



# **RESPONSIVE INDUSTRIES LIMITED**

## **ANNUAL REPORT 2009**

**REGISTERED OFFICE**

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

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Atit Agarwal	Whole-time Director and Chairman
Mr. Santosh Shinde	Non-Executive Director
Mr. Ashok Jha	Independent Non-Executive Director
Mr. Rajesh Pandey	Independent Non-Executive Director
Mrs. Vaishali Shinde	Independent Non-Executive Director
Mr. Ramesh Mistry	Independent Non-Executive Director
Mrs. Swati Agarwal	Non-Executive Director

### COMPANY SECRETARY

Mr. Rajesh Kedia upto 13<sup>th</sup> January, 2009  
Ms. V Padmavathi with effect from 13<sup>th</sup> January, 2009

### AUDITORS:

Haribhakti & Co.  
Chartered Accountants  
42, Free Press House, 4th Floor, 215, Nariman Point,  
Mumbai – 400021

### BANKERS

HDFC Bank Ltd

### SOLICITORS

Little & Co.

### REGISTERED OFFICE

Village Betegaon, Boisar (East),  
Mahagaon Road, Taluka Palghar,  
Dist. Thane – 401 501

### REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Pvt Ltd.  
{Formerly known as Intime Spectrum Registry Limited}.  
C-13 Pannalal Silk Mill Compound, L.B.S Marg, Bhandup (West),  
Mumbai – 400 078.

## NOTICE

NOTICE is hereby given that the Twenty - seventh Annual General Meeting of the Members of **RESPONSIVE INDUSTRIES LIMITED** will be held on Wednesday, 30<sup>th</sup> day of September, 2009 at 10.00 a.m. at the Registered Office of the Company at Village Betegaon, Boisar (East), Mahagaon Road, Taluka Palghar, Dist. Thane – 401 501, to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2009, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Ashok Jha, 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** M/s. Haribhakti & Co., Chartered Accountants, retiring auditors of the Company, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on remuneration to be decided by the Board of Directors.”

### SPECIAL BUSINESS

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

**“RESOLVED THAT** Mrs. Swati Agarwal, who was appointed as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 (Act) and in respect of whom the Company has received a notice pursuant to Section 257 of the Act, be and is hereby appointed as a Director of the Company.”

**“RESOLVED THAT** Mr. Atit Agarwal, who was appointed as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 (Act) and in respect of whom the Company has received a notice pursuant to Section 257 of the Act, be and is hereby appointed as a Director of the Company.”

7. 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 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, and read with Schedule XIII of the said Act, approval of the Shareholders of the Company be and is hereby accorded to the appointment of Mr. Atit Agarwal as Whole-time Director of the Company for a period of

three years, w.e.f. 22<sup>nd</sup> August, 2008, on the terms and conditions as set out in the explanatory statement annexed hereto with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/ or remuneration in accordance with the limits specified in Schedule XIII and other applicable provisions of the Companies Act, 1956, or any amendments thereto and as may be agreed to between the Board and Mr. Atit Agarwal from time to time."

8. 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 293 (1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (herein-after referred to as "the Board") to borrow any sum or sums of money, from time to time, notwithstanding that the moneys to be borrowed, together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed, at any time, the aggregate of paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), provided that the total amount so borrowed shall not at any time exceed Rs. 300 Crores (Rupees Three Hundred Crores Only) and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such moneys to be borrowed, from time to time, interest, repayment, security or otherwise however as it may deem fit, as also to execute all such deeds and documents as may be necessary or required for this purpose.

**RESOLVED FURTHER THAT** Board be and is hereby authorized to finalize with such Banks/Financial Institutions/Trustee of Debenture holders or any other person, the documents for creating mortgage, deeds and things as may be necessary or usual for giving effect to this resolution."

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

**"RESOLVED THAT** consent of the Company be and is hereby accorded under Section 293(1) (a) and other applicable provisions if any, of the Companies Act, 1956 to the Board of Directors of Company (hereinafter referred to as "the Board") to Mortgage and/or Charging only on such conditions as they may deem fit, all or part of the movable and/or immovable property of the Company where so ever situate, both present and future, and in such manner as the Board may direct in certain events in favor of Lender(s)/Agents(s)/Trustee(s)/Financial Institutions/Bank(s) and other investing agencies to secure Rupee/Foreign Currency Loans, bonds, securities (Comprising fully/partly Convertible Debentures with or without detachable or non detachable warrants and/or secured premium notes and/or floating rate notes/bonds) or other debt instruments of an equivalent aggregate not exceeding Rs. 300 Crores (Rupees Three Hundred Crores Only) together with interest at the agreed rates and compound/additional interest, commitment charges, premium on prepayment or on redemption, costs, charges, expenses including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other money payable by the Company to the Lender(s)/ Agent(s)/ Trustee(s)/ Financial Institutions/ Banks/ other investing agencies under the arrangements entered into/ to be entered by the Company in respect of said loans, bonds, securities or other instruments."

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

**“RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), and in accordance with the provisions of the Memorandum and Articles of the Company, Foreign Exchange Management Act, 2000 (FEMA), Foreign Exchange Management (Transfer or issue of security by a person resident outside India ) Regulations, 2000 and Issue of Foreign Currency Convertible bonds and Ordinary Shares (through Depository Receipt Mechanism) scheme 1993 and the regulations /guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, or any other relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution) is hereby authorised to accept, the Board be and is hereby authorised on behalf of the Company to create, issue, offer and allot, (including with provisions for reservation on firm and /or competitive basis of such part of issue and for such categories of persons as may be permitted), in the course of one or more public or private offerings in domestic and and/or international market(s), Ordinary Shares and/or Ordinary Shares through depository receipts (whether GDRs or ADRs or any other form of Depository Receipts) and/or convertible bonds or debentures including Foreign Currency Convertible Bonds (FCCBs)/ External Commercial Borrowing (ECB) and / or Qualified Institutional Placements (QIP) and / or any other securities as may be decided whether expressed in Foreign currency or Indian Rupees (“Securities”) as the Board may consider appropriate.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, whether acting at a meeting including through an Offering Committee or any other Committee be and are hereby authorised subject to applicable laws and regulations to issue the aforesaid securities to investors (including but not limited to NRIs, FIIs, Qualified Institutional Buyers (QIBs) whether or not such investors are members of the Company) through a prospectus and/or offering memorandum and/or offering circular and/or placement document including on a private / preferential basis, in such manner as they deem appropriate in their absolute discretion and if necessary in consultation with the Lead managers and/or underwriters and/or advisors of the Company concerned, on such terms and conditions as the Board, may, in its absolute discretion, decide at the time of issue of securities; provided that the aggregate issue price of the securities to be issued does not exceed US \$ 100 million (U.S.Dollar One Hundred million) or an equivalent amount in Indian Rupees, including premium if any.”

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

**“RESOLVED THAT** pursuant to the provisions of section 31 of the Companies Act, 1956, the consent of the Members of the Company be and is hereby accorded for amendment of the existing Article No. 77 of the Articles of Association of the Company by deletion of the same and substituting in place thereof, the following new Article 77:

"77. 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.”

**BY ORDER OF THE BOARD  
FOR RESPONSIVE INDUSTRIES LIMITED**

Place : Betegaon

Date : 07 September, 2009

**V PADMAVATHI  
COMPANY SECRETARY**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing a proxy should, however, be deposited at the registered office of the company not less than 48 hours before the time of commencement of the meeting.
2. The Company's Register of Members and the Share Transfer Books will remain closed from **26<sup>th</sup> day of September, 2009 to 30<sup>th</sup> day of September, 2009 (both days inclusive).**
3. The dividend on equity shares as recommended by the Board of Directors for the Financial Year ended 31<sup>st</sup> March 2009, if approved at the meeting, will be payable:
  - a) to those members holding shares in physical form, whose names appear on the Register of Members on 26<sup>th</sup> day of September 2009, after giving effect to all valid transfers in physical form lodged with the Company and/or its Registrar & Share Transfer Agent on or before 25<sup>th</sup> day of September 2009; and
  - b) in respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose at the close of business hours on 25<sup>th</sup> day of September, 2009.
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 are requested to intimate any change in their mailing address to the Company's Registrar and Share Transfer Agents of the Company.
7. **Appointment / Re-appointment of Directors:** At the ensuing meeting, Mr. Ashok Jha retires by rotation and being eligible offer himself for re-appointment. Mrs. Swati Agarwal and Mr. Anil Agarwal are proposed to be appointed as Directors. The information pertaining to these

Directors required to be provided pursuant to clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto.

8. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business at Item No.s 5 to 11 of the notice, is annexed hereto.

**ANNEXURE TO THE NOTICE:**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 5:**

Mrs. Swati Agarwal was appointed as an Additional Director of the Company with effect from 22<sup>nd</sup> August, 2008. In terms of Section 260 of the Companies Act, 1956, Mrs. Swati Agarwal holds office upto the date of the ensuing Annual General Meeting.

The Company has received a notice from a member under section 257 of the Companies Act, 1956, with requisite deposit proposing the name of Mrs. Swati Agarwal as a candidate for the office of Director of the Company.

Mrs. Swati Agarwal is Bachelor of Management Studies. She is well experienced in the field of human resource.

Your Board is of the opinion that the appointment of Mrs. Swati Agarwal would be in the best interest of the Company. Your Directors accordingly recommend the resolution at Item No. 5 of the Notice for your approval.

None of the Directors of the Company except Mrs. Swati Agarwal and Mr. Atit Agarwal, is interested or concerned in this resolution.

**ITEM NO. 6:**

Mr. Atit Agarwal was appointed as an Additional Director of the Company with effect from 22<sup>nd</sup> August, 2008. In terms of Section 260 of the Companies Act, 1956, Mr. Atit Agarwal holds office upto the date of the ensuing Annual General Meeting.

The Company has received a notice from a member under section 257 of the Companies Act, 1956, with requisite deposit proposing the name of Mr. Atit Agarwal as a candidate for the office of Director of the Company.

Mr. Atit Agarwal is Bachelor of Arts in International Marketing and earned MBA degree from USA specializing in Finance.

He joined the Company after a distinguished career with reputed Company in USA and is well experienced in the field of Finance.

Your Board is of the opinion that the appointment of Mr. Atit Agarwal would be in the best interest of the Company. Your Directors accordingly recommend the resolution at Item No. 6 of the Notice for your approval.

None of the Directors except Mr. Atit Agarwal and Mrs. Swati Agarwal, is concerned or interested in this resolution.



## ITEM NO. 7:

Mr. Atit Agarwal who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22<sup>nd</sup> August, 2008, at the same meeting he was appointed as Whole-time Director of the Company effective from 22<sup>nd</sup> August, 2008 for a period of 3 years on the remuneration, terms and conditions as follows:

### **A. Remuneration and Perquisites:**

- a) Salary: Rs.12,00,000/- p.a.
- b) Medical Expenses Reimbursement
- c) Leave Travel Concession: for self and family once in a year as per the rules of the Company.
- d) Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- e) Encashment of Leave: Encashment of leave at the end of the tenure as per the rules of the Company.
- f) Provision of telephone at Residence.
- g) Provision of Company's Car with Driver.
- h) Provident Fund, Superannuation benefits and Gratuity as per the rules of the Company.

### **MINIMUM REMUNERATION**

Notwithstanding anything hereinabove stated, where in any financial year during the tenure as Whole-time Director, the Company has no profits or its profits are inadequate, Mr. Atit Agarwal shall be paid remuneration by way of salary, allowances and perquisites not exceeding the maximum limits as prescribed under Section II, Part II of Schedule XIII to the Companies Act, 1956 as amended from time to time.

Mr. Atit Agarwal is Bachelor of Science in International Marketing and earned MBA degree from USA specializing in Finance.

He joined the Company after a distinguished career with reputed Company in USA and is well experienced in the field of Finance.

The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to the provisions of section 302 of the Companies Act, 1956.

Approval of the members is sought by way of Ordinary resolution for the above appointment on the terms and conditions set out hereinabove.

The Board commends the resolution for your approval.

Copy of the Appointment letter issued to Mr. Atit Agarwal is available for inspection by the members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days of the Company.

None of the Directors of the Company, except Mr. Atit Agarwal and Mrs. Swati Agarwal, is interested or concerned in the proposed resolution.

**ITEM No. 8 & 9:**

Section 293(1)(d) of the Companies Act, 1956, stipulates that Board of Directors of the Company cannot, except with the consent of the members in General Meeting, borrow moneys, apart from the temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of paid up capital and free reserves of the company i.e. to say, reserves not set apart for any specific purpose.

The consent of the shareholders is therefore sought in accordance with the provisions of Section 293(1)(d) of the Act to enable the Directors of the Company to borrow moneys to the extent of Rs. 300 Crores (Rupees Three Hundred Crores only). The resolution under item No.8 is to obtain the consent of the shareholders for this purpose.

The proposed borrowings of the Company may, if necessary, be secured by way of Charge/Mortgage/Hypothecation on the Company's assets in favor of the lenders. As the documents to be executed between the proposed lenders and the Company may contain power to take over the management of the company in certain events, it is necessary to pass a resolution under Section 293(1)(a) of the Act, for creation of charge/Mortgage/Hypothecation for an amount not exceeding the borrowing limit of Rs. 300 Crores (Rupees Three Hundred Crores Only).

The proposed offers are in the interest of the Company and your Directors recommend the resolutions at item No. 8 & 9 of the accompanying notice for approval of the members.

None of the Directors of the Company are interested or concerned in the resolutions set out at item No. 8 & 9 of the Notice.

**ITEM NO. 10:**

As stated above, it is proposed to raise additional funds through the issue of securities in the domestic/international markets for an amount not exceeding US \$ 100 million or an amount equivalent in Indian Rupees, in one or more tranches, in such form, on such terms, in such manner at such price or prices and at such time as may be considered appropriate by the Board to the investors in the domestic/international markets, as set out in the Resolution at Item No. 10 of the Notice.

The Board commends the Resolution at Item No.10 of the Notice for approval by the Members.

The Directors of the Company may be deemed to be concerned or interested in the Resolution at Item No.10 of the Notice to the extent of the Securities that may be subscribed by the companies/institutions of which they are Directors or members.

**ITEM NO. 11:**

The Company's Articles permit a sitting fee not exceeding Rs. 250/- (Rupees Two Hundred and Fifty Only) to each Director for attending a meeting of the Board or a Committee thereof. It is proposed that the sitting fee payable to a Director may be revised to a sum not exceeding Rs.5000/- (Rupees Five Thousand Only) for attending a meeting of the Board or a Committee thereof.

It is therefore proposed to alter Article No. 77 of the Articles of Association in the manner set out in Item No. 11 of this Notice.

In terms of Section 31 of the Companies Act, 1956, alteration of the Articles of Association can be effected only by passing a special resolution and accordingly the Directors recommend the special resolution in this item of the notice for approval of the shareholders.

None of the Directors of the Company are concerned or interested in this special resolution.

**BY ORDER OF THE BOARD,  
FOR RESPONSIVE INDUSTRIES LIMITED**

Place : Betegaon  
Date : 07<sup>th</sup> September, 2009

**V PADMAVATHI  
COMPANY SECRETARY**

**ANNEXURE TO NOTICE:**

**Details of Directors seeking Re-appointment / Appointment at the Annual General Meeting (AGM) in pursuance of clause 49 of the listing agreement:**

Particulars	Mr. Ashok Jha	Mrs. Swati Agarwal	Mr. Atit Agarwal
Date of Birth	13/10/1961	09/11/1981	20/04/1978
Date of Appointment	21/11/2005	22/08/2008	22/08/2008
Qualifications	Matriculation	Bachelor of Management Studies	Bachelor of Science in International Marketing and MBA from USA specializing in Finance.
Nature of Expertise in specific functional area	Technical	Human Resource	Finance
Number of shares held in Company	NIL	130,001	77,333
Directorships held in other Public Companies*	<ul style="list-style-type: none"> <li>Axiom Impex International Ltd.</li> </ul>	Axiom Impex International Ltd.	Axiom Impex International Ltd.
Memberships / Chairmanships of Committees** of other Public Companies	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>Axiom Impex International Ltd.</li> </ul>	NIL	NIL

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

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

## DIRECTORS' REPORT

### To the Members of RESPONSIVE INDUSTRIES LIMITED

Your Directors have pleasure in presenting herewith their Twenty Seventh Annual Report of your Company together with the Audited Financial statements for the year ended on 31st March, 2009.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2009 is summarized below:

Financial Results	Year ended 31.03.2009 Amt (Rs. in Millions)	Year ended 31.03.2008 Amt (Rs.in Millions)
Net Sales	4270.65	3717.76
Profit before Interest and Depreciation	526.41	651.39
Less : Interest	3.08	3.32
Profit Before Depreciation	523.33	648.07
Less: Depreciation	207.77	186.04
Profit before Tax	315.56	462.03
Less: Provision for Taxation		
Current Tax	39.72	56.28
Deferred Tax	7.47	25.81
Fringe Benefit Tax	1.87	1.15
Tax Adjusted for earlier Years	0.46	-----
Net Profit for the year after Tax	266.05	378.78
Less: Loss of Responsive Polymers International Ltd. on account of amalgamation	(47.48)	-----
Add: Profit brought forward from Previous Period	596.65	394.96
Amount available for appropriation	815.22	773.74
Proposed Dividend	24.79	16.79
Corporate Dividend Tax	4.21	2.85
Transferred to General Reserve	-	-
Balance carried forward to Balance Sheet	786.21	754.09

### OPERATIONS

The total turnover of the Company during the period under review stood at Rs. 4270.65 Millions with Profit after Tax amounting to Rs. 266.05 Millions as compared to Turnover of Rs. 3717.76 Millions with Profit after Tax amounting to Rs. 378.78 Millions, of previous year. Yours Directors are confident that inspite of the slowdown of the Global Economy during the financial year 2008-09 whereby Indian Economy was also affected and witnessed a sharp slowdown in most of the sectors of the Economy, the company's performance is satisfactory. During the current year the company shall endeavor to perform better.

### DIVIDEND

Your Directors are pleased to recommend for your consideration payment of a dividend at the rate of 10% (Rs. 1 per Equity Share) for the financial year ended on 31st March 2009, amounting to Rs. 29.00 Millions including Corporate Dividend Tax.

## REORGANISATION

Responsive Polymers International Limited (RPIL) has been amalgamated with the Company with effect from July 1, 2006 (the appointed date) in terms of the Scheme of Amalgamation (the Scheme) sanctioned by the Hon'ble High Court of Bombay vide its order dated 13<sup>th</sup> February, 2009.

In accordance with the Scheme, the undertaking of RPIL being all assets and debts, outstandings, credits, liabilities, duties and obligations, have been transferred to and vested in the Company retrospectively with effect from the appointed date.

Pursuant to the Scheme, the shareholders holding fully paid up equity shares in RPIL were allotted 38,00,000 equity shares of the Company, out of which 9,50,000 Equity shares were allotted during the financial year under review i.e. on 30<sup>th</sup> March, 2009 and for the balance 28,50,000 Equity shares a Share Capital Suspense Account had been created in the financial statements for the year ended 31<sup>st</sup> March, 2009 with the amount of Rs. 28.50 Millions which were allotted on 08<sup>th</sup> June, 2009. Further, pursuant to the Scheme, the 1,92,93,200 0% Redeemable Non-Convertible Preference Shares of Rs. 10/- each held by RPIL in the Company have been cancelled.

## CHANGES IN SHARE CAPITAL

Upon issuance of 38,00,000 Equity shares to the shareholders of RPIL and cancellation of the 1,92,93,200 0% Redeemable Non-Convertible Preference Shares held by RPIL in the Company consequent to amalgamation, the issued, subscribed and paid up share capital as on 31<sup>st</sup> March, 2009 stands at Rs. 219.42 Millions divided into 2,19,42,000 equity shares of Rs.10/- each with Rs. 28.50 Millions divided into 28,50,000 Equity shares of Rs. 10 each standing in Share Capital Suspense Account from the earlier Rs. 402.85 Millions comprising 2,09,92,000 equity shares of Rs. 10/- each and 1,92,93,200 0% Redeemable Non-Convertible Preference Shares of Rs. 10/- each. The balance 28,50,000 Equity shares of Rs. 10 each appearing in the Share Capital Suspense Account were allotted by the Company on 08<sup>th</sup> June, 2009 after reclassification of the Authorised Preference Share Capital of Rs. 20,00,00,000 divided into 2,00,00,000 preference shares of Rs. 10 each into the Authorized Equity Share Capital of Rs. 20,00,00,000 divided into 2,00,00,000 equity shares of Rs. 10 each in the Extra Ordinary General meeting of the Company held on 28<sup>th</sup> May 2009. Presently, as on the date of this report, the Authorized Share Capital of the Company is Rs. 42,00,00,000 divided into 4,20,00,000 equity shares of Rs.10 each.

After the end of the Financial year 2008-2009 but before the date of this report, your Company raised an aggregate of Rs. 70 crores through Preferential issue of 7000 0% Compulsorily Convertible Debentures of face value of Rs. 1,00,000 each at par from Foreign Corporate Bodies.

## SUBSIDIARY COMPANIES

Your Company has one subsidiary company i.e. Axiom Impex International Limited. A statement pursuant to Section 212 of the Companies Act, 1956, in respect of Axiom Impex International Limited and its financial statements for the financial year 2008-09 together with the Report of the Directors and Auditors thereon, are attached to the accounts of the Company.

## CONSOLIDATED FINANCIAL STATEMENTS

In compliance with Clause 32 and Clause 50 of the Listing Agreement, as per the Accounting Standard on Consolidated Financial Statements (AS 21) issued by the Institute of Chartered Accountants of India, the Audited Consolidated Financial Statements along with the Auditors' Report have been annexed with this report.

## **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ashok Jha retire 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.

The Board appointed Mrs. Swati Agarwal as an Additional Director on 22<sup>nd</sup> August, 2008 and she holds office upto the ensuing Annual General Meeting. The resolution for her appointment as Director is being moved at the ensuing Annual General Meeting.

The Board appointed Mr. Atit Agarwal as an Additional Director and Whole-time Director on 22<sup>nd</sup> August, 2008 and he holds office upto the ensuing Annual General Meeting. The resolution for his appointment as Director and Whole-time Director is being moved at the ensuing Annual General Meeting.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- that in preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the year ended on that date;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the Directors have prepared the annual accounts on a going concern basis.

## **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, a separate report on Corporate Governance and a certificate from the Mr. Pradip C. Shah, FCS, Practising Company Secretary regarding compliance with the conditions of Corporate Governance, forms part of the Annual Report.

## **PARTICULARS OF EMPLOYEES**

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

## **PUBLIC DEPOSITS**

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

## **AUDITORS**

Your Company's Statutory Auditors M/s. Haribhakti & Co., Chartered Accountants, retire at the ensuing Annual General Meeting. It is proposed to re-appoint M/s Haribhakti & Co., Chartered Accountants as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

## **AUDITORS' REPORT**

The notes on account referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanation under section 217(3) of the Companies Act, 1956.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Report on Management Discussion & Analysis is included as a part of this Annual Report

## **CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

In accordance with the provisions of section 217 (1)(e) of the Companies Act, 1956, the required information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure to Director's Report.

## **ACKNOWLEDGEMENTS**

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

**For AND ON BEHALF OF THE BOARD OF DIRECTORS**

**DIRECTOR**

**DIRECTOR**

**Place: Betegaon**

**Date : 07<sup>th</sup> September, 2009**



**ANNEXURE FORMING PART OF THE DIRECTORS' REPORT****A) CONSERVATION OF ENERGY:**

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

<b>Power &amp; Fuel Consumption</b>		<b>Current Year 2008-09</b>	<b>Previous Year 2007-08</b>
<b>1 Electricity</b>			
(a) Purchased Units		15187133	16079920
Total amount (Rs. in Millions)		70.41	64.67
Rate / Unit (Rs.)		4.64	4.02
(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
<b>2 Coal (Specify quantity and where used)</b>			
Quantity (Tonnes)		NIL	NIL
Average Rate		NIL	NIL
<b>3 Furnace Oil</b>			
Quantity (in Liters)		2226638	2221750
Total Amount (Rs. In Millions)		46.47	54.27
Average Rate (Rs.)		20.87	24.43
<b>4 Other/Internal Generation (Please give details)</b>			
Quantity		NIL	NIL
Total Cost		NIL	NIL
Rate/Unit		NIL	NIL

**B) TECHNOLOGY ABSORPTION:**

Efforts made in technology absorption NIL NIL

**C) FOREIGN EXCHANGE EARNINGS & OUTGO:**

Total Exchange Earned (Rs. in Millions) 1943.19 2155.14  
 Total Outgo (Rs. in Millions) 1358.73 1216.92

**For AND ON BEHALF OF THE BOARD OF DIRECTORS**

**DIRECTOR**

**DIRECTOR**

Place: Betegaon

Date : 07<sup>th</sup> September, 2009

## REPORT ON CORPORATE GOVERNANCE

### 1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's philosophy of Corporate governance aims at providing transparent working and assisting stakeholders to judge and understand the performance of the Company in an appropriate manner. It includes not only application and adaptation of statutory rules/ procedures and guidelines, but also includes application and adoption of good corporate practices so as to keep the stakeholders and authorities well informed on the Company.

### 2. BOARD OF DIRECTORS:

#### A. Composition, category and number of other directorships of Directors:

The strength of the Board as on 31<sup>st</sup> March, 2009 is 7 Directors. The composition, category of Directors and Directorships held in other companies was as follows:

Name of Director	Category of Directorship	Other Board		
		Directorships*	Committee Chairmanship**	Committee Memberships (including Chairmanship)**
Mr. Santosh Shinde ^^	Non - Executive Director	1	0	0
Mrs. Vaishali Shinde	Independent Non - Executive Director	1	0	0
Mr. Ramesh Mistry	Independent Non - Executive Director	0	0	0
Mr. Ashok Jha	Independent Non - Executive Director	1	0	1
Mr. Rajesh Pandey	Independent Non - Executive Director	1	1	1
Mr. Atit Agarwal, Chairman # ^^	Executive Director (Whole-time Director)	1	0	0
Mrs. Swati Agarwal @ ^^	Non-Executive Director	1	0	0

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

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

# Appointed as Chairman and Whole-time Director w.e.f. 22<sup>nd</sup> August, 2008.

@ Appointed as Additional Director w.e.f. 22<sup>nd</sup> August, 2008.

^^ Promoter Group / related to Promoter

### B. Details of Board Meetings held and Attendance of Directors at Board Meetings & at the last Annual General Meeting:

Seventeen Board Meetings were held during the Period i.e on 30<sup>th</sup> April 2008, 30<sup>th</sup> June 2008, 25<sup>th</sup> July 2008, 30<sup>th</sup> July 2008, 22<sup>nd</sup> August 2008, 2<sup>nd</sup> September 2008, 5<sup>th</sup> September 2008, 24<sup>th</sup> October, 2008, 23<sup>rd</sup> November 2008, 31<sup>st</sup> December 2008, 9<sup>th</sup> January 2009, 13<sup>th</sup> January 2009, 30<sup>th</sup> January 2009, 3<sup>rd</sup> March 2009, 6<sup>th</sup> March 2009, 17<sup>th</sup> March 2009 and 30<sup>th</sup> March 2009.

Name of Director	No. of Board meetings Attended	Attendance at the last AGM
Mr. Santosh Shinde	17	Yes
Mrs. Vaishali Shinde	NIL	No
Mr. Ramesh Mistry	3	Yes
Mr. Ashok Jha	17	No
Mr. Rajesh Pandey	17	Yes
Mr. Atit Agarwal	12	Yes
Ms. Swati Agarwal	9	Yes

### 3. AUDIT COMMITTEE:

#### A. Brief description of terms of reference:

- Review the financial reporting systems and disclosure of its financial information.
- Review with the Management, the annual/quarterly financial statements before submission to the Board for approval.
- Review with the Management, the performance of Statutory Auditors, Internal Auditors and the adequacy of the internal control systems.
- Review the Company's accounting policies.
- Recommend the appointment, re-appointment and replacement or removal of Statutory Auditors and fixation of Audit Fee.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Look into reasons for substantial defaults, if any, in payment to depositors, shareowners and creditors.
- Other functions as required by applicable Regulations.

#### B. Composition of Committee and Attendance of Members:

The committee met 4 times during the period under review on 30<sup>th</sup> June 2008, 30<sup>th</sup> July 2008, 24<sup>th</sup> October 2008 and 30<sup>th</sup> January 2009.

Name	No. of Committee meetings attended
Mr. Ramesh Mistry, Chairman	4
Mr. Santosh Shinde, Member	4
Mr. Ashok Jha, Member	4

### 4. REMUNERATION COMMITTEE:

The company does not have any Remuneration Committee. However the Board determines and recommends the remuneration package.

Remuneration of Directors	:	Nil
Details of sitting fees paid to the Directors	:	Nil

**5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:**

The role and function of the Shareholders/Investors Grievance Committee is to approve transfers, transmission, sub-division and issue of duplicate shares/debentures and effectively redress the complaints received from the shareholders relating to dematerialization, transfer of shares, non-receipt of the balance sheet, dividends etc. The Committee overviews the steps to be taken for improving further the quality of service to the investors. During the year under review, the Committee met quintuplicate.

Name of the Non-Executive Director heading the Committee	: Mr. Ramesh Mistry
Name and designation of compliance officer	: Mr. Santosh Shinde, Non-Executive Director
Number of shareholders' complaints received so far	: NIL
Number resolved to the satisfaction of shareholders	: NIL
Number of pending complaints	: NIL

**6. INVESTMENT COMMITTEE:**

The Board of Directors has constituted an Investment Committee during the financial year 2008-09 to take decisions relating to investing the funds of the Company and to grant, give or make loans or advances on behalf of the Company. The Committee's composition is as under:

- |                      |            |
|----------------------|------------|
| 1. Mr. Ramesh Mistry | — Chairman |
| 2. Mr. Rajesh Pandey | — Member   |
| 3. Mr. Ashok Jha     | — Member   |

During the year under review, the Committee met quintuplicate.

**7. GENERAL BODY MEETINGS:****A. Location and time of Company's last three Annual General Meetings with details of special resolutions passed:**

Date	20 <sup>th</sup> August, 2008	28 <sup>th</sup> September, 2007	30 <sup>th</sup> October, 2006
Time	11.00 a.m.	11.00 a.m.	11.00 a.m.
Venue	Village Betegaon, Boisar (East), Mahagaon Road, Taluka Palghar, Dist. Thane – 401 501	Village Betegaon, Boisar (East), Mahagaon Road, Taluka Palghar, Dist. Thane – 401 501	Village Betegaon, Boisar (East), Mahagaon Road, Taluka Palghar, Dist. Thane – 401 501
Details of Special Resolutions passed in the AGM	1. Issue of equity shares under section 81(1A) of the Companies Act, 1956.	NIL	NIL

**B.** No Special resolution was passed through postal ballot in the last year.

**C.** At the ensuing Annual General Meeting there is no resolution which is proposed to be passed by postal ballot.

During the year ended 31st March, 2009, an Extraordinary General Meeting was held on 10<sup>th</sup> February, 2009 at the registered office of the Company at Village Betegaon, Boisar (East), Mahagaon Road, Taluka Palghar, Dist. Thane – 401 501 for issue of Compulsorily Convertible Debentures (CCDs) convertible into equity shares on preferential basis upto 70 crores.

## **8. DISCLOSURES:**

### **A. Materially significant Related Party Transactions**

There are no materially significant transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc that may have potential conflict with the interest of Company at large.

Details of transactions effected with related parties have been reported separately in the notes to the accounts of the Balance Sheet presented in the Annual Report in accordance with the requirement of Accounting Standard - 18 issued by The Institute of Chartered Accountants of India.

### **B. Compliance with Capital Market Laws**

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 Markets during the last three years.

### **C. Whistle Blower Policy and Access of personnel to the Audit Committee:**

The Company has not established the non-mandatory requirement of Whistle Blower Policy. However, no personnel of the Company have been denied access to the Audit Committee.

### **D. Implementation of the Non-mandatory requirements:**

The Company has not implemented the non-mandatory requirements enlisted by way of annexure to Clause 49 of the listing agreement.

## **9. MEANS OF COMMUNICATION:**

Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchange in terms of the requirement of clause 41 of the Listing Agreement.

The Company publishes its quarterly/annual results as well as any official news in two newspapers i.e. Free Press Journal and Navshakti.

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

## **10. MANAGEMENT DISCUSSION & ANALYSIS**

Management discussion & Analysis Report is attached herewith and forms part of the Annual Report

## **11. GENERAL SHAREHOLDER INFORMATION:**

### **A. Annual General Meeting:** Day, Date, Time and Venue

: On 30th September 2009 at 10.00 a.m. at the Registered office of the Company at Village Betegaon, Mahagaon Road, Boisar (E), Tal. Palghar, Dist. Thane- 401501

**B. Financial Year/Calendar 2009-10  
(Tentative)**

Results for first quarter ending June 30, : 07<sup>th</sup> September, 2009  
2009

Results for second quarter ending September 30, 2009 : On or before October 31, 2009

Results for third quarter ending December 31, 2009 : On or before January 31, 2010

Results for fourth quarter and financial year ending March 31, 2010 : On or before June 30, 2010

**C. Date of Book Closure** : From 26 / 09 / 2009 to 30 / 09 / 2009  
(Both days inclusive)

**D. Dividend payment date** : On or after 30<sup>th</sup> September 2009

**E. Listing on Stock Exchanges** : Bombay Stock Exchange Limited (BSE)

The listing fees payable to BSE for 2009-10 have been paid in full by the Company.

**F. (i) Stock Code** : 505509 (BSE)

**(ii) Demat ISIN number in NSDL and CDSL for equity shares** : INE688D01018

**(iii) Corporate Identity Number (CIN)** : Our CIN allotted by the Ministry of Corporate Affairs, Government of India, is L99999MH1982PLC027797, and our Company is registered within the jurisdiction of the Registrar of Companies, Maharashtra, Mumbai.

**G. Market price data** : The shares of the Company were thinly traded during the year. Accordingly, the market price data of the Company are as given below:

Period 2008-09	High (Rs.)	Low (Rs.)
Month		
April 2008	288.40	261.65
May 2008	----	----
June 2008	333.75	302.80
July 2008	402.50	348.55
August 2008	443.45	422.35
September 2008	465.50	465.50
October 2008	509.25	509.25
November 2008	----	---
December 2008	----	---
January 2009	----	---
February 2009	----	---
March 2009	483.80	483.80

**Note :** Blank denotes no trading during the month

**H. Share Price performance in comparison to BSE Sensex:**

The performance of Company's Share Price vis-à-vis the broad based BSE Indices during the financial year 2008-09 is as under:

Particulars	Company's Share Price (Rs.)	BSE Sensex
As on April 1, 2008	249.20	15,626.62
As on March 31, 2009	483.80	9,708.50
Change (%)	94.14	(37.87)

**I. Registrar and Share Transfer Agents** : Link Intime India Private Ltd.,  
C-13, Pannalal Silk Mills Compound, LBS Marg,  
Bhandup (W), Mumbai, 400078.

**Link Intime India Private Ltd** is a SEBI authorised Registrar and Share Transfer Agent and is authorised for both physical and electronic transfers and dematerialization of shares and all matters related to shareholders records.

**J. Share Transfer System in physical form:**

Shareholders / Investors are requested to send share transfer related documents directly to our Registrar and Share Transfer Agents whose address is given above. Physical transfer of shares are processed by the Share Transfer Agents and approved by the Shareholders/Investors Grievance Committee. Transfer of shares is affected and share certificates are sent to the transferee within 30 days from the date of receipt, provided the relevant documents are complete in all respects. The demat requests are processed and completed within an average period of 15 days from the date of receipt, provided they are otherwise in order.

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

**K. Distribution of shareholding as on 31<sup>st</sup> March, 2009:**

No. of equity shares held	No. of Shareholders	% of shareholders	Total no. of shares	% of holding
1 to 50	9	14.75	450	0.00
51 to 100	4	6.56	400	0.00
101 to 250	31	50.82	4850	0.02
251 to 500	0	0.00	0	0.00
501 to 1000	2	3.28	1550	0.01
1001 to 5000	1	1.64	750	0.00
5001 to 100000	7	11.48	372684	1.70
100000 and above	7	11.48	21560866	98.26
<b>Total</b>	<b>61</b>	<b>100.00</b>	<b>21942000</b>	<b>100.00</b>

**L. Shareholding Pattern as on 31<sup>st</sup> March 2009**

Category	No. of Shares held	Shareholding %
Promoters	13843450	63.09
Financial Institutions	--	--
Mutual Funds	--	--
Insurance Companies	--	--
Nationalised Banks	--	--
Foreign Institutional Investors/Foreign Corporates	8000000	36.46
Bodies Corporate/Others	98550	0.45
Non Resident Indians	--	--
<b>Total</b>	<b>21942000</b>	<b>100.00</b>

**M. Dematerialization of Shares and liquidity:**

The International Securities Identification Number (ISIN) allotted to the Company for both the depositories, viz. NSDL and CDSL is **INE688D01018**. As per the notification issued by SEBI, the equity shares of the Company are traded compulsorily in dematerialized form by all investors with effect from 8<sup>th</sup> May, 2000.

As on 31<sup>st</sup> March, 2009, 95.65% of the Company's Equity Shares representing 2,09,87,650 Equity shares are held in electronic form.

**N. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:**

As on 31<sup>st</sup> March, 2009, there are no outstanding GDRs, ADRs, Convertible Warrants or any other instrument convertible into equity shares, issued by the Company.

**O. Registered Office & Plant Location** : Village Betegaon, Mahagaon Road, Boisar (E),  
Tal. Palghar, Dist. Thane-401501

**P. Address for correspondence:**

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

**Registrar & Share Transfer Agents:**

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

**Registered Office:**

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

**12. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL**

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



**13. PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE:**

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

## **CERTIFICATE ON CORPORATE GOVERNANCE**

**To,  
THE MEMBERS OF RESPONSIVE INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by RESPONSIVE INDUSTRIES LIMITED ("the Company") for the year ended on March, 31, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement.

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

**For P.P. SHAH & Co.**  
Practicing Company Secretary

PRADIP .C. SHAH  
Partner  
Mumbai, 07/09/2009  
FCS -1483  
COP- 436

## **CERTIFICATE OF WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER ON FINANCIAL STATEMENTS UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

I, Mr. Atit Agarwal, Whole-time Director and Chief Financial Officer of Responsive Industries Limited hereby certify that:

- (a) I have reviewed financial statements and the cash flow statement for the Financial Year ended March 31, 2009 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 year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I am responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) 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 have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Betegaon  
Dated: 07<sup>th</sup> September, 2009

Atit Agarwal  
Whole-time Director & Chief Financial Officer

## **DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

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

I confirm that all the Members of the Board of the Company and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to each one of them, for the Financial year ended, March 31, 2009.

Place : Betegaon  
Dated : 07<sup>th</sup> September, 2009

**Atit Agarwal**  
Whole-time Director

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Company is engaged in manufacturing of PVC products, which are widely used in both for household and commercial purposes. After three consecutive years of over 9% Gross Domestic Product (GDP) from 2005 to 2008, the GDP of the Indian Economy has recorded a growth rate of 6.7% in 2008-09. The Indian economy has been adversely affected due to the impact of global financial meltdown, moderating consumption demand and depreciating currency. The adverse impact of Global Economy scenario is visible on GDP numbers especially with manufacturing sector which has recorded 2.4% growth in 2008-09 compared with 8.2% growth recorded last year. With this backdrop, the PVC Product industries maintained a reasonable growth. During the year under review, the Company's performance was satisfactory and the Company was able to meet the demand of PVC products satisfactorily. Despite the slow down, your Company is seeing bright future for its business and will strive for better performance in coming years.

### 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 also like PVC Sheeting, PVC Rigid, the consumption in commercial purposes has been increased. With this growing demand of PVC products in the domestic markets as well as the overseas markets for commercial and household applications, 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.

### PRODUCT WISE PERFORMANCE:

The Company is engaged only in one segment of products i.e. PVC products. The product wise performance during the year is shown below:

#### 1. PVC Leather Cloth

The production during the year 2008-09 is 62745.42 Sq. Mtrs./Sq. Yards as against the production of 20282.39 Sq. Mtrs./Sq. Yards for the previous year 2007-08. The sales during the year 2008-09 is Rs.2003.90 millions as against the sales of Rs.1129.57 millions for the year 2007-08.

#### 2. PVC Flooring

The production during the year 2008-09 is 7070.05 Sq. Mtrs./Sq. Yards as against the production of 9948.14 Sq. Mtrs./Sq. Yards for the previous year 2007-08. The sales during the year 2008-09 is Rs.1809 millions as compared to the sales of Rs.2159.58 millions for the previous year 2007-08.

#### 3. PVC Sheeting

The Production during the year 2008-09 is 3785.20 Sq. Mtrs./Sq. Yards as against the production of 3637.77 Sq. Mtrs./Sq. Yards for the year 2007-08 and the sales is Rs. 156.88 millions for the year 2008-09 as against the sales of Rs.135.57 millions for the year 2007-08.

#### 4. PVC Rigid

The Production during the year is 3004.07 Sq. Mtrs./Sq. Yards as compared to the production of 2763.86 Sq. Mtrs./Sq. Yards for the previous year 2007-08 and sales during this year is Rs.252.39 millions as against the sale of Rs.215.08 millions for the year 2007-08.

#### 5. Other

Other sale during the year is Rs.47.92 millions.

### OUTLOOK:

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

### 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.

### 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 its 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.

### FINANCIAL & OPERATIONAL PERFORMANCE:

Your Company achieved Net sales of Rs.4270.65 millions for the year ended 31<sup>st</sup> March, 2009 as compared to Rs. 3717.76 millions in the previous year. Further, your Company recorded net profit after tax of Rs. 266.05 millions as compared to Rs. 378.78 millions for the previous year.

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

Sales	Year Ended 31.03.2009 (Rs. In Millions)	Year Ended 31.03.2008 (Rs. In Millions)
Local	2251.54	1537.29
Export	2019.11	2180.47
<b>Total</b>	<b>4270.65</b>	<b>3717.76</b>

### HUMAN RESOURCES:

Your Company has employee strength of around 1300 in its factories and regional offices. Your Company's industrial relation continued to be harmonious during the year review. Your Company conducts regular in house training program for employee at all level.

### 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:**

Estimates and expectation stated in this Management Discussion and Analysis may be 'forward looking statement' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed and implied. Important factors that could make a difference to your Company operation's include economic condition affecting demand/supply and price condition in the domestic and international markets, changes in government regulations, tax laws and other statutory and other incidental factors.

**AUDITORS' REPORT TO THE MEMBERS OF RESPONSIVE INDUSTRIES LIMITED**

We have audited the attached Balance Sheet of **RESPONSIVE INDUSTRIES LIMITED** as at 31st March, 2009, the Profit & Loss Account for the year ended on that date and also Cash Flow Statement attached thereto.

The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- I. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (hereinafter referred to as the Act), on the basis of such checks of the books and records as we considered appropriate and information and explanations given to us during the course of the audit, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
- II. Further to our comments in the Annexure referred to in paragraph I above, we report that:
  - a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b) in our opinion, proper books of accounts 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, except , *Accounting Standard 15 (Revised) on Employees Benefits, where no provision has been made for employee benefits i.e. gratuity and leave encashment.*



- e) On the basis of written representations received from the directors of the Company as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors of the Company, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Balances of Sundry debtors, creditors and Loans & Advances including capital advances are subject to confirmation, reconciliation and resultant adjustment, if any.
- g) In our opinion and to the best of information and according to the explanations given to us, the said Financial Statements read together with Notes thereon give the information required by the Companies Act, 1956 in the manner so required, except identification of MSME creditors, and its disclosure in the financial statements along with, interest, if any, payable on overdues exceeding 45 days.

We are unable to comment upto the resultants effect of para (ii) (d), (f) and (g) on assets, Liabilities and on profit for the year.

- h) The said account, subject to para(ii) (d), (f) and (g) above ,give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009,
  - ii) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date and
  - iii) in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **HARIBHAKTI & CO.**  
*Chartered Accountants*

Place: Mumbai  
Date: 7<sup>th</sup> September, 2009.

**Rakesh Rathi**  
*Partner*  
Membership No. 45228

**ANNEXURE REFERRED TO IN PARAGRAPH I OF OUR REPORT OF  
EVEN DATE TO THE MEMBERS OF RESPONSIVE INDUSTRIES LIMITED.**

1. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
2. We are informed that the fixed assets have been physically verified by the management at reasonable intervals, which in our opinion, is appropriate having regard to the size of the Company and nature of its assets. We are informed that no material discrepancies were noticed on such verification.
3. During the year, the Company has not disposed off a substantial part of fixed assets so as to affect its going concern.
4. The management has physically verified the stocks of stores, spares, packing materials, raw material, work in progress and finished goods. In our opinion, the frequency of verification is reasonable.
5. In our opinion, the procedures of physical verification of the stock followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
6. On the basis of our examination of the records of the Company, we are of the opinion that the Company has maintained proper records of inventories and the discrepancies between the physical stocks and the book stocks, noticed on physical verification, being immaterial, were properly dealt with.
7. The Company has granted interest free unsecured loans amounting to Rs. 45.70 million to the parties listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 57.70 million and year end balance of such loans was Rs. 57.70 million.
8. Interest and Other terms and conditions of the said loan are prima facie, not prejudicial to the interest of the Company. Company is regular in receipt of interest. There is no stipulation with respect to receipt of principal amount, and hence there is no overdue principal amount.
9. The Company has taken interest free unsecured loans amounting to Rs.1314.88 Million from the subsidiary company covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis. The maximum amount outstanding during the year was Rs. 626.34 millions and year end balance of such loan was Rs. Nil.
10. Other terms and conditions are prima facie, not prejudicial to the interest of the Company. There is no stipulation with respect to repayment of principal amount, and hence there is no overdue principal amount.
11. There is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed Assets and for the sale

of goods. There is no continuing failure to correct major weaknesses in internal control system.

12. On the basis of our examination of relevant records and on the basis of representation received from the management, particulars of contracts or arrangements that need to be entered in the register in pursuance of Section 301 of the Act have been so entered.
13. On the basis of our examination of the books of account, relevant information and explanations and representations as provided by the Company, the transactions exceeding Rs. 5 lakhs made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
14. During the year, the Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
15. The function of internal audit, as explained, is being carried out by outside professionals, which in our opinion, is commensurate with its size and nature of its business.
16. We are informed that the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the Company.
17. According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on Management representations, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Fringe Benefit Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities and there is no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date it became payable except Advance Tax amounting to Rs. 15.05 Millions, FBT amounting to Rs. 0.84 Millions.
18. According to the information and explanations given to us and also based on the management's representation, there have been no disputed dues of Income Tax, Sales Tax, Wealth tax, Service Tax, Custom Duty, Excise Duty and Cess that have not been deposited on account of any dispute as at the Balance Sheet date.
19. The Company has neither accumulated losses as at March 31, 2009, nor it has incurred any cash losses either in the financial year under audit and in the immediately preceding financial year.
20. According to the records of the Company, it has not defaulted in repayment of dues to financial institutions or banks or to debenture holders during the year.

21. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
22. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to it.
23. In our opinion and according to the information and explanations given to us, the company has not dealt or traded in shares, securities, debentures and other investments during the year.
24. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
25. The company has not taken any term loan during the year.
26. On the basis of review of utilization of funds, which is based on an overall examination of the balance sheet of the Company and related information as made available to us and as represented to us by the management, no funds raised on short-term basis has been used for long-term purpose.
27. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, except allotment of 9,50,000 shares to erstwhile shareholders of RPIL upon amalgamation of RPIL into the company, which is not prejudicial to the interest of the Company.
28. As informed to us, the Company has not issued any debentures during the year.
29. The Company has not raised any money by way of public issue during the year.
30. As per the information and explanations given to us and on the basis of examination of records, no fraud on or by the Company has been noticed or reported during the year.

For **HARIBHAKTI & CO.**  
*Chartered Accountants*

**Rakesh Rathi**  
*Partner*  
Membership No. 45228

Place: Mumbai  
Dated: 07/09/2009

**Responsive Industries Limited**  
**Balance Sheet as at 31st March 2009**

		(Rs.in Millions)	
Particulars	Sch.	As at 31-Mar-09	As at 31-Mar-08
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's Funds</b>			
Share Capital	A	219.42	402.85
Share Capital Suspense Account ( Ref. note.9)		28.50	-
Reserves & Surplus	B	<u>979.59</u>	<u>596.75</u>
		1,227.51	999.61
<b>Loan Funds</b>			
Secured Loans	C	15.77	17.44
Unsecured Loans	D	700.00	775.43
Deferred Tax Liabilities (Net)		78.78	71.32
<b>Total</b>		<u><u>2,022.06</u></u>	<u><u>1,863.79</u></u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	E	2,267.94	2,190.25
Less: Depreciation		<u>568.89</u>	<u>361.23</u>
Net Block		1,699.05	1,829.02
Capital Work in Progress ( including Capital Advances)		<u>138.44</u>	<u>79.24</u>
		1,837.49	1,908.26
<b>Investments</b>	F	104.87	49.92
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	G	230.57	189.43
Sundry Debtors	H	181.25	159.83
Cash & Bank Balances	I	71.75	53.28
Loans & Advances	J	<u>532.15</u>	<u>230.56</u>
		1,015.72	633.10
<b>Less: Current Liabilities &amp; Provisions</b>	K		
Current Liabilities		768.56	609.40
Provisions		<u>167.46</u>	<u>118.09</u>
<b>Net Current Assets</b>		79.70	(94.39)
<b>Total</b>		<u><u>2,022.06</u></u>	<u><u>1,863.79</u></u>
Significant Accounting Policies & Notes forming part of the Accounts	S		

As per our attached Report of even date  
**For HARIBHAKTI & CO.**  
Chartered Accountants

**Rakesh Rathi**  
Partner  
Place : Mumbai  
Date: 7th September, 2009

**For and on behalf of the Board**

**Director                      Director**

**Company Secretary**  
Place : Mumbai  
Date: 7th September, 2009

**Responsive Industries Limited**  
**Profit and Loss Account for the Year ended 31st March 2009**

(Rs.in Millions)

Particulars	Sch.	Year Ended 31.Mar.09	Year Ended 31.Mar.08
<b>INCOME</b>			
Sales & Other Income	L	4,289.86	3,786.27
Increase/(Decrease) in Stocks	M	94.82	(6.45)
		<b>4,384.68</b>	<b>3,779.82</b>
<b>EXPENDITURE</b>			
Manufacturing & Other Expenses	N	3,551.69	2,742.86
Personnel Costs	O	69.44	59.57
Administrative & Other Expenses	P	171.91	260.83
Selling & Marketing Expenses	Q	65.24	65.16
Interest & Finance Charges	R	3.08	3.32
Depreciation		207.77	186.04
		<b>4,069.12</b>	<b>3,317.79</b>
<b>Profit Before Tax</b>		<b>315.56</b>	<b>462.03</b>
Less: Provision for tax			
Current Tax		39.72	56.28
Deferred Tax		7.47	25.81
Fringe Benefit Tax		1.87	1.15
Less: Tax Adjusted for earlier year		0.46	
<b>Profit After Tax</b>		<b>266.05</b>	<b>378.78</b>
Less: Loss of Responsive Polymers International Ltd. on account of amalgamation			
i) Period from 01.07.2006 to 31.03.2008	(1.25)		-
ii) Loss of Responsive Polymers International Ltd. upto 30.06.2006	(46.24)	(47.48)	-
Add: Balance as per last Balance Sheet ( after adjustment of Bonus Shares issued in F.Y. 2007-08 by Capitalisation of P&L A/c.)		596.65	394.96
		<b>815.22</b>	<b>773.74</b>
<b>Appropriations</b>			
Proposed Dividend		24.79	16.79
Tax On Dividend		4.21	2.85
<b>Balance carried to Balance Sheet</b>		<b>786.21</b>	<b>754.09</b>
Basic and Diluted Earning Per Share of Rs. 10/- each ( in Rs.)		12.66	18.04
Refer Note 12 of Schedule T			

Significant Accounting Policies & Notes forming part of  
the Accounts

S

As per our attached Report of even date  
**For HARIBHAKTI & CO.**  
Chartered Accountants

**For and on behalf of the Board**

**Director**

**Director**

**Rakesh Rathi**  
Partner  
Place : Mumbai  
Date: 7th September, 2009

**Company Secretary**  
Place : Mumbai  
Date: 7th September, 2009

**Responsive Industries Limited**  
**Cash Flow Statement for the Year ended 31st March 2009**

(Rs.in Millions)

Sr. No.	Particulars	Year ended 31-Mar-09	Year ended 31-Mar-08
<b>A</b>	<b>Cash Flow from Operating Activities:</b>		
	<b>Net Profit/(Loss) Before Tax and Extraordinary Items</b>	<b>315.56</b>	<b>462.03</b>
	<b>Adjustments For :</b>		
	Depreciation	207.77	186.04
	Loss on Sale/Discard of Fixed Assets	-	0.36
	Interest paid	2.09	3.32
	Interest Income	(6.04)	(0.24)
	Dividend Income	(0.22)	(2.01)
	Loss on Sale of Investment	1.73	5.89
	Loss on Trading in Equity Derivative Instruments (Net)	1.20	210.14
	Unrealised (Gain) / Loss on Foreign Exchange	98.74	(5.63)
	<b>Operating Profit Before Working Capital Changes</b>	<b>620.83</b>	<b>859.91</b>
	<b>Adjustment For :</b>		
	Inventories	(41.14)	8.48
	Trade & Other Receivables	(21.43)	(32.60)
	Loans and Advances	(243.27)	(113.55)
	Trade Payables	157.13	127.82
	<b>Cash Generated From Operations</b>	<b>472.13</b>	<b>850.06</b>
	Income tax paid	(58.32)	(35.15)
	<b>Net Cash From Operating Activities</b>	<b>413.80</b>	<b>814.91</b>
<b>B</b>	<b>Cash Flow from Investing Activities:</b>		
	Purchase of Fixed Assets	(78.25)	(330.57)
	Capital Advances given	(59.20)	(79.24)
	Sale/Discard of Fixed Assets	0.45	4.37
	Interest received	6.04	0.24
	Dividend Income	0.22	2.01
	Loss on Trading in Equity Derivative Instruments (Net)	(1.20)	(210.14)
	Sale / (Purchase) of Investments	(54.95)	(161.57)
	Loss on sale of Investments	(1.73)	122.31
	<b>Net Cash Used in Investing Activities</b>	<b>(188.62)</b>	<b>(652.58)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Interest Paid	(2.09)	(3.32)
	Issue of Share Capital	38.00	-
	adjusted on account of amalgamation of RPIL	(192.93)	-
	Decrease in Loan	(77.10)	(121.65)
	Dividend Paid ( Including Dividend Distribution Tax )	(19.65)	(14.73)
	<b>Net Cash Used in Financing Activities</b>	<b>(253.77)</b>	<b>(139.70)</b>
	Net Increase/(Decrease) in Cash and Cash Equivalents	(28.59)	22.62
	Add: Profit/ (Loss) on amalgamation of RPIL	(47.48)	-
	Add: Capital Reserve on amalgamation of RPIL	1.38	-
	Add: Share Premium on amalgamation of RPIL	172.90	-
	Add: Reserve created on amalgamation of RPIL	19.00	-
	Add: Unrealised Gain/ (loss) on Foreign Exchange Fluctuation	(98.74)	5.63
	Cash & Cash Equivalents (Opening Balance)	53.28	25.03
	<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>71.75</b>	<b>53.28</b>

**NOTES:**

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

Particulars	As on 31.03.2009	As at 31.03.2008
Cash in hand	1.26	0.82
Balances with Banks	70.49	52.47
<b>Total Rs.</b>	<b>71.75</b>	<b>53.28</b>

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

**As per our report of even date attached**

**For HARIBHAKTI & CO.**  
Chartered Accountants

**For and on behalf of the Board**

**Rakesh Rathi**  
Partner  
Place : Mumbai  
Date: 7th September, 2009

**Director**                      **Director**  
  
**Company Secretary**



## Responsive Industries Limited

## Schedules Forming Part of the Balance Sheet as at 31st March 2009

(Rs.in Millions)

Particulars	As at 31.Mar.09	As at 31.Mar.08
<b>Schedule "A" : Share Capital</b>		
<b>Authorised</b>		
2,20,00,000 Equity Shares of Rs. 10/- each	220.00	220.00
2,00,00,000 Preference Shares of Rs. 10/- each	200.00	200.00
	<u>420.00</u>	<u>420.00</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
2,19,42,000 (P.Y.2,09,92,000) Equity Shares of Rs.10/- each fully paid up.	219.42	209.92
(Of the above 1,57,44,000 Equity Shares of Rs.10/- each have been allotted as Bonus Shares by capitalisation of reserves in F.Y.2007-08.)		
(Of the above 13,285,033 (P.Y.1,26,11,700) Equity Shares of Rs. 10/- each are held by the holding company Wellknown Business Ventures Private Limited.)		
Nil (P.Y.1,92,93,200) 0% Redeemable Non-Convertible Preference Shares of Rs. 10/- each fully paid up.	192.93	192.93
Less: Adjusted on account of Amalgamation	<u>192.93</u>	<u>-</u>
	-	192.93
	<u>219.42</u>	<u>402.85</u>
<b>Schedule "B" : Reserves and Surplus</b>		
Share Premium Account - Opening Balance	-	-
Add: on account of amalgamation( ref. note 9)	<u>172.90</u>	<u>-</u>
	172.90	-
General Reserve	0.10	0.10
Profit & Loss Account	786.21	754.09
Add: Reserve created on account of Amalgamation	19.00	-
Less: Capitalisation for allotment of Bonus Shares during the year	<u>-</u>	<u>157.44</u>
	805.21	596.65
Capital Reserve - Opening Balance	-	-
Add : Share Forfeiture Account (refer Note. 9)	<u>1.38</u>	<u>-</u>
	1.38	-
	<u>979.59</u>	<u>596.75</u>

	(Rs.in Millions)	
Particulars	As at 31.Mar.09	As at 31.Mar.08
<b>Schedule "C" : Secured Loans</b>		
Vehicle Loans (Secured against mortgage of respective vehicles)	15.77	17.44
	<u>15.77</u>	<u>17.44</u>
<b>Schedule "D" : Unsecured Loans</b>		
Deferred Supplier's Credit (in Foreign Currency )	-	523.66
Due to Subsidiary Company	-	251.77
Debentures Application Money	700.00	-
	<u>700.00</u>	<u>775.43</u>
<b>Schedule "F" : Investments (As per Annexure "1")</b>		
	104.87	49.92
	<u>104.87</u>	<u>49.92</u>
<b>Schedule "G" Inventories (As Taken, Valued and Certified by the Management)</b>		
Raw Materials	128.14	182.53
Stock in Process	96.72	1.89
Packing Materials	1.47	1.36
Stores and Spares	4.25	3.65
	<u>230.57</u>	<u>189.43</u>
<b>Schedule "H" : Sundry Debtors (Unsecured, Considered Good, unless otherwise stated)</b>		
Outstanding for a period exceeding six months	25.93	15.07
Other Debts	155.32	144.76
	<u>181.25</u>	<u>159.83</u>
<b>Schedule "I" : Cash and Bank Balances</b>		
Cash-in-hand	1.26	0.82
<b>Balance with Scheduled Banks</b>		
In Current Accounts	25.48	49.20
In Fixed Deposit Accounts	45.01	3.26
	<u>71.75</u>	<u>53.28</u>
<b>Schedule "J" : Loans and Advances (Unsecured, considered good)</b>		
Deposits	8.74	5.87
Advances recoverable in cash or in kind or for value to be received	424.76	184.36
Advance Tax & TDS	98.65	40.33
	<u>532.15</u>	<u>230.56</u>

Particulars	(Rs.in Millions)	
	As at 31.Mar.09	As at 31.Mar.08
<b>Schedule "K" : Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors		
- Due to Micro, Small and Medium Enterprises (Refer Note 17 of Schedule "S")	-	-
- Others	214.32	256.13
Advance received from Customers	57.04	127.92
Other Current Liabilities	497.20	225.35
	<b>768.56</b>	<b>609.40</b>
<b>Provisions</b>		
Provision for Tax	136.11	96.39
Fringe Benefit Tax	2.35	2.06
Proposed Dividend	24.79	16.79
Provision for Dividend Distribution Tax	4.21	2.85
	<b>167.46</b>	<b>118.09</b>
	<b>936.02</b>	<b>727.49</b>

**Responsive Industries Limited**  
**Schedule forming part of Balance Sheet as at 31st March 2009**  
**Schedule "E" : Fixed Assets (At Cost Less Depreciation)**

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As At 01.04.2008	Additions During the year	Deductions During the year	As at 31.03.2009	Up to 31.03.2008	For the Year	Adjustments during the year	Up to 31.03.2009	As at 31.03.2009
Land	78.10	-	-	78.10	-	-	-	-	78.10
Factory Buildings	139.01	-	-	139.01	8.41	4.64	-	13.05	125.96
Plant & Machineries	1,914.97	58.17	-	1,973.14	345.93	195.55	-	541.48	1,431.65
Electric Installations	17.12	0.68	-	17.80	1.39	1.81	-	3.20	14.60
Computers	3.90	0.78	-	4.67	0.94	0.71	-	1.64	3.03
Furniture & Fixtures	0.63	0.51	-	1.14	0.05	0.06	-	0.10	1.03
Office Equipments	2.50	2.90	-	5.39	0.11	0.19	-	0.30	5.09
Weighing Scale	0.18	-	-	0.18	0.02	0.01	-	0.02	0.16
Motor Cars	12.17	14.77	0.56	26.39	1.56	2.32	0.11	3.77	22.62
Motor Trucks	21.68	0.43	-	22.12	2.83	2.49	-	5.32	16.80
<b>TOTAL</b>	<b>2,190.25</b>	<b>78.25</b>	<b>0.56</b>	<b>2,267.94</b>	<b>361.23</b>	<b>207.77</b>	<b>0.11</b>	<b>568.89</b>	<b>1,699.05</b>
Previous Year	1,878.24	317.02	5.01	2,190.25	175.47	186.04	0.28	361.23	1,829.02

Note: Additions on Plant and Machineries includes Rs. 55.39 Millions ( P.Y. Rs. - 63.78 Millions ) towards Foreign Exchange Fluctuations.

## Responsive Industries Limited

## Schedules Forming Part of Profit &amp; Loss Account For the Year ended 31st March 2009

(Rs.in Millions)

Particulars	Year Ended 31.Mar.09	Year Ended 31.Mar.08
<b>Schedule "L" : Sales and Other Income</b>		
Gross Sales	4,538.71	3,974.23
Less: Excise Duty	268.06	256.47
Net Sales	4,270.65	3,717.76
Excise Duty Refund	10.10	46.50
Gain on Exchange Fluctuations (Net)	-	18.15
Dividends	0.22	2.01
Profit on Sale of Fixed Assets	0.19	-
Interest (TDS Amount Rs.0.91 Millions P.Y.Rs.0.03 Millions)	6.04	0.24
Other Income	2.66	1.60
	<b>4,289.86</b>	<b>3,786.27</b>
<b>Schedule "M" : Increase / (Decrease ) in Stocks</b>		
Closing Stocks	-	-
Stock-in-Process	96.72	1.89
	96.72	1.89
Less : Opening Stocks		
Stock-in-Process	1.89	8.34
	1.89	8.34
	<b>94.82</b>	<b>(6.45)</b>
<b>Schedule "N" : Manufacturing &amp; Other Expenses</b>		
<b>Raw Materials Consumed</b>		
Opening Stock	182.53	184.44
Purchases	3,284.83	2,524.96
Less: Closing Stock	128.14	182.53
	<b>3,339.22</b>	<b>2,526.87</b>
Packing Materials Consumed	30.90	29.57
Stores and Spares Consumed	17.66	31.66
Loading and Unloading Charges	31.53	31.48
Power & Fuel Charges	117.07	104.94
Repairs & Maintenance (Machinery)	12.15	15.94
Repairs & Maintenance (Buildings)	3.16	2.40
	<b>3,551.69</b>	<b>2,742.86</b>

	(Rs.in Millions)	
Particulars	Year Ended 31.Mar.09	Year Ended 31.Mar.08
<b>Schedule "O" : Personnel Costs</b>		
Salaries, Wages & Bonus	59.85	52.11
Workmen & Staff Welfare Expenses	7.79	5.60
Contribution to Provident Fund & Other Funds	1.80	1.86
	<b>69.44</b>	<b>59.57</b>
<b>Schedule "P" : Administration &amp; Other Expenses</b>		
Rent, Rates and Taxes	7.45	7.69
Insurance	2.39	2.46
Communication Costs	4.26	4.62
Printing & Stationery	2.70	2.94
Travelling, Conveyance & Motor Car Expenses	13.76	12.68
Legal & Professional Charges	23.14	4.08
Repairs & Maintenance (Others)	4.13	1.71
Auditors Remuneration	1.20	0.20
Loss on Sale of Investments	1.73	5.89
Security Transaction Tax	0.01	1.82
Loss on Trading in equity derivative instruments (net)	0.81	208.32
Loss on Trading in Commodities derivative instruments (net)	0.31	-
Loss on Speculation Business	0.08	-
Loss on Sale/Discard of Fixed Assets	-	0.36
Loss on Exchange Fluctuations (Net)	98.74	-
Miscellaneous Expenses	11.19	8.05
	<b>171.91</b>	<b>260.83</b>
<b>Schedule "Q" : Selling and Marketing Expenses</b>		
Business Promotion Expenses	5.69	4.33
Brokerages, Commissions & Discount	11.65	12.03
Freight, Clearing & Forwarding Charges	46.10	46.99
Exhibition Expenses	1.80	1.82
	<b>65.24</b>	<b>65.16</b>
<b>Schedule "R" : Interest and Finance Charges</b>		
Interest on Vehicle Loan	1.66	1.28
Other Interest	0.42	0.90
Bank Charges	0.99	1.14
	<b>3.08</b>	<b>3.32</b>

**Responsive Industries Limited****Annexure Forming Part of the Schedule to the Balance Sheet as at 31st March, 2009****Annexure "1" : Investments**

(Rs.in Millions)

Particulars	As at 31.Mar.09	As at 31.Mar.08
<b>(A) Long Term Investments</b>		
<b>Non Trade, Quoted</b>		
Kotak Mahindra Bank Limited [Nil( 2,500) Equity Shares of Rs.10/- each fully paid up ]	-	1.69
Energy Development Company Limited [13,000( 13,000) Equity Shares of Rs.10/- each fully paid up ]	1.31	1.31
Jai Corp Limited [1,000( 1,000) Equity Shares of Rs.1/- each fully paid up ]	1.17	1.17
Syschem India Limited [1,38,000( 1,38,000) Equity Shares of Rs.10/- each fully paid up ]	0.27	0.27
Reliance Industrial Infrastructure Limited [20,600( 20,600) Equity Shares of Rs.10/- each fully paid up ]	26.42	26.42
Mavi Industries Ltd. (Formerly known as Krishna Filaments Limited) [Nil( 5,000) Equity Shares of Rs.10/- each fully paid up ]	-	0.27
Reliance Capital Limited [Nil( 1,790) Equity Shares of Rs.10/- each fully paid up ]	-	3.28
Wellworth Overseas Ltd [1,00,000(Nil) Equity Shares of Rs.1/- each fully paid up ]	0.09	-
<b>Non Trade , Unquoted</b>		
Krishna Vinyls Limited [11,00,000 (Nil) Equity Shares of Rs.10/- each fully paid up ]	1.65	-
<b>Investment in Subsidiary</b>		
Axiom Impex International Limited [1,64,00,000 (4,00,000) Equity Shares of Rs.10/- each fully paid up ]	6.00	6.00
0% Compulsory convertible Debentures of Axiom Impex International Ltd. [577 (Nil) Debentures of Rs. 1,00,000/- each fully paid up ]	57.70	-
<b>(B) Current Investments</b>		
<b>Investments in Mutual Funds</b>		
JM Contra fund - Dividend Plan of Rs.10/- per unit [4,88,998 (4,88,998) units of Rs.10/- each fully paid up ]	5.00	5.00
Reliance Equity Fund of Rs.10/- per unit [Nil (2,50,000) units of Rs. 10/- each fully paid up ]	-	2.50
Reliance Growth Fund of Rs.10/- per unit [69,403 (Nil) units of Rs. 10/- each fully paid up ]	3.25	-
Reliance Asset Management A/C Debt PMS	2.00	2.00
<b>Total</b>	<b>104.87</b>	<b>49.92</b>
Aggregate of Unquoted Investments (At Cost)	75.60	15.50
Aggregate of Quoted Investments (At Cost)	29.27	34.42
Aggregate of Quoted Investments ( At Market Value)	6.65	24.30

**Responsive Industries Limited**

**Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.**

**Schedule: "S"**

**I. Significant Accounting Policies**

**a) Basis of Accounting:**

The Financial Statements have been prepared under the historical cost convention on an accrual basis except export incentives and gratuity and in accordance with the applicable accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956

**b) Use of Estimates**

The Preparation of Financial Statements is in conformity with generally accepted accounting principles (GAAP) in India, which requires management to make estimates and assumption that affects, reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements.

**c) Fixed Assets:**

Fixed Assets are stated at actual cost net of Cenvat availed, less accumulated depreciation and impairment loss, if any. All cost, including financing cost till commencement of commercial production, net charges of foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

**d) Depreciation:**

Depreciation on fixed assets provided on Straight-line basis (SLM), at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions to/deletions from fixed assets is provided on pro-rata basis from/ up to the date of such addition/deletion as the case may be.

**e) Investments:**

Investments that are intended to be used for more than a year from the date of acquisition are classified as long term Investment and are carried at cost less any provision for permanent diminution in value. Investments other than long-term investments being current investments are valued at cost or fair value whichever is lower.

**f) Inventories:**

**Inventories are valued as follows:**

- i) Finished goods are valued at lower of cost or net realisable value.
- ii) Stores & Spares, Packing Material, Raw Materials and Work-in-Process are valued at cost.
- iii) Cost of Inventories is generally ascertained on the FIFO Basis.



**Responsive Industries Limited**

**Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.**

**g) Treatment of Contingent Liabilities:**

Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Payments in respect of such demands, if any are shown as advances.

Contingent Liabilities under various fiscal laws includes those in respect of which the company/department is in appeal.

Contingent Liabilities are disclosed by way of notes.

**h) Accounting For Taxation on Income:**

**Current Taxes**

Provision for current income-tax is recognized in accordance with the provisions of Indian Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

**Deferred Taxes**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. The effect of a change in tax rates on deferred tax and assets or liabilities are recognized in the year that includes the enactment date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

**Fringe Benefits**

Provisions for Fringe Benefits Tax (FBT) have been recognized on the basis of harmonious contextual interpretation of the provision of the Income Tax Act, 1961.

**i) Foreign Currency Transactions:**

- i) The transactions in foreign currencies on revenue accounts are stated at the rate of exchange prevailing on the date of transaction.
- ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realisation is charged to Profit and Loss Account
- iii) Differences on translation of Current Assets and Current Liabilities remaining unsettled at the year-end are recognised in the Profit and Loss account. (Except those relating to acquisition of fixed assets which are adjusted in the cost of the assets.)

**Responsive Industries Limited**

**Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.**

**j) Retirement Benefits:**

Company's contributions to provident fund are charged to Profit and Loss Account. Gratuity is accounted for in the year of payment.

**k) Revenue Recognition:**

- i) Sales are recognised on despatch of goods to the customers.
- ii) Export Sales are accounted on the basis of despatch of goods for exports.

**II. Notes to Accounts**

1. The Schedules referred to in the Balance Sheet & Profit & Loss Account form an integral part of the accounts.
2. In the opinion of the Board the Current Assets, Loans & Advances are approximately of the value stated and are realisable in the ordinary course of business. The provision for all known liabilities is adequate.
3. Sundry debtors, sundry creditors, loans and advances are subject to confirmation and reconciliation. Consequential adjustment thereof, if any, will be given effect into the books of accounts in the year of such adjustment.
4. Current liabilities includes unpaid dividend of Rs. 0.004 Millions (P.Y. 0.004 Millions).
5. No Provision for gratuity has been made for existing employees and the same shall be accounted for as and when paid.
6. Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 21.56 millions (P.Y. Rs. 80.76 millions).
7. The Company has continued to adjust the foreign currency exchange differences of Rs.55.39/- on amount due to the foreign suppliers of fixed assets to whom dues are payable exceeding one year to the carrying cost of fixed assets in compliance with Schedule VI to the Companies Act, 1956 which is in accordance to the notification no. G.S.R. 25(E) issued by the Ministry of Corporate Affairs, New Delhi dated 31st March, 2009, however at variance to the treatment prescribed in accounting Standard (AS -11) on "Effects of Changes in Foreign Exchange Rates "notified in the Companies (Accounting Standards) Rules 2006.
8. Depreciation for the year is after accounting for reduction of Rs.0.44 millions being depreciation related to exchange fluctuation on amount due to the foreign suppliers of fixed assets.

## Responsive Industries Limited

Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.

9. Amalgamation of Responsive Polymers International Ltd. With the Company (RIL)
- Pursuant to the Scheme of Amalgamation under section 391 to 394 of the Companies Act, 1956 (the Scheme) of the erstwhile Responsive Polymers International Limited (RPIL) with the Company, as approved by the Hon'ble High Court of Mumbai vide its Order dated 13th February 2009, all the assets and liabilities of RPIL has been transferred to and vested in the Company with effect from the appointed date i.e. 1st July 2006, on a going concern basis. The Scheme has accordingly being given effect to in these financial statements and operational results for the year of RPIL have been incorporated in the Company's financial statements
  - The operations of RPIL included manufacturing of PVC/Plastic products which is in line with that of the Company.
  - The amalgamation has been accounted for under the " Pooling of Interest Method " as prescribed under Accounting Standard (AS 14 ) Accounting for Amalgamations issued by the ICAI. Accordingly all the assets, liabilities and reserves of the erstwhile RPIL have been taken over at their respective book values by the Company
  - Pursuant to amalgamation of RPIL with the Company 38,00,000 Equity Shares of Rs.10/- each fully paid up of the Company were issued and allotted to the shareholders of erstwhile RPIL in accordance with swap ratio of 2:3 ( modified from swap ratio of 1: 6 on account of 28,50,000 Equity Shares of Rs.10/- each fully paid up of the Company declared and allotted as bonus shares in the ratio of 1:3 by the Company post the appointed date ) These 28,50,000 Equity Shares are disclosed in Share Capital Suspense Account pending increase in Authorised Share Capital of the Company .
  - The Company has written off the Preference Share Capital of Rs.192.93 Millions which was subscribed and paid-up Preference Share Capital made in RPIL as it ceases to exist after the amalgamation
  - Debit Balance in Profit & Loss Account amounting to Rs.46.24 Millions of erstwhile RPIL is adjusted in Profit & Loss Account of the Company.
  - Total Current Assets Rs.2.42 Millions and Current Liabilities Rs. 0.97 millions taken over on Amalgamation are transferred to respective account.
  - Resultant Gain of Rs.19.00 millions transferred to General Reserve Account.
  - In view of above, figures in respect of the current financial year are not strictly comparable with those of the previous year since the current year figures include the operations of RPIL on account of amalgamation. Previous year figures are re-grouped, re-arranged and re-casted wherever considered necessary.

**Responsive Industries Limited****Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.****10. Auditor's Remuneration Includes (excluding service tax) :****(Rs. in Millions)**

	<b>For the year ended 31.03.2009</b>	<b>For the Year ended 31.03.2008</b>
Audit Fees	0.775	0.19
Tax Audit Fees	0.200	0.01
Others	0.225	-
	<b>1.200</b>	<b>0.20</b>

**11. Taxes on Income**

- a. Provision for taxation for the accounting year has been made in accordance with the provisions of the Income Tax Act, 1961.
- b. In terms of Accounting Standard on "Accounting for Taxes on Income" (AS 22) the Company has recognized Deferred Tax Liability amounting to Rs. 7.47 Millions for the year ended 31st March 2009 in the Profit & Loss Account.

The accumulated balance in Net Deferred Tax Liability / (Assets) as on 31st March 2009 comprises of:

**(Rs. in Millions)**

<b>Sr. No</b>	<b>Particulars</b>	<b>Opening Year ended 31.03.2008</b>	<b>Adjustment during the year</b>	<b>Closing Year ended 31.03.2009</b>
1	Depreciation	71.44	7.47	78.91
2	Disallowance u/s 40(a)(ia)	(0.12)	-	(0.12)
	<b>Deferred Tax Liability / (Assets)</b>	<b>71.32</b>	<b>7.47</b>	<b>78.78</b>

**12. Earning Per Share (As per AS - 20)****(Rs. in Millions)**

		<b>Year ended 31.03.2009</b>	<b>year ended 31.03.2008</b>
<b>A</b>	Net Profit after tax available for equity shareholders used as Numerator	266.05	378.78
<b>B</b>	Weighted Average number of Equity Shares used as Denominator	21,012,822	20,992,000
<b>C</b>	Basic and diluted income per share (In rupees)	12.66	18.04

**13. Related Party Disclosures****(a) Key Management Personnel**

- |      |                    |          |
|------|--------------------|----------|
| i)   | Mr. Santosh Shinde | Director |
| ii)  | Mr. Ashok Jha      | Director |
| iii) | Mr. Rajesh Pandey  | Director |
| iv)  | Mr. Atit Agarwal   | Director |

**Responsive Industries Limited****Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.****(b) Relatives of key management personnel**

- i) Mr. Abhisek Agarwal
- ii) M/s. Om Prakash Agarwal (H.U.F.)

**(c) Subsidiary and Fellow Subsidiary**

- i) Axiom Impex International Limited (Subsidiary)
- ii) Sun Plastochem Limited (Fellow Subsidiary)

**(d) Holding Company**

- i) Welknown Business Ventures Private Limited

There are no transactions during the current year as well as in the previous year with the related parties mentioned in (a) (i), (a) (ii), (a) (iii) and (a) (iv) above.

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

Rs. In Millions)

	In relation to (b) (i) & (ii) Above		In relation to (c)(i) above		In relation to (c)(ii) above		In relation to (d) above	
	Current Year	Previous Period	Current Year	Previous Period	Current Year	Previous Period	Current Year	Previous Period
Loans & Advances Received	Nil	Nil	1314.88	411.98	Nil	Nil	12.50	Nil
Loans and Advance Repaid	Nil	Nil	1566.65	216.27	Nil	Nil	3.38	Nil
Loan Given	45.70	12.00	Nil	Nil	Nil	Nil	Nil	Nil
<b>Amount Outstanding at the end of the year</b>								
Amount Payable	Nil	Nil	Nil	251.77	5.00	5.00	9.12	Nil
Amount Receivable	57.7	12.00	Nil	Nil	Nil	Nil	Nil	Nil

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

There is no amount written off / written back due from / to related parties.

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

**A. Quantitative Information:**

- i) Installed Capacity N.A.
- ii) Purchase/Production, Consumption/Sales/Stock:

## Responsive Industries Limited

Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.

Stocks, Productions/Purchases & Sales of Finished Goods								(Rs. in Millions)
Products	Units	Opening Stocks		Production	Sales		Closing Stocks	
		Qty ('000)	Amount	Qty ('000)	Qty ('000)	Amount	Qty ('000)	Amount
PVC Leather Cloth	Sq. Mtrs / Sq. Yards.	NIL		62745.42	62745.42	2003.90	NIL	NIL
		(Nil)	(Nil)	(20282.39)	(20282.39)	(1129.57)	(Nil)	(Nil)
PVC Flooring		NIL		7070.05	7070.05	1809.56	NIL	NIL
		(Nil)	(Nil)	(9948.14)	(9948.14)	(2159.58)	(Nil)	(Nil)
PVC Sheeting		NIL		3785.20	3785.20	156.88	NIL	NIL
		(Nil)	(Nil)	(3637.77)	(3637.77)	(135.57)	(Nil)	(Nil)
PVC Rigid		NIL		3004.07	3004.07	252.39	NIL	NIL
		(Nil)	(Nil)	(2763.86)	(2763.86)	(215.08)	(Nil)	(Nil)

Figures in brackets indicates previous year figure

## Raw Materials Consumed

(Rs. in Millions)

Product	Current Year		Previous year	
	Qty (MT)	Amount	Qty (MT)	Amount
Resin	41188.55	1953.20	36516.42	1600.68
Plasticizers	8947.58	602.96	9785.73	605.38
Others	-	783.06	-	320.81
<b>TOTAL</b>	-	<b>3339.22</b>	-	<b>2526.87</b>

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

## Raw Materials

(Rs. in Millions)

Sr. No.	Description	Current Year		Previous year	
		Percentage	Amount	Percentage	Amount
i.	Imported	39.73	1326.75	51	1295.56
ii	Indigenous	60.27	2012.47	49	1231.31
		<b>100</b>	<b>3339.22</b>	<b>100</b>	<b>2526.87</b>

## Stores &amp; Spares

(Rs. in Millions)

Sr. No.	Description	Current Year		Previous Year	
		Percentage	Amount	Percentage	Amount
i.	Imported	NIL	NIL	10	2.84
ii	Indigenous	100	17.66	90	28.82
		<b>100</b>	<b>17.66</b>	<b>100</b>	<b>31.66</b>

## Responsive Industries Limited

### Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.

#### C. C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currencies (Rs. in Million)

Sr. No.	Particulars	Year ended 31.03.2009	Year ended 31.03.2008
i)	<b>Expenditure in Foreign Currency</b>		
a)	C.I.F. value of Purchases	1339.49	847.76
b)	C.I.F. value of Capital Goods	NIL	345.26
ii)	<b>Earnings in Foreign Currencies</b>		
c)	Foreign Travelling Expenses	NIL	1.76
d)	Freight – Exports	17.51	20.17
e)	Exhibition Expenses	1.44	1.82
f)	Testing charges	0.29	0.15
ii)	<b>Earnings in Foreign Currencies</b>		
a)	Export Sales – FOB	1943.19	2155.14

#### 15. Foreign Currency Exposure

Debtors – Non hedged amount \$ .06 Millions  
 Advances from Debtors – Non hedged amount \$ 5.19 millions  
 Creditors - Non hedged amount \$ 0.05 millions  
 Advances to creditors \$ - Non hedged amount \$ 1.17 millions

#### 16. Segmental Information

##### i) Primary (Business) Segment

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

##### ii) Secondary (Geographical) Segment

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

(Rs in Millions)		
Sales	year Ended 31.03.2009	Year Ended 31.03.2008
India	2251.54	1537.29
Export	2019.11	2180.47
<b>Total</b>	<b>4270.65</b>	<b>3717.76</b>

**Responsive Industries Limited****Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.**

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

(Rs. in Millions)

<b>Carrying Amount of Segment Assets as at</b>		
<b>Assets</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
India	2954.49	2587.54
Outside India*	2.86	3.74
<b>Total</b>	<b>2957.35</b>	<b>2591.28</b>

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

17. The names of the Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" could not be identified, as the necessary evidence is not in the possession of the Company.
18. The name of the Small Scale Undertakings to whom the Company owe a sum exceeding Rs. 0.10 millions which is outstanding for more than 30 days could not be identified, as the necessary information is not in the possession of the Company.
19. **Net dividend remitted in foreign currency:**

(Rs. in Millions)

<b>Particulars</b>	<b>2008-2009</b>			<b>2007-2008</b>		
	<b>No. of Non-Resident Shareholders</b>	<b>No. of Equity Shares held</b>	<b>Dividend remitted</b>	<b>No. of Non-Resident Shareholders</b>	<b>No. of Equity Shares held</b>	<b>Dividend remitted</b>
Final Dividend	3	8000000	6.40	3	8000000	4.80

20. Figures of the previous year have been regrouped, reclassified and/or rearranged wherever considered necessary to correspond with the figures of current year.

**For and on behalf of the Board**

Director

Director

Company Secretary

Place: Mumbai

Date: 7<sup>th</sup> September, 2009



# **Responsive Industries Limited**

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

<b>BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE</b>			
I	Registration Details	L99999MH1982PLC027797 State Code	11
	Balance Sheet Date	31.03.2009	
II	<b>Capital raised during the year (Amount in Rupees millions )</b>		
	Public Issue	Nil	Nil
	Bonus Issue	Nil	Nil
		Right Issue	
		Private Placement	
III	<b>Position of Mobilisation and Development of funds:(Amount in Rupees millions)</b>		
	Total Liabilities	2,022.06	Total Assets 2,022.06
	<b>Sources of Funds</b>		
	Paid up Capital	219.42	Reserves & Surplus 979.59
	Secured Loans	15.77	Unsecured Loans 700.00
	<b>Application of Funds</b>		
	Net Fixed Assets	1,837.49	Deferred Tax Liabilities 78.78
	Net Current Assets	79.70	Investments 104.87
		Misc. Expenditure	-
IV	<b>Performance of Company</b>		
	Turnover	4,270.65	Total Expenditure 4,069.12
	Profit/(Loss) before Tax	315.56	Profit/(Loss) After Tax 266.05
	Earning per Share in Rs.	12.66	Dividend Rate (%) 10
V	<b>Generic Names of One Principal Product/Services of the Company (As per Monetary terms)</b>		
	Item Code No.	N.A.	Product Description N.A.

For **HARIBHAKTI & CO.**  
Chartered Accountants

For and on behalf of the Board

**Rakesh Rathi**  
Partner  
Place : Mumbai  
Date: 7th September, 2009

**Director**                      **Director**

**Company Secretary**

**STATEMENT PURSUANT TO SECTION 212 (1) (e) OF THE  
COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY**

<b>Name of Subsidiary Company</b>	<b>Axiom Impex International Limited</b>
(A) The Financial year of the Subsidiary Company ended on	31 <sup>st</sup> March 2009
(B) Shares of the subsidiary held by the Company on the above date:	
(a) Number of Shares	16400000 Equity Shares of Rs. 10/- each
(b) Extent of Holding	86 %
(C) The net aggregate of Profit/(Loss) of the subsidiary company so far as its concerns the members of the Company	
(a) Not dealt within the account of the Company for the year ended 31st March, 2009 amounted to:-	
(I) for the financial years ended as in (A) above;	Rs.229,031,396/-
(II) for the previous financial year of subsidiary since they became the subsidiary of the Company	Rs.20,697,939/-
(b) Dealt within the account of the Company for the year ended 31st March, 2009 amounted to:-	
(I) for the financial years ended as in (A) above;	NIL
(II) for the previous financial year of subsidiary since they became the subsidiary of the Company	NIL
(D) As the financial year of the Company coincide with the financial year of the holding company, section 212 (5) of the Companies Act, 1956	N.A.

For and on behalf of the Board

Director

Director

Company Secretary

Place: Betegaon

Date: 07<sup>th</sup> September, 2009

**Auditor's report to the Board of Directors of Responsive Industries Limited on the consolidated financial statements of Responsive Industries Limited and its Subsidiary:**

- (1) We have examined the attached consolidated Balance Sheet of **Responsive Industries Limited** and its subsidiary (collective referred to as 'RIL Group') as at 31<sup>st</sup> March 2009, the consolidated Profit and Loss Account for the year ended on that date, annexed thereto and also the consolidated Cash Flow Statement for the year ended as on that date.
- (2) These financial statements are the responsibility of the RIL Group's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (3) We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
- (4) The financial statements of the subsidiary are also audited by us, which reflect total assets of Rs. 1949.96 Million as at 31<sup>st</sup> March 2009 and total revenues of Rs. 2234.94 Million for the year ended on that date.
- (5) We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Responsive Industries Limited and its subsidiary included in the Consolidated Financial Statements.
- (6) On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Responsive Industries Limited and its aforesaid subsidiary and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in case of consolidated Balance Sheet, of the consolidated state of affairs of Responsive Industries Limited and its subsidiaries as at 31<sup>st</sup> March 2009;

- (b) in case of consolidated Profit and Loss Account, of the profit for the year ended on that date.
- (c) in case of consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

**For Haribhakti & Co.  
Chartered Accountants**

**Rakesh Rathi  
Partner  
Membership No. 45228**

Place: Mumbai  
Date : 7<sup>th</sup> September, 2009

**Responsive Industries Limited**  
**Consolidated Balance Sheet as at 31st March 2009**

(Rs.in Millions)

Particulars	Sche dules	As at 31.Mar.09	As at 31.Mar.08
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's Funds</b>			
Share Capital	A	217.97	402.39
Share Capital Suspense Account		25.54	-
Reserves & Surplus	B	1,490.59	978.15
		1,734.10	1,380.54
Minority Interest		95.20	62.80
<b>Loan Funds</b>			
Secured Loans	C	315.77	17.44
Unsecured Loans	D	957.19	770.74
<b>Deferred Tax Liabilities(Net)</b>		142.77	101.95
<b>Total</b>		<b>3,245.02</b>	<b>2,333.48</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	E	3,370.24	2,620.96
Less: Depreciation		672.02	399.81
Net Block		2,698.23	2,221.15
Add: Capital Work in Progress ( including Capital Advances)		429.56	79.24
		3,127.79	2,300.39
<b>Investments</b>	F	44.83	113.84
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	G	277.49	238.16
Sundry Debtors	H	190.77	172.64
Cash & Bank Balances	I	351.22	78.81
Loans & Advances	J	585.80	376.05
		1,405.28	865.65
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities		1,080.63	785.13
Provisions	K	252.24	161.27
<b>Net Current Assets</b>		72.40	(80.75)
<b>Total</b>		<b>3,245.02</b>	<b>2,333.48</b>
Significant Accounting Policies & Notes forming part of the Accounts	S		

As per our attached Report of even date  
For HARIBHAKTI & CO.  
Chartered Accountants

For and on behalf of the Board

**Rakesh Rathi**  
Partner  
Place : Mumbai  
Date: 7th September, 2009

Director                      Director  
  
  
Company Secretary

**Responsive Industries Limited**  
**Consolidated Profit and Loss Account for the Year ended 31st March 2009**

(Rs.in Millions)			
Particulars	Schedules	Year ended 31.03.2009	Year ended 31.03.2008
<b>Income</b>			
Sales & Other Income	L	6,524.80	4,143.07
Increase/(Decrease) in Stocks	M	87.24	7.04
		<u>6,612.04</u>	<u>4,150.12</u>
<b>Expenditure</b>			
Manufacturing & Other Expenses	N	5,320.47	3,062.15
Personnel Costs	O	76.35	60.77
Administrative & Other Expenses	P	215.52	262.31
Selling & Marketing Expenses	Q	88.09	71.74
Interest & Finance Charges	R	23.99	3.56
Depreciation		272.32	195.59
		<u>5,996.74</u>	<u>3,656.11</u>
<b>Profit Before Tax</b>		<b>615.30</b>	<b>494.00</b>
Less: Provision for tax			
Current Tax		76.73	64.73
Deferred Tax		40.82	28.54
Fringe Benefit Tax		2.21	1.26
Less: Tax Adjusted for earlier year		0.46	-
<b>Profit After Tax</b>		<b>495.08</b>	<b>399.48</b>
Less: Loss of Responsive Polymers International Ltd. on account of amalgamation			
i) Period from 01.07.2006 to 31.03.2008		(1.25)	-
ii) Loss of Responsive Polymers International Ltd. upto 30.06.2006		(46.24)	-
		<u>447.60</u>	<u>399.48</u>
Less: Minority Interest		32.21	2.88
Add: Balance as per last Balance Sheet ( after adjustment of Bonus Shares issued in F.Y. 2007-08 by Capitalisation of P&L A/c.)		612.32	392.80
		<u>1,027.70</u>	<u>789.41</u>
<b>Appropriation</b>			
Proposed Dividend		28.60	16.79
Dividend Distribution Tax		4.86	2.85
<b>Balance carried to Balance Sheet</b>		<b>994.24</b>	<b>769.76</b>
Basic and Diluted Earning Per Share of Rs.10/- each (in Rs.)		23.62	19.07
Refer Note 6 of Schedule S			
Significant Accounting Policies & Notes forming part of the Accounts	S		

As per our attached Report of even date  
**For HARIBHAKTI & CO.**  
Chartered Accountants

For and on behalf of the Board

Director

Director

**Rakesh Rathi**

Partner

Place : Mumbai

Date: 7th September, 2009

**Company Secretary**

**Responsive Industries Limited****Consolidated Cash Flow Statement for the Year ended 31st March 2009**

(Rs. in Millions)

Sr. No.	Particulars	Year ended 31.03.2009	Year ended 31.03.2008
<b>A.</b>	<b>Cash Flow from Operating Activities:</b>		
	Net Profit/(Loss) Before Tax and Extraordinary Items	615.30	494.00
	<b>Adjustments For :</b>		
	Depreciation	272.32	195.59
	Preliminary expenses written off	2.44	0.05
	(Profit)/Loss on Sale/Discard of Fixed Assets	(0.19)	0.36
	Interest paid	21.40	3.56
	Interest Income	(9.12)	(0.35)
	Dividend Income	(0.26)	(2.01)
	Loss on Sale of Investments	1.73	1.89
	Loss in Trading in Equity Derivative Instruments (Net)	1.20	210.14
	<b>Operating Profit Before Working Capital Changes</b>	<b>904.81</b>	<b>903.22</b>
	<b>Adjustment For :</b>		
	Inventories	(39.33)	0.29
	Trade & Other Receivables	(18.14)	13.13
	Loans and Advances	(125.54)	(89.47)
	Trade Payables	293.26	52.58
	<b>Cash Generated From Operations</b>	<b>1,015.07</b>	<b>879.75</b>
	Income tax paid	(84.22)	(35.16)
	<b>Net Cash From Operating Activities</b>	<b>930.85</b>	<b>844.59</b>
<b>B.</b>	<b>Cash Flow from Investing Activities:</b>		
	Purchase of fixed Assets	(749.85)	(501.30)
	Capital Advances Given	(350.32)	-
	Sale/Discard of Fixed Assets	0.64	4.37
	Interest received	9.12	0.35
	Dividend Income	0.26	2.01
	Loss in Trading in Equity Derivative Instruments (Net)	(1.20)	(210.14)
	Investments (Purchased) /Sale	2.59	12.25
	Loss on sale of Investments	(1.73)	(1.89)
	<b>Net Cash Used in Investing Activities</b>	<b>(1,090.49)</b>	<b>(694.35)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Interest Paid	(21.40)	(3.56)
	Deferred Suppliers Credit and Proceeds from Borrowings	(714.61)	(184.14)
	Working Capital Loan taken from Bank	100.00	-
	Term Loan Taken from Bank	200.00	-
	Dividend Paid ( Including Dividend Distribution Tax )	(19.65)	(14.73)
	Proceeds from Debentures Application Money	899.39	57.77
	Decrease due to consolidation of AIL with RIL	(9.25)	-
	Preliminary expenses written off	(2.44)	-
	<b>Net Cash Used in Financing Activities</b>	<b>432.05</b>	<b>(144.65)</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>272.41</b>	<b>5.59</b>
	<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>78.81</b>	<b>73.21</b>
	<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>351.22</b>	<b>78.81</b>

**NOTES:**

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

	(Rs. in Millions)	
	As at 31.03.2009	As at 31.03.2009
Cash in hand	1.58	1.83
Balances with Banks	349.63	76.98
<b>Total</b>	<b>351.22</b>	<b>78.81</b>

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

**As per our report of even date attached**

**For HARIBHAKTI & CO.  
Chartered Accountants**

**For and on behalf of the board**

**Rakesh Rathi**  
Partner  
Place : Mumbai  
Date: 7th September, 2009

**Director                      Director**

**Company Secretary**



**Responsive Industries Limited**  
**Schedules Forming Part of the Consolidated Balance Sheet as at 31st March 2009**

(Rs.in Millions)

Particulars	As at 31.03.2009	As at 31.03.2008
<b>Schedule "A" : Share Capital</b>		
<b>Authorised</b>		
2,20,00,000 Equity Shares of Rs. 10/- each	220.00	220.00
2,00,00,000 Preference Shares of Rs. 10/- each	200.00	200.00
	<u>420.00</u>	<u>420.00</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
2,17,96,667 (P.Y. 2,09,45,500) Equity Shares of Rs. 10/- each fully paid up.	217.97	209.46
[ Of the above 1,57,09,125 Equity Shares of Rs. 10/- each have been allotted as bonus shares by capitalisation of reserves.]		
Nil (P.Y. 19,29,3200) 0% Redeemable Non - Convertible Preference Shares of Rs. 10/- each fully paid up.	-	192.93
	<u>217.97</u>	<u>402.39</u>
<b>Schedule "B" : Reserves and Surplus</b>		
Share Premium Account - Opening Balance	-	-
Add: On Account of Amalgamation	172.74	-
Share Premium Account	<u>172.74</u>	<u>-</u>
General Reserve	0.10	0.10
Profit & Loss Account	994.24	612.32
Add: Reserve created on account of Amalgamation	18.98	-
Less: Capitalisation for allotment of Bonus Shares during the year	<u>1,013.22</u>	<u>612.32</u>
Capital Reserve - Opening Balance	-	-
Add : Share Forfeiture Account	1.38	-
	<u>1.38</u>	<u>-</u>
Capital Reserve ( on Consolidation)	303.16	365.73
	<u>1,490.59</u>	<u>978.15</u>

Particulars	(Rs.in Millions)	
	As at 31.03.2009	As at 31.03.2008
<b>Schedule "C" : Secured Loans</b>		
Working Capital Loan from Bank ( Secured against entire current assets of the company)	100.00	-
Rupee Term Loan from Bank ( Secured against entire fixed assets of the company)	200.00	-
Vehicle Loans (Secured against mortgage of respective vehicles)	15.77	17.44
	<b>315.77</b>	<b>17.44</b>
<b>Schedule "D" : Unsecured Loans</b>		
Deferred Suppliers Credit (Payable in Foreign Currency )	-	712.95
0% 577( P. Y. Nil) Compulsorily Convertible Debentures of Rs. 1,00,000/- each	-	-
12% 2438 ( P.Y. Nil ) Compulsorily Convertible Debentures of Rs. 1,00,000/- each	243.80	-
Interest on 12% Compulsorily Convertible Debentures	13.39	-
Debentures Application Money	700.00	57.79
	<b>957.19</b>	<b>770.74</b>
<b>Schedule "F" : Investments (As per Annexure "1")</b>	44.83	113.84
	<b>44.83</b>	<b>113.84</b>
<b>Schedule "G" Inventories (As Taken, Valued and Certified by the Management)</b>		
Raw Materials	150.19	199.83
Stock in Process	116.51	22.82
Finished Goods	2.73	9.17
Packing Materials	1.62	1.46
Stores and Spares	6.45	4.88
	<b>277.49</b>	<b>238.16</b>
<b>Schedule "H" : Sundry Debtors (Unsecured, Considered Good, unless otherwise stated)</b>		
Debt over six months	29.44	15.07
Other Debts	161.33	157.57
	<b>190.77</b>	<b>172.64</b>

Particulars	(Rs.in Millions)	
	As at 31.03.2009	As at 31.03.2008
<b>Schedule "I" : Cash and Bank Balances</b>		
Cash-in-hand	1.58	1.83
<b>Balance with Scheduled Banks</b>		
Current Accounts	243.84	70.55
In Fixed Deposit Account (out of above Fixed Deposit Lien Marked Rs.10.00Millions (P.Y. Nil))	105.80	6.43
	<b>351.22</b>	<b>78.81</b>
<b>Schedule "J" : Loans and Advances</b> (Unsecured, considered good)		
Deposits	19.33	9.33
Advances recoverable in cash or in kind or for value to be received	424.05	387.75
Advance Tax & TDS	142.42	58.21
	<b>585.80</b>	<b>455.29</b>
<b>Schedule "K" : Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors :-		
- Due to Micro, Small and Medium Enterprises	-	-
- Due to Others	364.67	306.92
Advance received from Customers	210.13	418.98
Other Current Liabilities	505.82	59.23
	<b>1,080.63</b>	<b>785.13</b>
<b>Provisions</b>		
Provision for Tax	215.79	138.94
Fringe Benefit Tax	2.99	2.68
Proposed Dividend	28.60	16.79
Dividend Distribution Tax	4.86	2.85
	<b>252.24</b>	<b>161.27</b>
	<b>1,332.87</b>	<b>946.40</b>

**Responsive Industries Limited**  
**Consolidated Schedule Forming Part of the Balance Sheet Year ended as at 31st March, 2009**

Schedule "E" : Fixed Assets (At Cost Less Depreciation)												(Rs.in Millions)	
DESCRIPTION	GROSS BLOCK					DEPRECIATION					Net Block		
	As At 01.04.2008	Addition on Consolidation	Additions during the year	Deduction during the year	As At 31.03.2009	Up to 31.03.2008	Addition on Consolidation	For the Year	Adjust ments	Up to 31.03.2009	As at 31.03.2009	As at 31.03.2008	
Land	78.10	-	-	-	78.10	-	-	-	-	-	78.10	78.10	
Factory Building	148.26	-	48.83	-	197.09	8.50	-	5.10	-	13.60	183.48	139.75	
Plant & Machineries	2,329.39	-	678.10	-	3,007.48	381.45	-	258.97	-	640.41	2,367.07	1,947.94	
Electrical Installations	19.55	-	1.23	-	20.78	2.18	-	1.94	-	4.12	16.65	17.37	
Computers	3.97	-	0.86	-	4.83	0.96	-	0.73	-	1.69	3.14	3.01	
Furniture & Fixtures	0.82	-	0.68	-	1.50	0.12	-	0.07	-	0.20	1.31	0.70	
Office Equipments	3.12	-	2.97	-	6.09	0.27	-	0.22	-	0.49	5.60	2.85	
Weighing Scale	0.18	-	-	-	0.18	0.02	-	0.01	-	0.02	0.16	0.17	
Motor Cars	13.34	-	16.75	0.56	29.53	2.18	-	2.51	0.11	4.58	24.95	11.16	
Motor Trucks	24.22	-	0.43	-	24.65	4.13	-	2.77	-	6.90	17.75	20.09	
TOTAL	2,620.96	-	749.85	0.56	3,370.24	399.81	-	272.32	0.11	672.02	2,698.23	2,221.15	
Previous Year	1,878.24	259.96	487.76	5.01	2,620.96	175.47	29.02	195.59	0.28	399.81	2,221.15	-	

Notes: 1. Additions on Plant and Machineries includes Rs. 99.26 Millions (P.Y. Rs. - 67.89 Millions) towards Foreign Exchange Fluctuations.

2. Addition to Fixed Assets include Plant & Machineries amounting to Rs. 328.50 Millions based on the Valuation Report dated 27<sup>th</sup> February, 2009 issued by M/s. A.R. Naik & Associates, Consulting Engineers & Govt. Regd. Valuers and Building amounting to Rs. 46.50 millions based on the market value determined by the adjudicating authority.

## Responsive Industries Limited

### Schedules Forming Part of Consolidated Profit & Loss Accounts For the year ended 31st March 2009

(Rs.in Millions)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule "L" : Sales and Other Income</b>		
Gross Sales	6,876.18	4,346.65
Less: Excise Duty	374.43	274.52
Net Sales	6,501.75	4,072.14
Excise Duty Refund	10.10	46.50
Gain on Exchange Fluctuations (Net)	-	19.52
Profit on Sale of Fixed Assets	0.19	-
Dividend income	0.26	2.01
Interest (T.D.S. Rs.1.55 millions, P.Y.Rs.0.04 Millions)	9.12	0.35
Other Income	3.37	2.55
	<b>6,524.80</b>	<b>4,143.07</b>
<b>Schedule "M" : Increase / (Decrease ) in Stocks</b>		
<u>Closing Stocks</u>		
Stock-in-Process	116.51	22.82
Finished Goods	2.73	9.17
	119.23	31.99
<u>Less : Opening Stocks</u>		
Stock-in-Process	22.82	20.86
Finished Goods	9.17	4.09
	31.99	24.95
	<b>87.24</b>	<b>7.04</b>
<b>Schedule "N" : Manufacturing &amp; Other Expenses</b>		
<u>Raw Material Consumed</u>		
Opening Stock	199.83	202.87
Purchases	4,997.79	2,826.40
	5,197.61	3,029.27
Less: Closing Stock	150.19	199.83
	<b>5,047.43</b>	<b>2,829.45</b>
Packing Material Consumed	31.40	29.57
Stores and Spares Consumed	27.82	37.81
Loading and Unloading Charges	51.19	36.45
Power & Fuel Charges	135.90	109.81
Repair & Maintenance (Machineries)	21.54	16.15
Repair & Maintenance (Buildings)	3.49	2.49
Other Manufacturing Expenses	1.71	0.43
	<b>5,320.47</b>	<b>3,062.15</b>

(Rs.in Millions)		
Particulars	Year ended 31.03.2009	Year ended 31.03.2008
<b>Schedule "O" : Personnel Costs</b>		
Salaries, Wages & Bonus	66.34	53.18
Workmen & Staff Welfare Expenses	8.06	5.68
Contribution to Provident Fund & Other Funds	1.95	1.90
	<u>76.35</u>	<u>60.77</u>
<b>Schedule "P" : Administration Expenses</b>		
Rent, Rates and Taxes	11.92	7.97
Insurance	2.52	2.69
Communication Costs	6.07	5.06
Printing & Stationery	3.17	2.98
Travelling, Conveyance & Motor Car Expenses	15.03	12.70
Legal & Professional Charges	51.66	6.38
Repair & Maintenance (Others)	4.13	1.77
Auditors Remuneration	1.70	0.33
Loss on Sale of Investments	1.73	1.89
Loss on Foreign Exchange Rate Fluctuations (Net)	101.50	-
Loss on Trading in equity derivative instruments (Net)	0.81	208.32
Loss on Trading in Commodities derivative instruments (Net)	0.31	-
Loss on Speculation Business	0.08	-
Preliminary Expenses written off	2.44	0.05
Security Transaction Tax	0.01	1.82
Loss on Sale/Discard of Fixed Assets	-	0.36
Miscellaneous Expenses	12.43	10.00
	<u>215.52</u>	<u>262.31</u>
<b>Schedule "Q" : Selling and Marketing Expenses</b>		
Business Promotion Expenses	6.58	4.33
Brokerages, Commissions & Discount	13.07	12.52
Freight, Clearing & Forwarding Charges	66.63	53.07
Exhibition Expenses	1.80	1.82
	<u>88.09</u>	<u>71.74</u>
<b>Schedule "R" : Interest and Finance Charges</b>		
Interest on Vehicle Loan	1.66	1.28
Interest on Term Loan	0.47	-
Interest on Debentures	13.39	-
Other Interest	5.88	0.90
Bank Charges	2.59	1.37
	<u>23.99</u>	<u>3.56</u>

## Annexure "1" : Investments

## Responsive Industries Limited

Annexure Forming Part of the Schedule to the Consolidated Balance Sheet as at 31st March 2009

(Rs.in Millions)

Particulars	As at 31.03.2009	As at 31.03.2008
<b>(A) Long Term Investments</b>		
<b>Non Trade, Quoted</b>		
Kotak Mahindra Bank Limited	-	1.69
[Nil( 2,500) Equity Shares of Rs.10/- each fully paid up ]		
Energy Development Company Limited	1.31	1.31
[13,000( 13,000) Equity Shares of Rs.10/- each fully paid up ]		
Jai Corp Limited	1.17	1.17
[1,000( 1,000) Equity Shares of Rs.1/- each fully paid up ]		
Syschem India Limited	0.27	0.27
[1,38,000( 1,38,000) Equity Shares of Rs.10/- each fully paid up ]		
Reliance Industrial Infrastructure Limited	29.06	29.06
[21,600( 21,600) Equity Shares of Rs.10/- each fully paid up ]		
Mavi Industries Ltd. (Formerly known as Krishna Filaments Limited)	0.16	0.27
[16,750( 5,000) Equity Shares of Rs.10/- each fully paid up ]		
Reliance Capital Limited	-	3.28
[Nil( 1,790) Equity Shares of Rs.10/- each fully paid up ]		
Wellworth Overseas Ltd	0.09	-
[1,00,000(Nil) Equity Shares of Rs.1/- each fully paid up ]		
Creative Eyes Limited	0.27	0.27
[ 10,000 (10,000 ) Equity shares of Rs.10/- each fully paid up ]		
Energy Development Limited	0.51	0.51
[ 5,000 ( 5,000 ) Equity shares of Rs.10/- each fully paid up ]		
Power Grid Corporation Limited	0.08	0.08
[500 ( 500 ) Equity shares of Rs.10/- each fully paid up ]		
<b>Non Trade , Unquoted</b>		
Responsive Polymers International Limited	-	66.42
[6,50,000 Equity share of Rs. 10 each fully paid up ]		
Krishna Vinyls Limited	1.65	-
[11,00,000 (Nil) Equity Shares of Rs.10/- each fully paid up ]		
<b>(B) Current Investments</b>		
Investments in Mutual Funds		
JM Contra fund - Dividend Plan of Rs.10/- per unit	5.00	5.00
[4,88,998 (4,88,998) units of Rs.10/- each fully paid up ]		
Reliance Equity Fund of Rs.10/- per unit	-	2.50
[Nil (2,50,000) units of Rs. 10/- each fully paid up ]		
Reliance Growth Fund of Rs.10/- per unit	3.25	-
[69,403 (Nil) units of Rs. 10/- each fully paid up ]		
Reliance Assets Management A/c. Debt PMS	2.00	2.00
<b>Total</b>	<b>44.83</b>	<b>113.84</b>
Aggregate of Unquoted Investments (At Cost)	11.90	75.92
Aggregate of Quoted Investments (At Cost)	32.93	37.92
Aggregate of Quoted Investments ( At Market Value)	7.35	25.85

## Notes on Consolidated Financial Statements

### Schedule: "S"

#### Significant Accounting Policies and Notes forming part of Consolidated Financial Statements Accounts for the year ended 31<sup>st</sup> March 2009

#### 1 Significant Accounting Policies: -

##### a) Basis of preparation :

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed and with the relevant provisions of the Companies Act, 1956.

##### b) Use of Estimates :

The preparation of financial Statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumption that affect reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements.

##### c) Principles of Consolidation :

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

- i) The financial statements of the Company and its Subsidiary have been combined on a line-by-line basis by adding together the balances of items like Assets, Liabilities, Income and Expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profit or loss.
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- iii) The excess of cost to the Company of its investments in the subsidiaries over its portion of equity of subsidiaries at the dates they become subsidiaries is recognised in the financial statements as goodwill.
- iv) The excess of Company's portion of equity of subsidiary over the cost to the Company of its investments at the dates it become subsidiary is recognised in the financial statements as capital reserves.

##### d) Other Significant Accounting Policies :

These are set out in the notes to accounts under significant accounting policies for financial statements of respective companies – Responsive Industries Limited and Axiom Impex International Limited.



## Notes on Consolidated Financial Statements

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

Name of the Company	Country of Incorporation	% Voting Power held	
		As on 31.03.2009	As on 31.03.2008
Axiom Impex International Limited	India	86.10	86.10

## 3. Auditors Remuneration

(Rs. in Millions)

Particulars	31.03.2009	31.03.2008
Audit Fees	1.18	0.29
Tax Audit Fees	0.30	0.04
Others	0.22	-
<b>Total</b>	<b>1.70</b>	<b>0.33</b>

4. The Company has continued to adjust the foreign currency exchange differences of Rs.99.26 Millions on amount due to the foreign suppliers of fixed assets to whom dues are payable exceeding one year to the carrying cost of fixed assets in compliance with Schedule VI to the Companies Act, 1956 which is in accordance to the notification no. G.S.R. 25(E) issued by the Ministry of Corporate Affairs, New Delhi dated 31st March, 2009, however at variance to the treatment prescribed in accounting Standard (AS -11) on "Effects of Changes in Foreign Exchange Rates" notified in the Companies (Accounting Standards) Rules 2006.

## 5. Amalgamation of Responsive Polymers International Ltd. With the Company (RIL):

- Pursuant to the Scheme of Amalgamation under section 391 to 394 of the Companies Act, 1956 (the Scheme) of the erstwhile Responsive Polymers International Limited (RPIL) with the Company, as approved by the Hon'ble High Court of Mumbai vide its Order dated 13th February 2009, all the assets and liabilities of RPIL has been transferred to and vested in the Company with effect from the appointed date i.e. 1st July 2006, on a going concern basis. The Scheme has accordingly being given effect to in these financial statements and operational results for the year of RPIL have been incorporated in the Company's financial statements
- The operations of RPIL included manufacturing of PVC/Plastic products which is in line with that of the Company.
- The amalgamation has been accounted for under the " Pooling of Interest Method " as prescribed under Accounting Standard (AS 14 ) Accounting for Amalgamations issued by the ICAI. Accordingly all the assets, liabilities and reserves of the erstwhile RPIL have been taken over at their respective book values by the Company
- Pursuant to amalgamation of RPIL with the Company 38,00,000 Equity Shares of Rs.10/- each fully paid up of the Company were issued and allotted to the shareholders of erstwhile RPIL in accordance with swap ratio of 2:3 ( modified from swap ratio of 1: 6 on account of 28,50,000 Equity Shares of Rs.10/- each fully paid up of the Company declared and allotted as bonus shares in the ratio of 1:3 by the Company post the appointed date ) These 28,50,000 Equity Shares are disclosed in Share Capital Suspense Account pending increase in Authorised Share Capital of the Company .

### **Notes on Consolidated Financial Statements**

- The Company has written off the Preference Share Capital of Rs.192.93 Millions which was subscribed and paid-up Preference Share Capital made in RPIL as it ceases to exist after the amalgamation
- Debit Balance in Profit & Loss Account amounting to Rs.46.24 Millions of erstwhile RPIL is adjusted in Profit & Loss Account of the Company.
- Total Current Assets Rs.2.42 Millions and Current Liabilities Rs. 0.97 Millions taken over on Amalgamation are transferred to respective account.
- Resultant Gain of Rs.19.00 millions transferred to General Reserve Account.
- In view of above, figures in respect of the current financial year are not strictly comparable with those of the previous year since the current year figures include the operations of RPIL on account of amalgamation. Previous year figures are re-grouped, re-arranged and re-casted wherever considered necessary.

#### **4. Related Party Disclosure**

##### **(a) Key Management Personnel**

- i) Mr. Ashok Bijendranath Jha
- ii) Mr. Rajesh Pandey
- iii) Mr. Santosh Shinde
- iv) Mr. Atit Agarwal
- v) Mrs. Swati Agarwal

##### **(b) Relative of Key Management Personnel**

- i) Mr. Abhisek Agarwal
- ii) M/s. Om Prakash Agarwal (H.U.F.)

##### **(c) Fellow Subsidiaries**

Sun Plastrochem Limited

##### **(d) Holding Company**

Welknown Business Ventures Private Limited

There are no transactions during the current year with the related parties mentioned in (a) (i), (iii), (iv) & (v) above.

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

## Notes on Consolidated Financial Statements

Nature of Transactions	(Rs. In Millions)							
	In relation to (a) (ii) above		In relation to (b) (i) & (ii) above		In relation to (c) above		In relation to (d) above	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Loans & Advances Received during the year	Nil	Nil	Nil	Nil	Nil	Nil	12.50	Nil
Loans & Advances Repaid	Nil	Nil	Nil	Nil	Nil	Nil	3.38	Nil
Loan Given	Nil	Nil	45.70	12.00	Nil	Nil	Nil	Nil
Remuneration to Director (Rajesh Pandey)	0.50	0.42	Nil	Nil	Nil	Nil	Nil	Nil
<b>Amount outstanding at the end of the year</b>								
Amount Payable	Nil	Nil	Nil	Nil	5.00	5.00	9.12	Nil
Amount receivable	Nil	Nil	57.70	12.00	Nil	Nil	Nil	Nil

Note: Related Parties are as disclosed by the Management and relied upon by the auditors. There is no amount written off/ written Back due from / to related parties.

## 5. Segmental Information

### i) Primary (Business) Segment

As the Groups business consists of one reportable business segment of Manufacturing and Selling of PVC products, hence no separate disclosures pertaining to attributable Revenues, Profits, Assets, Liabilities Capital Employed are given.

### ii) Secondary (Geographical) Segment

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

Sales	(Rs in Millions)	
	Year ended 31.03.2009	Year ended 31.03.2008
India	3330.57	1698.05
Export	3171.17	2374.08
<b>Total</b>	<b>6501.74</b>	<b>4072.13</b>

## Notes on Consolidated Financial Statements

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

Carrying amount of segment assets as at		(Rs in Millions)
Assets	31.03.2009	31.03.2008
India	4901.62	3267.97
Outside India*	5.52	11.90
<b>Total</b>	<b>4907.14</b>	<b>3279.87</b>

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

### 6. Earning Per Share

(Rs. In Millions)

	Particulars	Year ended 31.03.2009	Year ended 31.03.2008
A	Net Profit after tax available for equity shareholders used as Numerator	495.08	399.47
B	Weighted Average number of Equity Shares used as Denominator	2,09,64,156	2,09,45,500
C	Basic and diluted income per share (In rupees)	<b>23.62</b>	<b>19.07</b>

### 7. Deferred Tax Liability

- i) Provision for taxation for the accounting year has been made in accordance with the provisions of the Income Tax Act, 1961.
- ii) In terms of Accounting Standard on "Accounting for Taxes on Income" (AS 22) the Company has recognized Deferred Tax Liability amounting to Rs. 40.82 Millions for the year ended 31st March 2009 in the Profit & Loss Account.

The Accumulated balance in Net Deferred Tax Liability as on 31<sup>st</sup> March 2009 comprises of :

(Rs. In millions)

Particulars	Opening Year ended 31.03.2008	Adjustment during the Year	Closing Year ended 31.03.2009
Depreciation	102.18	40.82	143.00
Disallowance u/s 40(a)(ia)	(0.22)	-	(0.22)
<b>Deferred Tax Liability / (Assets)</b>	<b>101.96</b>	<b>40.82</b>	<b>142.78</b>

**For M/s.Haribhakti & Co.**  
Chartered Accountants

**For and on behalf of the Board**

**Rakesh Rath**

Partner

**Mem. No.**

Place : Mumbai

Date : 7<sup>th</sup> September, 2009

Director

Director

Company Secretary

## AXIOM IMPEX INTERNATIONAL LIMITED

### DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the **Tenth Annual Report** together with Audited Accounts of the Company for the Financial Year ended on 31<sup>st</sup> March 2009.

#### 1. FINANCIAL RESULTS

Description	Rs. in Millions	
	Financial Year 2008-09	Financial Year 2007-08
Net Sales	2231.10	1285.21
Profit before Interest and Depreciation	385.19	186.79
Less : Interest	20.91	0.86
Profit Before Depreciation	364.28	185.93
Less : Depreciation	64.55	24.33
Net Profit Before Tax	299.73	161.60
Less: Provision for Taxation		
Current Tax	37.01	25.02
Deferred Tax	33.35	11.39
Fringe Benefit Tax	0.34	0.43
Net Profit after Taxation	229.03	124.76
Add: Profit brought forward from Previous Period	220.13	281.19
Less : Appropriations		
Proposed Dividend		
Tax on Dividend	3.81	--
	0.65	--
Balance carried forward to Balance Sheet	444.70	405.95

#### 2. DIVIDEND

Your Directors are pleased to recommend for your consideration payment of a dividend at the rate of 2% i.e Re. 0.20 paise per equity share for the financial year ended on 31<sup>st</sup> March 2009, amounting to Rs. 3.81 Millions.

#### 3. OPERATIONS

The total turnover of the Company during the period under review stood at Rs. 2231.10 Millions with Profit after Tax amounting to Rs. 229.03 Millions as compared to Turnover of Rs. 1285.21 Millions with Profit after Tax amounting to Rs. 124.76 Millions, of previous year. Yours Directors are confident that the Company's performance is outstanding despite of the global economic slow down coupled with liquidity crunch. During the current year the Company shall endeavor to perform even better by improving its net sales realization through implementing successful strategies.

#### 4. DIRECTORS

Mr. Ashok Jha, Director of the Company retires by rotation at the forth coming Annual General Meeting of the Company and being eligible, offers himself for reappointment. Mrs. Swati Agarwal and Mr. Atit Agarwal were appointed as Whole Time Directors on your Company's Board with effect from 16<sup>th</sup> August, 2009. The resolutions for their appointment as Whole Time Directors are being moved at the ensuing Annual General Meeting.

## 5. CHANGES IN EQUITY CAPITAL

During the year, the following changes were effected in the capital of the Company:

- a) The authorised share capital of the Company was increased from Rs. 200 Millions to Rs.400 Millions, pursuant to the approval of members in the Extra Ordinary General Meeting of the Company held on 30th August, 2008. Subsequently the authorised share capital was increased to Rs.800 Millions, pursuant to the approval of the members in the Extra Ordinary General Meeting of the Company held on 04th November, 2008.
- b) During the year, your Company allotted 100 equity shares on preferential basis on 16<sup>th</sup> October, 2008 pursuant to the resolution passed at the Extra Ordinary General Meeting of the Company held on 30th August, 2008.
- c) During the year, your Company raised an aggregate of Rs. 57.7 Millions through Preferential issue of 577 0% Compulsorily Convertible Debentures of face value of Rs.1,00,000 each at par from Foreign Corporate Bodies and an aggregate of Rs. 243.80 Millions through issue of 2438 12% Compulsorily Convertible Debentures of face value of Rs. 1,00,000 each at par from Private Equity Fund.
- d) After the end of the Financial year ended 2008-2009 but before the date of this report, your Company raised an aggregate of Rs. 357.2 Millions through Preferential issue of 3572 12% Compulsorily Convertible Debentures of face value of Rs. 1,00,000 each at par from Private Equity Fund and an aggregate of Rs. 20 crores through issue of 2000 0% Compulsorily Convertible Debentures of face value of Rs. 1,00,000 each at par from its Holding Company.

## 6. PUBLIC DEPOSITS

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

## 7. PARTICULARS OF EMPLOYEES

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

## 8. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed;
- (ii) appropriate accounting policies have been selected and applied constantly and judgements and estimates made are reasonable and prudent so as to give a true and fair

- view of the state of affairs of the Company as on 31<sup>st</sup> March, 2009 and of the Profit of the Company for the year ended 31<sup>st</sup> March, 2009;
- (iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - (iv) the annual accounts have been prepared on a going concern basis.

#### **10. AUDITORS**

M/s. Haribhakti & Co., Chartered Accountants, the present statutory auditors retire at this meeting and are eligible for re-appointment. The Audit Committee and the Board recommend their re-appointment.

#### **11. AUDITORS' REPORT**

The observations of Auditors do not require any explanation as the same has been dealt in Notes forming part of Accounts.

#### **12. ACKNOWLEDGEMENTS**

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

**BY ORDER OF THE BOARD OF DIRECTORS  
FOR AXIOM IMPEX INTERNATIONAL LTD.**

Place : Boisar  
Date : 07/09/2009

**DIRECTOR**

**DIRECTOR**

**ANNEXURE FORMING PART OF THE DIRECTORS' REPORT****A) CONSERVATION OF ENERGY:**

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

<b>Power &amp; Fuel Consumption</b>		<b>Financial Year 2008-09</b>	<b>Financial Year 2007-08</b>
<b>1</b>	<b>Electricity</b>		
(a)	Purchased Units	4857268	5417201
	Total amount (Rs. in Millions)	18.83	20.05
	Rate / Unit (Rs.)	3.87	3.70
(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
<b>2</b>	<b>Coal (Specify quantity and where used)</b>		
	Quantity (Tonnes)	NIL	NIL
	Average Rate	NIL	NIL
<b>3</b>	<b>Furnace Oil</b>		
	Quantity (Liters)	NIL	NIL
	Total Amount (Rs. in Millions)	NIL	NIL
	Average Rate (Rs.)	NIL	NIL
<b>4</b>	<b>Other/Internal Generation (Please give details)</b>		
	Quantity	NIL	NIL
	Total Cost	NIL	NIL
	Rate/Unit	NIL	NIL



**B. TECHNOLOGY ABSORPTION:**

Efforts made in technology absorption	NIL	NIL
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**C. FOREIGN EXCHANGE EARNING & OUTGO:**

Total Exchange Earned (Rs. in Millions)	1265.93	716.01
Total Outgo (Rs. in Millions)	461.34	367.44

**By Order of the Board of Directors  
For AXIOM IMPEX INTERNATIONAL LIMITED**

Date : 07/09/2009.

Place : Boisar

**DIRECTOR**

**DIRECTOR**

**AUDITORS' REPORT TO THE MEMBERS OF AXIOM IMPEX INTERNATIONAL LIMITED**

We have audited the attached Balance Sheet of **AXIOM IMPEX INTERNATIONAL LIMITED** as at 31st March, 2009, the Profit & Loss Account for the year ended on that date and also Cash Flow Statement attached thereto.

The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- I. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (hereinafter referred to as the Act), on the basis of such checks of the books and records as we considered appropriate and information and explanations given to us during the course of the audit, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
- II. Further to our comments in the Annexure referred to in paragraph I above, we report that:
  - a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit,
  - b) in our opinion, proper books of accounts 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, except *Accounting Standard 15 (Revised) on Employees Benefits, Where no provision has been made for employee benefits i.e. gratuity and leave encashment.*

- e) On the basis of written representations received from the directors of the Company as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors of the Company, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Balances of Sundry debtors, creditors and Loans & Advances including capital advances, are subject to confirmation, reconciliation, and resultant adjustment, if any. (Refer Note No. 3)
- g) In our opinion and to the best of information and according to the explanations given to us, the said Financial Statements read together with Notes thereon give the information required by the Companies Act, 1956 in the manner so required, except identification of MSME creditors, and its disclosure in the financial statements along with, interest, if any, payable on dues exceeding 45 days.

We are unable to comment upto the resultants effect of para (ii) (d), (f) and (g) above on assets, Liabilities and on profit for the year.

- h) The said accounts, subject to para(ii) (d), (f) and (g) above, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009,
  - ii) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date and
  - iii) in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **HARIBHAKTI & CO.**  
*Chartered Accountants*

**Rakesh Rathi**  
*Partner*  
*Membership No. 45228*

Place: Mumbai  
Dated: 7<sup>th</sup> September, 2009

**ANNEXURE REFERRED TO IN PARAGRAPH I OF OUR REPORT OF  
EVEN DATE TO THE MEMBERS OF AXIOM IMPEX INTERNATIONAL  
LIMITED.**

1. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
2. We are informed that the fixed assets have been physically verified by the management at reasonable intervals, which in our opinion, is appropriate having regard to the size of the Company and nature of its assets. We are informed that no material discrepancies was noticed on such verification.
3. During the year, the Company has not disposed off a substantial part of fixed assets so as to affect its going concern.
4. The management has physically verified the stocks of stores, spares, packing materials, raw material, work in progress and finished goods. In our opinion, the frequency of verification is reasonable.
5. In our opinion, the procedures of physical verification of the stock followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
6. On the basis of our examination of the records of the Company, we are of the opinion that the Company has maintained proper records of inventories and the discrepancies between the physical stocks and the book stocks, noticed on physical verification, not being material, were properly dealt with.
7. The company has granted interest free unsecured loan amounting to Rs.1314.88 Million to the holding company covered in the register maintained under Section 301 of the Companies Act, 1956 on call basis. The maximum amount involved during the year was Rs. 626.34 millions and year end balance of such loan was Rs. Nil.
8. Other terms and conditions on which the loan had been granted are, prima facie, not prejudicial to the interest of the Company. There is no overdue amount with respect to principal.
9. The Company has not taken any loans, secured or unsecured, from the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In view of this, clauses iv (b), (c) and (d) are not applicable to the Company and hence, not reported upon.
10. There is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale

of goods. There is no continuing failure to correct major weaknesses in internal control system.

11. On the basis of our examination of relevant records and on the basis of representation received from the management, particulars of contracts or arrangements that need to be entered in the register in pursuance of Section 301 of the Act have been so entered.
12. On the basis of our examination of the books of account, relevant information and explanations and representations as provided by the Company, the transactions exceeding Rs. 5 lakhs made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
13. During the year, the Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
14. The function of internal audit, as explained, is being carried out by outside professionals, which in our opinion, is commensurate with its size and nature of its business.
15. We are informed that the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the Company.
16. According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on Management representations, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Fringe Benefit Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities and there is no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date it became payable except Advance Tax for F.Y.08-09 amounting to Rs. 14.64 Millions, FBT amounting to Rs. 0.15 Millions.
17. According to the information and explanations given to us and also based on the management's representation, there have been no disputed dues of Income Tax, Sales Tax, Wealth tax, Service Tax, Custom Duty, Excise Duty and Cess that have not been deposited on account of any dispute as at the Balance Sheet date.
18. The Company has neither accumulated losses as at March 31, 2009, nor it has incurred any cash losses either in the financial year under audit and in the immediately preceding financial year.

19. According to the records of the Company, it has not defaulted in repayment of dues to financial institutions or banks or to debenture holders during the year.
20. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
21. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to it.
22. In our opinion and according to the information and explanations given to us, the company has not dealt or traded in shares, securities, debentures and other investments during the year.
23. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
24. In our opinion, the term loan has been applied for the purpose for which it was obtained.
25. On the basis of review of utilization of funds, which is based on an overall examination of the balance sheet of the Company and related information as made available to us and as represented to us by the management, funds raised on short-term basis has been used for long-term purpose to the extent of Rs. 72.60 million.
26. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
27. As informed to us, the Company has issued debentures during the year for which no security is required to be created.
28. The Company has not raised any money by way of public issue during the year.
29. As per the information and explanations given to us and on the basis of examination of records, no fraud on or by the Company has been noticed or reported during the year.

For **HARIBHAKTI & CO.**  
*Chartered Accountants*

**Rakesh Rathi**  
*Partner*  
Membership No. 45228

Place: Mumbai  
Dated : 7<sup>th</sup> September, 2009

**Axiom Impex International Limited**  
**Balance Sheet as at 31st March 2009**

(Rs.in Millions)

Particulars	Sch.	As at 31-Mar-09	As at 31-Mar-08
<b><u>SOURCES OF FUNDS</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	A	190.47	190.47
Reserves & Surplus	B	483.76	259.19
		<u>674.23</u>	<u>449.65</u>
<b>Loan Funds</b>			
Secured Loans	C	300.00	-
Unsecured Loans	D	514.89	247.08
		<u>63.99</u>	<u>30.64</u>
<b>Deferred Tax Liabilities ( Net )</b>		<u>63.99</u>	<u>30.64</u>
<b>Total</b>		<u><b>1,553.11</b></u>	<u><b>727.37</b></u>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>Fixed Assets</b>			
Gross Block	E	1,102.30	430.70
Less: Depreciation		<u>103.12</u>	<u>38.57</u>
Net Block		<u>999.18</u>	<u>392.13</u>
Add: Capital Work in Progress ( including Capital Advances)		<u>291.12</u>	<u>-</u>
		<u>1,290.30</u>	<u>392.13</u>
<b>Investments</b>	F	70.11	69.95
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	G	46.92	48.73
Sundry Debtors	H	9.52	12.81
Cash & Bank Balances	I	279.47	25.52
Loans & Advances	J	<u>253.65</u>	<u>397.26</u>
		<u>589.55</u>	<u>484.32</u>
<b>Less : Current Liabilities &amp; Provisions</b>	K		
Current Liabilities		312.07	175.73
Provisions		<u>84.78</u>	<u>43.30</u>
<b>Net Current Assets</b>		<u>192.70</u>	<u>265.30</u>
<b>Total</b>		<u><b>1,553.11</b></u>	<u><b>727.37</b></u>
Significant Accounting Policies & Notes forming part of the Accounts	T		

As per our attached Report of even date  
For **HARIBHAKTI & CO.**  
Chartered Accountants

For and on behalf of the Board

**Rakesh Rathi**  
Partner  
Place : Mumbai  
Date: 7th September, 2009

**Director**      **Director**  
Place : Mumbai  
Date: 7th September, 2009

**Axiom Impex International Limited**  
**Profit and Loss Account for the year ended 31st March, 2009**

(Rs.in Millions)

Particulars	Sch.	Year ended 31-Mar-09	Year ended 31-Mar-08
<b><u>Income</u></b>			
Gross Sales		2,337.47	1,345.50
Less: Excise Duty		106.37	60.28
Net Sales		2,231.10	1,285.21
Other Income	L	3.84	12.54
Increase/(Decrease) in Stocks	M	(7.58)	17.16
		<b>2,227.35</b>	<b>1,314.91</b>
<b><u>Expenditure</u></b>			
Cost of Materials Consumed	N	1,708.21	1,031.42
Manufacturing & Other Expenses	O	60.58	49.09
Personnel Costs	P	6.91	4.51
Administrative & Other Expenses	Q	43.61	20.45
Selling & Marketing Expenses	R	22.85	22.65
Interest & Finance Charges	S	20.91	0.86
Depreciation		64.55	24.33
		<b>1,927.62</b>	<b>1,153.31</b>
<b>Profit before Taxation</b>		299.73	161.60
Less: Provision for Taxation			
Current Tax		37.01	25.02
Deferred Tax		33.35	11.39
Fringe Benefit Tax		0.34	0.43
<b>Profit after Taxation</b>		<b>229.03</b>	<b>124.76</b>
Add: Balance as per last Balance Sheet ( after adjustment of Bonus Shares issued in F.Y. 2007-08 by Capitalisation of P&L A/c.)		220.13	281.19
		449.16	405.95
<b>Appropriations</b>			
Proposed Dividend		3.81	-
Tax On Dividend		0.65	-
<b>Balance carried to Balance Sheet</b>		<b>444.70</b>	<b>405.95</b>
Earning Per Share- Basic (Rs.)		12.02	6.55
Refer Note 12 (i) of Schedule T			
Earning Per Share- Diluted (Rs.)		11.04	6.55
Refer Note 12 (ii) of Schedule T			
Face Value Rs. 10/- per Share			

Significant Accounting Policies & Notes forming part of the  
Accounts

T

As per our attached Report of even date  
For **HARIBHAKTI & CO.**  
Chartered Accountants

For and on behalf of the Board

**Rakesh Rathi**

Partner

Place : Mumbai

Date: 7th September, 2009

**Director**

Place : Mumbai

Date: 7th September, 2009

**Director**



**Axiom Impex International Limited**  
**Cash Flow Statement for the Year ended 31st March 2009**

(Rs.in Millions)

	Year ended 31-Mar-09	Year ended 31-Mar-08
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) before tax and extraordinary Items	299.73	161.60
<b>Adjustments for :</b>		
Depreciation	64.55	24.33
Preliminary expenses written off	2.44	0.05
Loss on sale of fixed Assets	-	0.54
Interest income	(3.08)	(0.13)
Interest	20.91	0.03
Dividend income	(0.04)	(0.03)
(Profit)/Loss in trading in Securities	-	(5.73)
Loss on sale of Investments	-	10.78
<b>Operating profit before working capital changes</b>	<b>384.51</b>	<b>191.45</b>
<b>Adjustments for :</b>		
Inventories	1.81	(26.37)
Trade and other receivables	3.29	27.82
Loans and Advances	169.50	(163.13)
Trade Payables	136.02	65.26
<b>Cash Generated From Operations</b>	<b>695.14</b>	<b>95.03</b>
Direct Tax Paid	(25.89)	(5.06)
<b>Net Cash From Operating Activities</b>	<b>669.24</b>	<b>89.98</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(671.60)	(245.92)
Sale of Fixed Assets	-	0.61
Purchase of Investments	(0.16)	(122.27)
Profit in trading on Securities	-	5.73
Sale of Investments	-	107.99
Interest received	3.08	0.13
Dividend Received	0.04	0.03
<b>Net Cash used in Investing Activities</b>	<b>(668.64)</b>	<b>(253.70)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Repayment of Secured Loan	-	(0.71)
Secured Loan Received	300.00	121.16
Capital Advances	(291.12)	-
Increase in Unsecured Loan	267.81	57.77
Issue of new equity shares	0.01	-
Preliminary expenses written off	(2.44)	-
Interest	(20.91)	(0.03)
<b>Net Cash From Financing Activities</b>	<b>253.34</b>	<b>178.20</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>253.94</b>	<b>14.47</b>
<b>Cash &amp; Cash Equivalents (Opening)</b>	<b>25.52</b>	<b>11.05</b>
<b>Cash &amp; Cash Equivalents (Closing)</b>	<b>279.47</b>	<b>25.52</b>

**NOTES:**

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

Particulars	As at 31.03.2009		As at 31.03.2008
Cash in hand	0.32		1.01
Balances with Banks	279.15		24.51
	<b>279.47</b>		<b>25.52</b>

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

**For HARIBHAKTI & CO.**  
Chartered Accountants

**For and on behalf of the Board**

**Rakesh Rathi**  
Partner  
Place : Mumbai  
Date: 7th September, 2009

**Director**

**Director**

**Axiom Impex International Limited**  
**Schedules Forming Part of the Accounts for the year ended 31st March 2009**

(Rs.in Millions)		
Particulars	As at 31-Mar-09	As at 31-Mar-08
<b>Schedule "A" : Share Capital</b>		
<b><u>Authorised</u></b>		
8,00,00,000 (P.Y. 2,00,00,000 ) Equity Shares of Rs. 10/-	800.00	200.00
	<b>800.00</b>	<b>200.00</b>
<b><u>Issued Subscribed &amp; Paid Up</u></b>		
1,90,47,060 (P.Y. 1,90,46,960 ) Equity Shares of Rs.10/- each	190.47	190.47
( of the above 1,85,82,400 Equity Shares of Rs. 10/- each have been allotted as Bonus Shares by capitalisation of reserves in F.Y. 2007-08 .)		
 (Of the above 1,64,00,000 (P.Y. 1,64,00,000) Equity Shares of Rs. 10/- each are held by holding company M/s. Responsive Industries Limited.)		
	<b>190.47</b>	<b>190.47</b>
<b>Schedule "B" : Reserves &amp; Surplus</b>		
<b><u>Securities Premium Account</u></b>		
Balance as per last year	36.54	36.54
Add : Share Premium received during the period	0.00	-
	36.54	36.54
Share Forfeiture Account	2.51	2.51
<b><u>Profit &amp; Loss Account</u></b>		
Profit & Loss Account as per account annexed	444.70	405.95
Less: Capitalisation for allotment of Bonus Shares	-	185.82
	444.70	220.13
	<b>483.76</b>	<b>259.19</b>
<b>Schedule "C" : Secured Loans</b>		
Working Capital Loan from Bank	100.00	-
( Secured against entire current assets of the company)		
Rupee Term Loan from Bank	200.00	-
( Secured against entire fixed assets of the company)		
	<b>300.00</b>	<b>-</b>
<b>Schedule "D" : Unsecured Loans</b>		
Deferred Suppliers Credit (Payable in Foreign Currency )	-	189.29
0% 577( P. Y. Nil) Compulsorily Convertible Debentures of Rs. 1,00,000/- each (Refer note no. 8(a) of notes to the	57.70	-
12% 2438 ( P.Y. Nil ) Compulsorily Convertible Debentures of Rs. 1,00,000/- each ( Refer note no. 8(b) of notes to the accounts)	243.80	-
Interest on 12% Compulsorily Convertible Debentures	13.39	-
Debentures Application Money ( Refer note no. 8© of notes to the accounts)	200.00	57.79
	<b>514.89</b>	<b>247.08</b>

Particulars	(Rs.in Millions)	
	As at 31-Mar-09	As at 31-Mar-08
<b>Schedule "F" : Investments</b>		
(As Per Annexure "1")	70.11	69.95
	<b>70.11</b>	<b>69.95</b>
<b>Schedule "G" : Inventories</b>		
(As taken, valued and certified by the management)		
Raw Materials	22.05	17.30
Stock in Process	19.79	20.93
Finished Goods	2.73	9.17
Packing Materials	0.15	0.11
Stores & Spares	2.19	1.22
	<b>46.92</b>	<b>48.73</b>
<b>Schedule "H" : Sundry Debtors</b>		
(Unsecured, Considered Good, unless otherwise stated)		
Debts outstanding for a period more than six months	3.51	2.40
Other Debts	6.01	10.41
	<b>9.52</b>	<b>12.81</b>
<b>Schedule "I" : Cash &amp; Bank Balances</b>		
Cash on hand	0.32	1.01
<b>Balance with Scheduled Banks:</b>		
In Current Accounts	218.36	21.34
In Fixed Deposit Account	60.79	3.17
(out of above Fixed Deposit Lien Marked Rs.10.00 Millions (P.Y. Nil))		
	<b>279.47</b>	<b>25.52</b>
<b>Schedule "J" : Loans &amp; Advances</b>		
(Unsecured Considered Good)		
Advances recoverable in cash or in kind or for value to be received	199.29	375.92
Advance Tax / TDS	43.77	17.88
Deposits	10.59	3.46
	<b>253.65</b>	<b>397.26</b>
<b>Schedule "K" : Current Liabilities &amp; Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors		
- Due to Micro, Small and Medium Enterprises (Refer Note17 of Schedule" T")		
- Others	150.36	50.79
Advance Received from Customers	153.09	84.25
Other Liabilities	8.63	40.69
	<b>312.07</b>	<b>175.73</b>
<b>Provisions</b>		
Provision For Taxation	79.68	42.67
Provision For Fringe Benefit Tax	0.64	0.63
Proposed Dividend	3.81	-
Provision for Dividend Distribution Tax	0.65	-
	<b>84.78</b>	<b>43.30</b>
	<b>396.85</b>	<b>219.02</b>



**Axiom Impex International Limited**  
**Schedules Forming Part of the Accounts for the year ended 31st March 2009**

(Rs.in Millions)		
Particulars	Year Ended 31-Mar-09	Year Ended 31-Mar-08
<b>Schedule "L" : Other Income</b>		
Interest Income ( TDS. Amount Rs.0.64 Millions, P.Y.Rs.0.01Millions)	3.08	0.13
Other Income	0.21	-
Dividends	0.04	0.03
Profit on Trading in Securities	-	5.73
Sundry Balances Written Back	0.51	1.06
Profit on Exchange Rate Fluctuation	-	5.60
	<u><b>3.84</b></u>	<u><b>12.54</b></u>
<b>Schedule "M" : Increase/ (Decrease) in Stocks</b>		
<b>Closing Stocks:</b>		
Finished Goods	2.73	9.17
Stock in process	19.79	20.93
	<u>22.52</u>	<u>30.10</u>
<b>Less: Opening Stocks</b>		
Finished Goods	9.17	1.04
Stock in process	20.93	11.90
	<u>30.10</u>	<u>12.94</u>
	<u><b>(7.58)</b></u>	<u><b>17.16</b></u>
<b>Schedule "N" : Cost of Raw Materials Consumed</b>		
Opening Stock	17.30	6.77
Add: Purchases	1,712.96	1,041.94
	<u>1,730.26</u>	<u>1,048.71</u>
Less: Closing Stock	22.05	17.30
	<u>1,708.21</u>	<u>1,031.42</u>
	<u><b>1,708.21</b></u>	<u><b>1,031.42</b></u>
<b>Schedule "O" : Manufacturing &amp; Other Expenses</b>		
Power & Fuel	18.83	20.13
Loading & Unloading Charges	19.66	17.81
Stores, Spares & Packing Material Consumed	10.66	8.12
Repairs & Maintenance (Machinery)	9.38	1.12
Repairs & Maintenance (Buildings )	0.33	0.33
Other Manufacturing Expenses	1.71	1.58
	<u><b>60.58</b></u>	<u><b>49.09</b></u>

(Rs.in Millions)		
Particulars	Year Ended 31-Mar-09	Year Ended 31-Mar-08
<b>Schedule "P" : Personnel Costs</b>		
Salaries Wages Bonus & Allowances	6.49	4.01
Contribution to Provident & Other Funds	0.15	0.18
Workmen & Staff Welfare Expenses	0.27	0.31
	<b>6.91</b>	<b>4.51</b>
<b>Schedule "Q" : Administrative &amp; Other Expenses</b>		
Rent Rates & Taxes	4.47	0.78
Insurance	0.13	0.35
Communication Costs	1.81	1.68
Printing & Stationery	0.47	0.08
Travelling & Conveyance	1.27	0.12
Professional Charges	28.52	2.73
Vehicle Expenses	0.09	0.33
Miscellaneous Expenses	1.15	2.61
Loss on Sale of Investments	-	10.78
Loss on Exchange Rate Fluctuation	2.76	-
Security Transaction Tax	-	0.26
Loss on Sale of Fixed Assets	-	0.54
Preliminary Expenses written off	2.44	0.05
Auditor's Remuneration	0.50	0.13
	<b>43.61</b>	<b>20.45</b>
<b>Schedule "R" : Sales &amp; Distribution Expenses</b>		
Freight & Forwarding Charges	20.54	20.53
Sales Promotion Expenses	0.89	-
Brokerage, Commission & Discount	1.43	2.12
	<b>22.85</b>	<b>22.65</b>
<b>Schedule "S" : Interest &amp; Finance Charges</b>		
Interest on Term Loans	0.47	-
Interest on Other Loans	5.46	0.03
Interest on Debentures	13.39	-
Bank Charges	1.60	0.83
	<b>20.91</b>	<b>0.86</b>

**Axiom Impex International Limited****Annexure to the Schedules Forming Part of the Accounts for the year ended 31st March 2009****Annexure "1"****(Rs.in Millions)**

<b>Particulars</b>	<b>As at 31-Mar-09</b>	<b>As at 31-Mar-08</b>
<b>Investments</b>		
<b>Long Term ,</b>		
<b>Non Trade</b>		
<b>Quoted</b>		
Responsive Industries Limited	66.45	0.03
[1,45,333 ( 46,500) Equity Shares of Rs.10/- each fully paid up ]		
Creative Eyes Limited	0.27	0.27
[ 10,000 (10,000 ) Equity shares of Rs.10/- each fully paid up ]		
Energy Development Limited	0.51	0.51
[ 5,000 ( 5,000 ) Equity shares of Rs.10/- each fully paid up ]		
Power Grid Corporation Limited	0.08	0.08
[500 ( 500 ) Equity shares of Rs.10/- each fully paid up ]		
Mavi Industries Ltd. (Formerly known as Krishna Filaments Limited)	0.16	-
[16,750(Nil) Equity Shares of Rs.10/- each fully paid up]		
Reliance Industrial Infrastructure Limited	2.64	2.64
[1,000 ( 1,000 ) Equity shares of Rs.10/- each fully paid up ]		
<b>Unquoted</b>		
Responsive Polymers International Limited	-	66.42
[Nil (5,93,000 ) Equity shares of Rs.10/- each fully paid up ]		
	<u>70.11</u>	<u>69.95</u>
Aggregate of Unquoted Investments ( At Cost)	-	66.42
Aggregate of Quoted Investments ( At Cost)	70.11	3.53
Aggregate of Quoted Investments ( At Market Value)	71.02	13.15



**Axiom Impex International Limited**

**Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.**

**Schedule: "T"**

**I. Significant Accounting Policies**

**a) Basis of Accounting:**

The Financial Statements have been prepared under the historical cost convention on an accrual basis and in accordance with the applicable accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

**b) Use of Estimates:**

The Preparation of Financial Statements is in conformity with generally accepted accounting principles (GAAP) in India which requires management to make estimates and assumption that affect reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements.

**c) Fixed Assets:**

Fixed Assets are stated at actual cost net of Cenvat availed, less accumulated depreciation and impairment loss, if any. All cost, including financing cost till commencement of commercial production, net charges of foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

**d) Depreciation:**

Depreciation on fixed assets provided on Straight-line basis, at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions to/ deletions from fixed assets is provided on pro-rata basis from/ up to the date of such additions/deletions as the case may be.

**e) Investments:**

Investments that are intended to be held for more than a year from the date of acquisition are classified as long term Investment and are carried at cost less any provision for permanent diminution in value. Investments, other than long term investments being current investments, are valued at cost or fair value whichever is lower.

**f) Inventories:  
Inventories are valued as follows:**

- i) Finished goods are valued at lower of cost or net realisable value.
- ii) Stores & Spares, Packing Material, Raw Materials and Work-in-Process are valued at cost, which is ascertained on the FIFO Basis.

**Axiom Impex International Limited**

**Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.**

**g) Treatment of Contingent Liabilities:**

Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Payments in respect of such demands, if any are shown as advances.

Contingent Liabilities under various fiscal laws includes those in respect of which the company/department is in appeal.

Contingent Liabilities are disclosed by way of notes.

**h) Accounting For Taxation on Income**

Tax expenses comprises of current, deferred and fringe benefit taxes. Current income tax and fringe benefit tax is measured at the amount to be paid to the tax authorities in accordance with the Indian Income Tax Laws. Deferred taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference 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.

**i) Foreign Currency Transactions**

- i) The transactions in foreign currencies on revenue and capital accounts are stated at the rate of exchange prevailing on the date of transaction.
- ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realisation is charged to Profit and Loss Account
- iii) Differences on translation of Current Assets and Current Liabilities remaining unsettled at the year-end are recognised in the Profit and Loss account. (Except those relating to acquisition of fixed assets which are adjusted in the cost of the assets.)

**j) Retirement Benefits:**

Company's contributions to provident fund are charged to Profit and Loss Account. Gratuity is accounted for in the year of payment.

**k) Revenue Recognition :**

- i) Sales are recognised on dispatch of goods to the customers.
- ii) Export Sales are accounted on the basis of dispatch of goods for exports.

**l) Miscellaneous Expenditure :**

Preliminary expenses are being charged-off to revenue account in the year in which it is incurred.

**Axiom Impex International Limited****Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.****II. Notes to Accounts**

- 1) The Schedules referred to in the Balance Sheet & Profit & Loss Account form an integral part of the accounts.
- 2) In the opinion of the Board the Current Assets, Loans & Advances are approximately of the value stated and are realisable in the ordinary course of business. The provision for all known liabilities is adequate.
- 3) Sundry debtors, Sundry creditors, Loans and advances are subject to confirmation and reconciliation. Consequential adjustment thereof, if any, will be given effect into the books of accounts in the year of adjustment.
- 4) Contingent Liabilities not provided for in respect of Letter of Credit issued by Bank amounting to Rs.106.89 Millions (P. Y. Nil).
- 5) Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances) is Rs.316.71 millions (Previous Year - Nil).
- 6) The Company has continued to adjust the foreign currency exchange differences of Rs.43.87 Millions on amount due to the foreign suppliers of fixed assets to whom dues are payable exceeding one year, to the carrying cost of fixed assets in compliance with Schedule VI to the Companies Act, 1956 which is in accordance to the notification no. G.S.R. 25(E) issued by the Ministry of Corporate Affairs, New Delhi dated 31<sup>st</sup> March, 2009, however at variance to the treatment prescribed in accounting Standard (AS -11) on "Effects of Changes in Foreign Exchange Rates" notified in the Companies (Accounting Standards) Rules 2006.
- 7) The Authorized Share Capital of the Company has been increased from Rs. 200 Millions to Rs. 400 Millions vide Resolution passed in the Extraordinary General Meeting of the Company held on 30<sup>th</sup> August, 2008 and which has been further increased from Rs.400 Millions to Rs.800 Millions in the Extraordinary General Meeting held on 4<sup>th</sup> November,2008.
- 8)
  - a) During the year the Company has issued 577 (0% compulsorily convertible unsecured debentures of Rs.1,00,000/- each). The said debentures shall automatically and mandatory be converted by the Company into equity shares any time after 31<sup>st</sup> December, 2010 till 15<sup>th</sup> September, 2027.
  - b) During the year the Company has issued 2438 (12% compulsorily convertible debentures of Rs.1,00,000/- each). The said debentures shall automatically and mandatory be converted by the Company into equity shares any time after 31<sup>st</sup> December, 2010 till 15<sup>th</sup> September, 2027.
  - c) During the year the company has received Rs.200.00 millions towards allotment of 2000, 0% Compulsorily Convertible Debentures of Rs.1, 00,000/- each. The said Debentures have been allotted on 18<sup>th</sup> June, 2009.
- 9) During the year, the Company has allotted 100 equity shares as per the resolution passed at the Extraordinary General Meeting of the Company held on 30<sup>th</sup> day of August, 2008.

## Axiom Impex International Limited

Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.

## 10) Auditor's Remuneration Includes (excluding Service Tax)

(Rs. in Million)

	For the year ended 31.03.2009	For the year ended 31.03.2008
Audit Fees	0.400	0.100
Tax Audit Fees	0.100	0.025
	<b>0.500</b>	<b>0.125</b>

## 11) Taxes on Income

- a. Provision for taxation for the accounting year has been made in accordance with the provisions of the Income Tax Act, 1961.
- b. In terms of Accounting Standard on "Accounting for Taxes on Income" (AS 22) the company has recognized Deferred Tax Liability amounting to Rs. 33.35 Millions for the year ended 31st March 2009 in the Profit & Loss Account.

The accumulated balance in Net Deferred Tax Liability / (Assets) as on 31st March 2009 comprises of:

(Rs. in Millions)

Sr. No.	Particulars	Opening Year ended 31.03.2008	Adjustment during the year	Closing Year ended 31.03.2009
1	Depreciation	30.74	33.35	64.09
2	Disallowance u/s 40(a)(ia)	(0.10)	-	(0.10)
	<b>Deferred Tax Liability / (Assets)</b>	<b>30.64</b>	<b>33.35</b>	<b>63.99</b>

## 12) Earning Per Share (As per AS - 20)

## i) Basic E P S

(Rs. in Millions)

Sr. No.	Particulars	Year Ended 31.03.2009	Year Ended 31.03.2008
A	Net Profit after tax available for equity shareholders (Rupees) used as Numerator	229.03	124.76
B	Weighted Average number of Equity Shares used as Denominator	1,90,47,060	1,90,46,960
C	Basic earning per share (In Rupees)	12.02	6.55

## ii) Diluted E P S

(Rs. in Millions)

Sr. No.	Particulars	Year Ended 31.03.2009	Year Ended 31.03.2008
A	Net Profit after tax available for equity shareholders (Rupees) used as Numerator	229.03	124.76
B	Weighted Average number of Equity Shares used as Denominator	2,07,41,651	1,90,46,960
C	Diluted earning per share (In Rupees)	<b>11.04</b>	6.55

**Axiom Impex International Limited****Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.****13) Related Party Disclosure :****a) Key Management Personnel**

Mr. Ashok Bijendranath Jha	Director
Mr. Bharat Bhaskar Mahalik	Director
Mr. Rajesh Pandey	Director
Mr. Atit Agarwal	Whole-Time Director
Mrs. Swati Agarwal	Whole-Time Director

**b) Holding Company and Parent Company**

(i) Responsive Industries Limited	Holding Company
(ii) Well Known Business Ventures Private Limited	Parent Company

**(Rs. in Millions)**

Nature of Transactions	In relation to (a) above		In relation to (b) (i) above		In relation to (b) (ii) above	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Loans and Advances Given	Nil	Nil	1314.22	411.98	Nil	Nil
Loans and Advances Received Back	Nil	Nil	1565.99	216.27	Nil	Nil
Remuneration to Director (Rajesh Pandey)	0.50	0.42	Nil	Nil	Nil	Nil
<b>Amount Outstanding at the end of the year</b>						
Receivables	Nil	Nil	Nil	251.77	Nil	Nil

Notes: Related Parties as disclosed by Management and relied upon by auditors.  
There is no amount written off / written back due from / to related parties.

**14) Additional Information Pursuant to the Provision of Part II of the Schedule VI of the Companies Act 1956.****A) Quantitative Information:**

- i) Installed Capacity N.A.
- ii) Purchase/Production, Consumption/Sales/Stock:

**Axiom Impex International Limited****Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.****(a) Actual Production (In Tonnes)**

Products	Actual Production	
	2008-2009	2007-2008
HDPE/PP ROPES / HDPE/PP YARN	24,741	17,653

**(b) Stock, Purchase & Sales (Rs. in Millions)**

Products	Unit	Opening Stocks		Purchases / Production		Sales / Consumption		Closing Stock	
		Qty.	Amount	Qty.	Amount	Qty.	Amount	Qty.	Amount
HDPE/PP Ropes/PVC Products	Kgs.	121657 (10825)	9.17 (1.04)	24740805 (17653734)	(-) (-)	24832622 (17542902)	2217.00 (1285.21)	29840 (121657)	2.73 (9.17)

(Figures in the bracket represent previous year figures)

**(c) Raw Material Consumed (Rs. in Millions)**

Product	2008-2009		2007-2008	
	Kgs.	Amount	Kgs.	Amount
PE/PP	2,46,97,957	1708.20	178,09,975	1031.42

**(d) Value of Raw Material Consumed (Rs. in Millions)**

Particulars	2008-2009		2007-2008	
	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	210.17	12	111.14	11
Indigenous	1498.03	88	920.28	89
	<b>1708.20</b>	<b>100</b>	<b>1031.42</b>	<b>100</b>

**(e) Value of Stores, Spares and Packing Material Consumed (Rs. in Millions)**

Particulars	2008-2009		2007-2008	
	Amount	% of Total Consumption	Amount	% of Total Consumption
Imported	0.65	6	0.16	2
Indigenous	10.01	94	7.92	98
	<b>10.66</b>	<b>100</b>	<b>8.08</b>	<b>100</b>

**B) C.I.F. Value of Imports, Expenditure and Earnings in Foreign Currencies****(Rs. in Millions)**

Sr. No.	Particulars	Year ended 31.03.2009	Year ended 31.03.2008
i)	<b>C.I.F. Value of Imports</b>		
a)	C.I.F. value of purchase	214.60	109.66
b)	C.I.F. value of Capital Goods	246.24	240.69

**Axiom Impex International Limited****Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.**

Sr. No.	Particulars	Rs. in Millions)	
		Year ended 31.03.2009	Year ended 31.03.2008
ii)	<b>Expenditure in Foreign Currency</b>		
a)	Freight – Exports	NIL	14.84
b)	Bank Charges (Overseas)	0.21	0.34
c)	Export Commission	0.29	1.91

(Rs. in Millions)			
Sr. No.	Particulars	Year ended	
		31.03.2009	31.03.2008
iii)	<b>Earnings in Foreign Currencies</b>		
	Export Sales – FOB	1265.93	716.01

- 15) **Foreign Currency Exposure**  
 Debtors – Non hedged \$ .05 millions  
 Advances from Debtors – Non hedged \$ 2.99 millions  
 Creditors - Non hedged \$ 1.84 millions  
 Advances to creditors- \$ 2.63 Millions

- 16) **Segmental Information :**  
**Primary (Business) Segment :**

As the Company's business consists of one reportable business segment of Manufacturing and Selling of PVC products, hence no separate disclosure pertaining to attributable Revenues, Profits, Assets, Liabilities and Capital employed are given.

**Secondary (Geographical) Segment**

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

Sales	(Rs. in Millions)	
	For the year ended on 31.03.2009	For the year ended on 31.03.2008
India	1079.03	552.36
Export	1152.06	732.85
<b>Total</b>	<b>2231.09</b>	<b>1,285.21</b>

**Axiom Impex International Limited****Schedule Forming Part of the Accounts for the year ended 31<sup>st</sup> March 2009.**

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

(Rs. in Millions)		
<b>Carrying amount of Segment assets as at</b>		
<b>Assets</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
India	1947.13	938.24
Outside India*	2.66	8.16
<b>Total</b>	<b>1949.79</b>	<b>946.40</b>

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

- 17) The names of the Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" could not be identified, as the necessary evidence is not in the possession of the Company.
- 18) The name of the Small Scale Undertakings to whom the Company owe a sum exceeding Rs.0.10 millions which is outstanding for more than 30 days could not be identified, as the necessary information is not in the possession of the Company.
- 19) Figures of the previous year have been regrouped, reclassified and/or rearranged wherever considered necessary to correspond with the figures of current year.

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

Place: Mumbai

Date: 7<sup>th</sup> September, 2009



**Axiom Impex International Limited**

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

<b>BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE</b>				
I	Registration Details	U25209MH1999PLC119427	State Code	11
	Balance Sheet Date	31.03.2009		
II	<b>Capital raised during the year (Amount in Rupees Millions )</b>			Nil
	Public Issue	Nil	Right Issue	Nil
	Bonus Issue	Nil	Private Placement	Nil
III	<b>Position of Mobilisation and Development of funds:(Amount in Rupees Millions)</b>			
	Total Liabilities	1,553.11	Total Assets	1,553.11
	<b>Sources of Funds</b>			
	Paid up Capital	190.47	Reserves & Surplus	483.76
	Secured Loans	300.00	Unsecured Loans	514.89
			Deferred Tax Liabilities	63.99
	<b>Application of Funds</b>			
	Net Fixed Assets	1,290.30	Investments	70.11
	Net Current Assets	192.70	Misc. Expenditure	-
IV	<b>Performance of Company</b>			
	Turnover	2,231.10	Total Expenditure	1,927.62
	Profit/(Loss) before Tax	299.73	Profit/(Loss) After Tax	229.03
	Earning per Share In Rs.	12.02	Dividend Rate (%)	2.00
V	Generic Names of One Principal Product/Services of the Company (As per Monetary terms)			HDPE/PP
	Item Code No.	3 1 3 1	Product Description	ROPES

For **HARIBHAKTI & CO.**  
Chartered Accountants

For and on behalf of the Board

**Rakesh Rathi**  
Partner  
Place : Mumbai  
Date: 7th September, 2009

Director

Director

**ATTENDANCE SLIP****RESPONSIVE INDUSTRIES LIMITED**

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

DP Id*	
Client Id*	
Regd.Folio No.	
No of Shares held	

\*Applicable if shares are held in electronic form

NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company

I hereby record my presence at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company at Regd. Office: Betegaon, Boisar (East), Mahagaon Road, Tal Palghar, Dist. Thane – 401 501 on Wednesday 30<sup>th</sup> September, 2009 at 10.00 a.m.

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 Member's/ Proxy's Signature.
**PROXY FORM****RESPONSIVE INDUSTRIES LIMITED**

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

I/We ..... of .....in the district of ..... Being a Member/ Members of RESPONSIVE INDUSTRIES LIMITED hereby appoint .....of ...in the district of .....(or failing him) ..... of ..... in the district of .....as my/our Proxy to vote for me/us on my/our behalf at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company to be held on Wednesday , 30<sup>th</sup> September, 2009 at 10.00 a.m. and at any adjournment thereof.

Signed this ..... day of ..... 2009.

DP Id*	
Client Id*	
Regd. Folio No.	

\*Applicable if shares are held in electronic form

Affix Re.1 Revenue Stamp
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 Signature of the Member(s)

NOTE: 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 Meeting.

**If Undelivered please return to:**  
Responsive Industries Limited  
Village Betegaon, Mahagaon Road, Boisar (East), Tal Palghar, Dist. Thane - 401 501.