitlement		-	136.16
		-	<b>136.16</b>
<b>15. Current Investments ( Refer Note 1(i))</b>			
<b><u>Investments in Mutual Funds (quoted, non-trade investment)</u></b>			
Motilal Oswal Gilt Fund - Growth		5.00	5.00
[5,00,000 (P.Y. 5,00,000) of Rs.10/- each			
(NAV Rs. 12.28 per unit) (P.Y. NAV Rs. 10.8615 per unit)			
<b><u>Investments in Mutual Funds (unquoted, non-trade investment)</u></b>			
JM Multi Strategy Fund - Dividend Plan		2.51	2.51
[1,91,109 (P.Y. 1,91,109) units of Rs. 10/- each fully paid up ]			
(NAV Rs.20.3443 per Unit) ( P.Y NAV Rs. 13.6801 per unit)			
Birla Dynamic Bond Fund		25.00	25.00
[12,43,230.61 (P.Y. 12,43,230.61) units of Rs. 10/- each fully paid up ]			
(NAV Rs.24.4426 per Unit) ( P.Y NAV Rs 21.2163 per unit)			
BNP Paribas Short Term Income Fund - Subscription A/c		25.00	25.00
[18,37,208.62 (P.Y. 18,37,208.62) units of Rs. 10/- each fully paid up ]			
(NAV Rs.15.9518 per Unit) ( P.Y NAV Rs. 14.4817 per unit)			
DWS Treasury Fund Cash Plan		20.45	40.15
[1,94,007.58 (P.Y. 4,74,457.58) units of Rs. 100/- each fully paid up ]			
(NAV Rs.107.6201 per Unit) ( P.Y NAV Rs. 106.8869 per unit)			
<b>Total</b>		<b>77.96</b>	<b>97.66</b>



## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

Particulars	31-Mar-15	31-Mar-14
<b>Aggregate amount of</b>		
a) Quoted current investments as per books	5.00	5.00
b) Unquoted current investments as per books	72.96	92.66
c) Market value of Quoted current investments	6.14	5.43
d) Provision for diminution in value of current investments	-	-
<b>16. Inventories</b>		
(For Mode of Valuation refer Note No: 1 (b))		
a) Raw Materials ( including goods in transit Rs. 218.52 million ( P.Y Rs. 142.04 million))	553.47	491.57
b) Work in Progress	27.48	78.75
c) Finished Goods	19.53	-
d) Stores & Spares	19.91	14.58
e) Packing Materials	3.60	0.57
	<b>623.99</b>	<b>585.47</b>
<b>17. Trade receivables</b>		
<b>Unsecured</b>		
- More than 6 months from the date they are due for payment		
Good	-	3.33
Considered Doubtful	12.69	10.74
Less: Provision for Doubtful Debts	(12.69)	(10.74)
	-	3.33
Other Trade Receivables	3,075.01	3,214.93
	<b>3,075.01</b>	<b>3,218.26</b>
<b>18. Cash and bank balances</b>		
Cash on hand	5.64	6.06
<b>Balance with banks</b>	220.82	237.65
<b>Fixed deposits</b>		
- maturity within 3 months ( Refer Note below)	286.89	1,502.50
	<b>513.35</b>	<b>1,746.21</b>
<b>Other Bank Balances</b>		
- maturity beyond 3 months and less than 12 months (Refer Note below)	178.87	91.02
	<b>178.87</b>	<b>91.02</b>
	<b>692.22</b>	<b>1,837.23</b>

Note: Out of the above, Fixed Deposits of Rs 420.76 Million are on Lien.

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

Particulars	31-Mar-15	31-Mar-14
<b>19. Short-term loans and advances</b>		
<b><u>Unsecured</u></b>		
<b><u>Considered Good unless otherwise stated</u></b>		
Loans and advances to staff	1.87	2.08
Advances recoverable in cash or in kind	0.50	0.39
Advance to suppliers	482.96	272.46
Advance to others	5.10	10.15
Prepaid expenses	11.49	9.85
Balances with Customs, Central Excise, VAT etc.	130.75	61.93
<b><u>Deposits</u></b>		
Considered Good	81.31	
Considered Doubtful	0.07	
	<u>81.38</u>	
Less: Provision for Doubtful Deposit	(0.07)	80.53
	<u>713.98</u>	<u>437.39</u>
<b>20. Other Current Assets</b>		
Interest accrued on Deposits	4.39	4.73
MAT Credit Entitlement	294.42	337.09
	<u>298.81</u>	<u>341.82</u>
<b>21. Revenue from operations ( Refer Note 1( d))</b>		
<b>Operating Revenue</b>		
Gross Sales	20,964.29	25,722.66
<b>Other Operating Revenue</b>		
Incentive and assistance	725.39	168.35
Other Operating income	3.60	5.57
	<u>21,693.28</u>	<u>25,896.58</u>
<b>22. Other income</b>		
Dividend from other companies	1.28	1.80
Interest on Fixed Deposits	40.61	40.61
Interest Income	3.53	45.29
Gain on Foreign Exchange	249.55	57.92
Provision for diminution on investments reversed	3.60	-
Profit on trading in commodities	-	0.12
Profit on Sale of Investments	-	119.59
Provision for doubtful debts reversed	-	1.65
Sundry balances written back	6.03	0.87
Other miscellaneous income	22.59	0.88
	<u>327.19</u>	<u>268.73</u>

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

Particulars	31-Mar-15	31-Mar-14
<b>23. Cost of Materials consumed</b>		
Opening Stock	491.57	675.51
Add: Purchases	17,384.22	21,196.60
	17,875.79	21,872.11
Less: Closing Stock	553.47	491.57
	<b>17,322.32</b>	<b>21,380.54</b>
<b>24. Changes in inventories of finished goods and work-in-progress</b>		
<b>Closing Stocks:</b>		
Finished Goods	19.53	-
Work In progress	27.48	78.75
	47.01	78.75
<b>Less: Opening Stocks</b>		
Finished Goods	-	-
Work In progress	78.75	72.23
	78.75	72.23
	<b>31.74</b>	<b>(6.52)</b>
<b>25. Employee benefit expenses</b>		
Salaries and wages	103.85	90.36
Provision for Gratuity (Refer Note 34)	8.17	4.80
Provident fund and others ( Refer note 34)	3.23	2.46
Staff welfare expenses	9.05	8.65
	<b>124.30</b>	<b>106.27</b>
<b>26. Finance Costs</b>		
Interest expenses	241.82	274.25
Other Borrowing Costs	22.65	36.72
	<b>264.47</b>	<b>310.97</b>
<b>27. Other expenses</b>		
<u>Manufacturing Expenses</u>		
Power & Fuel	409.14	397.25
Loading & Unloading Charges	79.64	97.16
Packing Materials consumed	74.24	80.54
Stores and Spares consumed	82.26	86.67
Repairs & Maintenance (Trucks)	7.17	0.91
Repairs & Maintenance (Plant & Equipment)	5.70	5.22
Repairs & Maintenance (Buildings)	0.38	0.59
Other Manufacturing Expenses	39.15	43.59
<u>Sales and marketing cost</u>		
Freight & Forwarding Charges	164.27	128.67
Brokerage, Commission & Discount	11.21	12.09
Loading Charges	85.24	76.01
Other Selling & Distribution Expenses	14.57	19.59

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

(Rs in million)

Particulars	31-Mar-15	31-Mar-14
<b>Administrative Expenses</b>		
Auditor's Remuneration (Refer Note 30)	2.88	2.94
Communication expenses	7.73	7.03
Conveyance and travelling	25.05	20.44
Electricity charges	7.85	6.09
Insurance charges	10.01	5.81
Legal and professional expenses	22.50	27.67
Membership and subscription charges	6.73	2.73
Printing and stationery	4.17	3.98
Provision for Doubtful Deposits	2.29	-
Provision for Doubtful Debts	1.95	-
Provision for Diminution in Investments	-	0.79
Rates & Taxes	8.05	7.40
Rent expenses (Refer Note 32)	6.04	24.15
<b>Repairs and maintenance</b>		
- Others	9.65	4.01
Vehicle expenses	0.83	0.89
Loss on Sale of Investments	5.30	-
Loss on discard of fixed asset / Machinery Breakdown	1.04	2.13
Mark To Market loss on Forward exchange contracts ( Refer Note No. 37)	0.19	-
Sundry balance written off	5.91	16.48
Miscellaneous expenses	17.81	12.70
	<b>1,118.96</b>	<b>1,093.53</b>

**28. Consolidated Earnings per share (EPS)**

Net Profit after tax (Rs in million.)	617.71	820.76
Weighted average number of equity shares for Basic EPS	262,495,370	262,495,370
Weighted average number of equity shares for Diluted EPS	262,495,370	262,495,370
Face value of Equity Share (Re.)	1	1
<b>Basic Earnings Per Share (Rs.)</b>	<b>2.35</b>	<b>3.13</b>
<b>Diluted Earnings Per Share (Rs.)</b>	<b>2.35</b>	<b>3.13</b>

**29. Proposed Dividend****i) Dividend on**

Equity Shares	33.27	29.00
	<b>33.27</b>	<b>29.00</b>

**ii) Dividend Distribution Tax**

	6.77	5.65
	<b>6.77</b>	<b>5.65</b>

**30. Auditors' remuneration as on March 31, (excluding Service Tax)**

Statutory Audit Fees	2.80	2.80
Certification fees	0.03	0.03
Other services	-	0.04
Out of pocket expenses	0.05	0.07
	<b>2.88</b>	<b>2.94</b>

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

Particulars	31-Mar-15	31-Mar-14
<b>31. Disclosures on Related Parties transactions</b>		
<b>i) Nature and Relationship of Related Parties</b>		
<b>a) Holding Entity</b>		
Wellknown Business Ventures LLP		
<b>b) Investment In Partnership Firm</b>		
1) Maharashtra Holdings		
2) Mangaon Holdings		
<b>c) Directors and Key Management Personnel</b>		
1) Mr. Atit Agarwal	Whole-Time Director	
2) Mrs. Swati Agarwal	Director	
3) Mr. Rajesh Pandey	Director	
4) Miss. Alpa Ramani	Company Secretary	
5) Miss Neesha Nalla	Company Secretary (from 23rd September,2014)	
6) Miss Aditi Kelkar	Company Secretary (upto 22nd September,2014)	
<b>d) Relatives of Key Management Personnel</b>		
1) Mr. Abhishek Agarwal		
2) Mrs. Saudamini Agarwal		
<b>e) Entities where Key Management Personnel have Significant Influence</b>		
1) One Source Trading Company LLP		
2) One Source Enterprises LLP		
3) AA Superior Enterprises LLP		
<b>ii) Transactions during the year with Related Parties</b>		
<b>Relationship</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
<b>a) Holding Entity</b>		
Dividend Paid	15.37	15.37
<b>b) Investment In Partnership Firm</b>		
Capital Advance given - Maharashtra Holdings	-	4.40
<b>c) Directors and Key Management Personnel</b>		
Atit Agarwal	3.96	3.60
Swati Agarwal	2.40	1.20
Rajesh Pandey	0.90	0.78
Salary Paid to Company secretaries	0.54	0.43
Dividend Paid	0.21	0.21
<b>d) Relatives of Key Management Personnel</b>		
Dividend paid - Abhishek Agarwal	0.06	0.06
Dividend paid - Saudamini Agarwal	0.09	0.09

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

Particulars	31-Mar-15	31-Mar-14
<b>e) Entities where Key Management Personnel have Significant Influence</b>		
One Source Trading Co. LLP Rent Expenses	1.19	3.01
One Source Trading Co. LLP Trade Advances given	8.29	3.30
One Source Enterprises LLP Trade Advances given	4.56	3.30
One Source Trading Co. LLP Trade Advances received back	0.87	-
AA Superior Enterprise LLP Monthly Maintenance Charges (including Rates and Taxes)	0.44	-
One Source Trading Co. LLP Monthly Maintenance Charges (including Rates and Taxes)	0.30	-

## iii) Closing Outstanding Balances of Related Parties as on March 31,

Name of Entities	Relationship	Nature		
Atit Agarwal	Whole-Time Director	Director remuneration payable	0.07	0.12
Rajesh Pandey	Director	Director remuneration payable	0.09	0.06
Swati Agarwal	Director	Director remuneration payable	-	0.10
Alpa Ramani	Company Secretary	Salary payable	0.04	0.03
Neesha Nalla	Company Secretary	Salary payable	0.03	-
Maharashtra Holdings	Investment in Partnership Firm	Capital Advance	73.76	73.76
Maharashtra Holdings	Investment in Partnership Firm	Capital Contribution	0.02	0.02
Mangaon Holdings	Investment in Partnership Firm	Capital Contributions	0.03	0.03
One Source Trading Company LLP	Entities where key management have significant influence	Advance Rent given	12.39	5.44
One Source Enterprises LLP	Entities where key management have significant influence	Amount payable	4.10	-
AA Superior Enterprises LLP	Entities where key management have significant influence	Rent Expense Payable	-	3.11
AA Superior Enterprises LLP	Entities where key management have significant influence	Security Deposit	10.10	10.10

Note 1: Related Parties as disclosed by Management and relied upon by auditors.

Note 2: 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.

**32. Disclosure for leases**

Assets taken on Operating Lease

Lease Payments recognised during the year in Statement of Profit and Loss 6.04 24.15

As Lessee: Future Rental obligations in respect of premises taken on Non-Cancellable Operating Lease

**Particulars**

Not later than one year	0.89	14.87
Later than one year and not later than five years	-	0.89
Later than five year	-	-

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

Particulars		31-Mar-15	31-Mar-14
<b>33. Unhedged Foreign Currency Exposure as on March 31,</b>			
<b>Nature of payment</b>	<b>Currency</b>		
Payable - Short Term Borrowings	USD	1,909.94	4,040.59
Payable - External Commercial Borrowings	USD	3,571.29	3,863.90
Payable - Interest accrued but not due on Working Capital Loans	USD	2.90	6.62
Receivable Bank	USD	20.39	30.57
Payable - Creditors	USD	1.30	7.08
Payable - Creditors	EURO	22.28	-
Payable - Creditors	POUND	-	0.28
Payable - Advance from Debtors	USD	11.46	11.11
Payable - Advance from Debtors	EURO	0.78	0.96
Prepaid Interest on Buyers Credit	USD	2.08	-
Prepaid Interest on EBRD Loan	USD	1.87	-
Receivable - Debtors	USD	2,919.95	3,122.78
Receivable - Advance to Creditors	USD	381.85	148.59
Receivable - Advance to Creditors	AED	4.12	-
Receivable - Advance to Creditors	EURO	-	1.10

**34. Disclosure pursuant to Accounting Standard – 15 (revised) Employee Benefits****i) Defined Contribution Plans as on March 31,****Particulars**

Employer's Contribution to Provident Fund	3.23	2.46
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**ii) Defined Benefit Plans****Particulars****a) Change in Defined Benefit Obligation ('DBO')**

Opening present value obligation as on 1st April	19.09	14.28
Interest cost for the year on opening DBO	1.76	1.18
Service cost for the Year	1.59	1.46
Benefit paid	(0.22)	-
Actuarial losses (gains)	4.82	2.17
Closing defined benefit Obligation	27.04	19.09

**b) Amount Recognised in Balance Sheet**

PVO at the end of year	27.04	19.09
Fair Value of Plan Assets at the end of the year	-	-
Funded Status	-	-
Unrecognised Past Service Cost	-	-
Unrecognised Transitional Liability	-	-
Amount Recognised in Balance Sheet	27.04	19.09

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

Particulars	31-Mar-15	31-Mar-14
<b>c) Amount Recognised in Income Statement</b>		
Current Service Cost	1.59	1.46
Past Service Cost	-	-
Interest on Obligation	1.76	1.18
Expected return on Plan Assets	-	-
Net actuarial losses / (gains) recognised	4.82	2.17
Expenses Recognised in Profit and Loss	8.17	4.80
<b>d) Balance Sheet Reconciliation</b>		
Opening Net Liability	19.09	14.28
Expenses as Above	8.17	4.80
Benefits Paid	(0.22)	-
Net Liability Recognised in Balance Sheet	27.04	19.09
<b>e) Actuarial Assumptions: for the year</b>		
Discount Rate	7.80%	9.35%
Attrition Rate	3.00%	3.00%
Annual Increase in Salary Cost	10.00%	10.00%
<b>f) Other Disclosures</b>		
Defined Benefit Obligation	27.04	19.09
Plan Assets	-	-
Surplus / (Deficit)	27.04	19.09
Experience Adjustments of Plan Liabilities - Loss	0.23	5.16
Other Adjustments	4.59	(2.99)

## iii) General Description of significant defined plans

## Gratuity Plan

Gratuity is payable to all eligible employees of the Company on death or on resignation, or on retirement after completion of five years of service. In assessing the Company's Post Retirement Liabilities, the company monitors mortality assumptions and uses up-to-date mortality tables. The base being the Indian Assured Lives Mortality(2006-08) Ultimates.

## g) Amount recognised in current and previous three years

Particular Gratuity	As at 31st				
	2015	2014	2013	2012	2011
Experience Adjustments of Plan Liabilities - Loss / (Gain)	0.23	5.16	1.96	3.78	0.96
Experience Adjustments of Plan Assets - Loss / (Gain)	-	-	-	-	-
Other Adjustments	4.59	(2.99)	1.11	-	-

## 35. Segment Reporting

## a) Primary (Business) Segment:

Based on the guiding principles given in Accounting Standard on Segment Reporting (AS – 17) prescribed under Section 133 of companies Act, 2013 read with rule (7) of Companies Act 2013, the Company's primary business segment viz, "Articles made out of Plastics / Polymers". As the company's business actually falls within a single primary business segment, the disclosure requirements of AS – 17 in this regard are not applicable.



## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

Particulars	31-Mar-15	31-Mar-14
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**b) 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**

India	8,192.30	10,010.07
Export	12,143.29	14,970.38
	<b>20,335.59</b>	<b>24,980.45</b>

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

**Assets**

India	13,211.94	15,128.29
Outside India	3,330.26	3,303.04
	<b>16,542.20</b>	<b>18,431.33</b>

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

**Capital Expenditure**

India	781.06	1,733.05
Outside India	-	-
	<b>781.06</b>	<b>1,733.05</b>

**36. Disclosure in respect of Expenditure on Corporate Social Responsibilities activities :****(Rs. in million)**

a) Amount required to be spent by the Group during the year	23.55
b) Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the Group)	-
c) Provisions created for the balance amount	-

**37.** The Company's subsidiary Axiom Cordages Limited has provided Rs 0.19 Million (Previous Year Rs. Nil) as Mark to Market loss on outstanding forward exchange contracts with banks as on 31<sup>st</sup> March 2015.

**38.** Pursuant to compliance with the provisions of revised schedule II of the Act, the Management has reviewed / determined the remaining useful life of the tangible fixed assets. Accordingly, the depreciation on tangible fixed assets is provided for in accordance with the provisions of schedule II of the Act. On account of the above change, depreciation for the current year is lower by 8.38 millions.

As per the transitional provisions of Schedule II of the Act and in line with the Notification dated August 29, 2014 issued by Ministry of Corporate Affairs (MCA), the Group has charged Rs.5.68 millions to the Consolidated Statement of Profit and Loss on account of the carrying amount of assets where the remaining useful life of the asset is Nil. As permitted by the notification dated August 29, 2014 issued by the Ministry of Corporate Affairs, the company will comply with the requirements of paragraph 49 a) of the Notes to Schedule II of the Act relating to componentization from the financial year 2015-2016.

## RESPONSIVE INDUSTRIES LIMITED

## Notes to Consolidated financial statements for the year ended March 31, 2015

(Rs. in million)

Particulars	31-Mar-15	31-Mar-14
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**39. Additional information as required under Schedule III of Companies Act, 2013, of enterprises Consolidated as Subsidiary.**

Name of the Enterprises	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount (Rs in million)	As % of Consolidated Profit or Loss	Amount (Rs in million)
<b>Parent</b>				
Responsive Industries Limited	52.35%	5,632.22	66.87%	329.62
<b>Subsidiary</b>				
Axiom Cordages Limited	66.81%	4,413.29	58.44%	288.09
<b>Minority Interests</b>	-19.16%	(1,615.41)	-25.31%	(124.80)

**40. Details of dues to Micro, Small and Medium Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006**

To the extent the Group has received intimation from the "Suppliers" regarding the Micro, Small and Medium Enterprises Development Act, 2006. The details are provided as under

Particulars	31-Mar-15	31-Mar-14
<u>Amount Due and Payable at the year end</u>		
- Principal amount	56.02	84.84
- Interest on above principals	0.26	-
<u>Payment made during the year after the due date</u>	-	-
- Principal	6.40	-
- Interest	-	-
Interest due and payable for Principal already paid	0.26	-
Total Interest accrued and remained unpaid at year end	0.26	-

**41.** Figures of the previous year have been regrouped, reclassified and/or rearranged wherever necessary to confirm with current year's presentation.

As per our attached report of even date

For HARIBHAKTI &amp; CO. LLP

Chartered Accountants

ICAI FRN : 103523W

Snehal Shah

Partner

Membership No. : 048539

Place : Mumbai

Date : 26<sup>th</sup> May, 2015

For and on behalf of the Board

Atit Agarwal

Whole time Director

DIN 02330412

Alpa Ramani

Company Secretary

Place : Mumbai

Date : 26<sup>th</sup> May, 2015

Rajesh Pandey

Director

DIN 00092767

**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the Financial Statement of Subsidiaries  
Associate Companies / Joint Ventures**

**Part "A": Subsidiaries**

Sr. No.	Particulars	(Amounts in Rs. Millions)
1	Name of the Subsidiary	Axiom Cordages Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting Currency and Exchange rates as on the last date of the relevant Financial Year in case of foreign subsidiaries	NA
4	Share Capital	328.83
5	Reserves & Surplus	3,937.00
6	Total Assets	4,562.35
7	Total Liabilities	296.52
8	Investments	71.78
9	Turnover (net of excise duty)	5,929.15
10	Profit before Taxation (A)	398.56
11	Provision for taxation (B)	108.47
12	Profit after Taxation (A) - (B)	290.09
13	Proposed Dividend	6.58
14	% of Shareholding	58.18%

**Notes :**

- Names of subsidiaries which are yet to commence operation - Responsive International Ltd.
- Names of subsidiaries which have been liquidated or sold during the year- Nil.
- Since the Company does not have any Associates or Joint Venture, information pertaining to Part "B" to this form relating to Associates and Joint Venture is not given.

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 For and on behalf of the Board

**Atit Agarwal**  
 Whole time Director  
 DIN 02330412

**Rajesh Pandey**  
 Director  
 DIN 00092767

**Alpa Ramani**  
 Company Secretary

Place : Mumbai  
 Date : 26<sup>th</sup> May, 2015

**PROXY FORM****RESPONSIVE INDUSTRIES LIMITED**

CIN: L99999MH1982PLC027797

Email: investor@responsiveindustries.com, Website: www.responsiveindustries.com

Tel No: 022-66562821 Fax No.: 022-66562798

Regd. Office: Betegaon, Boisar (East), Mahagaon Road, Tal Palghar, Dist. Thane – 401 501

Name of Member (s):		Email Id:	
Registered Address:		DP Id*:	
		Client Id*:	
		Regd. Folio No.:	

\*Applicable if shares are held in electronic form

I/We being the Member(s) of \_\_\_\_\_ Shares of RESPONSIVE INDUSTRIES LIMITED, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_  
 or falling him/her
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_  
 or falling him/her
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our Proxy to attend and vote for me/us and on my/our behalf at the 33<sup>rd</sup> ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 22<sup>nd</sup> September, 2015 at 11.00 a.m. at Hotel Silver Avenue, Ostwal Empire, Next to Big Bazar, Boisar (West), Thane-401 501 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolutions	Optional**	
Ordinary Business		For	Against
1.	Consider and adopt: (a) Audited Financial Statement, Reports of the Board of Directors and Auditors (b) Audited Consolidated Financial Statement		
2.	Declaration of Dividend on Equity Shares.		
3.	Re-appointment of Mr. Rajesh Pandey (DIN 00092767) who retires by rotation and, being eligible, offers himself for re-appointment.		
4.	Appointment of Statutory Auditors.		
Special Business			
5.	Appointment of Mr. Jagannadham Thunuguntla (DIN 02254282) as Independent Director of the Company.		
6.	Appointment of Ms. Jyoti Rai (DIN 07091343) as Independent Director of the Company.		
7.	Approval of the remuneration of the Cost Auditors.		
8.	Payment of Commission to Non-Executive Directors.		
9.	Alteration of Articles of Association in respect of payment of Sitting fees.		

Signed this ..... Day of ..... 2015.

\_\_\_\_\_  
Signature of the Member(s)

Affix  
Re.1  
Revenue  
Stamp

\_\_\_\_\_  
Signature of first Proxy holder

\_\_\_\_\_  
Signature of second Proxy holder

\_\_\_\_\_  
Signature of third Proxy holder

NOTE:

1) This Form is to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.

2) A Proxy need not be a member of the Company.

\*\*3) This is only optional. Please put '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

4) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.

**Registered Office:**

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

**If undelivered please return to:**

Responsive Industries Limited

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

May 26, 2015

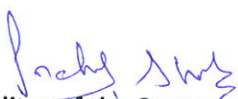
**FORM A**

**(Pursuant to Clause 31 (a) of the Listing Agreement)**

1	Name of The Company	Responsive Industries Limited
2	Annual Financial Statement for the year ended	31 <sup>st</sup> March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable as there are no audit observations and audit report is unqualified.



**Chairman & Whole-time Director**



**Auditor of the Company**



**Audit Committee Chairman**



**RESPONSIVE INDUSTRIES LIMITED**

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

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CIN NO. L99999MH1982PLC027797