SHAH & TAPARIA
CHARTERED ACCOUNTANTS

203, Center Point Building, 100, Dr. Babasaheb Ambedkar Road,
Opp. Bharatmata Theater, Lalbaug, Parel, Mumbai - 400012.
Tel :- 022-42116800 Fax : 022-4022 0314
E-mail : info@shahtaparia.com
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To
The Board of Directors of
Responsive Industries Limited
Mahagaon Road, Betegaon Village,
Boisar East, Taluka Palghar,
Dist. Thane - 401501, Maharashtra.

Independent Auditor's Certificate certifying the accounting treatment contained in the draft Scheme of Amalgamation is in conformity with the Accounting Standards prescribed under section 133 of the Companies Act, 2013.

1. We, **M/s. SHAH & TAPARIA Chartered Accountants,** (Firm Registration No.: 109463W), the Statutory Auditors of **Responsive Industries Limited** ("the Company"), have examined the proposed accounting treatment specified in **Clause 17** of the draft Scheme of Amalgamation (hereinafter referred as 'the Draft Scheme') between **Axiom Cordages Limited** (hereinafter referred as "the Transferor Company" / "ACL") and **Responsive Industries Limited** (hereinafter referred as "the Transferee Company"/"RIL") and their respective Shareholders in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other generally accepted accounting principles, or any other relevant or related requirement under the Act.

Management's responsibility

2. The responsibility for the preparation of the draft scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015 as amended and other generally accepted accounting principles, is that of the Board of Directors of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

3. The management of the company is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013 and SEBI Regulations and to provide all relevant information to The Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and the National Company Law Tribunal.

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Auditor's responsibility

4. Our responsibility is only to examine and report whether the accounting treatment referred to in Clause 17 of the draft scheme above as applicable to M/s Responsive Industries Limited, comply with the applicable Indian Accounting Standards, and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

5. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria, mentioned in paragraph 4 above. We have performed the following procedures:

   Obtained the Draft Scheme, read and understood the accounting treatment in the books of the Company as specified in Clause 17 of the Draft Scheme along with applicable Accounting Standards.

6. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the Draft Scheme.

Opinion

8. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in Clause 17 of the Draft Scheme is in compliance of with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under, and other generally accepted accounting principles, as applicable.

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9. For ease of references, Clause 17 of the Draft Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialled by us only for the purposes of identification

Restriction on use

10. This certificate is issued at the request of the company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to BSE Limited, National Stock Exchange of India Limited, National Company Law Tribunal and other regulatory authority associated for approval of the Scheme. This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume and liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come out without our prior consent in writing.

For Shah & Taparia
Chartered Accountants
Firm Registration No.: 109463W

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CHARTERED ACCOUNTANTS

Bharat Joshi
Partner
Membership No.: 130863
UDIN: 21130863AAAAJD8571

Place: Mumbai
Date: 02nd July, 2021

RESPONSIVE

We listen. We're responsive.

Annexure 1 to the Auditors' certificate, on the proposed accounting treatment specified in the Draft Scheme of Amalgamation

Relevant extract of "**Clause 17 - Accounting Treatment in The Books of the Transferee Company**" as per Draft Scheme of Amalgamation between **Responsive Industries Limited** and **Axiom Cordages Limited**

17. Accounting Treatment In The Books Of The Transferee Company :

Upon the scheme becoming effective and with effect from the Appointed Date, since the transaction involves entities which are ultimately controlled by the same parties before and after the transaction, for the purpose of accounting and dealing with the value of assets and liabilities of the Transferor Company, the Transferee Company shall account for the amalgamation in accordance with 'Pooling of Interest Method' laid down in Appendix C 'Business Combinations of entities under common control' of Ind AS - 103 'Business Combinations' notified under the provisions of the Act, read along with relevant rules framed thereunder and other applicable accounting standards, as under:

17.1. All the assets and liabilities and reserves recorded in the books of the Transferor Company shall stand transferred to and vested in the books of Transferee Company pursuant to the Scheme and shall be recorded by Transferee Company at their carrying amounts as appearing in the books of the Transferor Company, on the Appointed Date;

17.2. The identity of the reserves of the Transferor Company shall be preserved and they shall appear in the financial statements of Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Company, prior to this Scheme becoming effective;

17.3. The Transferee Company shall account for shares issued to the Transferor Company Shareholders as per applicable Indian Accounting Standard;

17.4. The carrying amount of investments in the equity shares of the Transferor Company to the extent held by the Transferee Company, shall stand cancelled and there shall be no further obligation in that behalf;

17.5. Inter-Company transactions and balances including loans, advances, receivable or payable inter se between the Transferor Company and the Transferee Company as appearing in their books of accounts, if any, shall stand cancelled;

17.6. The difference between the net assets (assets less liabilities) and reserves of the Transferor Company transferred to the Transferee Company, after making the adjustments, if any, pursuant to the Scheme shall be transferred to the Capital Reserve, as prescribed under Ind AS - 103.

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17.7. In case of differences in accounting policy between the Transferor Company and Transferee Company, the accounting policies followed by Transferee Company will prevail and the impact of the same till the Appointed Date shall be quantified and adjusted in Capital Reserve of Transferee Company, to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

17.8. All the assets and liabilities of Transferor Company are transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company under the respective heads subject to such correction and adjustment, if any, as may be in the opinion of the Board of Directors of Transferee Company be necessary or required and to the extent permissible in law.

For **RESPONSIVE INDUSTRIES LIMITED**

RESPONSIVE INDUSTRIES LIMITED

Mrunal Shetty
Director & CFO
DIN: 08362895

//CERTIFIED TO BE TRUE//

For **RESPONSIVE INDUSTRIES LIMITED**

RESPONSIVE INDUSTRIES LIMITED

Rishika Puri
Company Secretary & Compliance Officer
Membership No.: A49818

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