



We listen. We're responsive.

Date: 30 August, 2019

To,
BSE Limited
P.J.Towers, Dalal Street,
Mumbai - 400 001

Scrip Code: 505509

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East),
Mumbai- 400 051
Scrip Code: RESPONIND

Dear Sirs,

Sub: Submission of Annual Report 2018-19 in compliance with Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report 2018-19 of the Company.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,
For **Responsive Industries Limited**


Ruchi Jaiswal
Company Secretary & Compliance Officer
Encl: As above



RESPONSIVE INDUSTRIES LIMITED

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

www.responsiveindustries.com

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E: enquiry@responsiveindustries.com

CIN NO. L65100MH1982PLC027797

RESPONSIVE 

INNOVATIVE

INSPIRED

DISRUPTIVE

Cutting Edge Technology
Stunning Aesthetic
Exceptional Performance

IMPACT[®]

HARD INTERLOCKING PLANKS
LUXURY VINYL TILES

ANNUAL REPORT 2018-2019



RESPONSIVE INDUSTRIES LIMITED

Registered Office

Village Betegaon, Mahagaon Road,

Boisar (E), Tal. Palghar,

Dist. Palghar - 401 501

T: +91 22 6656 2821 | F: +91 22 6656 2798

E: investor@responsiveindustries.com

www.responsiveindustries.com

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**HARD INTERLOCKING PLANKS
LUXURY VINYL TILES**

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**37th Annual General Meeting on Friday, 27th September, 2019 at 10.00 a.m.
at Hotel Silver Avenue, Ostwal Empire, Next to Big Bazar, Boisar (West),
Palghar - 401 501.**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rishabh Agarwal	Non-Executive Chairman
Mr. Mehul Vala	Whole Time Director
Mr. Mrunal Shetty	Executive Director
Mr. S. S. Thakur	Independent Non - Executive Director
Mr. Rajiv Kumar Bakshi	Independent Non - Executive Director
Ms. Jyoti Rai	Independent Non - Executive Director
Ms. Bhumiika Jain	Independent Non - Executive Director

KEY MANAGERIAL PERSONNEL

Mr. Mehul Vala	Chief Executive Officer
Mr. Mrunal Shetty	Chief Financial Officer
Ms. Ruchi Jaiswal	Company Secretary

STATUTORY AUDITORS

SGCO & Co. LLP
Chartered Accountants
4A, Kaledonia-HDIL, 2nd Floor
Sahar Road, Near Andheri East,
Mumbai - 400 069

SECRETARIAL AUDITOR

P.P. Shah & Co
Company Secretaries
218, Veen Chambers,
Dalal Street,
Mumbai- 400 023

REGISTRARS & SHARE TRANSFER AGENT

Link Intime (India) Pvt. Ltd.
C-101, 247 Park, LBS Marg
Vikhroli (West), Mumbai-400 083
Tel No.: (022) 4918 6270
Fax No.: (022) 4918 6060
Email: rnt.helpdesk@linkintime.co.in

PRINCIPAL BANKER

Union Bank of India, Mumbai

REGISTERED OFFICE & WORKS

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

Tel No.: (022) 66562821
Fax No.: (022) 66562798
Email: investor@responsiveindustries.com
Website: www.responsiveindustries.com
CIN NO: L65100MH1982PLC027797

CORPORATE OFFICE

1st Floor, Esperanca Building
Shahid Bhagat Singh Road, Colaba,
Mumbai-400 001

NEXT EVOLUTION IN FLOORING

Now we are in period of evolution its almost four decades for us in verified tiles and Indian flooring scenario, which was dominated by mosaic or conventional materials like carpets. Over a time, we have seen rapid pace of development in flooring industry and the preferences of flooring has been migrated from hardwood to ceramic, then to laminate and now from laminate to resilient or vinyl flooring. Luxury Vinyl Tile (LVT) has sparked the industry and is set to be the next biggest evolution in flooring.

As our name defines, we are responsive to the fast vicissitudes and igniting the industry with the innovation. We are the first Indian player to bring the world's most beautiful LVT floor 'IMPACT' in India. It's a next generation Rigid Vinyl flooring product, an assortment of blending the latest advancements in core technology with splendid wood and stone visuals. It has superior functional attributes such as elegance; click system, adhesive free, easy installation and maintenance, water & sound proof and heavy traffic endurance.

With the changing life style, higher disposable income and advanced manufacturing methods, LVT usage is expected to spur. LVT deliver the real wood or stone like appearance, along with affordability and compatibility. We will get the distinct advantage of being the prime mover in terms of our LVT product positioning, distribution channels and branding power.

Our leadership position is entrenched in our pioneering role in the next evolution of the flooring industry. Our worldwide distribution network, unique brand positioning and diversified product portfolio is our salient feature. We are leading the way in global arena with production and sales capabilities in luxury products. We are gearing-up a global sales team to cater all the high growth regions viz. US, Europe, MENA and Asian. Our new invention unbolts the window of B2C opportunity to become a customer brand in the next phase of our growth.

Innovation has designed our destiny, become our philosophy and has constantly motivated us to explore beyond the ordinary. Attuned to the changing flooring industry, we are futuristic and introducing more value added products under contract and semi contract vinyl sheet category of vinyl flooring segment. We endeavour every day to retain that entrepreneurial spirit of innovation and performance alive in all we do. Strengthening our existing business by adding more value added products and by broadening our new unique product line along with balanced geographical presence, we are the next evolution in flooring!

Dear Shareholders,

The year under review has been marked as a transformative year for Responsive, led by a shift from our focus to the launch and promotion of IMPACT, Luxury Vinyl Tile in both Indian and Global market. This has been accomplished by strong research and development along-with prudent and professional financial management.

Macro Environment

The Global economy viz a viz is on the path to stabilize but its momentum is uncertain and is exposed to substantial risks of trade protectionist measures. Global liquidity conditions have tightened and some large emerging markets and developing economies have experienced financial stress. Further, Global growth is now projected to soften from 3.6% in 2018 to 3.3% in 2019, before bouncing back to 3.6% in 2020.

India is projected to remain one of the fastest growing economies in the world as consumption remains robust and investment growth continues. The economy has achieved significant growth, due to on-going structural reforms and progressive policy measures such as GST implementation, "Make in India", Digital India, Skill India, simplified bankruptcy framework etc. Consequently, India's GDP growth is estimated to have grown 6.8% in FY 2019 as compared to 6.7% in the previous year.

The Government's unwavering push for infrastructure projects in its second term, viz., railways, airports, metros, affordable housing, Housing for all, urbanization and smart city mission are excellent stimulators for the economy's growth in the medium-term, which will further give a lift to your company.

The recovery of the economy at a global scale has boosted the overall construction industry. Specifically, the need to upgrade poor infrastructure, particularly in the developing regions like Africa, Asia, Eastern Europe and Latin America has propelled the growth of the overall flooring market. The global flooring market is anticipated to grow at a CAGR of 7.8% from USD 275 billion in 2018 to USD 430 billion in 2024.

Among the flooring products, Luxury Vinyl Tiles (LVT) is gaining prominence across the globe, due to its superior qualities such as click system which requires no adhesive to stick it to the floor, easy and quick installation, low cost, enhanced durability, excellent sound & water resistance and has potential to withstand heavy foot traffic. As per a study, Globally, LVT market contributes 53.0% of total vinyl flooring market by sales volume. **In 2018, LVT represented second most popular type of vinyl flooring.** India, however, observed only a meager 11.2% market-share of LVT in 2018, and that reflects the humongous growth opportunity in this segment. In India also, LVT products are gaining popularity among several segments viz a viz. sports organizations, retail stores, restaurants, hospitals, schools, airports, pharma to name a few.

We have launched a new and innovative product 'IMPACT' under LVT category in FY 2019, giving us the first-mover advantage. The product is designed to provide an exact look & feel of natural wood and stone flooring. It would not only replace the vinyl flooring market but also disrupt traditional flooring market such as carpet tiles, vitrified tiles, wooden flooring, and ceramic tiles on account of its superior qualities, affordability and convenience. This product will pave our way directly to the end consumers, as we are targeting to tap retail markets along with our established channels. At present around 90% of our business is from Business to Business (B2B) segment via distributors, with this new product gaining traction, the mix would also change in favour of B2C segment. B2C business will help us to establish direct and strong linkage with customers in addition to higher margins as compared to B2B business.

To foray into international markets in high growth LVT business, we have initiated the set-up of a dedicated LVT manufacturing unit in UAE with the capacity of 86 million square feet per annum. This would entail an investment of around USD 30 million, which is funded by internal accruals. We expect the plant installation to be completed by Q3FY 2020 and the cash inflows to be started from Q4FY 2020. The UAE's strategic location provides competitive market advantage along with low-cost of production.

To expand our geographical distribution reach, we are setting up a global sales team and have signed up with new international distributors to ramp up the volume of sales of high-value margin product. We have built up a highly experienced and professional management team, which plays a key role in helping build a robust leadership and succession pipeline.

I am delighted to inform you that we have achieved significant growth in our profits in FY 2019 as compared to previous year. During the year under review, we have been successful in our strategy of transiting into high value-added margin products viz a viz contract and semi-contract vinyl sheets from the low margin printed flooring business. In line with our strategic move, the consolidated revenue for FY 2019 declined by 38.7% to Rs. 7,750.38 million, the EBITDA grew by 7.5% to Rs. 1,398.64 million, with margin expansion by around 775 bps to reach at 18.1% in FY 2019. The profit after tax increased by threefold times to reach Rs. 294.59 million in FY 2019.

We take pride in informing you that, during the year under review, we continued our policy of remaining long term debt free. With a strong cash flow position, we have invested around USD 25 million in our UAE subsidiary and duly repaid External Commercial Borrowings during the year, subsequent to which the debt-to-equity ratio improved to 0.12 times in FY 2019.

Our Company is gearing up for strategic transformation. We are among the top four producers of vinyl flooring globally. Our aggressive plan to foray into LVT flooring will help us with first mover advantage in India. With a strong balance sheet position, zero long term debt, a well-diversified value added product portfolio, international expansion, and a high energy young and dynamic team, our Company is well positioned to achieve much higher scale and profitability at the global level. Though continuous and united efforts, it has set strong foundation which will shape the future, in years to come.

We are strongly committed to improve our products and services to meet the changing environment, work with innovative zeal, enhance stakeholder value, and enrich our bonds with employees and business partners.

I would like to take this opportunity to thank all our stakeholders, including our vendors, customers, bankers, financial institutions, Central and State government bodies, dealers, business associates and employees for their firm support and involvement.

We look forward to your continued support in our effort to achieve new milestone.

Sincerely,

Mr. Rishabh Agarwal
Non-Executive Chairman

Dear members,

The Board of Directors ("Directors") of Responsive Industries Limited ("the Company") are pleased to present the Thirty Seventh Annual Report on the business and operations of the Company with the Audited Financial Statements for the financial year ended 31 March, 2019.

FINANCIAL SUMMARY & HIGHLIGHTS

Particulars	Standalone		Consolidated	
	For the year ended		For the year ended	
	2019	2018	2019	2018
Revenue from operations	6,288.32	10,978.37	7,750.38	12,637.01
Other Income	143.39	154.74	244.52	186.96
Profit/Loss before Depreciation, Finance Costs, Exceptional Items and Tax Expense	1,207.27	1,086.08	1,398.64	1,300.81
Less: Depreciation/Amortisation/ Impairment	614.98	656.70	818.99	866.52
Profit/Loss before Finance Costs, Exceptional items and Tax Expense	592.29	429.38	579.65	434.29
Less: Finance Cost	126.74	170.39	129.18	171.85
Profit/Loss before Exceptional items and Tax Expense	465.55	258.99	450.47	262.44
Add/(Less): Exceptional items	-	-	-	50.80
Profit/Loss before Tax Expense	465.55	258.99	450.47	211.64
Less: Tax Expense (Current & Deferred)	181.37	128.24	155.88	118.08
Profit/Loss for the year (1)	284.18	130.75	294.59	93.56
Total Comprehensive Income/Loss (2)	(1.35)	3.29	(1.22)	3.79
Total (1+2)	282.83	134.04	293.37	97.35
Earnings Per Share (EPS) of Re.1/- each	1.06	0.49	1.09	0.41

COMPANY'S PERFORMANCE

Your Company has earned Total Revenue of Rs. 6288.32 million for the financial year ended 31 March, 2019, as compared to Rs. 10978.37 million in the previous financial year ended 31 March, 2018. The Company has recorded a Net Profit after Tax of Rs. 284.18 million for the financial year ended 31 March, 2019 as compare to the Net Profit after Tax of Rs. 130.75 million for the financial year ended 31 March, 2018.

COMPANY'S STATE OF AFFAIRS & OPERATIONS

Your Company is a leading domestic manufacturer of Vinyl Flooring and Synthetic leather and is among the top four producers of Vinyl Flooring globally. The Company's main products include Vinyl Flooring, Synthetic Leather, Luxury Vinyl Tile (LVT). The major clients of the Company are from different sectors such as healthcare, hospitality, transportation, IT and telecom, retail, education, sports, infrastructure and real estate. The Company has a wide distribution network and export its products world-wide over more than 70 countries.

In the financial year 2019, your Company has launched a new and innovative breakthrough product 'IMPACT' under Luxury Vinyl Tile (LVT) category. Owing to its superior and unique eminence, viz easy installation, adhesive free, heavy traffic endurance and excellent sound insulation etc., LVT is achieving huge importance across the globe. Apart from focusing on higher margin products, your Company is setting up a LVT manufacturing unit in UAE to expand its geographical footprints and reap the benefit of UAE's strategic location. Being a first mover Indian Company in LVT category along with a firm balance sheet and well differentiated product portfolio, your Company is well placed to seize the tremendous untapped growth opportunity lying in this business segment. During the year under review there were no significant change in the nature of business carried on by the Company and its subsidiaries.

DIVIDEND

Based on Company's performance, the Directors have recommended a dividend of Re. 0.12 per equity share of face value of Re.1/- each (at the rate of 12%), payable to those eligible shareholders whose name appear in the Register of Members as on Cut-off Date. The total dividend to be paid on equity shares for the financial year 2019 is Rs. 32.03 million. The dividend tax payable on dividend declared is Rs. 6.51 million. The dividend will be paid in accordance with the Company's dividend distribution policy which is also available on the website of the Company www.responsiveindustries.com/policies.

TRANSFER TO RESERVES

The Board of Directors has decided not to transfer any amount to reserves for the year under review.

SHARE CAPITAL

The paid up equity share capital as on 31 March, 2019 stood at Rs. 266.91 million. During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock options or sweat equity shares. As on 31 March, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company. During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

Domestic Subsidiary

Axiom Cordages Limited, material non listed subsidiary incorporated in the year 15 April, 1999 is a rope manufacturing company. The Total Revenue of the Company stood at Rs. 1,525.39 million (Previous year: 2,003.29 million) and the Profit after tax for the year stood at Rs. 14.79 million (Previous year: Rs. (35.32) million).

Foreign Subsidiaries

Responsive Industries Limited, Hong Kong incorporated in the year 2017 is a wholly owned subsidiary. The Company has recorded loss of 10,031 USD (equivalent to Rs. 6,73,707) for the year ended 31 March, 2019.

Responsive Industries Limited, UAE incorporated in the year 2018 is a step down subsidiary of the Company. The Company has recorded profit of 4,754 USD (equivalent to Rs. 3,19,291) for the ended 31 March, 2019.

Axiom Cordages Limited, Hong Kong incorporated in the year 2017 is a step down subsidiary of the Company. The Company has recorded profit of 19,795 USD (equivalent to Rs.13,29,482) for the ended 31 March, 2019.

Axiom Cordages Limited, UAE incorporated in the year 2018 is a step down subsidiary of the Company. The Company has recorded profit of 3,537 USD (equivalent to Rs. 2,37,487) for the year ended 31 March, 2019.

The policy for determining Material Subsidiary of the Company is available on the website of the Company at www.responsiveindustries.com/policies. The Company does not have any Associate Company & Joint Venture.

The requirement of appointing Independent Director of the Company on the Board of the Indian subsidiary company has been duly complied with. The requirements of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements), Regulations, 2015 ("SEBI Listing Regulations") with regard to subsidiary company have been complied with.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with the "Ind AS" issued by the Institute of Chartered Accountants of India.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the Financial Statements of subsidiaries/ associate companies/ joint ventures is given in Form AOC-1 which forms an integral part of this Report.

Further, pursuant to the provisions of Section 136 of the Act, the Standalone and Consolidated Financial Statements along with relevant documents of the Company and separate Audited Financial Statements in respect of subsidiaries are available on the website of the Company at www.responsiveindustries.com/financial-results.

The Financial Statements of foreign subsidiaries Responsive Industries Limited, Hong Kong and foreign step down subsidiary Axiom Cordages Limited, Hong Kong are prepared in accordance with the Hong Kong Financial Reporting Standards for private entities (HKFRS for PE) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and in Compliance with the Hong Kong Companies Ordinance.

The Financial Statements of foreign step-down subsidiaries Responsive Industries Limited, UAE and Axiom Cordages Limited, UAE are prepared in accordance with International Financial Reporting Standards.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provision of Regulation 34 of the SEBI Listing Regulations (LODR), 2015 and amendments thereto the Management Discussion and Analysis Report is provided as "Annexure A" forming part of this Annual Report.

CORPORATE GOVERNANCE REPORT

As per Regulation 34(3) read with Schedule V of the SEBI Listing Regulations (LODR), 2015 and amendments thereto a separate Section on corporate governance practices followed by the Company, together with a certificate from the Company's Secretarial Auditors confirming compliance are provided as "Annexure B" Corporate Governance Report forming part of this Annual Report

EXTRACT OF ANNUAL RETURN

Extract of the Annual Return in form MGT 9, as required under Section 92(3) of the Companies Act, 2013 is provided as "Annexure C" forming part of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments

The Board on recommendation of Nomination and Remuneration Committee ("NRC") has appointed Mr. Rajiv Kumar Bakshi (DIN: 00264007) and Ms. Bhumika Jain (DIN: 08083360) as Additional Directors (Independent Non-Executive) with effect from 17 October, 2018 and 24 May, 2019 respectively for a term of 5 (Five) years subject to approval of members. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rajiv Kumar Bakshi and Ms. Bhumika Jain as Independent Directors of the Company for a term of 5 (Five) years. Their brief profiles along with the resolutions seeking members' approval for their appointments forms part of the Notice convening the ensuing Annual General Meeting.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company and professional fees for rendering professional services.

The Board on recommendation of NRC has appointed Mr. Mehul Vala (DIN: 08361696) as Whole Time Director designated as Chief Executive Officer with effect from 14 February, 2019 for a period of 3 years subject to approval of shareholders.

In terms of Section 161 of the Act, Mr. Mehul Vala holds office up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with requisite amount of deposit under Section 160 of the Companies Act, 2013 proposing Mr. Mehul Vala's name for the office of Directorship for 3 (Three) years. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Mehul Vala as Whole Time Director designated as Chief Executive Officer of the Company. The brief profile of Mr. Mehul Vala along with a resolution seeking members' approval for his appointment forms part of the Notice convening the ensuing Annual General Meeting.

The Board on recommendation of NRC appointed Mr. Mrunal Shetty (DIN: 08362895) as Additional Director designated as Chief Financial Officer with effect from 14 February, 2019.

In terms of Section 161 of the Act, Mr. Mrunal Shetty holds office up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with requisite amount of deposit under Section 160 of the Companies Act, 2013 proposing Mr. Mrunal Shetty's name for the office of Directorship. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Mrunal Shetty as Director designated as Chief Financial Officer of the Company. The brief profile of Mr. Mrunal Shetty along with a resolution seeking members' approval for his appointment forms part of the Notice convening the ensuing Annual General Meeting.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on 31 March, 2019 are: Mr. Mehul Vala, Chief Executive Officer and Whole Time Director, Mr. Mrunal Shetty, Chief Financial Officer & Executive Director, and Ms. Ruchi Jaiswal, Company Secretary.

Resignation and Retirement

Mr. Jagannadham Thunuguntla (DIN:02254282), Non-Executive Independent Director of the Company who was re-appointed in the Annual General Meeting held on 08 June, 2018 for second term of 5(Five) years has resigned from the office with effect from 21 August, 2018 due to preoccupation. The Director has confirmed that the resignation is purely personal in nature and there is no other material reason other than those provided. The disclosure in this regard is available on the Company's website at www.responsiveindustries.com/news-announcements.

Mrs. Rohini Agarwal (DIN: 08057122) who was appointed as Non-Executive Director with effect from 02 May, 2018 in the Annual General Meeting held on 08 June, 2018 has resigned from the office with effect from 14 February, 2019 due to preoccupation. The disclosure in this regard is available on the Company's website at www.responsiveindustries.com/news-announcements.

Mr. Rajesh Pandey (DIN: 00092767) who was appointed as Executive Director of the Company with effect from 30 October, 2006 has resigned from the office with effect from 27 February, 2019 due to preoccupation. The disclosure in this regard is available on the Company's website at www.responsiveindustries.com/news-announcements.

Re-appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013 and read with the Article 24 of the Articles of Association of the Company, Mr. Rishabh Agarwal (DIN: 05011607) being longest serving Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Accordingly, the Board recommends a resolution in relation to his re-appointment as Director of the Company. A resolution seeking members' approval for his appointment forms part of the Notice convening the ensuing Annual General Meeting.

Change in Designation

Mr. Rishabh Agarwal (DIN: 05011607) was appointed as Managing Director of the Company with effect from 02 May, 2018 in the Annual General Meeting held on 08 June, 2018 for a term of 5 (Five) years. In the Board meeting held on 14 February, 2019 he was re-designated as Non-Executive Chairman of the Company. His terms of appointment as Managing Director stand rescind with effect from 14 February, 2019.

DECLARATION BY INDEPENDENT DIRECTOR

Pursuant to the provisions of Section 149 of the Companies Act, 2013 the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations (LODR), 2015. Further there has been no change in the circumstances affecting their status as Independent Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors of the your Company to the best of their knowledge state that:

- (a) in the preparation of the Annual Financial Statements for the year ended 31 March, 2019, the applicable Indian Accounting Standards (Ind AS) have been followed and there are no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2019 and of the Profit & Loss of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Accounts have been prepared on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (f) the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

BOARD MEETINGS

During the year, 6 (Six) Board Meetings were held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. As stipulated by Code of Independent Directors under the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 14 February, 2019 to review the performance of Non-Independent Directors, Chairman and the Board as a whole. The meeting details are provided in "Annexure B" Corporate Governance Report, forming part of this Annual Report.

BOARD COMMITTEE

The Board has formed various Committees as required under the Companies Act, 2013 and the SEBI Listing Regulations (LODR), 2015. Detail report on composition of Committees, number of meeting held during the year and the changes in the composition during the year are provided in "Annexure B" Corporate Governance Report forming part of this Annual Report.

BOARD EVALUATION

Pursuant to Section 178(2) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and as per the provision of Schedule IV of the Companies Act, 2013 (Code for Independent Directors), and SEBI Listing Regulations (LODR), 2015 and amendments thereto performance evaluation of Board and that of its Committees and individual Directors was carried out.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Independent Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, participation by all Directors and developing consensus amongst the Directors for all decisions.

In a separate meeting of Independent Directors held on 14 February, 2019, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the view of the Executive Directors and Non-Executive Directors. Also the quality, quantity and timeliness of flow of information between the Company management and the Board were assessed that was deemed necessary for the Board to effectively and reasonably perform their duties.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company's policy on Director's appointment and remuneration as required under Sub-Section (3) of Section 178 of the Companies Act, 2013, is provided in "Annexure B" Corporate Governance Report forming part of this Annual Report. The policy is also available on the website of the Company at www.responsiveindustries.com/policies.

AUDITORS AND AUDIT REPORTS

Statutory Auditor

Pursuant to Section 139 of the Companies Act, 2013 and Rules made there under, M/s SGGCO & Co. LLP, (Firm Reg. No: 112081W/W100184) was appointed as Statutory Auditor of the Company for a period of 5 (Five) consecutive years, from the conclusion of the 35th AGM till the conclusion of the 40th AGM of the Company, subject to ratification by the members at every AGM held after that. The requirement for annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on 07 May, 2018. Hence the same does not form part of Notice of the ensuing Annual General Meeting.

The Board on recommendation from Audit Committee has appointed M/s Shah and Taparia (Firm Reg. No. 109463W) as Joint Statutory Auditors' of the Company in the Board meeting held on 24 May, 2019 for a term of 5 (Five) years subject to approval of shareholders.

The firm has confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed thereunder for being appointed as Auditors of the Company. Accordingly, the Board recommended to the shareholders for their appointment as Statutory Joint Auditors' of the Company for a consecutive term of 5 (Five) years and brief profile along with a resolution seeking member's approval for the appointment forms part of the Notice convening ensuing Annual General Meeting.

Audit Report

The Statutory Auditor's Report (Standalone & Consolidated) for the financial year ended 31 March, 2019 does not contain any qualification, reservation or adverse remark and is prepared as per "Ind AS." and form part of this Annual Report.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to get its cost records audited and the audit shall be conducted by a Cost Accountant in practice who shall be appointed by the Board on such remuneration as may be determined by the Board subject to approval of the members of the Company.

On recommendations of Audit Committee, the Board has appointed M/s. S.K. Agarwal & Associates (Mem No.: 7880) to audit the Cost Accounts of the Company for the financial year 2019-20. Further the Board recommended for members' approval remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand Only annually) plus applicable taxes and out of pocket expenses payable to the Cost Auditor for the financial year 2019-20. Accordingly, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

Internal Auditor

Pursuant to Section 138 of the Companies Act, 2013 and on recommendation received from Audit Committee, the Board has appointed M/s Shambhu Gupta & Co. Chartered Accountants, Mumbai, (Firm Reg No: 007234C) as an Internal Auditors of the Company to conduct Internal Audit for the financial year 2019-20, at a remuneration of Rs. 12,00,000/- (Rupees Twelve Lakhs Only) per annum plus applicable taxes and out of pocket expenses.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. P.P. Shah & Co., Practising Company Secretaries, Mumbai (CP No:436) to undertake the Secretarial Audit of the Company for the financial year 2019-20 at a total remuneration of Rs. 60,000/- (Rupees Sixty thousand Only annually) plus applicable taxes and out of pocket expenses. The Secretarial Audit Report in Form MR-3 for the financial year 2018-19 is annexed herewith as "**Annexure D**" forming part of this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except for Non-appointment of Chief Financial Officer (CFO) and partial spending of amount towards Corporate Social Responsibility.

Pursuant to the provision of Section 203(1) of the Companies Act, 2013, the Company has appointed Mr. Mrunal Shetty as Chief Financial Officer of the Company w.e.f. 14 February, 2019. Further the Company has been working on identifying suitable projects for spending unspent CSR amounts to serve the needy section of the society.

PUBLIC DEPOSITS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Internal Audit Department monitors and evaluates the efficiency and adequacy of Internal Control System in the Company, its compliance with operating systems, accounting procedures and policies of the Company and its subsidiaries. Based on the report of internal audit function, corrective action are undertaken in the respective areas to strengthen the controls and to enhance the effectiveness of the existing system. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Internal Financial Control

As per Section 134(5)(e) of the Companies Act, 2013, Internal Financial Control means the policies and procedures adopted by the Company for ensuring:

- accuracy and completeness of the accounting records
- safeguarding of its assets, prevention and detection of fraud

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting, and the reviews performed by management and the Audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively as on 31 March, 2019. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

REPORTING OF FRAUD BY AUDITORS

During the year under review there are no instance of any fraud reported by Statutory Auditor or Secretarial Auditor or Cost Auditor under Section 143(12) of the Companies act, 2013, by the Company or any fraud on the Company by its officers or employee, the details of which is needed to disclosed in the Board's Report.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

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

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTY

All Related party Transactions that were entered into during the financial year 2018-19 were in the ordinary course of business and on arm's length basis. The Company has not entered into any contract/arrangement/transaction with related parties which could be considered material in nature as per Regulation 23 of the SEBI Listing Regulations (LODR), 2015 and amendments thereto and Company's policy on Related Party Transactions. All Related Party Transactions are placed before the Audit Committee and Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive in nature. Your Directors draw attention of the members to note no. 32 to the Standalone Financial Statement which sets out related party disclosures. The policy adopted by the Board on Material Related Party Transactions is available on the website of the Company at www.responsiveindustries.com/policies.

RISK MANAGEMENT

The Company has formed Risk Management Committee and also laid down the procedures to inform the Board about the risk assessment and minimization procedures and the Board has formulated Risk Management Policy to ensure that the Board, its Audit Committee and its management should collectively identify the risks impacting the Company's business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy strategy. At present there is no identifiable risk which, in the opinion, of the Board may threaten the existence of the Company. The details of composition and terms of reference of the Risk Management Committee are provided in "Annexure B" Corporate Governance Report forming part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The Company has formulated Corporate Social Responsibility Committee under Section 135 of the Companies Act, 2013, and has developed a CSR Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The CSR Policy is also available on the website of the Company at www.responsiveindustries.com/policies. Detail report on CSR activities undertaken during the financial year 2018-19 are provided in “Annexure E” Report on Corporate Social Responsibility forming part of this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, required information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo are provided in “Annexure F” forming part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of SEBI Listing Regulations (LODR), 2015 the Annual Report of the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year), shall contain Business Responsibility Report (“BRR”) describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the SEBI from time to time.

Our Company does not fall in the list of top five hundred listed entities as per market capitalization calculated as on 31 March, 2018. However the Company voluntarily continuing the submission of Business Responsibility Report for the financial year 2018-19 as “Annexure G” forming part of this Annual Report.

BUYBACK OF SHARES

During the year the Company has passed Special Resolution vide Postal Ballot dated 05 December, 2018 for buyback of equity shares not exceeding 2,07,50,000 (Rupees Two Crores Seven Lakhs Fifty Thousand Only) shares at the price of Rs. 77/- (Rupees Seventy Seven Only) per equity shares for aggregate amount upto Rs. 15977.50 Lakhs (Rupees One Hundred Fifty Nine Crores Seventy Seven Lakhs and Fifty Thousand Only). Since the price of the equity shares of the Company has been more or less above Rs. 90/- (Rupees Ninety Only) and the Board was of the opinion that the buyback exercise may not evoke any response and hence, the Board in the meeting held on 04 December, 2018 has decided to review the buyback program and deferred the same for rework on buyback scheme.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTOR

All the Independent Directors inducted on the Board were familiarised with the working of the Company. Further at the time of appointment of Independent Director, the Company issue formal appointment letter outlining his/her role, function, duties, responsibilities and right to access information. The appointment letters are available on the website of the Company at www.responsiveindustries.com/news-announcements. The details of familiarization program are provided in “Annexure B” Corporate Governance Report forming part of this Annual Report and also posted on the website of the Company at www.responsiveindustries.com/news-announcements.

MATERIAL CHANGES

Pursuant to disclosures under Section 134(3)(L) of the Companies Act, 2013, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year 2018-19 of the Company and date of this report.

ALTERATION IN THE MAIN OBJECT OF MEMORANDUM OF ASSOCIATION:

During the year the Company has altered the Main Object of the Memorandum of Association (the "MOA") by passing Special Resolution vide Postal Ballot as on 05 December, 2018 by incorporating therein object:

- i) To carry business and deal in precious stones & jewelry.
- ii) To carry business and deal in commodity, equity, currency, forex market in India or abroad.

ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION

The Company has adopted new set of Articles of Association ("AOA") of the Company under the Companies Act, 2013 by passing Special Resolution vide Postal Ballot as on 05 December, 2018.

GROUP

Pursuant to intimation from the promoters, the names of the promoters & entities comprising the "Group" are disclosed in the Annual report for the purpose of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 in "Annexure H".

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

PLEDGE OF SHARES

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

DETAILS OF EMPLOYEE STOCK OPTION SCHEME

The Company has approved RESPONSIVE INDUSTRIES LIMITED – Employees Stock Option Scheme 2018 (RESPONSIVE ESOS 2018) in the Annual General meeting held on 08 June, 2018. The Company has not granted any option under the Scheme during the financial year 2018-19.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In line with the best corporate governance practices, Company has put in place a system through which the Directors and employees may report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is also available on the website of the Company at www.responsiveindustries.com/policies.

PARTICULARS OF EMPLOYEES

Pursuant to Section 197(12) of the Companies Act, 2013 and other disclosures as Per Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 there were no employees of the Company drawing remuneration exceeding the specified limit during the year under consideration, hence the details prescribed under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is provided in "Annexure I" forming part of this Annual Report.

ENVIRONMENT AND SAFETY

Environment, Health and Safety (EHS) is an important part of our business and are strictly followed, at all of the Company's processes. For attaining sustainable growth, the Company is following all the required EHS audits for maintaining efficient Work Ecosystem.

HUMAN RESOURCES

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

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

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

ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company opines that its business can bring about transformational change by pursuing innovative business models those synergies the creation of sustainable livelihoods and the preservation of natural capital with enhancing shareholder value. Your Company's aim to create larger 'stakeholder value', as opposed to merely safeguarding 'shareholder value', is the motivating strength that defines your Company's sustainability vision and its progress into the future. By enhancing an empowerment in creativity and innovation throughout the organisation combined with accountability will drive the Company's performance and improves effectiveness, thereby enhancing shareholder value. This is further supported by prudent risk management framework. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions, increase in earnings and dividends, positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the support given by the Customers, Dealers, Distributors, Suppliers, Bankers, various departments of the Central and State Governments, Local Authorities and members of the Company. Your Directors would further like to record their appreciation for the unstinted effort put by all Employees of the Company during the year.

For and on behalf of the Board of Directors

Mr. Mehul Vala
Whole Time Director & CEO
DIN:08361696

Mr. Mrunal Shetty
Director & CFO
DIN:08362895

Place: Mumbai
Date: 24 May, 2019

MANAGEMENT DISCUSSION & ANALYSIS REPORT

GLOBAL ECONOMY OVERVIEW

The fiscal year 2019 observed a range bound economic growth, mainly backed by the continued strong momentum of the US economy. However what began with as a strong and synchronized growth, gradually lost its momentum and growth trends started to diverge. The increased debt and muted investment growth in developing economies are hindering these countries from achieving their potential. Significant structural reforms, improvement in business climate and attracting investments are necessary to reverse the downwards growth trend. The International Monetary Fund (IMF) expects growth to decelerate to 3.3% in 2019 and its projections suggest that all three major engines of the global economy, viz. US, China and Euro area are likely to decelerate in 2019. On the positive side, however, IMF expects world economic output to recover and grow at 3.6% in 2020.

INDIAN ECONOMY OVERVIEW

India continues to be one of the fastest growing economies in the world and this trend is expected to continue in the financial year 2019-20. India's GDP is estimated to have grown by 6.8% this year as compared to 6.7% in the previous year, as per second advanced estimates issued by the Central Statistics Organisation. The Indian Rupee depreciated by 74.3 per USD mark mid-year before recovering sharply to 68-69 per USD by the end of FY19. It depreciated by about 3% in real effective terms.

The Government of India, under the "Make in India" initiative, has provided the right environment to give a boost to the manufacturing sector and aims to increase, the GDP growth rate and also a increase the purchasing power of the average Indian. Apart from these, the Government of India is rigorously working on different spheres for an all-round economic growth. Initiatives such as "GST - One Nation One tax", "Start-Up India", Digital India", "Skill India", etc. are opening the path to futuristic and optimised economic growth in India. Moreover, SEBI (Securities Exchange Board of India) has allowed all types of investors to invest in the REIT (Real Estate Investment Trust) platform, creating opportunities worth Rs 1.25 trillion in the Indian market over the years.

INDUSTRY OVERVIEW

The need for infrastructure has also increased in order to accommodate a mammoth growth in population. Hence, Infrastructure investment has been a key component of the 2030 Sustainable Development Agenda as signed by the members of The United Nation Countries in 2015. Out of the 17 goals set in the agenda, an important goal is to Invest in Global infrastructure and innovation, which would again drive overall economic growth.

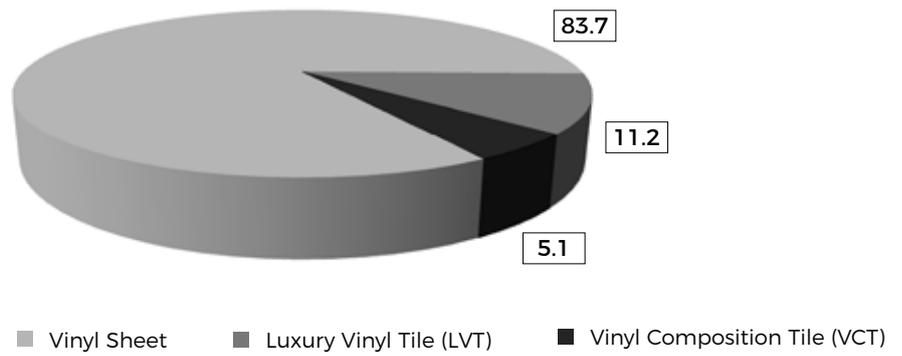
An increasing preference for a luxury lifestyle coupled with inflating income levels has stimulated the entire Flooring market growth. The global flooring market sales volume is expected to reach 17.5 bn sqm in 2024 from 13.8 bn sqm in 2018, growing at a CAGR of 4.0%.

The major players in the flooring market players are engaging in a wide range of innovations to reach new customers and expand product portfolios. Customer demand has been increasing significantly for environmentally friendly and affordable products

The government's boost to manufacturing has transforming India into a production hub. The rise in the construction of facilities and related infrastructure in industries, commercial real estate and warehousing has resulted in an increase in demand for industrial flooring in the long run. The growth in the forefront and trending flooring industries are discussed as follows:

Vinyl Flooring: The Indian Vinyl flooring market recorded a sales level of 40.1 mm sqm in 2018; it is expected to reach 52.0 mm sqm in 2024, exhibiting a CAGR of 4.4%. Additionally, Sales value of USD 807.4 million in 2018 is expected to reach USD 1361.4 million in 2024, growing at a CAGR of 9.1%. In India, the biggest growth in demand has been from customized flooring solutions for sports organizations, retail stores, restaurants, hospitals, schools, airports, pharma and other sectors

Indian Vinyl Flooring Market Share (%)



Source: IMARC Report

Vinyl Sheet

Vinyl Sheet usually comes in an aesthetic appeal i.e 6-12 feet along side seamless flooring. : In India, vinyl sheets are mainly used as flooring in healthcare and transport sector for flooring. The Vinyl Sheet market is expected to reach a volume of 42.9 mm sqm by 2024, exhibiting a CAGR of 4.0% during 2019-2024.

Vinyl Composition Tile (VCT): It is most commonly used for high traffic commercial applications and public spaces, such as retail stores and schools. The market for VCT is expected to reach a volume of 2.71 mm sqm by 2024, representing a CAGR of 4.7% during 2019-2024.

Luxury Vinyl Tile (LVT)

Luxury Vinyl Tile is a hard-surface flooring which imitates the appearance of natural materials. LVT is the most popular type of vinyl flooring, accounting for a market share of 52.6% in global vinyl flooring market. LVT represents the largest segment as it is a low-cost alternative for tile or planks.



Low Cost	Resists moisture, stain, scratches and daily wear and tear	Easy and quick installation
Real wood/stone like appearance	Low maintenance	Highly durable

Global LVT market: LVT segment offers customisation in 3D printing technology which adds depth and realism to it. The volume trends for LVT are expected to reach 841.3 mn sqm in 2024 from 557.9 mn sqm in 2018, establishing a CAGR of 7.1%

Indian LVT market: LVT accounts for 11.2% share in Indian flooring market of about 4.5 mn sqm in FY 2018. It has huge potential in terms of penetration in Indian Market. Going forward, the Indian LVT market is expected to reach a volume of 6.4 mn sqm by 2024, exhibiting a CAGR of 5.9% during 2018-2024.

SYNTHETIC LEATHER

Rapid industrialisation and strict legislation on use of real leather have assisted the growth of The Synthetic Leather market. Asia Pacific and Europe form the largest market for artificial leather. Artificial Leather products include chairs, sofas, footwear, bags, belts, diary covers, seating for transport vehicles etc. Global sales values accounted for USD 37 billion in 2017 and are expected to reach USD 56 billion in 2027. While, the Indian Synthetic leather market sales stood at Rs 55 billion in 2018 and is anticipated to reach Rs 78 billion by 2021.

GOVERNMENT INITIATIVES

Government aid has supported the growth of construction, infrastructure and real-estate sector with initiatives like 'Housing for All' and 'Smart Cities Mission'. The Government of India is working on eliminating bottlenecks and boosting growth in the infrastructure sector. Major initiatives taken by the government are discussed as follows:

- **Smart Cities Project:** The Government has extended financial support of Rs.1 trillion for the five year plan. i.e. on an average Rs 100 Crore per city per year, this along with the matching contribution by State would be invested in the selected 100 cities under smart cities development mission in between FY 2016 and FY 2020. Further more schemes like Smart Cities Awards Contest, 2017 and Appointment of Special Purpose Vehicles to govern it are also being processed.
- **Affordable Housing:** The "Housing for All" programme, launched in June 2015 through Pradhan Mantri Awas Yojana (PMAY), aims to build 20 million urban homes and 30 million rural houses by 2022. In the Interim Budget 2019-20, PMAY has received an allocation of Rs. 25,853 Crores as compared to Rs. 26,405 Crores in 2018. The Government of India has extended benefits under Section 80 IBA of the Income Tax Act upto 31 March, 2020 to promote affordable housing in India.
- **FDI Drive:** The Construction Development sector accounts for 6% of the total FDI inflows amounting to USD 1,503 million in FY 2019.
- **Infrastructural Upgradation:** Various upgradation tasks have been undertaken up by the government such as :
 - The Airports Authority of India (AAI) has developed and upgraded over 23 metro airports in the last 5 years. Moreover it aims to bring around 250 airports under operation across the country by 2020. The AAI plans to spend over Rs 21,000 Crore (USD 3.2 billion) between 2018-2022, to build new terminal and expand the capacity of existing ones
 - Metro rail projects worth over Rs 500 billion (USD 7.7billion) are underway in India and this sum will probably grow. Monorail Projects are being developed in Mumbai, Chennai, Pune, Thiruvananthapuram, Bengaluru, Thane, Delhi, Port Blair, Dehradun, Chandigarh etc.
- **Public Private Partnerships:** A total of 320 projects are on underway Public Private Partnership initiative's, costing about Rs 3,770 billion, thereby developing the entire Indian infrastructure model.

COMPANY OVERVIEW:

Responsive Industries Limited (hereafter referred as Responsive/Company) is a leading India-based manufacturer of polyvinyl chloride (PVC)-based products. The Company's main product verticals are Vinyl Flooring, Synthetic Leather, Luxury Vinyl Tile (LVT) and Shipping Ropes. The Company's products are marketed both in India and outside of it. The Company has been operating for greater than 30 years in the same industry. It has a state-of-the-art manufacturing facility in 65 acres park area located at Boisar, 120km, north of Mumbai. The Company holds total of 15 manufacturing lines and operates with an installed capacity of 92,500 square foot (sq.ft.) per annum, which includes 66,100 sq. ft. capacity for Vinyl Flooring and capacity of 26,400 square foot (sq.ft.) for Synthetic leather. The Company dominates in manufacturing across flooring and synthetic leather related PVC products. It has established itself as a leading player in India as well as in the world by completing more than 5,000 projects till date.

Products: Responsive has a diverse product portfolio that helps to cater to its varying customer needs. The Company has gained expertise on the operation, maintenance and application of its product lines with the help of an on-going research and development processes. Its major segments include the following:

- **Vinyl Flooring:** Vinyl flooring, also known as resilient flooring, is made of natural and synthetic polymer materials. Responsive is the leading manufacturer of Vinyl Flooring with over 500 SKUs (Stock Keeping Units) and over 30 product ranges. The application areas for Vinyl Flooring include Healthcare, Education, Sports and Safety & Transport.
- **Synthetic Leather:** The Company holds top position in manufacturing Synthetic Leather in India. It produces synthetic leather under 25 brands, over 105 series, 50 embosses and 48 colours. Its end users include Upholstery, Automotive, Transport, Footwear and Multipurpose. Its key features include tensile strength, durability, customised technical specialisation, ease of fabrication and advance fire retardation.
- **LVT:** The product features of LVT include easy installation requiring no adhesive to stick it to the floor, heavy traffic endurance and excellent sound insulation. Responsive has first-mover advantage as it is the first entrant in LVT market in India.
- **Shipping Ropes:** Responsive is also engaged in the Shipping Ropes business, through its subsidiary, Axiom Cordages Ltd. Shipping ropes product types include Polypropylene Polyester Tiger Rope, Nylon Polyamide and Multifilament Ropes.

Strong & Reputed Client Base: The Company has renowned clients for different application areas such as healthcare, sports, education, transport, hospitality etc. Their clients include Narayan Health, Seven Hills Hospital, Wockhardt Hospitals, American School of Bombay, Qatar University, Indian Railways, BEST buses, Volvo, SCANIA, Pan Pacific Singapore, The Ritz Carlton, Chhatrapati Shivaji International Airport. Etc.

STRATEGIES:

- **Transition to High Value-Added Products:** Responsive provides exhaustive product mix with extensive customisation options available to its customers. It is switching its business focus towards High Value added products like LVT, Contract and Semi-Contract Vinyl Sheets from Low value added products like Printed Flooring. Such a transition would be immensely beneficial in achieving higher profitability.
- **IMPACT LVT:** New Growth Story-The Company has added New and Innovative Product lines with the paragon of the same being our "IMPACT" range. Impact is classified as SPC (Stone Plastic Composite) or a Rigid Luxury Vinyl Tile (LVT) floor covering. Impact has its own unique characteristics, which include easy and quick installation, an adhesive free application, complete waterproofing, hair line joints, 20+ years of durability, and excellent strength to bear heavy traffic. It is designed to exact look & feel of natural wood and stone flooring. Owing to its specialised features, it would replace the markets for wooden flooring, carpet tiles etc. Its applications are versatile as it can be used anywhere and everywhere such as residential, hospitality, retail, and corporate offices etc.
Being a consumer facing product, Impact has widened our horizon of opportunities to B2C (Business to Consumer) in the flooring market, which will lead us to tapping retail markets. It is projected to tap a market opportunity of USD 7 billion and it's also the fastest growing sub segment with 15% CAGR.
- **Geographical Expansion:** Responsive has considerable market coverage across the world. Its geographical presence can be broadly classified into the following:
 - **Sales - Retail and distribution network:** The key goal of the Company is to increase growth and to achieve that, it has further planned 500 Retail Partner Outlet for LVT and the expansion of its current active distributor network to increase market penetration and thereby increase customer base for the Company.

- **UAE:** The Company is in the process of developing an LVT manufacturing facility in The UAE with an installed capacity of 86 million square feet per annum. This facility is strategically located in UAE, and can easily access all international markets. It has total planned capex of USD 30 million. The green-field plant is expected to generate revenues from FY 2020. This facility will produce IMPACT: Rigid Core Luxury Vinyl Tile products with a highly automated process in 24 wooden designs and 12 stone designs and a variety of sizes for across the world.
- **Long- term debt free policy:** The Company has adopted a lean balance sheet strategy and is willing to sustain it. It has no significant debt allowing financial flexibility to fund operations, meet financial obligations and pursue growth opportunities. The new UAE project in FY 2019 is being funded through internal accruals.
- **Highly Professional Management Team:** The Management team is young and progressive and has successfully transferred company to a sales driven organisation. Under their guidance the company has recruited highly talented sales heads who are tasked with exponentially growing revenue.
- **Marketing and Branding:** Our competitive position was developed in consultation with our people and clients and is strongly supported by a refreshed brand identity - IMPACT, our new product, details of which will be seen in this report. We are very proud of it and the initial feedback so far has been extremely positive. We work tirelessly understanding the ever changing consumers needs and their behaviours and habits in categories.

We believe that we will increase the value in Indian flooring markets through our products and brands. The new innovation allows your Company to lead the market as a disruptor in the age-old flooring market in India.

FINANCIAL REVIEW

Consolidated Revenue for the FY 2019 stood at Rs 7,750.38 million as compared to Rs 12,637.01 million in FY 2018. Consolidated EBITDA for the FY 2019 increased to Rs 1,398.64 million as compared to Rs 1,300.81 million in FY 2018, a growth of 7.52%. Consolidated PAT for FY 2019 stood at Rs 294.59 million as compared to Rs 93.56 million in FY 2018, a growth of 215.6%. The Earnings per Share (EPS) for FY 2019 grew almost three times to Rs 1.09 as compared to Rs 0.41 in FY 2018.

The Company recorded networth of Rs 10,815.20 million in FY19 as against Rs 10,554.34 million in FY18. It has repaid all its long term borrowings during the year. Consequently, total borrowings decreased by half to Rs 1,074.89 million in FY19 as compared to Rs 2,232.02 million in FY18.

Details of significant changes in Key Consolidated Ratios, if any (i.e. change of 25% or more as compared to the immediately previous financial year)

- Interest Coverage Ratio appreciated to 4.49x in FY19 as compared to 2.53x in FY18. This is mainly attributed to higher Earnings before Interest and Tax (EBIT) coupled with lower interest expense. The interest expense reduced to Rs 129.18 million in FY19 as compared to Rs 171.85 million in FY18 due to higher debt repayment.
- Debt equity ratio stood at 0.12 as on 31 March 2019 as compared to 0.36 as on 31 March, 2018. This is attributed to decrease in total borrowings followed by higher repayment of debt during the year. The Company has become a long term debt free Company in FY19.
- Operating Profit Margin (%) mounted to 14.89 % in FY19 as compared to 8.81 % in FY18 due to significant progress achieved by the Company in its strategy of transiting to high value added margin products.
- Net Profit Margin (%) appreciated to 3.80% in FY19 from 0.74% in FY18 as the higher operating profit was further supported by lower depreciation and interest expense.
- Return on Networth (RoNW) increased to 2.76% in FY19 as compared to 0.89% in FY18 due to significant improvement in net profit by 215%.

CORPORATE SOCIAL RESPONSIBILITY

The Company has contributed towards economic, social and environmental development thus creating a positive impact on society at large. It made a contribution of Rs 0.65 million in FY19 on health & medical care. Also, the Company has made a CSR Committee to monitor CSR related activities.

AWARDS

Responsive has gained valuable recognition in the industry in the form of following awards.

- Certificate of Excellence continuously for four years in between 2010-2013
- Emerging Company of the Year in 2011
- Bharat Nav Nirman Ratna Award by Indian Organization for Commerce and Industry
- Global Achiever's Awards for young Entrepreneur in 2012 from Economic Development Forum
- Global Achiever's Awards for Business Leadership in 2013
- Annual Reports Competition Vision Awards 2009-10 by League of American Communications Professionals LLC
- Appreciation Letter from the Honourable AI Gore
- Design OMICS Award in 2013

HUMAN CAPITAL

Human Resource is the biggest resource and asset for a firm. Employees are infused with a sense of belonging and empowerment that drives business profitability. The Company provides a stable atmosphere for development of different skills which enables it to recruit and retain quality professionals in all the fields.

ENVIRONMENT, HEALTH AND SAFETY (EHS)

Environment, Health and Safety (EHS) is a standard part of our business and is strictly followed, at each level of the Company's processes. For attaining sustainable growth, the Company is following all the required EHS audits for maintaining an efficient Work in order to Ecosystem.

QUALITY

The Company is committed towards best in class quality control processes and systems so as to manufacture absolute quality products and achieve a high customer satisfaction. In order to accomplish this, the Company focuses on vigorous efforts and adopts high end technological advancements.

INTERNAL CONTROL SYSTEM

The Company follows a strict internal control system. The Company has instituted adequate internal control and audit procedure that covers the key areas of operations. It has defined objectives and evaluation procedures for enhancing and improving the effectiveness of risk management control and governance processes.

RISK AND MITIGATION

Type of Risk	Risk Details	Risk Mitigation Measure
Regulatory & Reputational Risk	Plastics and downstream petrochemicals is increasingly coming under the Government radar for environmental impact. Risk is increased compliance and strictness of regulations.	The Company sticks to the meaning of its name, it is "Responsive" towards environment. We have programs such as "Pre & Post Consumer Cycle", "Clean Raw Materials (Phthalate Free)" "Responsive Green Initiative" etc. thereby reducing plastic pollution by recycling all of its products at the end of their life cycle.
Operational Risk	It is important for the Company to ensure high operational efficiency in order to ensure its competitiveness across the world.	The internal control team effectively handles the internal processes in terms of optimisation in energy conservation, technology absorption and capital efficiencies. It can handle any business complexity and reduce any complication by a considerable level.
Currency Risk	The Company is exposed to currency risks as its clients are spread across all over the world, which might have favourable or adverse effect on the Company.	The risk is mitigated to some extent as the Company has set up its manufacturing unit in UAE for expanding its LVT business. The UAE Dirham is a pegged currency and not a free float. In addition, the Company further optimises this risk by tracking of currency movements on an on-going basis and taking business decisions based on the same.
Input Risk	The cost of raw material prices used in manufacturing vinyl flooring components like limestone, glass fibre and vinyl have high elasticity in terms of demand and supply factors. Such factors if increased or decreased, affects the profit margin of the Company.	The Company establishes clear terms with suppliers regarding raw material prices, determines which commodities need a dedicated strategy and accordingly implement a risk-mitigation plan. It also tracks price changes and maintains raw material savings targets related to market prices.

STATEMENT OF CAUTION

Statements in the "Management Discussion and Analysis" describing the Company's objectives, projections, estimates and expectations or predictions may be 'forward looking statement' within the meaning of applicable securities laws and regulations. Actual results could differ substantially and materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions effecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and incidental factors.

For and on behalf of the Board of Directors

Mr. Mehul Vala
Whole Time Director & CEO
DIN:08361696

Mr. Mrunal Shetty
Director & CFO
DIN:08362895

Place: Mumbai
Date: 24 May, 2019

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

The Company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel and its employees. In addition, the Company has adopted Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The Company also laid down under Insider Trading Regulations, Insider Trading Code and Code on fair disclosure of unpublished price sensitive information to safe guard interest of the shareholders.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C and para D of Schedule V of SEBI Listing Regulations (LODR) as applicable, with regard to corporate governance.

II. BOARD OF DIRECTORS

Board diversity

Company recognises the benefits of a Board that possesses a balance of skills, experience, expertise and diversity for effective decision making. Diversity at the Board level is an important element in strong corporate governance. The Board diversity enhances decision-making capability and a diverse Board is more effective in dealing with organizational changes and less likely to suffer from group thinking. The Board diversity policy adopted by the Board is available on the website of the Company at www.responsiveindustries.com/policies.

Composition:

Regulation 17 of the SEBI Listing Regulations (LODR) has mandated that the Company having Non-Executive Chairman who is also a Promoter shall have half of the Board independent. Further SEBI Listing Regulations (LODR) (Amendments) 2018 has mandate the Board of top 500 listed companies to have at least one Woman Director on the Board. The Board of the Company is having appropriate mix of Executive, Non-Executive and Independent Director.

As on 31 March 2019, the Board comprises of total Six (6) members, One (1) Non-Executive Chairman, Two (2) Executive Directors and Three (3) Independent Non-Executive Directors out of which One (1) is a Woman Director. Hence the composition of the Board is in conformity with SEBI Listing Regulations (LODR) and amendments thereof.

The details of Board members along with their tenure during the financial year 2018-19 are as follows:

Name of Director	Category	Date of Appointment/ Reappointment	Date of cessation
Mr. Atit Agarwal	Non-Executive Chairman & Promoter	01.06.2016	1.10.2018
Mr. Rishabh Agarwal	Managing Director & Promoter (re-designated as Non Executive Chairman)	02.05.2018 14.02.2019	---
Mr. Rajesh Pandey	Executive Director	30.10.2006	27.02.2019
Mr. Mehul Vala	Whole Time Director designated as CEO	14.02.2019	---
Mr. Mrunal Shetty	Executive Director designated as CFO	14.02.2019	--
Mrs. Rohini Agarwal	Non-Executive Director	02.05.2018	14.02.2019
Mr. Shobha Singh Thakur	Independent Director (re-appointed for 2nd term)	09.11.2010 29.09.2017	--
Mr. Jagannadham Thunuguntla	Independent Director (re-appointed for 2nd term)	22.09.2015 08.06.2018	21.08.2018
Ms. Jyoti Rai	Independent Director (re-appointed for 2nd term)	13.02.2015 08.06.2018	---
Mr. Rajiv Kumar Bakshi	Independent Director	17.10.2018	---

Details of the Directorships and Committee Chairmanship/membership held by the Directors in other companies as on March 31, 2019 are as under:

Name of Director	No. of Directorships in other Companies ¹	No. of Board Committees of other companies in which Member/Chairperson ^{1&2}		Name of the other Listed Entity(ies) in which the Director hold Directorship
		Member	Chairperson	
Mr. Rishabh Agarwal	3	-	-	-
Mr. Mehul Vala	-	-	-	-
Mr. Mrunal Shetty	-	-	-	-
Mr. Rajiv Kumar Bakshi	4	5	1	NR Agarwal Industries Limited, Independent Director WH Brady & Co. Limited, Independent Director
Mr. Shobha Singh Thakur	7	3	3	Kamat Hotels (India) Limited, Independent Director
Ms. Jyoti Rai	2	-	-	-

Notes:

1. Directorship(s) and membership(s)/ Chairmanship(s) in the Committees of the Board of Directors exclude Responsive Industries Limited, foreign Companies, Companies formed under Section 25 of the Companies Act, 1956 and Section 8 of the Companies Act, 2013.

2. Chairmanship/ Membership of Committee only include the Audit Committee and Stakeholders' Relationship Committee in other Indian Private & Public Companies (Listed and Unlisted & excludes Responsive Industries Limited).
3. None of the Directors hold Directorship in more the Eight (8) Listed Entities as per Regulation 17A of the Listing Regulations.
4. No Director holds membership(s) of more than Ten (10) Committees of any Board, nor, is a Chairperson of more than Five (5) Committees of any Board across all listed companies with which he/ she is associated as a Director.
5. The particulars of Director seeking re-appointment at the forthcoming AGM are provided in the Notice to the Annual General meeting. The brief profile of the Directors is also placed on the website of the Company.
6. The tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under SEBI Listing Regulations (LODR) and Section 149 of the Companies Act, 2013.
7. None of the Directors have any inter-se relation among themselves.

Board Meetings

During the year, 6 (Six) Board meetings were held on 02 May 2018, 18 July 2018, 10 September 2018, 17 October, 2018, 04 December, 2018 and 14 February, 2019 and the particulars of attendance of the Directors are as under

Name of Director	Attendance at AGM held on 08/06/2018	No. of Board meetings held during tenure	No of Board Meeting attended
Mr. Atit Agarwal	Yes	3	3
Mr. Rajesh Pandey	Yes	6	5
Mr. Rishabh Agarwal	Yes	6	6
Mrs. Rohini Agarwal	Yes	6	3
Mr. Shobha Singh Thakur	Yes	6	6
Mr. Jagannadham Thunuguntla	Yes	2	2
Ms. Jyoti Rai	Yes	6	4
Mr. Rajiv Kumar Bakshi	---	3	3
Mr. Mehul Vala	---	1	1
Mr. Mrunal Shetty	---	1	1

The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company at www.responsiveindustries.com.

Meeting of Independent Directors

Schedule IV of the Companies Act, 2013 and the Rules thereunder mandate that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of the Management. During the year under review, separate meeting of the Independent Directors was held on 14 February, 2019 to review the performance of Non-Independent Directors, Chairman and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

Board Skill / Expertise / Competence

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Business understanding	Industry knowledge/experience & technical expertise, understanding global business and its dynamics, various geographical markets, industry trends and verticals, regulatory jurisdictions, Brand building, sales and marketing expertise.
Strategic Skill & Planning	Understanding Company's strategic objectives and choices, strategic thinking, experience in guiding and leading management in decision making in uncertain environment, analysis and reporting and leadership.
Governance	Understanding the roles and responsibilities of the Board member within the governance framework and developing best corporate governance practices, serving to the best interest of all stakeholders and building long term relationship with them, driving corporate ethics and values, ability to display independence in word and actions.
Human Resource	Ability to oversee strategic human resource requirement and management, determining appropriate mix of executive & non-Executive directors on Board, levels of remuneration to Directors, KMPs, and succession plan.

III. COMMITTEES OF THE BOARD

The Board has formed various Committees as required under Companies Act, 2013 and SEBI Listing Regulations (LODR). The Board reviews and amendment the policies/terms of reference of the Committee as and when needed. The Board has formed following Committees:

Audit Committee

The Audit Committee is constituted as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations (LODR) read with Part C of Schedule II and amendments thereto. Members of the Audit Committee possess financial/accounting expertise. The Audit Committee invites executives, as it considers appropriate, representatives of Statutory Auditors and Internal Auditors to present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.

Composition:

As on 31 March 2019, the Committee comprises of following members:

Name	Designation
Mr. Shobha Singh Thakur	Chairman
Mr. Rajiv Kumar Bakshi (Inducted w.e.f 17 October, 2018)	Member
Ms. Jyoti Rai	Member

Mr. Jagannadham Thunuguntla and Mr. Rajesh Pandey ceased to be the members of the Committee with effect from 21 August, 2018 and 27 February, 2019 respectively. Mr. Mrunal Shetty is appointed as member of the Committee in the Board meeting held on 24 May, 2019.

Meetings & Attendance:

During the year under review, the Committee met 4 (Four) times on 02 May 2018, 18 July 2018, 17 October 2018 and 14 February 2019 and not more than one hundred and twenty days lapsed between two consecutive meetings of the Audit Committee.

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

Name of the Member	Designation	No. of Committee meetings held during tenure	No of Committee Meeting attended
Mr. Shobha Singh Thakur	Chairman	4	4
Mr. Rajesh Pandey	Member	4	4
Mr. Jagannadham Thunuguntla	Member	2	2
Ms. Jyoti Rai	Member	4	3
Mr. Rajiv Kumar Bakshi	Member	2	2

Terms of reference:

The terms of the policy has been revised by Board on 24 May, 2019 in order to incorporate the provisions of SEBI Listing Regulations (LODR) (Amendments) Regulations, 2018.

Powers of Audit Committee

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

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
- Approving payment for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the Annual Financial Statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft Audit report;
- Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of Internal Financial Controls and Risk Management Systems;
- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with Internal Auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.

Review of Information by Audit Committee:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Review the statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nomination & Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted under Section 178 of the Companies Act, 2013 and pursuant to the provisions of Regulation 19 of SEBI Listing Regulations (LODR). The Committee has formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The Committee has developed the criteria for appointment of Independent Directors, Non-Executive Directors and Executive Directors in compliance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 read with Part D of Schedule II and amendments thereto.

Composition:

As on 31 March 2019, the Committee comprises of following members:

Name	Designation
Mr. Shobha Singh Thakur	Chairman
Mr. Rajiv Kumar Bakshi (Inducted w.e.f 17 October, 2018)	Member
Ms. Jyoti Rai	Member

Mr. Jagannadham Thunuguntla ceased to be member of the Committee with effect from 21 August, 2018.

Meetings & Attendance:

During the year under review, the Committee met 3 (Three) times on 02 May 2018, 17 October, 2018 and 14 February, 2019.

Names of the Committee Members along with their attendance during the financial year 2018-19 are given below:

Name of the Member	Designation	No. of Committee meetings held during tenure	No of Committee Meeting attended
Mr. Shobha Singh Thakur	Chairman	3	3
Mr. Jagannadham Thunuguntla	Member	1	1
Ms. Jyoti Rai	Member	3	2
Mr. Rajiv Kumar Bakshi	Member	2	2

Terms of Reference:

The terms of the policy has been revised by Board on 24 May, 2019 in order to incorporate the provisions of SEBI (LODR) (Amendments) Regulations, 2018.

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management Level in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- To formulate the criteria for evaluation of performance of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To deal with the matters relating to the remuneration payable to Whole Time Directors, Key Managerial Personnel and Senior Management Executives and commission, if any, to be paid to Non-Executive Directors, apart from sitting fees.

- To review the overall compensation policy, service agreement and other employment conditions of Whole Time Directors, Key Managerial Personnel and Senior Management Executives.
- To evaluate whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- To deal with other matters as the Board may refer to the Nomination and Remuneration Committee ("the Committee") from time to time.
- To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Nomination & Remuneration Policy:

The Company recognizes the competitive nature of the current labour market conditions and this requires the Company to provide competitive remuneration offering to Directors and employees to ensure that a high caliber of staff is attracted to the Company and retained once they have gained experience. The Company further acknowledges that it can only excel in service delivery through the exceptional performance of its people and that the remuneration offering to the Directors and employees plays a substantial motivational role when exceptional performance is compensated with exceptional rewards.

The Remuneration of Directors, Key Managerial Personnel, Senior Executives and Employees of the Company are decided based on predetermined criteria and as per the recommendation of the Committee. The Company will pay remuneration to Directors, Key Managerial Personnel, Senior Executives and Employees by way of fixed component i.e. salary, retirement benefits perquisites, allowances and by way of variable component i.e. incentives and commission based on the recommendation of the Committee and approval of the Board of Directors and shareholders, if applicable and shall be governed by the provisions of the Companies Act, 2013 & rules framed thereunder and the notifications issued by the Ministry of Corporate Affairs from time to time.

The Nomination and Remuneration policy is also available on the web site of the Company at www.responsiveindustries.com/policies.

Guaranteed Portion of Remuneration:

Whole Time Directors and employees are receiving guaranteed portion of their total package on a monthly basis. The total package includes in it guaranteed benefits such as employer's contribution to retirement funds i.e. provident fund and/or pension & gratuity and/or medical aid funds and/or group life insurance fund contribution etc. as applicable.

Variable Portion of Remuneration:

Incentive bonus to reward employees for exceptional performance above the accepted standard and is variable. These rewards are based on individual, departmental or Company' performance relative to predefined targets. Performance is measured over a 12 months period. Vehicle allowance and telephone expenses are flexible remuneration options available to the employees.

Remuneration of Executive Directors:

For deciding remuneration of the Executive Directors, the Committee considers the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors. The Committee regularly keep track of the market funds in terms of compensation levels and practices in relevant industries.

The Company may pay remuneration by way of salary, remuneration and/ or commission (variable components) to its Executive Directors. Annual increments may be decided by the Committee within salary scale approved by the members.

Remuneration of Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of sitting fees. The Company pays a sitting fee per meeting of the Board and the Committee (as may be decided from time to time) to the Non-Executive Directors for attending the meetings within the limit prescribed under the Act.

The remuneration by way of Annual Commission to the Non-Executive Directors shall be decided by the Board of Directors and subject to approval of members as applicable and will be paid to them based on their participation and contribution at the Board/Committee meetings and the time spent on matters other than at meetings.

An Independent Director may receive remuneration by way fees provided under sub-Section (5) of Section 197 of the Act, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members of the Company. The terms & conditions of appointment of Independent Directors are also available on the website of the Company at www.responsiveindustries.com/news-announcements

Criteria for appointment and performance evaluation – related remuneration for Directors/Key Managerial Personnel and Senior Executives of the Company.

- At the time of selection of a Director the Company must examine the integrity of the person and possession of relevant expertise, qualifications and experience.
- In case of appointment of Independent Director, the Company must observe the pecuniary relationship with the promoters and group companies.
- The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate Directors/executives to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Financial and operating performance vis-à-vis the Annual and Operating Budget of the Company.
- Remuneration of Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- External Competitiveness: The quantum and nature of the total offering to Directors and employees determines how competitive the Company is in recruiting and retaining them. The appropriate mix of guaranteed benefits and incentives further enhances the Company's ability to motivate them in a manner that will improve the Company's competitiveness.
- The size and complexity of a position is determined through a valid job evaluation system and individual performance is measured through the established and approved Performance Management System.
- Remuneration recognizes and rewards both high levels of competence and superior performance through the use of incentive bonuses linked to performance.
- The Nomination and Remuneration Committee shall consider whether the Directors are eligible for annual bonuses. If so, performance conditions should be relevant, stretching and designed to promote the long term success of the Company. Upper limits should be set and disclosed.
- The said Committee shall consider whether the Directors are eligible for benefits under long-term incentive schemes. Any new long-term incentive schemes which are proposed should be approved by shareholders.
- Remuneration incentives should be compatible with risk policies and systems, if any.
- The above committee shall consider the consequences and associates costs to the Company if basic salary increases and any other changes, whenever required.

Details of Remuneration, Sitting fees, Commission paid to Directors during the financial year 2018-19 are given below:

Sr. No.	Name of Director	Sitting Fees (Rs. in million)	Annual Remuneration / Commission* (Rs. in million)
	Executive Directors		
1	Mr. Mehul Vala*	-	0.30
2	Mr. Rajesh Pandey*	-	1.33
	Non-Executive Directors		
3	Mr. Rishabh Agarwal* (re-designated Non-Executive Chairman w.e.f. 14 February, 2019)	-	5.38
4	Mr. Shobha Singh Thakur	0.23	0.23
5	Mr. Jagannadham Thunuguntla (resigned w.e.f 21 August, 2018)	0.09	0.20
6	Mr. Jyoti Rai	0.17	0.06
7	Mr. Rajiv Bakshi (appointed w.e.f 17 October, 2018)	0.12	-

* Remuneration paid to Mr. Rishabh Agarwal was till 13 February, 2019 in the capacity of Managing Director.

* Remuneration paid to Rajesh Pandey is for the period from 01 May, 2018 to 26 February, 2019.

* Remuneration paid to Mehul Vala is for the period from 14 February, 2019 till 31 March, 2019.

Shareholding of Directors of the Company during the financial year 2018-19 are given below:

Sr. No	Name	Designation	No of Shares	% of Shares
1	Mr. Atit Agarwal (resigned w.e.f. 01 October, 2018)	Non-Executive Chairman	773330	0.30 %
2	Mr. Rishabh Agarwal	Non-Executive Chairman	37830	0.01 %

Other than above, no other Directors by himself/herself or for any other person on a beneficial basis holds any shares in the Company. The Company has not issued any convertible instruments.

There were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company. The Company is having Employee Stock Option Scheme. However no options granted and shares are issued under ESOP Scheme during the year.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. The Committee has formulated criteria and questionnaires to evaluate the performance of Board, its Committees and Individual Directors including the Independent Directors. The performance evaluation criteria are determined by the Committee taking into consideration the composition of the Board, role of the Directors and Committees etc. An indicative list of factors that may be evaluated include level of engagement and contribution by a Director, independence of judgment, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality.

Based on the feedback received on the questionnaires, the performance of every Director was evaluated. Independent Directors at their separate meeting carried out evaluation on the performance of Non Independent Directors and Board as a whole. Chairman's evaluation was carried out by entire Board of Directors including the Independent Directors.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations (LODR).

Composition:

As on 31 March 2019, the Committee comprises of following members:

Name	Designation
Mr. Shobha Singh Thakur	Chairman
Ms. Jyoti Rai Member	Member

Mr. Atit Agarwal and Mr. Rajesh Pandey ceased to be the members of the Committee with effect from 01 October, 2018 and 27 February, 2019 respectively. Mr Mehul Vala is appointed as member of the Committee in the Board meeting held on 24 May, 2019.

Meetings & Attendance:

During the year under review, the Committee met 1 (One) time on 17 October, 2018.

Name of the Committee Members along with their attendance during the financial year 2018-19 are given below:

Name of the Member	Designation	No. of Committee meetings held during tenure	No of Committee Meeting attended
Mr. Shobha Singh Thakur	Chairman	1	1
Mr. Rajesh Pandey	Member	1	1
Ms. Jyoti Rai	Member	1	1
Mr. Atit Agarwal	Member	0	0

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

The "SCORES" website of SEBI for redressing of Grievances of the Investors is being visited at regular intervals by the Company Secretary and there are no pending complaints registered with SCORES for the financial year ended on 31 March, 2019.

Terms of Reference:

The terms of the policy has been revised by Board on 24 May, 2019 in order to incorporate the provisions of SEBI (LODR) (Amendments) Regulations, 2018.

- The Committee looks into the various aspect of interest of investors such as transfer of shares, non-receipt of declared dividend/notices/annual reports, etc.
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meeting etc.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & share Transfer Agent.
- Review of the various measures and initiative taken by the listed entity for reducing the quantum of unclaimed dividend and ensuring timely receipt of dividend warrant/annual report/statutory notices by the shareholders of the Company.

Details of Investor Complaints:

Number of Complaints from 01.04.2018 to 31.03.2019			
Pending as on 01.04.2018	Received	Redressed	Pending as on 31.03.2019
Nil	1	1	Nil

Corporate Social Responsibility (CSR) Committee

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Company has developed a CSR Policy which is available on the website of the Company at www.responsiveindustries.com/policies.

Composition:

As on 31 March 2019, the Committee comprises of following members:

Name	Designation
Ms. Jyoti Rai	Chairman
Mr. Rajiv Kumar Bakshi	Member

Mr. Jagannadham Thunuguntla, Mr. Atit Agarwal, Mrs. Rohini Agarwal and Mr. Rajesh Pandey ceased to be the members of the Committee w.e.f. from 21 August, 2018, 01 October, 2018, 14 February, 2019 and 27 February, 2019 respectively. Mr. Rishabh Agarwal is appointed as Chairman of the Committee in the Board meeting held on 24 May, 2019.

Meetings & Attendance:

During the year under review, the Committee met 1 (One) time on 02 May, 2018.

Name of the Committee Members along with their attendance during the financial year 2018-19 are given below:

Name of the Member	Designation	No. of Committee meetings held during tenure	No of Committee Meeting attended
Mr. Atit Agarwal	Chairman	1	1
Mr. Rajesh Pandey	Member	1	1
Mr. Jagannadham Thunuguntla	Member	1	1
Mr. Rajiv Kumar Bakshi	Member	0	0
Ms. Jyoti Rai	Member	1	0
Mrs. Rohini Agarwal	Member	0	0

Terms of Reference

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

Buy Back Committee

The Board in order to execute its Buyback procedure formed the Buyback Committee on 17 October, 2018.

Composition

As on 31 March 2019, the Committee comprises of following members:

Name	Designation
Mr. Rajiv Kumar Bakshi	Chairman
Mr. Rishabh Agarwal	Member
Mr. Shobha Singh Thakur	Member

Meetings & Attendance

During the year under review, no meeting held by the Committee. The Board on 04 December, 2018 has deferred the Buyback procedure. The quorum of the Committee is presence of minimum two directors.

Terms of Reference:

- Initiating all necessary actions for preparation, finalization and dispatch of the Postal Ballot Notice along with explanatory statement to seek shareholder approval for the Buyback ("Postal Ballot Notice");
- Initiating of all necessary actions for preparation and issue of public announcement, draft letter of offer, letter of offer and related documents;
- Preparation, finalization and filing of public announcement, draft letter of offer, letter of offer, related documents and also the certificates for declaration of solvency and other filings with the SEBI, ROC, the stock exchanges and other appropriate authority(ies), if any;
- Finalizing the terms of Buyback such as the entitlement ratio, fixing the Record Date, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the Buyback;
- Appointment of broker, e-voting agency, scrutinizer, depository participant, printers, advertisement agency, and other advisors, consultants or representatives and settlement of the remuneration for all such intermediaries/ agencies/ persons, including by the payment of commission, brokerage, fee, charges etc. and enter into agreements/ letters in respect thereof;
- Earmarking and making arrangements for adequate sources of funds for the purpose of the Buyback;
- Opening, operation and closure of cash escrow account and special account in accordance with the escrow agreement to be executed by the Company in this regard;
- Opening, operation and closure of demat escrow account in accordance with the escrow agreement to be executed by the Company with the depository participant;
- Settling all such questions, difficulties or doubts that may arise in relation to the implementation of the Buyback;

- Making all applications to the appropriate authority(ies) for their requisite approvals including for approvals as may be required from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any;
- Sign the documents as may be necessary with regard to the Buyback and use the common seal of the Company on relevant documents required to be executed for the Buyback and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, stock exchanges, depositories and/or other appropriate authorities;
- Deal with stock exchanges (including their clearing corporations), and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" as per Regulation 9(vii) of Buyback Regulations, including any further amendments thereof;
- Extinguishment of share certificates and certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Board;
- To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper; and/or
- Signing, executing and delivery of such documents as may be necessary or desirable in connection with or incidental to the Buyback.

Risk Management Committee

The Company constituted Risk Management Committee comprising Senior Management Personnel as its member to identify various risks that the Company is expose to and frame, implement and monitor the risk management plan for the Company.

The objective of the Risk Management policy is to ensure that the Board, its Audit Committee and its executive management should collectively identify the risks impacting the Company's business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy or strategy.

There were no meeting held during the year under review. The composition of the Committee was reconstituted in the Board meeting held on 24 May, 2019 as below:

Name of the Member	Designation
Mr. Rishabh Agarwal	Chairman
Mr. Mehul Vala	Member
Mr. Mrunal Shetty	Member

Terms of Reference:

- To lay down procedures for identifying managing and mitigating the risks associated with the Company through integrated risk management system and mechanism.
- To ensure that the risks identified and assessed, are mitigated effectively
- To periodically review business, operational and financial risks, as well as the adequacy of insurance and other risk mitigation measures adopted by the Company.
- To submit the management reports to the Audit Committee and the Board for review periodically.

IV. GENERAL BODY MEETINGS**(i) Annual General Meetings (AGM):**

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

Financial Year	Date	Time	Location	Special Resolutions Passed
2017-18	08 June, 2018	10.00 a.m	Hotel Silver Avenue, Ostwal Empire, Next to Big Bazar, Boisar (West), Thane-401501	To re-appoint Mr. Jagannadham Thunuguntla as Independent Director for second term of 5 (Five) years. To re-appoint Ms. Jyoti Rai as Independent Director for second term of 5 (Five) years. To approve Responsive ESOP 2018 Scheme.
2016-17	29 September, 2017	10.00 a.m	Hotel Silver Avenue, Ostwal Empire, Next to Big Bazar, Boisar (West), Thane-401501	To re-appoint Mr. Shobha Singh Thakur as Independent Director for second term of 5 (Five) years.
2015-16	09 September, 2016	10.00 a.m	Hotel Silver Avenue, Ostwal Empire, Next to Big Bazar, Boisar (West), Thane-401501	---

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

No Extra-Ordinary General Meeting of the Shareholders was held during last 3 (Three) financial years.

(iii) Postal Ballot

During the financial year the Company has approached the shareholders through Postal Ballot. The details of the same are as below:

Date of the Notice of the Postal Ballot: 17 October, 2018

Voting Period: 06 November, 2018 to 5 December, 2018

Date of Declaration of Result: 07 December, 2018

Date of Passing of resolutions: 05 December, 2018

Name of the resolutions	Type of the resolutions	No of Votes Polled	Votes casted in favor		Votes casted against	
			No. of Votes	%	No of votes	%
Approval for alteration in the Object Clause of the Memorandum of Association of the Company.	Special	133824493	133824482	100	11	0.00

Name of the resolutions	Type of the resolutions	No of Votes Polled	Votes casted in favor		Votes casted against	
			No. of Votes	%	No of votes	%
Approval for adoption of a new set of Articles of Association of the Company under Companies Act, 2013.	Special	133824493	133824482	100	11	0.00
Approval for Buyback of equity shares of the company.	Special	133824493	133824130	100	363	0.00
Approval for granting Employee Stock Options to the employees of the subsidiary companies under Responsive Industries Limited Employee Stock Option Scheme 2018 ("Responsive ESOS 2018")	Special	133824493	133824482	100	11	0.00

Scrutinizer & Procedure

M/s P.P. Shah & Co, Company Secretaries, Mumbai was appointed as the scrutinizer for carrying out the Postal Ballot procedure in fair and transparent manner. The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 and read with the Rules framed thereunder.

(iv) Details of Special Resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a Special Resolution through Postal Ballot.

V. DISCLOSURES

(i) Related Party Transactions

The Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material in nature. All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. Your Directors draw attention of the members to note no.32 to the Standalone Financial Statement which sets out related party disclosures and they are not in conflict with the interest of the Company at large. The Company has adopted a policy for Related Party Transactions which is available on the Company's website at www.responsiveindustries.com/policies.

(ii) The Company has complied with the requisite regulations relating to capital markets. No Penalties/ strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during the last three years.

(iii) Whistle Blower Policy

The Company has adopted Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The policy is available on the Company's website i.e. www.responsiveindustries.com/policies.

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

The Company has complied with the applicable mandatory requirements of the SEBI Listing Regulations (LODR). The Company has also adopted following non-mandatory requirements of SEBI Listing Regulations (LODR).

Adoption of Non-Mandatory Requirements

- i. As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- ii. The Company's financial statement for the financial year 2018-19 does not contain any audit qualification.
- iii. The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and directly interact to the Audit Committee.
- iv. Separate position for the office of Chairperson and Chief Executive Officer of the Company

(v) Disclosure of Accounting Treatment

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

(vi) Code of Conduct

The Code of Conduct has been put on the Company's website. The members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended 31 March, 2019. The Report contains declaration to this effect signed by Mr. Mehul Vala.

(vii) Subsidiary Companies

The Company has one material non listed Indian subsidiary Axiom Cordages Limited, one foreign subsidiary Responsive Industries Limited, Hong Kong and three foreign-step down subsidiaries Axiom Cordages Limited, Hong Kong, Responsive Industries Limited, UAE and Axiom Cordages Limited, UAE. The policy for determining Material Subsidiaries of the Company is available on the website of the Company i.e. www.responsiveindustries.com/policies. The Company does not have any associate company & joint venture. The requirement of appointing Independent Director of the Company on the Board of Directors of the subsidiary company has been duly complied with. All requirements with regard to subsidiary company have been complied with.

(viii) Material Subsidiary policy

The Company has framed policy for determining "Material subsidiaries" to ensure that Board of Directors has overall supervision of functioning of subsidiaries of the Company and to provide the governance framework for such subsidiaries. Pursuant to SEBI Listing Regulations (LODR) (Amendment) 2018 the policy has been revised by the Board on 24 May, 2019. The amended policy is available on the website of the Company at www.reponsiveindustries.com/policies

(ix) Certificate under Regulation 17(8)

The Certificate pursuant to the Regulation 17(8) of the SEBI Listing Regulations (LODR), certifying that the Financial Statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs is annexed to this report.

(x) Familiarisation Programme

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details are available on the website of the Company at www.responsiveindustries.com/news-announcements.

(xi) The Company has adopted policy on Preservation of Documents and Archival Policy as well as policy for Determination of Materiality of Events or Information. The policy is available on the website site of the Company at www.responsiveindustries.com/policies.

(xii) Dividend Distribution Policy

The Company has adopted Dividend Distribution Policy and annexed to this corporate governance report. The Policy is available at www.responsiveindustries.com/policies.

(xiii) Credit Rating

During the year under review the Company has obtain revised credit rating on working capital loan from CRISIL on 05 February, 2019.

Sr. No	Total Bank Loan Facilities	Rating
1	Long-Term Rating	CRISIL BBB+/Negative (Reaffirmed)
2	Short-Term Rating	CRISIL A2 (Reaffirmed)

VI Means of Communication

The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual results along with Limited Review Report/ Auditors' Report & announces forthwith results to National Stock Exchange of (India) Limited (NSE) and BSE Limited (BSE), where the shares of the Company are listed. The aforesaid results are also published normally in Free Press Journal and Navshakti and are also displayed on the Company's website at www.responsiveindustries.com/results.

The Company issues official investor presentation/media release, significant corporate decisions/activities and filed the same to the Stock Exchanges and post them on the website of the Company at www.responsiveindustries.com under investor presentation, Media Coverage and Notices and Announcements.

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements,

Directors' Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis Report, Business Responsibility Report forms part of the Annual Report and is displayed on the Company's website.

A separate Section "Investor Relations" on the website of the Company gives information on the aforesaid results, shareholding pattern and other relevant information of interest to the investors/ public. The Company has also designated the email-id:

investor@responsiveindustries.com exclusively for investor servicing.

VII General Shareholder Information**1. Annual General Meeting**

Date: 27 September, 2019

Time: 10 a.m.

Venue: Hotel Silver Avenue, Ostawal Empire, Next to Big Bazaar, Boisar (west), Palghar - 401 501. Maharashtra.

2. Financial Calendar (Tentative)

Financial Year of the Company 01 April, 2019 to 31 March, 2020

Results for the Quarter ending:

30 June, 2019	on or before 14 August, 2019
30 September, 2019	on or before 14 November, 2019
31 December, 2019	on or before 14 February, 2019
31 March, 2020	on or before 15 May, 2020 or 30 May, 2020

3. Date of Book Closure: 21 September, 2019 to 27 September, 2019
(Both days inclusive)

4. Dividend Payment Date: Dividend, if declared, shall be paid/credited after 27 September, 2019.

5. Listing of Equity Shares on the Stock Exchange**BSE Limited**

P.J.Towers, Dalal Street, Fort
Bandra (East), Mumbai-400 051

National Stock Exchange of India Limited

Exchange Plaza, Bandra- Kurla Complex,
Mumbai - 400 001

Listing Fees as applicable have been paid.

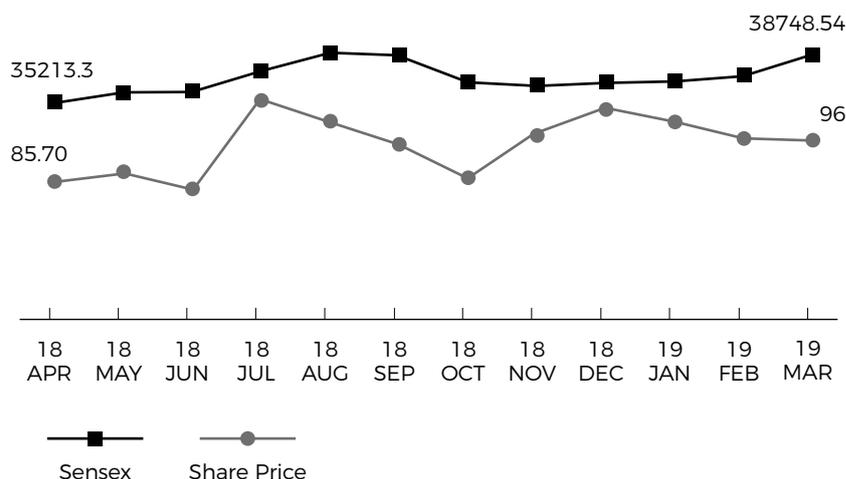
6. Stock code/Symbol

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

7. Stock Market Data:

Month	BSE Limited		National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April-2018	85.70	39.15	85.45	39.20
May-2018	87.70	74.00	88.00	72.25
June-2018	84.00	75.70	88.70	75.05
July-2018	105.95	76.25	105.10	74.35
Aug -2018	100.00	83.00	101.00	82.05
Sep-2018	95.00	68.00	89.25	68.02
Oct-2018	86.00	67.40	85.00	67.35
Nov -2018	97.00	78.10	96.75	83.10
Dec-2018	103.00	80.90	103.90	80.25
Jan-2019	100.00	82.35	100.40	81.10
Feb-2019	96.50	85.35	96.95	85.00
Mar -2019	96.00	86.15	96.80	86.10

8. Performance of Responsive Industries Limited share price in comparison to BSE Sensex:



9. Registrar and Transfer Agents:

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

Link Intime India Private Ltd.,
C 101, 247 Park, LBS Marg, Vikhroli (West),
Mumbai- 400 083

Tel No: (022) 49186270

Fax No: (022) 49186060

E-mail: rnt.helpdesk@linktime.co.in

Website: www.linkintime.co.in

10. Share Transfer System:

100% equity shares of the Company are in dematerialized form. Transfers of these shares are done through the depositories with no involvement of the Company. A Certificate is obtained every six months from a Practicing Company Secretary with regard to, inter alia, effecting transfer, sub-division, consolidation, renewal, exchange of equity shares within fifteen days of their lodgment. The certificate is also filed with BSE Limited & National Stock Exchange of India Limited here the equity shares of the Company are listed.

11. Distribution of Shareholding as on 31 March, 2019

Range	No. of shareholders	% of total shareholders	No. of Shares held	% of shareholding
1 to 500	2019	89.4550	173013	0.0648
501 to 1000	84	3.7218	71084	0.0266
1001 to 2000	59	2.6141	88883	0.0333
2001 to 3000	14	0.6203	36121	0.0135
3001 to 4000	10	0.4431	35105	0.0132
4001 to 5000	7	0.3101	32426	0.0121
5001 to 10000	18	0.7975	119843	0.0449
10001 and above	46	2.0381	266356225	99.7915
Total	2257	100	266912700	100

12. Shareholding Pattern as on 31st March, 2019

Category	No. of shares held	% of Shareholding
Promoter Holding		
Total promoter & promoter group holdings	133814527	50.13
Non Promoter Holding		
Institutions		
Foreign Portfolio Investor	11308007	4.24
Financial Institutions / Banks	10528419	3.94
Alternate Investment Funds	10900	0.01
Central/State Government		
Central Government	200	0.00
Non-Institutions		
Foreign Bodies Corporates	80960228	30.33
Other Bodies Corporate	27028132	10.13
Public	2708283	1.01
Non Resident Indians	381355	0.15
Clearing Member	126330	0.04
HUF	46319	0.02
Grand Total	266912700	100.00

13. Dematerialization of shares and liquidity

As of 31 March 2019, 266912700 equity shares representing 100% of the paid up equity capital of the Company have been dematerialized with the following depositories:

Description	ISIN No.	Depositories
Fully Paid	INE688D01026	National Securities Depository Ltd. (NSDL) Trade World, A Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400 013
		Central Depository Services (India) Ltd.(CDSL) Marathon Futurex, 25th Floor, NM Joshi Marg, Lower Parel(East), Mumbai- 400 013

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

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

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

15. Reconciliation of Share Capital Audit Report

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

16. Registered Office & Plant Location

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

17. Address for correspondence

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

Registrar & Transfer Agents:

Link Intime India Private Ltd.,
C 101, 247 Park, LBS Marg,
Vikhroli (West),
Mumbai- 400 083
Tel No.: (022) 4918 6270
Fax No.: (022) 4918 6060
Email: rnt.helpdesk@linktime.co.in
Website: www.linkintime.co.in

Registered Office:

Responsive Industries Limited
Village Betegaon, Mahagaon Road,
Boisar (E), Tal. Palghar, Dist. Palghar
Boisar-- 401 501
Tel No:- (022) 6656 2821
Fax No:- (022) 6656 2798
Email :-investor@responsiveindustries.com
Website: www.responsiveindustries.com

18. Unclaimed Dividends

Pursuant to the provisions of Section 205C of Companies Act, 1956, the amount of dividend remaining unpaid / unclaimed for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. During the financial year 2018-2019 there were no unclaimed dividend lying with the Company which need to be transferred to the IEPF account.

19. Certificate from practicing Company Secretary's under Regulation 34(3) of SEBI Listing Regulations

M/s. P.P. Shah & Co., Practicing Company Secretaries, Mumbai have verified the compliance of the Corporate Governance norms by the Company. Certificate issued by them in this regard is annexed hereto. The Company has also availed certificate pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) which is also annexed hereto.

20. Where the Board had not accepted recommendation(s) of any Committee

During the year under review, all the recommendations made by all the Committees, which are mandatorily required, have been duly accepted by the Board of Directors.

21. Details of total fees paid to Statutory Auditors

Details of total fees paid to the Statutory Auditor relating to all services availed by the Company and its subsidiaries, on consolidated basis, are given in Note 28 to the Standalone Financial Statements and Note 29 to the Consolidated Financial Statements.

22. Foreign Exchange Risk

The Company is having adequate risk assessment and minimization system in place. The Company has foreign exchange risk as it deals in foreign currencies by importing and exporting of goods. The Company doesn't enter into 100% forward contract to hedge the exchange fluctuations. However, to mitigate these risks the Company has a natural hedge against its imports and exports. Also on few occasions the Company enters into forward contracts as well.

For and on behalf of the Board of Directors

Mr. Mehul Vala
Whole Time Director & CEO
DIN: 08361696

Mr. Mrunal Shetty
Director & CFO
DIN: 08362895

Place: Mumbai
Date: 24 May, 2019

DIVIDEND DISTRIBUTION POLICY

I. PREAMBLE

Pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, ["Listing Regulations"] vide circular no. SEBI/LAD-NRO/GN/2016-17/008 dated 08 July, 2016, the Board of Directors of the Company have approved and adopted the Dividend Distribution Policy ["Policy"] of the Company.

Regulation 43A of the Listing Regulations makes it mandatory for the top five hundred listed entities based on their market capitalization calculated as on 31 March of every financial year to formulate Dividend Distribution Policy.

The Company being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, i.e. 31 March, 2016, frames this Policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. OBJECTIVE

This Policy aims to ensure that the Company makes rationale decision with regard to the amount to be distributed to the shareholders as dividend after retaining sufficient funds for the Company's growth, to meet its long-term objective and other purposes. This Policy lays down various parameters which shall be considered by the Board of Directors of the Company before recommendation/ declaration of Dividend to its shareholders.

III. DEFINITIONS

- a. "Act" shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.
- b. "Applicable laws" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.
- c. "Board" or "Board of Directors" shall mean Board of Directors of the Company, as constituted from time to time.
- d. "Company" shall mean Responsive Industries Limited.
- e. "Dividend" shall mean Dividend as defined under Companies Act, 2013.
- f. "Financial year" shall mean the period starting from 1 day of April and ending on the 31 day of March every year.
- g. "Free reserves" shall mean the free reserves as defined under Section 2 (43) of the Act.

IV. PARAMETERS GOVERNING THE DISTRIBUTION OF DIVIDEND

1. Factors for recommendation / declaration of Dividend.

a. Internal factors (Financial Parameters)

The Board shall consider the below mentioned financial parameters for the purpose of recommendation/declaration of dividend:

- i. Current year's net operating profit;
- ii. Capital expenditure and working capital requirements;
- iii. Financial commitments w.r.t. the outstanding borrowings and interest thereon;
- iv. Financial requirement for business expansion and/or diversification, acquisition etc. of new businesses;
- v. Provisioning for financial implications arising out of unforeseen events and/or contingencies;
- vi. Past dividend trend.

b. External Factors

The Board shall also consider the below mentioned external factors at the time of taking a decision w.r.t recommendation/declaration of dividend:

- i. Applicable laws and Regulations including taxation laws;
- ii. Economic conditions;
- iii. Prevalent market practices.

2. Circumstances under which the shareholders of the Company may or may not expect dividend.

The decision to recommend/declare the dividend by the Board of Directors shall primarily depend on the factors listed out at point no. 1 above. However, the shareholders of the Company may not expect dividend in the below mentioned circumstances:

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirement for business operations or otherwise.
- iii. In the event of inadequacy of cash flow available for distribution.
- iv. In the event of inadequacy or absence of profits.

3. Manner of utilisation of Retained Earnings.

The Board of Directors of the Company may recommend/declare dividend out of the profits of the Company or out of the profits for any previous year or years or out of free reserves available for distribution of dividend, after consideration of the factors as stated at point no. 1 above. The Company shall ensure compliance with the requirements in this respect as laid down under the provisions of Section 123 of the Act and other Applicable laws.

4. Other factors to be considered with regard to various classes of shares.

Presently, the issued share capital of the Company comprises of only one class of equity shares of Re. 1/- each which rank pari passu with respect to all their rights. In the event of the Company issuing any other class(es) of shares, it shall consider and specify the other parameters to be adopted w.r.t. such class(es) of shares.

V. GENERAL

i. Pursuant to the provisions of Section 123 of the Act, Articles of Association of the Company and this Policy, the Board of Directors shall recommend the final dividend, which shall be declared by the Shareholders of the Company at the Annual General Meeting. The Board may also, from time to time, declare interim dividend which shall be subject to confirmation by the Shareholders at the Annual General Meeting.

ii. The Company shall ensure compliance with the applicable laws w.r.t. payment of dividend to the shareholders. It shall ensure that the amount of the dividend, including interim dividend, is deposited by the Company in a Scheduled bank in a separate account within five days from the date of declaration of such dividend.

For and on behalf of the Board of Directors

Mr. Mehul Vala
Whole Time Director & CEO
DIN: 08361696
Place: Mumbai
Date: 24 May, 2019

Mr. Mrunal Shetty
Director & CFO
DIN: 08362895

**CERTIFICATE ON
CORPORATE GOVERNANCE**

To,

The Members of Responsive Industries Limited

1. We, M/s. P. P. Shah & Co., Practicing Company Secretaries, the Secretarial Auditors of Responsive Industries Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the financial year ended on 31 March, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the secretarial and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the financial year ended 31 March, 2019.
6. We state that 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.

Place: Mumbai
Date: May 24, 2019

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
Responsive Industries Limited
Betegaon, Mahagaon Road, Boisar East,
Taluka Palghar, Dist. Palghar - 401 501

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Responsive Industries Limited having CIN L65100MH1982PLC027797 and having registered office at Betegaon, Mahagaon Road, Boisar East, Taluka Palghar, Dist. Palghar - 401 501 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority except Mr. Shobhasingh R. Thakur (DIN 00001466) who has been debarred / disqualified by Ministry of Corporate Affairs under Section 164(2) of the Companies Act, 2013. Mr. Shobhasingh Thakur has informed the Company that he had resigned before the period of default made by the Company in which he was disqualified. He has submitted to the Company the copy of the said resignation letter. The Company was also in receipt of disclosure under Section 164(2) of the Companies Act, 2013 regarding his non disqualification under the said Section. He continues to act as Director of the Company since he has filed the petition before the High Court, Mumbai for removal of his disqualification for which the final order is awaited.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Rishabh Rajkumar Agarwal	05011607	02/05/2018
2.	Rajiv Kumar Bakshi	00264007	17/10/2018
3.	Jyoti Dharmendra Rai	07091343	13/02/2015
4.	Mehul Laljibhai Vala	08361696	14/02/2019
5.	Mrunal Bhavanishankar Shetty	08362895	14/02/2019
6.	Shobhasingh Rajaramsingh Thakur	00001466	09/11/2010

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai
Date: May 24, 2019

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

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Company has a Code of Conduct for its Board Members and Senior Management Personnel, which is available on the Company's website.

I hereby declare that all the members of the Board and the Senior Management Personnel of the Company have affirmed compliances with the Code of Conduct as applicable to each one of them, for financial year ended March 31, 2019.

This certificate is being given pursuant to part D of Schedule V of SEBI LODR Regulations, 2015 as amended from time to time.

Place: Mumbai

Date: May 24, 2019

Mehul Vala

Whole Time Director &
Chief Executive Officer

DIN: 08361696

CERTIFICATE

Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

**The Board of Directors
Responsive Industries Limited**

We, Mr. Mehul Vala and Mr Mrunal Shetty, hereby certify that

- a) We have reviewed the financial statements and the cash flow statement of Responsive Industries Limited for the year ended 31 March, 2019 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2018-19 which are fraudulent, illegal or violate the Company's Code of Conduct.
- c) We accept the responsibility 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. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d) We have indicated to the Auditors and the Audit committee that:

There have been no significant changes in internal control over financial reporting during the year;

There have been no significant changes in accounting policies during the year; and

There are no instances of significant fraud of which we have become aware.

For and on behalf of the Board of Directors

Mr. Mehul Vala
Whole Time Director & CEO
DIN: 08361696

Mr. Mrunal Shetty
Director & CFO
DIN: 08362895

Place: Mumbai

Date: 24 May, 2019

FORM NO. MGT-9**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS

i	CIN	L65100MH1982PLC027797
ii	Registration Date	13-07-1982
iii	Name of the Company	Responsive Industries Limited
iv	Category / Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
v	Address of the Registered Office and contact details	Betegaon, Mahagaon Road, Boisar (East), Taluka Palghar, Dist. Palghar-401 501 Tel: (022) 66562821 Fax: (022) 66562798 Email: investor@responsiveindustries.com Website: www.responsiveindustries.com
vi	Whether listed Company	Yes
vii	Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Ltd., C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai-400 083 Tel No.: (022) 4918 6270 Fax No.: (022) 4918 6060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Vinyl Flooring	22209	58
1	Synthetic Leather	13124	21
1	PVC Intermediaries	22209	21

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Wellknown Business Ventures LLP Esperanca, Shahid Bhagat Singh Road, Colaba, Mumbai-400039	AAB-9683 (LLPIN)	Holding Entity	46.24%	2(46)
2	Axiom Cordages Limited Cut No 114B & 120C, Betegaon Village, Boisar (East), Thane- 401 501	U25209MH 1999PLC119427	Subsidiary Company	58.18%	2(87)
3	Responsive Industries Limited, Hong Kong Unit R 1/ F Mau Lam Comm. Bldg. 16-18 Mau Lam Street, Jordan KLN, Hong Kong	---	Subsidiary Company	100%	2(87)
4	Responsive Industries Limited, UAE PO Box 128666, 24th Floor Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates	---	Step down Subsidiary Company	100%	2(87)
5	Axiom Cordages Limited, Hong Kong Unit A 1/ F Mau Lam Comm. Bldg. 16-18 Mau Lam Street, Jordan KLN Hong Kong	---	Step down Subsidiary Company	58.18%	2(87)
6	Axiom Cordages Limited, UAE PO Box 128666, 24th Floor Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates	---	Step down Subsidiary Company	58.18%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter & Promoter Group									
(1) Indian									
a) Individuals/ HUF	3562340	0	3562340	1.3346	3600170	0	3600170	1.3488	0.0142
b) Central Govt./ State Govt (s)	0	0	0	0	0	0	0	0	0
c) Financial Institution/ Banks	0	0	0	0	0	0	0	0	0
d) Any Other (Specify)									
Bodies Corporate	154744357	0	154744357	57.9756	130214357	0	130214357	48.7854	-9.1902
Sub-total (A) (1):-	158306697	0	158306697	59.3103	133814527	0	133814527	50.1342	-9.1761
(2) Foreign									
a) Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0	0	0	0
b) Government	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
e) Any Other (Specify)	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promote & Promoter group (A) = (A) (1)+(A)2	158306697	0	158306697	59.3103	133814527	0	133814527	50.1342	-9.1761

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
b) Venture Capital Funds	0	0	0	0	0	0	0	0	0
c) Alternate Investment Funds	0	0	0	0	10900	0	10900	0.0041	0.0041
d) Foreign Venture Capital funds	0	0	0	0	0	0	0	0	0
e) Foreign Portfolio Investor	11251938	0	11251938	4.2156	11308007	0	11308007	4.2366	0.0210
f) Financial Institutions/ Bank	10637777	0	10637777	3.9855	10528419	0	10528419	3.9445	-0.0410
g) Insurance Companies	0	0	0	0	0	0	0	0	0
h) Provident Funds/Pension Funds	0	0	0	0	0	0	0	0	0
i) Any Other (Specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1):-	21889715	0	21889715	8.2011	21847326	0	21847326	8.1852	-0.0159
1. Central Government/ State Government(s)/ President of India									
Central Government/ State Government(s)	0	0	0	0	200	0	200	0.0001	0.0001
Sub-total (B) (2):-	0	0	0	0	200	0	200	0.0001	0.0001
3. Non-Institutions									
a) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	1700466	0	1700466	0.6371	747456	0	747456	0.2800	-0.3571

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	1719648	0	1719648	0.6443	1960827	0	1960827	0.7346	0.0903
b) NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
c) Overseas Depositories (holding DRs.)	0	0	0	0	0	0	0	0	0
d) Any other (Specify)									
i) HUF	141781	0	141781	0.0531	46319	0	46319	0.0174	-0.0357
ii) Foreign Companies	80975228	0	80975228	30.3377	80960228	0	80960228	30.3321	-0.0056
iii) Non Resident Indians (Non Repat)	11330	0	11330	0.0042	337317	0	337317	0.1264	0.1222
iv) Non Resident Indians (Repat)	177957	0	177957	0.0667	44038	0	44038	0.0165	-0.0502
v) Overseas Bodies Corporates	0	0	0	0	0	0	0	0	0
vi) Clearing members	523048	0	523048	0.1960	126330	0	126330	0.0473	-0.1487
vii) Bodies Corporates	1466830	0	1466830	0.5496	27028132	0	27028132	10.1262	9.5766
Sub-Total (B) (3):	86716288	0	86716288	32.4886	111250647	0	111250647	41.6805	9.1919
Total Public Shareholding									
(B)=(B)(1)+(B)(2)+(B)(3)	108606003	0	108606003	40.6897	133098173	0	133098173	49.8658	9.1761
C. Non Promoter-Non Public									
i) Custodian/ DR Holder	0	0	0	0	0	0	0	0	0
ii) Employee Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C)	266912700	0	266912700	100	266912700	0	266912700	100	0

(ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year (01.04.2018)			No. of Shares held at the end of the year (31.03.2019)			% Change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Wellknown Business Ventures LLP	135725340	50.8501	0	123425340	46.2418	0	-4.6083
Axiom Cordages Limited	4418330	1.6553	0	4418330	1.6553	0	0
Mavi Business Ventures LLP (Erstwhile Harvest Enterprises LLP)	508687	0.1906	0.1873	778687	0.2917	0	0.1011
Efficient Builders LLP	1592000	0.5964	0	1592000	0.5964	0	0
Fairpoint Tradecom LLP	12500000	4.6832	0	0	0	0	-4.6832
Swati Atit Agarwal	1300010	0.4871	0	1300010	0.4871	0	0
Saudamini Abhishek Agarwal	937000	0.3511	0	1489000	0.5579	0	0.2068
Atit Omprakash Agarwal	773330	0.2897	0	773330	0.2897	0	0
Abhishek Omprakash Agarwal	552000	0.2068	0	0	0	0	-0.2068
Rishabh Rajkumar Agarwal	-	-	0	37830	0.0142	0	0.0142
TOTAL	158306697	59.3103	0.1873	133814527	50.1342	0.00	-9.1761

(iii) Change in Promoters' Shareholding

Sr. No.	Name	Shareholding at the beginning/end of the year		Date	Increase/decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Wellknown Business Ventures LLP							
	At the beginning of the year	135725340	50.8501				135725340	50.8501
				06.04.2018	-12500000	Sale	123225340	46.1669
				02.04.2018	200000	Shares lent received back	123425340	46.2418
	At the end of the year	-	-	-	-	-	123425340	46.2418

Sr. No.	Name	Shareholding at the beginning/end of the year		Date	Increase/ decrease in shareholding	Reason	Cumulative Shareholding during the year	
2	Fairpoint Tradecom LLP							
	At the beginning of the year	12500000	4.6832	-	-	-	12500000	4.6832
				06.04.2018	12500000	Buy	25000000	9.3664
				06.04.2018	-25000000	Sale	0	0
	At the end of the year	-	-	-	-	-	0	0
3	Mavi Business Ventures LLP (Erstwhile Harvest Enterprises LLP)							
	At the beginning of the year	508687	0.1906	-	-	-	508687	0.1906
				06.04.2018	91000	Shares lent received back	599687	0.2247
				13.04.2018	150000	Shares lent received back	749687	0.2809
				27.04.2018	29000	Shares lent received back	778687	0.2917
	At the end of the year	-	-	-	-	-	778687	0.2917
4	Saudamini Agarwal							
	At the beginning of the year	937000	0.3511	-	-	-	937000	0.3511
				29.06.2018	552000	Gift	1489000	0.5579
	At the end of the year	-	-	-	-	-	1489000	0.5579
5	Abhishek Agarwal							
	At the beginning of the year	552000	0.2068	-	-	-	552000	0.2068
				29.06.2018	-552000	Gift	0	0
	At the end of the year						0	0

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

Sr. No.	Name*	Shareholding at the beginning of the year (01.04.2018)		Shareholding at the end of the year (31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Fossebridge Limited	32901800	12.3268	32896800	12.3249
2	Xatis International Limited	32705720	12.2533	32700720	12.2515
3	Parshvanath Comtrade LLP ¹	0	0	25000000	9.3664
4	Brenzett Limited	15367708	5.7576	15362708	5.7557
5	Life Insurance Corporation of India	9584233	3.5908	9584233	3.5908
6	Sparrow Asia Diversified Opportunities Fund	5678069	2.1273	5678069	2.1273
7	Bao Value Fund ²	0	0	4285869	1.6057
8	Davos International Fund	1288000	0.4826	1288000	0.4826
9	Rajput Plastics & Polymers Private Limited ³	0	0	1042935	0.3907
10	General Insurance Corporation of India	1053544	0.3947	944161	0.3537
11	Shyam Sunder Kedia	700000	0.2623	700000	0.2623
12	Anil Gupta	700000	0.2623	650000	0.2435
13	Passage To India Master Fund Limited ⁴	4285869	1.6057	0	0

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

1. Not in the list of top 10 shareholders as on 01.04.2018. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2019.
2. Not in the list of top 10 shareholders as on 01.04.2018. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2019.
3. Not in the list of top 10 shareholders as on 01.04.2018. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2019.
4. Not in the list of top 10 shareholders as on 31.03.2019. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 01.04.2018.

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Atit Agarwal (resigned w.e.f. 01.10.2018)				
	At the beginning of the year	773330	0.29	773330	0.29
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	773330	0.29	773330	0.29
2	Rishabh Agarwal	37830	0.01	37830	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	37830	0.01	37830	0.01

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

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2232.00	-	-	2232.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2232.00	-	-	2232.00
Addition/(Reduction) in Indebtedness during the financial year	(1157.12)	-	-	(1157.12)
Indebtedness at the end of the financial year		-	-	
i) Principal Amount	1074.88	-	-	1074.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1074.88	-	-	1074.88

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration Of Directors And Key Managerial Personnel (Rs. in million)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Rishabh Agarwal (from 02.05.2018 till 13.02.2019)	Mehul Vala (from 14.02.2019 till 31.03.2019)	Rajesh Pandey (from 01.04.2019 till 26.02.2019)	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	4.63	0.30	1.33	6.26
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.75			0.75
	(c) Profits in lieu of Salary under Section 17(3) Income-tax Act, 1961	-	-	-	
2.	Stock Option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission as % of Profit -Others, Specify	-	-	-	
5.	Others, please specify	-	-	-	
	Total	5.38	0.30	1.33	7.01
	Celling as per the Act 10% of the Net Profit as calculated under Section 198 of the Companies Act, 2013				46.88

B. Remuneration To Other Directors:

(Rs. in million)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Fee for attending board / committee meetings	Commission	Others	
1.	Independent Directors				
	Shobha Singh Thakur	0.23	0.23	-	0.46
	Jagannadham Thunuguntla	0.09	0.20	-	0.29
	Jyoti Rai	0.17	0.06	-	0.23
	Rajiv Kumar Bakshi	0.12	-	-	0.12
	Total (1)	0.61	0.49	-	1.1
	Commission as % of Profit -Others, Specify	-	-	-	

(Rs. in million)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Fee for attending board / committee meetings	Commission	Others	
2.	Other Non-Executive Director	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.61	0.49	-	1.1
	Celling as per the Act 1% of the Net Profit as calculated under Section 198 of the Companies Act, 2013.		4.69		

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

(Rs. in million)

Sr.No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mrunal Shetty Chief Financial Officer (from 14.02.2019 till 31.03.2019)	Ruchi Jaiswal Company Secretary & Compliance Officer	
	Gross Salary			
1	(a) Value of Perquisites u/sec 17 (1) of the Income Tax Act, 1961	0.148	0.510	0.658
	(b) Value of Perquisites u/sec 17 (2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	a. as a % of profit	-	-	-
	b. others	-	-	-
5	Others	-	-	-
	Total	0.148	0.510	0.658

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

For and on behalf of the Board of Directors

Mr. Mehul Vala
Whole Time Director & CEO
DIN: 08361696

Mr. Mrunal Shetty
Director & CFO
DIN: 08362895

Place: Mumbai
Date: 24 May, 2019

FORM NO. MR-3**SECRETARIAL AUDIT
REPORT****FOR THE FINANCIAL YEAR
ENDED MARCH 31, 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Responsive Industries Limited

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

Based on our verification of the **Responsive Industries Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Responsive Industries Limited** ("the Company") for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 w.e.f. 29th March, 2019;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; During the year, the Company has passed special resolution for buy back of securities through Postal Ballot. The Board of Directors has withdrawn the proposal to buy back of securities.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India i.e. Secretarial Standards – 1 for Board Meetings and Secretarial Standards – 2 for General Meetings.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

a. Non Appointment of Chief Financial Officer:

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

- a. Managing Director or Chief Executive Officer or manager and in their absence, a Whole-Time Director.
- b. Company Secretary
- c. Chief Financial Officer
 - The Company has appointed Company Secretary.
 - The Company has appointed an Executive Director (Whole Time Director) till February 27, 2019.
 - The Company has appointed Managing Director w.e.f. May 02, 2018 till February 13, 2019.
 - The Company has appointed Whole-Time Director designated as Chief Executive Officer w.e.f. February 14, 2019.
 - The Company does not have Chief Financial Officer from April 01, 2018 till February 13, 2019. The Company has appointed Chief Financial Officer w.e.f. February 14, 2019.

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

As per Section 135 of the Companies Act, 2013, a Company to whom the provisions of CSR applies, is required to spend atleast 2% of its average net profits made during the immediately three preceding financial years on CSR activities. As per the financial statement as on March 31, 2018, the Company was required to spend Rs. 7.35 million during the financial year 2018-19 on CSR activities. The Company has spent Rs. 0.65 million towards CSR activities during the financial year 2018-19. An amount of Rs. 6.70 million was not spent towards CSR activities. Further, an amount of Rs. 41.43 was carried forward from the previous years.

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

We further report that:

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

Mr. Shobhasingh Thakur has informed the Company that he had resigned before the period of default made by the Company in which he was disqualified. He has submitted to the Company the copy of the said resignation letter. The Company was also in receipt of disclosure under Section 164(2) of the Companies Act, 2013 regarding his non disqualification under the said Section. He continues to act as Director of the Company since he has filed the petition before the High Court, Mumbai for removal of his disqualification for which the final order is awaited.

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

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

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

We further report that during the audit period, there were no instances of:

1. Public / Right / Preferential issue of Shares / Debentures / Sweat Equity, etc.
2. Redemption / ~~Buy-Back of Securities~~
3. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
4. Merger / Amalgamation / Reconstruction, etc.
5. Foreign Technical Collaborations

Place: Mumbai
Date: May 24, 2019

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

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

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

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

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

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

Activities under CSR:

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

- Eradicating hunger, poverty and mal-nutrition, promoting health care including preventive health care and sanitation including contribution to the Swatch Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
- Protection of natural heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries; promotion and development of traditional arts and handicrafts;
- Measures for the benefit of arm forces veterans, war widows and their dependents;
- Training to promote rural sport, nationally recognized sports, Paralympic sport and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects;
- Slum area development.

Web link to the CSR Policy: www.responsiveindustries.com/policies.

2. The Composition of CSR Committee:

During the year financial year 2018-19 the Committee comprises of following Members

Name	Designation	Appointment/Cessation
Mr. Atit Agarwal	Chairman	Cessation w.e.f. 1.10.2018
Mr. Jagannadham Thunuguntla	Member	Cessation w.e.f. 21.08.2018
Mr. Rajesh Pandey	Member	Cessation w.e.f. 27.02.2019
Mrs. Rohini Agarwal	Member	Cessation w.e.f. 14.02.2019
Ms. Jyoti Rai	Member	Appointment w.e.f. 17.10.2018
Mr. Rajiv Kumar Bakshi	Member	Appointment w.e.f. 17.10.2018

On the Board and CSR Committee meeting held on 17 October, 2018, Ms. Jyoti Rai is appointed as Chairman person of the Committee in place of Mr. Atit Agarwal.

3. Average net profit of the Company for last 3 financial years for the purpose of computation of CSR for the financial year 2019: Rs. 367.40 million.
4. Prescribed CSR Expenditure for the financial year 2019 (two percent of the amount mentioned in item 3 above): Rs. 7.35 million.
5. Details of CSR spent during the financial year:
- Total amount to be spent for the financial year: Rs.7.35 million
 - Amount unspent: Rs 6.7 million
 - Manner in which the amount spent during the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct Expenditure on projects and programs (2) Overheads#	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1	Health & Medical care	Promoting Health care including preventive health care	Mumbai Maharashtra	0.65	0.65	0.65	Through Implementing agency
	Total			0.65	0.65	0.65	

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

The Company has been working on identifying the projects for carrying out CSR activities; this has been taken more time than estimated looking at the total spending requirements.

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

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

Jyoti Rai
Chairman, CSR Committee
DIN: 07091343

Mehul Vala
Whole Time Director & CEO
DIN: 08361696

Place: Mumbai
Date: 24 May, 2019

C) FOREIGN EXCHANGE EARNINGS & OUTGO:	F.Y 18-19	F.Y 17-18
Total Exchange Earned (Rs. in million)	2,484.29	4,265.01
Total Outgo (Rs. in million)	2,376.13	3,306.44

For and on behalf of the Board of Directors

Mr. Mehul Vala
Whole Time Director & CEO
DIN: 08361696

Mr. Mrunal Shetty
Director & CFO
DIN: 08362895

Place: Mumbai
Date: 24 May, 2019

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L65100MH1982PLC027797
2	Name of the Company	Responsive Industries Limited
3	Registered Address	Betegaon, Mahagaon Road, Boisar (East), Taluka Palghar, Dist. Palghar-401 501
4	Website	www.responsiveindustries.com
5	E-mail id	investor@responsiveindustries.com
6	Financial year reported:	01 April, 2018 to 31 March, 2019
7	Sector(s) that the Company is engaged in (industrial activity code-wise) As per National Industrial Classification- Ministry of Statistics and Programme Implementation	Vinyl Flooring Synthetic Leather PVC Intermediaries
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Vinyl flooring, Vinyl Sheet, Luxury Vinyl Tile, Synthetic Leather.
9	Total number of locations where business activity is undertaken by the Company	
	a) Number of International Locations (Provide details of major 5)	Nil
	b) Number of National Locations	The Company has PAN India presence through: -1 manufacturing Unit at Boisar, Maharashtra - 1 corporate office at Colaba Mumbai
10	Markets served by the Company- Local/State/National/International	Company serves customers in both national and international locations

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	Rs. 266.91 million
2	Total Turnover (INR)	Rs. 6288.32 million
3	Total profit after taxes (INR)	Rs. 284.18 million
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent 0.23% of net profit after tax on CSR activities during the financial year 2018-19.
5	List of activities in which expenditure in 4 above has been incurred	Promoting Health & Medical Care

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/Companies?	Yes
2	Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	The Company encourages its subsidiaries to carry out Business Responsibility initiatives. The subsidiary companies share several features of our best practices in workplace sustainability.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Less than 30%. The Company makes its efforts to encourage other entities such as its suppliers, clients etc. to adhere to the Company's BR policies to the extent possible.

SECTION D : BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director\Directors responsible for implementation of the BR policy/policies

Mr. Rajesh Pandey, Director of the Company was responsible for implementation of BR Policy. He has resigned from the office of Directorship with effect from 27.02.2019. Mr. Mehul Vala Whole Time Director designated as Chief Executive Officer of the Company is being authorized to carry out the BR policy.

DIN: 08361696

Name: Mr. Mehul Vala

Designation: Whole Time Director & Chief Executive Officer

b) Details of the BR head:

1. DIN Number (if applicable): 0836169

2. Name : Mr. Mehul Vala

3. Designation : Whole Time Director & Chief Executive Officer

4. Telephone Number: 022 6656 2821

5. E-mail ID: investor@responsiveindustries.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the wellbeing of all employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights.

P6: Businesses should respect, protect and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Refer note	Y	Refer note
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	The policies are broadly based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	The policies which are statutorily required to be adopted by the Board have been approved by them, while the other policies are formulated and implemented by the Human resources department of the Company.								
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implantation of the policy?	The implementation of Code of Conduct is overseen by the Human Resource Department. The CSR Policy is administered by CSR Committee. The Head of BR is responsible for other policies.								
6	Indicate the link for the policy to be viewed online?	All the statutorily required policies are available in public domain at www.responsiveindustries.com/policies . Other internal policies are restricted to Company's employees.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to key internal stakeholders. The Communication is an ongoing process to covers all the key internal and external stakeholders.								
8	Does the Company have in-house structure to implement the policy/policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, Stakeholder Relationship Committee review and address stakeholder's grievances.								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	No. However, working of the policies is monitored by the functional heads. Formal evaluation will be carried out when deemed appropriate.								

Note: The replies to the questions at serial no.2 to 10 as mentioned above are applicable to all the Principles except the Principles 7 and 9.

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

- i) The Company has not understood the Principles:
- ii) The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.
- iii) The Company does not have financial or manpower resources available for the task
- iv) It is planned to be done within next 6 months
- v) It is planned to be done within the next 1 year

vi) Any other reason (please specify)

Note: With respect to the Principle 7, a specific policy for the same has not been adopted. With respect to the Principle 9, the Company fulfills customer needs satisfactory and provides value to them in a responsible manner.

c) Governance related to BR :

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.	The Board review the performance annually.
b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes BR report annually. It is available on the website of the Company at www.responsiveindustries.com/annual-report/

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors/ NGOs/Others?	<p>Good corporate is critical for business success and to achieve this the Company has articulated business principle and adopted various policies which addresses ethics, transparency and accountability of employees and Director's.</p> <ul style="list-style-type: none"> - Code of Conduct for Board Members & Senior Management Personnel covers all the Directors and Senior Management Personnel of the Company. - Insider Trading Code is applicable to designated persons and their relatives of the Company. - Related Party Transaction Policy is framed intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties at arm's length. - The objective of Whistle Blower Policy is to build and strengthen a culture of transparency and trust in the organization and to provide employees with a framework / procedure for responsible and secure reporting of improper activities (whistle blowing) within the Company and to protect employees wishing to raise a concern about improper activity irregularities within the Company.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the year the Company has received 1 complaints pertaining to non receipt of Notices and Annual Report. The same was immediately addressed by providing the shareholders with the same. The complaint has therefore been duly closed.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

<p>1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.</p>	<p>All products manufactured by the Company are safe and contribute to the sustainability throughout their lifecycle. To name a few of them are Vinyl flooring, Vinyl Sheet, Luxury Vinyl Tile, Synthetic Leather.</p>
<p>2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</p> <p>a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?</p> <p>b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>The Company has adopted the following methods to conserve the resources:</p> <ul style="list-style-type: none"> - Reuse of cut pieces after slitting for reducing waste generation and commercial viability. - Replacement of CFL bulbs with LED to enable lower energy consumption and elimination of risk of toxic substances and UV radiation. CFL bulbs were replaced by LED lights. This not only resulted in higher elimination but we also reduced energy consumption. - The abatement of cutting trees by substituting paper/printed correspondence with e-correspondence, while taking a step towards reducing deforestation.
<p>3. Does the Company have procedures in place for sustainable sourcing (including transportation)?</p> <p>a) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.</p>	<p>Yes, procurement practices by the Company are focused on protection of environment, and cost effective procurement seeking resource efficiency, improving the quality of products and ultimately optimizing the cost.</p>
<p>4. Has the Company taken any step to procure goods and services from local & small producers, including communities surrounding their place of work?</p> <p>a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>The manufacturing unit is located at the remote place away from the city. The Company makes specific efforts to improve employability of the local community. Further, it also ensures that it engages small businesses around its plant in variety of productive employment. The Company's long term association with the small vendors/suppliers has helped such vendors to grow along with the Company.</p>
<p>5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.</p>	<p>Yes, the Company has in place a mechanism for recycling products and waste. The waste generation of the Company is less than 5% and further 100% of the waste is being reused. The Company recycles its waste as below:</p> <ul style="list-style-type: none"> i) Plastics waste is recycled ii) Empty raw material bags are reused for in-process packing, reprocessed and reused. iii) Water consumption is monitored

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.	284																
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis	NIL																
3. Please indicate the Number of permanent women employees.	41																
4. Please indicate the Number of permanent employees with disabilities.	Nil																
5. Do you have an employee association that is recognized by management.	Bhartiya Kamgar Mahasangh																
6. What percentage of your permanent employees is members of this recognized employee association.	39%																
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.	<p>The Company has not received any complaints relating to child labour, forced labour, involuntary labour, sexual harassment.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Category</th> <th>No. of complaints filed during the financial year</th> <th>No. of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>i)</td> <td>Child labour/ forced Labour/ involuntary labour</td> <td>Nil</td> <td>N.A.</td> </tr> <tr> <td>ii)</td> <td>Sexual harassment</td> <td>Nil</td> <td>N.A.</td> </tr> <tr> <td>iii)</td> <td>Discriminatory employment</td> <td>Nil</td> <td>N.A.</td> </tr> </tbody> </table>	No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year	i)	Child labour/ forced Labour/ involuntary labour	Nil	N.A.	ii)	Sexual harassment	Nil	N.A.	iii)	Discriminatory employment	Nil	N.A.
No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year														
i)	Child labour/ forced Labour/ involuntary labour	Nil	N.A.														
ii)	Sexual harassment	Nil	N.A.														
iii)	Discriminatory employment	Nil	N.A.														
8. What percentage of your under mentioned employees were given safety & skill up gradation training in the last year? a) Permanent Employees b) Permanent Women Employees c) Casual/Temporary/ Contractual Employees d) Employees with Disabilities	100% employees undergo the required safety trainings on an ongoing basis.																

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

<p>1. Has the Company mapped its internal and external stakeholders? Yes/No</p>	<p>Yes, The Company has identified its stakeholders and takes steps to engage with them through various formal and informal processes. The major stakeholders have been identified and classified as: Employees, Customers, Shareholders, investors, depositors, communities, Business partners, Contractors, Vendors, Government Bodies, Lenders, Insurance Companies, Suppliers and Contact workers.</p>
<p>2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.</p>	<p>Yes, the Company ensures that all stakeholder concerns, including the disadvantaged and vulnerable, are well incorporated into the Company's strategic thinking and decision-making. The Company takes all practical steps to ensure that all communications with stakeholders is clear, transparent, timely and complete, and respects their right to be informed, so that everyone can make decisions and act with full knowledge. While the management has the accountability for stakeholder, the Company believes that every employee in the Company also has a responsibility towards ensuring satisfactory stakeholder relationships.</p>
<p>3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.</p>	<p>The Company made conscious efforts to engage with stakeholders, identify their needs/concerns and address them.</p>

Principle 5: Businesses should respect and promote human rights.

<p>1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/ Contractors/NGOs/Others.</p>	<p>The Company does not hire child labour, forced labour or involuntary labour. The Company has always been committed to developing an organizational culture that supports recognized human rights, as well as the human rights enumerated in the Constitution. The Company takes steps to ensure that human rights, principles are upheld within its workplaces.</p>
<p>2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management.</p>	<p>No complaint received with regard to human rights violation in the financial year 2018-19.</p>

Principle 6: Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ others.	The Company's policy on Environment is applicable to all. The Company believes that harmony between man and his environment is the essence of healthy life and living. Company strives for efficient and optimum utilization of available resources and minimization of waste
2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	The Company has addressed environment and climate issues with clear goals and targets. Following are the objectives of the Company to address environment issues are: <ul style="list-style-type: none"> · Efficient & optimum utilization of available resources · Minimization of waste · Maximization of waste materials' utilization
3. Does the Company identify and assess potential environmental risks? Y/N	Yes, the Company has a mechanism to identify and assess potential environmental risks in its plant.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also if Yes, whether any environmental compliance report is filed.	The Company does not have any projects related to Clean Development Mechanism.
5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Green initiative in corporate governance: The Company fully supports the Ministry of Corporate Affairs' initiative to minimize the use of paper for 'all official communication'. In line with this, the Company sends all notices and documents, including the Annual Report, to shareholders who have registered for the same, by e-mail. This has led to a significant reduction in paper consumption annually.
6. Are the Emissions/Waste generated by the company/ within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not Applicable
7. Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with :	The Company is a member of various industry bodies and associations. Some of these are: - Confederation of Indian Industry (CII) - The Associated Chamber of Commerce and Industry (ASSOCHAM) - Bombay Chamber of Commerce and Industry - Entrepreneur Organization, Mumbai
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	The Company is active member in various industry bodies and associations (either directly or through its subsidiary) and actively takes part in the discussion relating to policy development and advocates policies which promotes social and economic growth. The Company engages with industry bodies and association to influence public and regulatory policy in a responsible manner. Only the authorized representative of the company makes interaction with these bodies with honesty and integrity and in compliance with the applicable law.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/ initiatives project in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company has a CSR policy in place and it carried out activities majorly Educational/Vocational Training, Health & Medical Care, Promoting Art and Culture.
2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	The Company's CSR activities are carried out through implementing agencies.
3. Have you done any impact assessment of your initiative?	The company will carry out impact assessment at later stage.
4. What is your Company's direct contribution to community development projects. Amount in INR and the details of the project undertaken.	Kindly refer the Report on CSR activities for details.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	The Company has contributed its funds to institutions furthering the benefit to the needy Section of the society and the same has been acknowledged by them.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.	No Complaints were pending as on the end of financial year.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. Remarks (additional information)	The Company follows all legal statutes with respect to product labeling and displaying of product information, wherever required.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	Nil
4. Did your Company carry out any consumer survey/consumer satisfaction trends?	Yes

For and on behalf of the Board of Directors

Mr. Mehul Vala
Whole Time Director & CEO
DIN: 08361696

Mr. Mrunal Shetty
Director & CFO
DIN: 08362895

Place: Mumbai
Date: 24 May, 2019

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

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

For and on behalf of the Board of Directors

Mr. Mehul Vala
Whole Time Director & CEO
DIN: 08361696

Mr. Mrunal Shetty
Director & CFO
DIN: 08362895

Place: Mumbai
Date: 24 May, 2019

Disclosure as required under Section 197(2) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Particulars	Disclosures		
Ration of remuneration of each Director to the median remuneration of the employee of the Company and the percentage increase in remuneration of Directors & KMP in the financial year	Name of the director	Ratio of remuneration of each director to the Median remuneration of the employees	% increase in remuneration of each director, CEO, CFO and CS,
	Mr. Rishabh Agarwal Managing Director redesignated Non-Executive Chairman w.e.f. 14.02.2019	14.32	-
	Mr. Rajesh Pandey Executive Director (cessation w.e.f. 27.02.2019)	3.54	-
	Mr. Mehul Vala Chief Executive Officer & Whole Time Director	0.79	-
	Mr. Mrunal Shetty Chief Financial Officer & Director	0.40	-
	Mr. Jagannadham Thunuguntla Independent Director (cessation w.e.f. 21.08.2018)	0.52	-60.92
	Mr. Shobha Singh Thakur Independent Director	0.61	-54.00
	Ms. Jyoti Rai Independent Director	0.15	-78.00
	Mr. Rajiv Kumar Bakshi Independent Director (Appointment w.e.f. 17.10.2018)	-	-
	Ms. Rohini Agarwal Non Executive Director	-	-
	Ms. Ruchi Jaiswal Company Secretary	1.36	30.82
Median for the current year			0.38
% increase in the median remuneration of employee in the FY 2018-19			18.76
Total number of permanent employee on the rolls of the Company			349
Average percentile increase already made in the salaries of the employee other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exception circumstances for increase in the managerial remuneration.			11.97
Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.		

For and on behalf of the Board of Directors

Mr. Mehul Vala
Whole Time Director & CEO
DIN: 08361696

Mr. Mrunal Shetty
Director & CFO
DIN: 08362895

Place: Mumbai
Date: 24 May, 2019

STANDALONE FINANCIALS

Opinion

We have audited the Standalone Ind AS financial statements of **Responsive Industries Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of Profit and Loss (Including Other Comprehensive Income), statement of cash flows and statement of changes in equity for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, (Financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Board's Report, Report on Corporate governance and Business Responsibility Report but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Standalone Ind AS Financial Statements.

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

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.
2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
 - Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 4. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16): In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For S G C O & Co. LLP

Chartered Accountants

FRN. 112081W/W100184

Suresh Murarka

Partner

Membership No: 044739

Place: Mumbai

Date: 24 May, 2019

**ANNEXURE "A"
TO INDEPENDENT
AUDITOR'S REPORT**

Annexure referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" in the Independent Auditor's Report of even date to the members of **Responsive Industries Limited** ("the Company") on the Standalone Ind AS financial statements for the year ended 31st March 2019.

- (i) a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
b) During the year, the fixed assets of the Company have been physically verified by the Management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
c) The title deeds of immovable properties recorded as fixed assets in the books of accounts of the Company are held in the name of the Company.
- (ii) The inventories have been physically verified by the management during the year at reasonable intervals. Discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) As informed the Company has not granted any Loan, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) (a), 3 (iii) (b), and 3 (iii) (c) of the said Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Sections of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public within the provision of Section 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of accounts maintained by the Company in respect of products where the maintenance of cost records have been specified by the Central Government under sub Section (1) of Section 148 of the Act and the rules framed thereunder and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Custom Duty, Excise Duty, cess and any other material statutory dues applicable to it.

AND

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

- b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, Goods & Service Tax, value added tax, custom duty, excise duty which have not been deposited on account of any dispute.

- (viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions.
- (ix) The Company has not raised money by way of public issue offer/ further public offer (including debt instruments) and term loan have been applied by the Company for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practises in India, and according to the information and explanation given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officer or employees, noticed or reported during the year, nor have we been informed of any such instance by the Management.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us, all transaction entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the financial Statements etc., as required by the applicable Indian Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For S G C O & Co. LLP
Chartered Accountants
FRN. 112081W/W100184

Suresh Murarka
Partner
Membership No: 044739

Place: Mumbai
Date: 24 May, 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

We have audited the internal financial controls over financial reporting of Responsive Industries Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors

of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For S G C O & Co. LLP
Chartered Accountants
FRN. 112081W/W100184

Suresh Murarka
Partner
Membership No: 044739

Place: Mumbai
Date: 24 May, 2019

RESPONSIVE INDUSTRIES LIMITED
Balance Sheet as at March 31, 2019

(Rs in million)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	4,403.38	4,928.98
(b) Other Intangible assets	3	-	0.68
(c) Investments in Subsidiaries	4	1,987.24	264.79
		6,390.62	5,194.45
(d) <u>Financial Assets</u>			
(i) Non Current Investments	5	0.09	0.11
(ii) Other Financial Assets	6	18.10	17.94
		18.19	18.05
(e) Income Tax Assets (net)	7	1.94	17.40
(f) Other Non Current Assets	8	0.05	0.14
Total Non - Current Assets		6,410.80	5,230.04
(2) Current assets			
(a) Inventories	9	670.94	1,086.00
(b) <u>Financial Assets</u>			
(i) Current Investments	5	115.77	328.17
(ii) Trade receivables	10	567.28	2,712.40
(iii) Cash and Cash Equivalents	11	9.44	22.76
(iv) Bank Balances other than Cash and Cash Equivalents	12	125.70	125.05
(v) Loans	13	2.10	1.82
(vi) Other Financial Assets	6	3.63	5.80
		823.92	3,196.00
(c) Other Current Assets	14	63.25	192.84
Total Current Assets		1,558.11	4,474.84
TOTAL ASSETS		7,968.91	9,704.88
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	266.91	266.91
(b) Other Equity	15	6,131.44	5,880.53
Total Equity		6,398.35	6,147.44
Liabilities			
(1) Non-current liabilities			
(a) <u>Financial Liabilities</u>			
(i) Borrowings	16	-	2.83
(ii) Other Financial liabilities	17	0.003	0.002
		0.003	2.83
(b) Other Non-current liabilities	21	4.48	4.53
(c) Provisions	18	38.27	32.26
(d) Deferred tax liabilities (Net)	19	175.76	163.08
Total Non - Current Liabilities		218.51	202.70
(2) Current liabilities			
(a) <u>Financial Liabilities</u>			
(i) Borrowings	16	1,074.88	1,556.90
(ii) <u>Trade Payables</u>			
Total Outstanding dues of Micro Enterprises and Small Enterprises	20	0.69	4.60
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	20	35.05	592.97
(iii) Other Financial Liabilities	17	182.70	1,136.94
		1,293.32	3,291.41
(b) Other current liabilities	21	57.20	61.98
(c) Provisions	18	1.53	1.36
Total Current Liabilities		1,352.05	3,354.75
TOTAL EQUITY AND LIABILITIES		7,968.91	9,704.88
Significant Accounting Polices forming part of the accounts Other Notes to Accounts	1 & 2 30 to 37		

As per our attached report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No: 112081W/W100184

Suresh Murarka
Partner
Membership No. : 044739

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board

Mehul Vala
Whole Time Director & CEO
DIN :08361696

Ruchi Jaiswal
Company Secretary

Place : Mumbai
Date : May 24, 2019

Mrunal Shetty
Director & CFO
DIN :08362895

RESPONSIVE INDUSTRIES LIMITED
Statement of Profit and Loss for the year ended March 31, 2019

(Rs in million)

Particulars	Note	Year Ended March 31, 2019	Year Ended March 31, 2018
Revenues			
I Revenue from Operations	22	6,288.32	10,978.37
II Other Income	23	143.39	154.74
III Total Income (I + II)		6,431.71	11,133.11
IV Expenses			
Cost of Material Consumed	24	4,225.64	9,358.62
Changes in Inventories of finished goods, stock in trade & work-in-progress	25	136.97	(217.33)
Excise Duty		-	147.93
Employee benefit expenses	26	147.08	110.17
Finance Costs	27	126.74	170.39
Depreciation and amortisation expenses	3	614.98	656.70
Other expenses	28	714.75	647.64
Total Expenses (IV)		5,966.16	10,874.12
V Profit before tax (III-IV)		465.55	258.99
VI Tax Expenses			
(1) Current Tax		149.16	47.00
(2) Deferred tax Charge / (Credit)	18	13.41	59.48
(3) Tax of earlier years		18.80	21.76
VII Profit after tax (V-VI)		284.18	130.75
VIII Other Comprehensive Income (net of tax)			
Items that will not be reclassified to Profit or loss:-			
- Remeasurements of Defined Benefit Plans [Net of Deferred tax amounting to Rs. (0.72 million) (P.Y. Rs. (1.74 million)]		(1.35)	3.29
Total Other Comprehensive Income (net of tax)		(1.35)	3.29
IX Total Comprehensive Income for the year (VII+VIII)		282.83	134.04
X Earnings per equity share [Face Value of Re. 1 each (PY Re. 1 each)]			
(1) Basic	29	1.06	0.49
(2) Diluted		1.06	0.49
Significant Accounting Polices forming part of the accounts	1 & 2		
Other Notes to Accounts	30 to 37		

As per our attached report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No: 112081W/W100184

For and on behalf of the Board

Mehul Vala
Whole Time Director & CEO
DIN :08361696

Mrunal Shetty
Director & CFO
DIN :08362895

Suresh Murarka
Partner
Membership No. : 044739

Ruchi Jaiswal
Company Secretary

Place : Mumbai
Date : May 24, 2019

Place : Mumbai
Date : May 24, 2019

RESPONSIVE INDUSTRIES LIMITED
Cash Flow Statement for the year ended March 31, 2019

(Rs in million)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	465.55	258.99
Add / (Less) : Adjustments for	-	-
Depreciation and Amortisation	614.98	656.70
Provision for gratuity	5.76	6.21
Finance Income (including fair value change in financial instrument)	(7.60)	(20.62)
Finance Cost (including fair value change in financial instrument)	126.74	170.39
Dividend Income	(4.83)	(6.33)
Fair Valuation gain on instruments measured at FVTPL	0.55	(7.72)
Loss / (profit) on sale of investments	(1.62)	(8.56)
Loss / (profit) on sale of property, plant & equipments	3.20	2.96
Unrealised Loss/ (Gain) on exchange fluctuations (net)	(6.67)	(32.83)
Provision for Doubtful Debts, Advances and Deposits	-	18.35
Provision for Expected Credit Loss	5.21	4.19
Sundry balances written off/ (Back) (Net)	7.46	(6.58)
Operating Profit Before Working Capital changes	1,208.72	1,035.13
Add / (Less) : Adjustments for change in working capital		
(Increase)/ Decrease in other non-current financial Assets	(0.16)	9.88
(Increase) /Decrease in other non-current Asset	0.09	1.04
(Increase) / Decrease in Inventory	415.05	27.69
(Increase) / Decrease in trade receivables	2,131.78	(169.76)
Increase / (Decrease) in Other Current Financial Assets	2.18	15.78
(Increase) / Decrease in other current assets	129.59	90.80
(Increase) / Decrease in Loans	(0.29)	0.45
Increase / (Decrease) in trade payables	(561.70)	294.02
Increase / (Decrease) in other current financial liabilities	(268.13)	163.76
Increase / (Decrease) in other current liabilities & Provisions	(34.75)	49.72
Increase / (Decrease) in other non-current liabilities	(0.05)	(0.05)
Cash generated from Operations	3,022.34	1,518.45
Add / (Less) : Direct taxes paid	(167.96)	(115.57)
Net Cash Inflow / (Outflow) from Operating activities (A)	2,854.38	1,402.88
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of Fixed Assets / Capital WIP	(97.23)	(98.63)
Capital Advance (given) / received	-	210.83
Proceeds from sale of fixed assets	8.52	0.10
Interest Received	7.60	20.62
Dividend Received	4.83	6.33
Sale of Investments	542.32	160.73
Fair valuation gain on instruments measured at FVTPL	(0.55)	7.71
Acquisition of Investments	(2,051.80)	(344.97)
Fixed Deposits placed with banks	(0.64)	229.83
Net Cash Inflow / (Outflow) from Investing activities (B)	(1,586.94)	192.54

RESPONSIVE INDUSTRIES LIMITED
Cash Flow Statement for the year ended March 31, 2019

(Rs in million)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Loans repaid during the year	(658.10)	(1,256.65)
Short term loans taken / (repaid) during the year (net)	(469.87)	(330.35)
Interest Paid	(126.74)	(170.39)
Dividend paid (Including Tax on Dividend)	(31.93)	-
Net Cash Inflow / (Outflow) from Financing activities (C)	(1,286.63)	(1,757.40)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(19.20)	(161.97)
Add: Cash and Cash Equivalents at the beginning of year	28.64	190.61
Cash and Cash Equivalents at the end of year	9.44	28.64
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF YEAR		
Cash on hand	0.74	0.34
Balance with banks	8.70	22.42
Add: Unrealised Gain / (Loss) in Bank Accounts	-	5.88
Cash and Cash Equivalents (closing)	9.44	28.64

As per our attached report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No: 112081W/W100184

Suresh Murarka
Partner
Membership No. : 044739

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board

Mehul Vala
Whole Time Director & CEO
DIN :08361696

Mrunal Shetty
Director & CFO
DIN :08362895

Ruchi Jaiswal
Company Secretary

Place : Mumbai
Date : May 24, 2019

RESPONSIVE INDUSTRIES LIMITED
Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

A. Equity Share Capital

(Rs in million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares at the beginning of the year	26,69,12,700	266.91	26,69,12,700	266.91
Add: Shares issued during the year	-	-	-	-
Equity shares at the end of the year	26,69,12,700	266.91	26,69,12,700	266.91

B. Other Equity

(Rs in million)

Particulars	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Other comprehensive Income	Total
As at April 1, 2017	1.38	1,438.59	0.10	4,338.02	0.33	5,778.42
Profit for the year ended March 31, 2018	-	-	-	130.75	-	130.75
<u>Other Comprehensive Income :</u>						
Remeasurement of net defined benefits plans	-	-	-	-	3.29	3.29
Final Dividend on Equity shares	-	-	-	(26.69)	-	(26.69)
Tax on Final Dividend	-	-	-	(5.24)	-	(5.24)
As at March 31, 2018	1.38	1,438.59	0.10	4,436.84	3.62	5,880.53
Profit for the year ended March 31, 2019	-	-	-	284.18	-	284.18
<u>Other Comprehensive Income :</u>						
Remeasurement of net defined benefits plans	-	-	-	-	(1.35)	(1.35)
Final Dividend on Equity shares	-	-	-	(26.69)	-	(26.69)
Tax on Final Dividend	-	-	-	(5.24)	-	(5.24)
As at March 31, 2019	1.38	1,438.59	0.10	4,689.10	2.27	6,131.44

As per our attached report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No: 112081W/W100184

Suresh Murarka
Partner
Membership No. : 044739

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board

Mehul Vala
Whole Time Director & CEO
DIN :08361696

Ruchi Jaiswal
Company Secretary

Place : Mumbai
Date : May 24, 2019

Mrunal Shetty
Director & CFO
DIN :08362895

SIGNIFICANT ACCOUNTING POLICIES

Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

1. Company Overview:

Responsive Industries Limited ("the Company"), was incorporated on 13th July, 1982, CIN L65100MH1982PLC027797. The Company is a Public Limited Company incorporated and domiciled in Mumbai, Maharashtra, India and is having its registered office at Village Betagaon, Mahagaon Road, Boisor East, Palghar - 401 501. The Company has primary listing in Bombay Stock Exchange Limited (BSE) and National Stock Exchange (NSE) of India Limited.

The Company is a major producer and supplier of various articles made out of Plastics / Polymers, which includes products like Vinyl flooring, Rigid PVC, Leather Cloth & Soft Sheeting's.

2. Statement of Significant Accounting Policies:

2.1 Basis of preparation of Standalone Ind AS Financial Statements:

The Standalone Ind AS financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended ; and the other relevant provisions of the Act and Rules thereunder.

The Standalone Ind AS financial statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

2.2 Use of estimates:

The preparation of the Standalone Ind AS financial statements of the Company in accordance with Indian Accounting Standards (Ind-AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities at the date of the Standalone Ind AS financial statements. These estimates are based upon management's best knowledge of current events and actions; however uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amounts of assets or liabilities in future periods. Appropriate revisions in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions in estimates are recognized prospectively in the Standalone Ind AS financial statements in the period in which the estimates are revised in any future periods affected.

2.3 Fair Value Measurement:

The Company measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial asset and liabilities.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company uses valuation techniques, which are appropriate in circumstances and for which sufficient data is available considering the expected loss/ profit in case of financial assets or liabilities.

2.4 Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization and when the revenue can be reliably measured.

Revenue from sale of goods is recognized when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.

Revenue from the sale of goods is net-off returns, taxes or duties collected on behalf of the government and applicable discounts and rebates.

Interest income is recognized using Effective Interest Rate (EIR) method.

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

Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reasonably. Other Income is accounted for on accrual basis, when certainty of receipt is established.

2.5 Inventories

Inventories of Raw Materials, Finished Goods, Semi-Finished Goods, Stores and Spares and Packing Materials, are valued at cost or net realizable value, whichever is lower. Materials-in-transit are valued at cost-to-date. Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on FIFO basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience.

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

Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

2.6 Property, Plant and Equipment (PPE):

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment. In other cases, the spare part is inventorised on procurement and charged to the Statement of Profit and Loss on consumption.

An item of property, plant and equipment and any significant part initially recognised separately as part of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at regular intervals and changes, if any, are accounted in line with revisions to accounting estimates.

2.7 Capital Work in Progress

Cost of assets not ready for use at the balance sheet date is disclosed under capital work-in-progress. Expenditure during construction period is included under Capital Work in Progress & the same is allocated to the respective PPE on the completion of its construction.

2.8 Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

2.9 Borrowing costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

2.10 Depreciation

Depreciation on Plant, Property and Equipment has been provided on the Straight - Line basis, over the estimated useful lives of assets. The Company provides pro-rata depreciation from the date of addition / up to the date of deletion made during the reporting period. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the Standalone Ind AS financial statements upon sale or disposal of the asset and the resultant gains or losses are recognized in the statement of Profit and Loss.

The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act, except in case of Plant & Machinery which are depreciated over a useful lives of 20 years based on the technical assessment.

2.11 Impairment of Non - financial Assets:

Non - financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is the higher of the assets or Cash Generating Units (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.12 Government Subsidy

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

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

Government grants related to revenue are recognized on a systematic basis in net profit in the statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

2.13 Taxes on Income

a) Current Tax

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

b) Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred Tax asset and liability are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled based on rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.14 Financial Assets

a) Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

b) Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

- Debt instruments at Fair value through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

- Debt instruments at Fair value through profit or loss (FVTPL)

Fair value through profit or loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

- Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when.

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Accumulated gains or losses on equity instruments measured at FVTOCI are never reclassified to the Statement of Profit and Loss.

d) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial asset measured at amortised cost
- Financial asset measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, considering historical trend, industry practices and the business environment in which the Company operates or any other appropriate basis.

The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

2.15 Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

b) Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

(i) Financial Liabilities at fair value through profit or loss (FVTPL)

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

(ii) Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities other than those which are classified as fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

2.16 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.17 Employee Benefits

a) Short-term employee benefit

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

b) Post-employment obligations

The Company operates the following post – employment schemes:

1. Defined benefit plans such as gratuity, and
2. Defined contribution plans such as provident fund.

Gratuity Obligation:

Provision for Gratuity is recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund, etc. are charged to the Statement of Profit and Loss as incurred.

2.18 Foreign Currency Transactions:

a) Functional and Presentation Currency:

The Standalone Ind AS financial statements are presented in Indian rupees which is the functional currency for the Company. All amounts have been rounded off to the nearest million, unless otherwise indicated.

b) Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term monetary items taken prior to April 1, 2016) are recognised in Statement of Profit and Loss either as Profit or Loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

The Company has elected to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as on 31st March, 2016 i.e. foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of the asset or liability.

c) Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.19 Provisions, Contingent Liabilities and Capital Commitments

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the Standalone Ind AS financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

2.20 Earnings per Share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

2.21 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act

2.22 Cash and Cash equivalents

Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.23 Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.24 Recent accounting pronouncements

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc

RESPONSIVE INDUSTRIES LIMITED
Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

Note 3 : Property, Plant and Equipment

(Rs in million)

Particulars	Freehold Land	Factory Building	Plant and Machinery	Electrical Installation	Furniture and Fixtures	Office equipments	Computer	Motor Cars	Motor Trucks	Weighing Scale	Total
Year Ended March 31, 2019											
Gross Carrying Amount											
As at April 1, 2018	78.10	234.54	7,400.78	9.94	2.47	10.02	6.05	80.22	20.77	0.15	7,843.03
Additions	-	-	0.90	-	2.19	0.62	0.94	-	39.35	-	44.00
Disposals	-	-	-	-	-	-	-	-	(23.54)	-	(23.54)
Increase / (Decrease) in foreign exchange fluctuations (net)	-	-	53.23	-	-	-	-	-	-	-	53.23
Closing Gross Carrying Amount	78.10	234.54	7,454.91	9.94	4.65	10.64	6.99	80.22	36.57	0.15	7,916.71
Accumulated Depreciation											
Upto March 31, 2018	-	19.78	2,846.43	6.38	0.81	5.56	3.85	22.06	9.11	0.06	2,914.05
For the year	-	9.04	584.34	1.17	0.30	1.63	1.18	10.21	6.41	0.02	614.30
Reversal on account of disposals	-	-	-	-	-	-	-	-	(15.03)	-	(15.03)
Closing Accumulated Depreciation	-	28.82	3,430.77	7.55	1.11	7.19	5.04	32.27	0.49	0.09	3,513.33
Net Carrying Amount as at March 31, 2019	78.10	205.72	4,024.14	2.39	3.54	3.46	1.96	47.95	36.08	0.06	4,403.38
Year Ended March 31, 2018											
Gross Carrying Amount											
As at April 1, 2017	78.10	233.64	7,311.51	9.94	1.89	9.20	4.28	80.22	20.77	0.15	7,749.69
Additions	-	0.90	93.83	-	0.58	0.82	1.78	-	-	-	97.90
Disposals	-	-	(5.23)	-	-	-	-	-	-	-	(5.23)
Increase / (Decrease) in foreign exchange fluctuations (net)	-	-	0.67	-	-	-	-	-	-	-	0.67
Closing Gross Carrying Amount	78.10	234.54	7,400.78	9.94	2.47	10.02	6.05	80.22	20.77	0.15	7,843.03
Accumulated Depreciation											
Upto March 31, 2017	-	10.77	2,218.85	5.03	0.56	3.89	2.80	11.53	6.10	0.04	2,259.57
For the year	-	9.01	629.75	1.35	0.25	1.67	1.06	10.53	3.01	0.02	656.65
Reversal on account of disposals	-	-	(2.17)	-	-	-	-	-	-	-	(2.17)
Closing Accumulated Depreciation	-	19.78	2,846.43	6.38	0.81	5.56	3.85	22.06	9.11	0.06	2,914.05
Net Carrying Amount as at March 31, 2018	78.10	214.76	4,554.35	3.56	1.66	4.47	2.20	58.16	11.66	0.08	4,928.98

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Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

Note 3 : Intangible assets

(Rs in million)

Particulars	Computer Software	Total
Year Ended March 31, 2019		
Gross Carrying Amount		
As at April 1, 2018	2.15	2.15
Additions	-	-
Closing Gross Carrying Amount	2.15	2.15
Accumulated Amortisation		
Opening Accumulated Amortisation	1.47	1.47
Amortisation Charge for the year	0.68	0.68
Closing Accumulated Amortisation	2.15	2.15
Closing Net Carrying Amount as at March 31, 2019	-	-
Gross Carrying Amount		
As at April 1, 2017	2.09	2.09
Additions	0.06	0.06
Closing Gross Carrying Amount	2.15	2.15
Accumulated Amortisation		
Opening Accumulated Amortisation	1.42	1.42
Amortisation Charge for the year	0.05	0.05
Closing Accumulated Amortisation	1.47	1.47
Closing Net Carrying Amount as at March 31, 2018	0.68	0.68

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Note 4 : Investment in Subsidiaries		
Investments in equity instruments at Cost		
(Trade, Unquoted and fully paid up)		
Axiom Cordages Limited	257.75	257.75
[1,91,32,563 (P.Y. 1,91,32,563) Equity Shares of Rs.10/- each fully paid up]		
Responsive Industries Limited, Hongkong		
[25,010,000 (P.Y. 10,000) Equity Shares of USD 1 each]	1,730.18	
Less: Amount payable against Investment	0.69	7.04
	1,987.24	264.79
Aggregate amount of -		
a) Aggregate amount of quoted non-current investments as per books	-	-
b) Market value of Quoted non-current investments	-	-
c) Aggregate amount of unquoted non-current investments as per books	1,987.24	264.79
d) Aggregate amount of impairment in value of non-current investments	-	-

RESPONSIVE INDUSTRIES LIMITED
Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Note 5 : Investments		
Non Current Investment		
Investments in equity instruments of Other companies at Fair Value through Profit or Loss (Non Trade , Quoted and fully paid up)		
Syschem India Limited	0.19	0.19
[9,526 shares (P.Y.9,526 shares) of Rs. 10 each]		
Less: Provision for Diminution in Investment	(0.10)	(0.08)
	0.09	0.11
Aggregate amount of -		
a) Aggregate amount of quoted non-current investments as per books	0.09	0.11
b) Market value of Quoted non-current investments	0.09	0.11
c) Aggregate amount of unquoted non-current investments as per books	-	-
d) Aggregate amount of impairment in value of non-current investments	(0.10)	(0.08)
Current Investments		
Investments in Mutual Funds at Fair Value through Profit or Loss Quoted		
JM Multi Strategy Fund	5.53	5.22
ICICI Prudential Leap Fund	31.99	31.38
DSP Blackrock Banking & PSU Debt Fund	-	110.90
ICICI Prudential Savings Fund	-	97.84
Motilal Oswal Focused Multicap Opp. Fund	14.37	14.26
Union Corporate Bond Fund	5.35	-
Union Arbitrage Fund	5.02	-
Investments in Other Investments at Fair Value through Profit or Loss Unquoted		
IDFC Score Fund	23.26	20.50
E Cap Equities Limited	-	20.11
Edelweiss Crossover Opportunities Fund	3.91	2.76
IIFL Yeild Enhancer Fund	26.34	25.20
	115.77	328.17
Aggregate amount of -		
a) Aggregate amount of quoted current investments as per books	62.26	259.60
b) Market value of Quoted current investments	62.26	259.60
c) Aggregate amount of unquoted current investments as per books	53.50	68.57
d) Aggregate amount of impairment in value of current investments	-	-
Details of holding in Current Investments		
No. of units held		
- Mutual funds		
JM Multi Strategy Fund of Rs. 10 each fully paid up	1,91,109	1,91,109
ICICI Prudential Leap Fund of Rs 100 each fully paid up	2,79,516	2,79,516
DSP Blackrock Mutual Fund of Rs 10 each fully paid up	-	1,07,98,182
ICICI Prudential Savings Fund of Rs 10 each fully paid up	-	3,75,712
Motilal Oswal Focused Multicap Opportunities Fund of Rs 10 each fully paid up	13,74,968	13,74,968
Union Corporate Bond Fund of Rs 10 per unit	5,00,000	-
Union Arbitrage Fund of Rs 10 per unit	4,99,990	-

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Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
-Other Instrument		
IDFC Score Fund of Rs. 1,000 per unit	20,500	20,500
E CAP Equities Limited of Rs 1,00,000 per unit	-	195
Edelweiss Crossover Opportunities Fund of Rs 10 per unit	3,84,374	2,50,000
IIFL Yeild Enhancer Fund of Rs 10 per unit	96,85,095	60,88,878
NAV of Unit Mutual Fund held		
JM Multi Strategy Fund	28.93	27.30
ICICI Prudential Leap Series Fund	114.45	112.28
DSP Blackrock Mutual Fund	-	10.27
ICICI Prudential Savings Fund	-	260.41
Motilal Oswal Focused Multicap Opportunities Fund	10.45	10.37
Union Corporate Bond Fund	10.69	-
Union Arbitrage Fund	10.06	-
Note 6 : Other Financial Assets (Unsecured and considered good, unless otherwise stated)		
Non - Current		
<u>Security deposits</u>		
Considered Good	18.10	17.94
Considered Doubtful	-	2.10
Less: Provision for Doubtful Deposits	-	(2.10)
	18.10	17.94
Current		
Interest accrued on Deposits - Considered Good	2.52	4.69
Dividend Receivable	0.92	0.79
Other Receivables	0.19	0.32
	3.63	5.80
Note 7 : Income Tax Asset (net)		
Advance Tax & TDS (net of Provisions)	1.94	17.40
	1.94	17.40
Note 8 : Other Non Current Assets (Unsecured, Considered Good, unless otherwise stated)		
Prepaid expenses	0.05	0.14
	0.05	0.14
Note 9 : Inventories (at lower of cost or net realisable value)		
a) Raw Materials*	545.27	768.55
b) Goods-in-transit*	0.69	28.40
c) Finished Goods**	70.64	222.53
d) Work in Process**	43.87	28.95
e) Stores & Spares	8.35	12.67
f) Packing Materials	2.12	24.90
	670.94	1,086.00
*PVC resin and related raw materials **PVC related products For details of lien refer Note 16		

RESPONSIVE INDUSTRIES LIMITED

Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Note 10 : Trade receivables (Unsecured and considered good, unless otherwise stated)		
- Trade Receivables	576.68	2,716.59
- Trade Receivables which have significant increase in credit risk	-	-
- Trade Receivables - Credit Impaired	-	-
	576.68	2,716.59
Less: Provision for Expected Credit Loss	(9.40)	(4.19)
	567.28	2,712.40
Current Portion	567.28	2,712.40
Non-Current Portion	-	-
	567.28	2,712.40
For details of lien refer Note 16		
Note 11 : Cash and Cash Equivalents		
Balance with banks	8.70	22.42
Cash on hand	0.74	0.34
	9.44	22.76
For details of lien refer Note 16		
Note 12 : Bank Balances other than Cash and Cash Equivalents		
Fixed Deposits with Bank *		
- original maturity beyond 3 months and less than 12 months	125.70	115.07
- original maturity beyond 12 months and remaining maturity less than 12 months as on balance sheet date	-	9.98
	125.70	125.05
*Out of the above, Fixed Deposits amounting to Rs. 125.70 million (PY. Rs. 121.09 million) is on Lien against facilities taken from bank.		
Note 13 : Loans		
Loans and advances to staff	2.10	1.82
	2.10	1.82
Note 14 : Other Current Assets (Unsecured, Considered Good, unless otherwise stated)		
Advances towards Purchases	11.23	52.67
Prepaid expenses	7.76	5.56
Balance with Tax Authorities	44.26	134.61
	63.25	192.84
Note 15 : Equity Share Capital		
Authorised		
42,00,00,000 (P.Y 42,00,00,000) Equity shares of Re.1/- each	420.00	420.00
	420.00	420.00
Issued, Subscribed and Fully Paid up		
26,69,12,700 (P.Y 26,69,12,700) Equity shares of Re.1/- each fully paid up	266.91	266.91
	266.91	266.91
a. Reconciliation of shares outstanding at the beginning and at the end of the year		
Opening balance of shares	26,69,12,700	26,69,12,700
Closing balance of shares	26,69,12,700	26,69,12,700

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Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
b. Shares held by holding entity and subsidiary company		
Holding Entity - [Wellknown Business Ventures LLP]	12,34,25,340	13,59,25,340
Subsidiary Company - [Axiom Cordages Limited]	44,18,330	44,18,330
c. Details of shareholders holding more than 5% shares in the company		
1) Wellknown Business Ventures LLP		
- Number of share held	12,34,25,340	13,59,25,340
- % of total equity share capital	46.24%	50.93%
2) Fossebridge Limited		
- Number of share held	3,28,96,800	3,29,01,800
- % of total equity share capital	12.32%	12.33%
3) Xatis International Limited		
- Number of share held	3,27,00,720	3,27,05,720
- % of total equity share capital	12.25%	12.25%
4) Parshvanath Comtrade LLP		
- Number of share held	2,50,00,000	-
- % of total equity share capital	9.37%	-
5) Brenzett Limited		
- Number of share held	1,53,62,708	1,53,67,708
- % of total equity share capital	5.76%	5.76%
d. There are no bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.		
e. Rights / Preferences and restrictions attached to equity shares.		
Each holder of equity shares is entitled to one vote per equity share. They are entitled to receive dividend proposed by the Board of Directors and approved by shareholders in General Meeting, right to receive annual report and other quarterly / half yearly / annual publications and right to get new shares proportionately in case of issuance of additional shares by the Company.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
Other Equity		
Capital Reserve	1.38	1.38
Securities Premium Reserve	1,438.59	1,438.59
General Reserve	0.10	0.10
Retained Earnings	4,689.10	4,436.84
Other Comprehensive Income	2.27	3.62
	6,131.44	5,880.53
(i) Capital reserves		
Opening balance	1.38	1.38
Closing Balance	1.38	1.38
(ii) Securities Premium Reserve		
Opening balance	1,438.59	1,438.59
Closing Balance	1,438.59	1,438.59
(iii) General reserves		
Opening balance	0.10	0.10
Closing Balance	0.10	0.10

RESPONSIVE INDUSTRIES LIMITED

Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
(iv) Retained Earnings		
Opening balance	4,436.84	4,338.35
Add:		
- Profit for the year as per Statement of Profit and Loss	284.18	130.75
Less: Appropriation		
- Final dividend		
- on Equity Shares	26.69	26.69
- Tax on final dividend	5.24	5.24
	4,689.10	4,436.84
(v) Other Comprehensive Income		
Opening balance	3.62	0.33
Add: For the year		
-Remeasurement of net defined plans (net of tax)	(1.35)	3.29
	2.27	3.62
Total	6,131.44	5,880.53
Nature and Purpose of Reserves :		
Capital Reserves		
Capital Reserve is created on account of Forfeiture of Equity Shares.		
Securities Premium Reserve		
Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act..		
General Reserve		
General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.		
Retained Earnings		
Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.		
Proposed Dividend on Equity Share not recognised		
Final Dividend for the year ended March 31, 2019 @ Rs. 0.12 per Share; (P.Y. 0.10 per share)	32.03	26.69
Dividend Distribution Tax	6.51	5.43
	38.54	32.12
Note 16 : Borrowings		
Non Current Borrowings		
<u>Secured - From Banks</u>		
Vehicle Loans (Refer Note 1 below)	13.51	12.88
External Commercial Borrowing (Refer Note 2 below)	-	658.73
Less - Current Maturities	(13.51)	(668.78)
Less - Interest accrued but not due on borrowings	-	-
	-	2.83

Note 1: The loans are repayable in equal instalments and the interest rate on above is ranging between 8.50% to 10.60%. They are secured by way of hypothecation of specific vehicles acquired under the arrangements.

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

The External Commercial Borrowings was repayable in 24 quarterly installments commencing from December 2012 . Interest rate on ECB are 6 months USD LIBOR + 456 basis points. There is no outstanding facility against the same as at March 31, 2019

Terms of Repayment Schedule of Long Term Borrowings as at March 31, 2019

Current	Interest Rate	Rs. (in million)	Repayment Schedule
Vehicle Loans	8.50% to 10.60%	13.51	April, 2019 to March 2020

RESPONSIVE INDUSTRIES LIMITED

Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Current Borrowings		
<u>Secured - From Banks</u>		
Packing Credit Foreign Currency Loans (Refer Note 1 below)	745.42	853.99
EBRD (Post Shipment) Loan (Refer Note 2 below)	-	309.60
Buyer's Credit (Refer Note 3 below)	-	393.31
Cash Credit facility (Refer Note 4 below)	329.46	-
	1,074.88	1,556.90
<p>Note 1: PCFC Loan of Rs745.43 million (PY Rs.853.99 million) are secured by first ranking pari passu hypothecation charge on entire current assets of the company both present and future.</p> <p>Note 2: EBRD (Post Shipment) of Rs. NIL (PY Rs.309.60 million) are secured by first ranking pari passu hypothecation charge on entire current assets of the company both present and future.</p> <p>Note 3: Buyer's Credit of Rs. NIL (P.Y 393.31 million) was secured by goods purchased under Letter of credit.</p> <p>Note 4: Cash credit loan of Rs 329.46 million (P.Y Rs NIL) are secured by first ranking pari passu hypothecation charge on entire current assets of the company both present and future.</p>		
Note 17 : Other Non-Current Financial liabilities		
Non - Current		
Security Deposits from Subsidiary Company	0.003	0.002
	0.003	0.002
Current		
Current Maturities of Long Term Debt (Refer Note 16 above)	13.51	668.78
Cheques Overdrawn	169.19	468.16
	182.70	1,136.94
Note 18 : Provisions		
Non - Current		
Provision for Gratuity (Refer Note 31)	38.27	32.26
	38.27	32.26
Current		
Provision for Gratuity (Refer Note 31)	1.53	1.36
	1.53	1.36
Note 20 : Trade Payables		
Amount due to Micro, Small and Medium Enterprises (Refer Note below)	0.69	4.60
Others	35.05	592.97
	35.74	597.57
Details of due to Micro, Small and Medium Enterprises as per the Micro, Small and Medium Enterprises Development Act 2006		
Amount due and payable at the year end		
- Principal amount	0.69	4.60
- Interest on above principals *	-	-
Payment made during the year after the due date		
- Principal	-	-
- Interest	-	-
Interest due and payable for Principal already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-
* Interest has been waived off by the respective parties		

RESPONSIVE INDUSTRIES LIMITED
Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

Note 19 : Tax Expense

(a) Amount recognised in Statement of Profit and Loss

(Rs in million)

Particulars	2018-19	2017-18
Current Tax expense (A)		
Current year	149.16	47.00
Short /(Excess) provision of earlier year	18.80	21.76
	167.96	68.76
Deferred tax expense (B)		
Origination and reversal of temporary differences	13.41	59.48
Tax expense recognised in the income statement (A+B)	181.37	128.24

(Rs in million)

(b) Amount recognised in other comprehensive income

Particulars	2018-19			2017-18		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plans	2.07	(0.72)	1.35	5.03	(1.74)	3.29
	2.07	(0.72)	1.35	5.03	(1.74)	3.29

(c) Reconciliation of effective tax rate

(Rs in million)

Particulars	2018-19	2017-18
Profit before tax	465.55	258.99
Tax using the company domestic tax rate (Current year 34.608% and Previous Year 34.608%)	161.12	89.63
Tax effect of:		
Tax effect on non deductible expenses	0.33	11.14
Others	1.12	5.71
Adjustment recognised in current year in relation to the current tax of prior years	18.80	21.76
Tax expense as per Statement of the Profit and loss	181.37	128.24
Effective tax rate	38.96%	49.52%

(d) Movement in deferred tax balances

(Rs in million)

Particulars	Net balance as at April 1, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Balance as at March 31, 2019	Deferred tax liability	Deferred tax asset
Deferred tax (Asset)/ Liabilities							
Property, plant and equipment & Intangible assets	174.43	15.76	-	-	190.15	190.15	-
Investments	9.40	-	-	-	9.40	9.40	-
Fair Valuation of Non-current Assets	(0.04)	-	-	-	(0.04)	-	(0.04)
Employee benefits	(7.60)	0.19	(0.72)	-	(8.13)	-	(8.13)
Provisions	(2.18)	(1.11)	-	-	(3.28)	-	(3.28)
Fair Valuation of Non-current Liabilities	0.16	-	-	-	0.16	0.16	-
Other Ind AS Impact - Land	(1.67)	(2.32)	-	-	(3.99)	-	(3.99)
Other Items	(9.38)	0.88	-	-	(8.50)	-	(8.50)
Deferred tax (Asset)/ Liabilities	163.08	13.41	(0.72)	-	175.76	199.71	(23.95)

RESPONSIVE INDUSTRIES LIMITED
Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Note 21 : Other Non-current liabilities		
Non - Current		
Deferred rent - Subsidiary Company	4.48	4.53
	4.48	4.53
Current		
Advance received from Customers	22.47	59.28
Statutory Liabilities	3.90	2.70
GST Payable	30.83	-
	57.20	61.98
Note 22 : Revenue from Operations		
Sale of Products (net)	6,214.24	10,873.38
	6,214.24	10,873.38
Other Operating Revenue		
Incentive and assistance	74.08	104.99
	6,288.32	10,978.37
* PVC related products Incentive and assistance includes export incentive in the nature of promotion of export & refund of taxes on export of goods.		
Note 23: Other Income		
Dividend Income		
- from Subsidiary company	0.96	0.96
- from others	3.87	5.37
Interest Income		
- On Fixed Deposit	7.60	20.60
- On Instrument measured at FVTPL	-	0.01
Gain on Foreign Exchange fluctuation (net)	126.68	104.28
Insurance Claim Received	2.01	-
Fair Value of non - current investments (net)	-	0.01
Profit on sale of current Investments (net)	1.62	8.56
Fair valuation gain on Mutual Funds measured at FVTPL	-	7.71
Sundry Balance written back (net)	-	6.58
Rent Income	0.65	0.65
	143.39	154.74
Note 24: Cost of Materials Consumed		
Opening Stock	796.95	1,059.24
Add: Purchases*	3,974.65	9,096.33
	4,771.60	10,155.57
Less: Closing Stock	545.96	796.95
	4,225.64	9,358.62
*PVC resin and related raw materials		

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Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Note 25: Changes in inventories of finished goods, stock in trade and work-in-progress		
Closing Stocks:		
Finished Goods	70.64	222.53
Stock in process	43.87	28.95
	114.51	251.48
Less: Opening Stocks		
Finished Goods	222.53	-
Stock in process	28.95	34.16
	251.48	34.16
	136.97	(217.33)
Note 26: Employee benefit expenses		
Salaries and wages	132.24	89.53
Provision for Gratuity (Refer Note 31)	5.76	6.21
Contribution to Provident fund and others (Refer Note 31)	4.47	3.59
Staff welfare expenses	4.61	10.85
	147.08	110.17
Note 27: Finance Costs		
Interest expenses on borrowings	110.60	153.35
Other Borrowing Costs	16.14	17.04
	126.74	170.39
Note 28: Other expenses		
Manufacturing Expenses		
Power & Fuel	368.33	249.34
Packing Materials consumed	10.56	4.48
Stores and Spares consumed	34.18	42.15
Repairs - Plant & Equipments	7.66	8.21
Repairs - Buildings	-	1.11
Other Manufacturing Expenses	48.16	54.66
Sales and marketing cost		
Freight & Forwarding Charges	93.60	117.08
Other Selling & Distribution Expenses	29.77	64.83
Administrative & Other Expenses		
Conveyance and Travelling Expenses	28.76	22.24
Professional & Consultancy Fees	20.56	24.04
Rates & Taxes	10.80	5.07
Rent expenses (Refer Note 30)	6.18	0.69
Insurance Expenses	7.48	6.06
Auditor's Remuneration (Refer Note below)	2.11	3.26
Impairment Allowance for Doubtful Debts and Advances	-	18.35
Loss on sale of property, plant & equipments	3.20	2.96
Provision for Expected Credit Loss	5.21	4.19
Fair valuation loss on Investments measured at FVTPL	0.53	-
Expenditure on Corporate Social Responsibility (CSR) (Refer Note 33)	0.65	0.10
Sundry Balance Written Off (net)	7.46	-

RESPONSIVE INDUSTRIES LIMITED
Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Security deposits considered Doubtful written off (2.10)	-	-
Provision for Doubtful Deposit reversed (2.10)	-	-
Other expenses	29.57	18.81
	714.75	647.64
Auditors' remuneration includes: (Excluding Goods & Service Tax)		
Audit Fees	1.70	1.70
Others	0.41	1.56
	2.11	3.26
Note 29 :Earnings per share		
Profit attributable to equity shareholders for basic and diluted earnings per share (Rs)	284.18	130.75
Weighted average number of equity shares for Basic EPS	26,69,12,700	26,69,12,700
Weighted average number of equity shares for Diluted EPS	26,69,12,700	26,69,12,700
Face value of Equity Share (Re.)	1	1
Basic Earnings Per Share (Rs.)	1.06	0.49
Diluted Earnings Per Share (Rs.)	1.06	0.49
Note 30 : Leases		
A. Leases as lessee		
The Company has taken premises and equipments on operating lease and entered into cancellable Leave and License Agreements. The agreements have been entered for a period of 12 months to 60 months.		
Assets taken on Operating Lease		
Lease Payments recognised during the year in the Statement of Profit and Loss	6.18	0.69
B. Leases as lessor		
The Company has given premises on operating lease and entered into cancellable Leave and License Agreements. The agreements have been entered for a period of 60 months.		
Rent income	0.65	0.65
Note 31 : Employee benefit expenses		
Post Employment Benefit Plans:		
Defined Contribution Plans		
Amount recognised in the Statement of Profit and Loss :		
Contribution to Provident fund and Employee State Insurance Corporation	4.47	3.59
Defined Benefit Plans		
The Company has the following Defined Benefit Plans:		
Gratuity: In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date. The following are the details of defined benefit plans:		

RESPONSIVE INDUSTRIES LIMITED

Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Movement in net defined benefit (asset)/ liability		
a) Reconciliation of balances of Defined Benefit Obligations.		
Defined Obligations at the beginning of the year	33.62	34.07
Interest Cost	2.52	2.41
Current Service Cost	3.24	2.54
Past service cost	-	1.26
Benefits paid	(1.64)	(1.63)
Actuarial (Gains)/ Losses on obligations		
-Changes in financial Assumptions	0.80	(1.88)
Changes in demographic assumption	-	(1.39)
-Experience adjustments	1.26	(1.76)
Defined Obligations at the end of the year	39.80	33.62
Defined benefit obligations at the end of the year	39.80	33.62
Changes in Fair Value of Plan Assets	-	-
Net (Asset) / Liability recognised in the balance sheet	39.80	33.62
b) Amount recognised in Statement of Profit and Loss:		
Current Service Cost	3.24	2.54
Past Service Cost and loss / (gain) on curtailments and settlement	-	1.26
Interest Cost	2.52	2.41
Expenses for the year	5.76	6.21
c) Amount recognised in Other Comprehensive Income - Remeasurements :		
Actuarial (Gains)/ Losses		
-Changes in financial assumptions	0.80	(1.88)
-Change in demographic assumption	-	(1.39)
-Experience adjustments	1.26	(1.76)
Total	2.07	(5.03)
d) Major Actuarial Assumptions		
Discount Rate (%)	7.45%	7.65%
Salary Escalation/ Inflation (%)	11.00%	11.00%
Withdrawal rates	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages
The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.		

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Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Sensitivity analysis		
Sensitivity analysis for each significant actuarial assumption as stated above, showing how the defined benefit obligation would be affected, considering increase/decrease as at 31.03.2019 and 31.03.2018 is as below:		
	Gratuity - Unfunded	
Particulars	Defined Benefit Obligation	Change in Defined Benefit Obligation
Discounting rate varied by 0.5%		
+ 0.5%	37.83	31.98
- 0.5%	41.91	35.38
Salary growth rate varied by 0.5%		
+ 0.5%	41.52	35.11
- 0.5%	38.26	32.06
Withdrawal rate (W.R.) varied by 10%		
W.R. * 110%	39.47	33.31
W.R. * 90%	40.14	33.94
Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation keeping all other actuarial assumptions constant.		
The expected future cash flows as at 31st March 2019 were as follows:		
Projected benefits payable in future years from the date of reporting		
1st following year	1.53	
2nd following year	1.56	
3rd following year	2.21	
4th following year	2.11	
5th following year	2.50	
Years 6 to 10	14.87	
Other details as at 31.03.2019		
Weighted Average Duration of the Projected Benefit Obligation (in years)	9.99	
Prescribed contribution for next year	1.53	
Amount recognised in Balance sheet:-		
Gratuity		
Current	1.53	1.36
Non-Current	38.27	32.26
	39.80	33.62

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Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

Note 32 : Disclosures on Related party transactions

i) Nature and Relationship of Related Parties

a) Subsidiary Companies

Axiom Cordages Limited
Responsive Industries Limited, Hongkong

b) Holding Entity

Wellknown Business Ventures LLP

c) Step Down Subsidiary Companies

Axiom Cordages Limited, HongKong
Responsive Industries Limited, UAE
Axiom Cordages Limited, UAE

d) Directors & Key Management Personnel

1) Mr. Rishabh Agarwal	Chairman and Managing Director (from 02 May, 2018 upto 13 Feb,2019) Re-designated as Non-Executive Chairman (from 14 Feb, 2019)
2) Mr. Atit Agarwal (Upto 30 Sept, 2018)	Non-Executive Chairman
3) Mr. Rajesh Pandey (Upto 27 Feb ,2019)	Director
4) Mr. Mehul Vala (from 14 Feb, 2019)	Whole-Time Director and Chief Executive Officer (CEO)
5) Mr. Mrunal Shetty (from 14 Feb, 2019)	Director & Chief Financial Officer (CFO)
6) Ms. Ruchi Jaiswal (from 30 May, 2017)	Company Secretary

e) Relatives of Key Management Personnel

1) Mr. Abhishek Agarwal (Upto 30 Sept, 2018)
2) Mrs. Saudamini Agarwal (Upto 30 Sept, 2018)
3) Ms. Swati Agarwal (Upto 30 Sept, 2018)

f) Entities where Directors / Key Management Personnel have Significant Influence

1) One Source Trading Company LLP (Upto 30 Sept, 2018)
2) Fairpoint Tradecom LLP

(Rs in million)

Relationship	31-Mar-19		31-Mar-18	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
ii) Transactions with Related Parties during the year				
a) Subsidiary Company				
Investment in Subsidiary	1,722.44		7.04	
Responsive Industries Limited, Hongkong		1,722.44		7.04
Sales	6.28		141.59	
Axiom Cordages Limited		6.28		141.59
Purchases	57.05		203.01	
Axiom Cordages Limited		57.05		203.01
Rent Income	0.65		0.65	
Axiom Cordages Limited		0.65		0.65
Dividend Paid	0.44		0.44	
Axiom Cordages Limited		0.44		0.44
Dividend Received	0.96		0.96	
Axiom Cordages Limited		0.96		0.96
b) Holding Entity				
Dividend Paid	14.84		14.84	
c) Directors and Key Management Personnel				
Salary (Refer note 2)	7.67		0.46	
Mr. Rishabh Agarwal		5.38		-
Mr. Rajesh Pandey		1.33		-
Ms. Ruchi Jaiswal		0.51		0.46
Dividend Paid	0.08		0.08	
Mr. Atit Agarwal		0.08		0.08

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Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

(Rs in million)

Relationship	31-Mar-19		31-Mar-18	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
d) Relatives of Directors / Key Management Personnel				
Dividend Paid	0.28		0.28	
Mr. Abhishek Agarwal		0.06		0.06
Mrs. Saudamini Agarwal		0.09		0.09
Ms. Swati Agarwal		0.13		0.13
e) Entities where Directors / Key Management Personnel have Significant Influence				
Rent Expenses	-		0.53	
One source Trading Co LLP		-		0.53
Advance Given	-		4.70	
One source Trading Co. LLP		-		4.70
Advance received back	-		4.70	
One source Trading Co. LLP		-		4.70
Deposit received back	-		11.70	
One source Trading Co. LLP		-		11.70
Capital Expenditure towards purchase of Trucks	39.35		-	
Fairpoint Tradecom LLP		39.35		-
iii) Closing Outstanding Balances of Related Parties				
Subsidiary Company				
Investment in Shares	1,987.24		264.79	
Axiom Cordages Limited		257.75		257.75
Responsive Industries Limited, Hongkong		1,729.49		7.04
Rent Deposit Payable	4.48		4.53	
Axiom Cordages Limited		4.48		4.53
Payable (net)	-		388.45	
Axiom Cordages Limited		-		388.45
Key Management Personnel				
Salary Payable	0.90		-	
Rishabh Agarwal		0.55		-
Mehul Vala		0.20		-
Mrunal Shetty		0.10		-
Entities where key management have significant influence				
Trade Payable	-		22.76	
Fairpoint Tradecom LLP		-		22.76

* "Major Parties" denotes who account 10% or more of the aggregate for that category of transaction

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

Note 2: Salary does not include amount in respect of gratuity as the same is not determinable.

Note 3: No amount pertaining to related parties have been provided for as doubtful debts. Also, no amount has been written off / back which was due from / to related parties.

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Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Note 33 : Disclosure in respect of Expenditure on Corporate Social Responsibility Activities		
a) Amount required to be spent by the company during the year	7.35	10.93
b) Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the company) #	0.65	0.10
c) Provision created for balance amount	-	-
# The above expenditure includes contribution to funds, expenses through registered trusts / registered society or company established under Section 8 of the Act and direct expenses by the Company.		
Note 34 : Segment Reporting		
The Company is primarily engaged in the business of Manufacturing & Selling of articles made out of Plastics / Polymers. As such, the Company operates in a single segment and there are no separate reportable segments as defined in Ind AS 108 - "Operating Segments". The same is consistent with the information reviewed by the Chief Operating Decision Maker (CODM).		
Geographical Information:		
The operation of the Company comprises of local sales and export sales. The Management views the Indian market and Export market as distinct geographical areas. The following is the distribution of the Company's Revenues by geographical markets :		
Revenues		
India	4,020.70	6,601.28
Export	2,267.62	4,377.09
	6,288.32	10,978.37
The following is the carrying amount of segment assets by geographical area in which the assets are located		
Non-Current Assets (other than financial instruments and deferred tax assets)		
India	4,405.37	4,947.20
Outside India	-	-
	4,405.37	4,947.20

RESPONSIVE INDUSTRIES LIMITED

Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

Note 35 : Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Rs in million)

31st March 2019	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments in Equity Instruments	0.09	-	-	0.09	0.09	-	-	0.09
Investments in Mutual Funds	62.27	-	-	62.27	62.27	-	-	62.27
Other Investments	53.50	-	-	53.50	53.50	-	-	53.50
Other Financial Assets	-	-	21.73	21.73	-	-	-	-
Trade receivables	-	-	567.28	567.28	-	-	-	-
Cash and cash equivalents	-	-	9.43	9.43	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	125.70	125.70	-	-	-	-
Loans	-	-	2.10	2.10	-	-	-	-
	115.86	-	726.24	842.10	115.86	-	-	115.86
Financial liabilities								
Borrowings	-	-	1,074.88	1,074.88	-	-	-	-
Trade Payables	-	-	35.74	35.74	-	-	-	-
Other Financial Liabilities	-	-	218.03	218.03	-	-	-	-
	-	-	1,328.65	1,328.65	-	-	-	-

(Rs in million)

31st March 2018	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments in Equity Instruments	0.11	-	-	0.11	0.11	-	-	0.11
Investments in Mutual Funds	259.60	-	-	259.60	259.60	-	-	259.60
Other Investments	68.57	-	-	68.57	68.57	-	-	68.57
Other Financial Assets	-	-	23.74	23.74	-	-	-	-
Trade receivables	-	-	2,712.40	2,712.40	-	-	-	-
Cash and cash equivalents	-	-	22.76	22.76	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	125.06	125.06	-	-	-	-
Loans	-	-	1.82	1.82	-	-	-	-
	328.27	-	2,885.77	3,214.05	328.27	-	-	328.27
Financial liabilities								
Borrowings	-	-	1,559.73	1,559.73	-	-	-	-
Trade Payables	-	-	597.57	597.57	-	-	-	-
Other Financial Liabilities	-	-	1,141.48	1,141.48	-	-	-	-
	-	-	3,298.77	3,298.77	-	-	-	-

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The Fair Value of the Financial Assets & Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/ payment discounted using appropriate discounting rates.	Not applicable	Not applicable

C. Financial Risk Management

C.i. Risk management framework

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Company's operational and financial performance.

C.ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an on-going basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business
- ii) Actual or expected significant changes in the operating results of the counterparty
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparties ability to meet its obligation
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. When loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due, When recoverable are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

RESPONSIVE INDUSTRIES LIMITED

Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

Ageing of Accounts receivables:

(Rs in million)

Particulars	As at 31-03-2019	As at 31-03-2018
Not Due	438.44	1,670.66
0 - 6 months	128.84	1,038.30
6 - 12 months	-	2.45
Beyond 12 months	-	0.99
Total	567.28	2,712.40

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movements in provision of doubtful debts

Particulars	As at 31-03-2019	As at 31-03-2018
Opening provision	4.19	12.40
Add : Additional provision made	-	-
Less : Provision reversed	-	(12.40)
Add : Provision for Expected Credit Loss	5.21	4.19
Closing provisions	9.40	4.19

(b) Cash and cash equivalents and Other Bank Balances

The Company held cash and cash equivalents and other bank balances of Rs. 135.14 million at 31st March 2019 (P.Y. Rs. 147.81 million). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing. Also, Company invests its short term surplus funds in bank fixed deposit, which carry no / low mark to market risks for short duration therefore does not expose the Company to credit risk.

C.iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Maturity Analysis of Significant Financial Liabilities

(Rs in million)

Particulars	Contractual Cash Flows			
	As at 31st March 2019	Upto 1 year	1-5 years	More than 5 years
Non current borrowings (including current maturities)				
- Vehicle Loans	13.51	13.51	-	-
- External Commercial Borrowing	-	-	-	-
Current borrowings				
- Packing Credit Foreign Currency Loans	745.43	745.43	-	-
- EBRD (Post Shipment) Loan	-	-	-	-
- Buyer's Credit	-	-	-	-
- Cash Credit Loan	329.46	329.46	-	-
Trade and other payables	35.74	35.74	-	-
Other current liabilities	200.03	200.03	-	-

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Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

Maturity Analysis of Significant Financial Liabilities

(Rs in million)

Particulars	Contractual Cash Flows			
	As at 31st March 2018	Upto 1 year	1-5 years	More than 5 years
Non current borrowings (including current maturities)				
- Vehicle Loans	12.88	10.06	2.83	-
- External Commercial Borrowing	658.73	658.73	-	-
Current borrowings				
- Packing Credit Foreign Currency Loans	853.99	853.99	-	-
- EBRD (Post Shipment) Loan	309.60	309.60	-	-
- Buyer's Credit	393.31	393.31	-	-
Trade and other payables	597.57	597.57	-	-
Other current liabilities	468.17	468.17	-	-

C.iv. Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

C.iv.a Currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Our exposure are mainly denominated in U.S. dollars. The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to identify the most effective and efficient ways of managing the currency risks.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2019, March 31, 2018 are as below:

(Rs in million)

31st March, 2019	USD
Financial assets	
Bank Balances other than Cash and Cash Equivalents	-
Trade receivables	10.54
Net exposure for assets	10.54
Financial liabilities	
Foreign Currency Borrowings (Including Current Maturities)	-
Short Term Borrowings	10.78
Trade and other payables	-
Net exposure for liabilities	10.78
Net exposure (Assets - Liabilities)	(0.24)
31st March, 2018	USD
Financial assets	
Bank Balances other than Cash and Cash Equivalents	0.001
Trade receivables	33.92
Net exposure for assets	33.92
Financial liabilities	
Foreign Currency Borrowings (Including Current Maturities)	10.11
Short Term Borrowings	23.89
Trade and other payables	3.10
Net exposure for liabilities	37.10
Net exposure (Assets - Liabilities)	(3.18)

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

Impact of movement on Profit or (loss) and Equity :

(Rs in million)

Effect in INR (before tax)	Profit or (loss) and Equity	
	Strengthening	Weakening
For the year ended 31st March, 2019 1% movement		
USD	0.17	(0.17)
	0.17	(0.17)
For the year ended 31st March, 2018 1% movement		
USD	2.07	(2.07)
	2.07	(2.07)

C.iv.b Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

Exposure to interest rate risk

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
External Commercial Borrowing bearing variable interest rate	-	658.73
Packing Credit Foreign Currency Loans	745.43	853.99
EBRD (Post Shipment) Loan	-	309.60
Buyer's Credit	-	393.31
Cash Credit Loan	329.46	-
Total of Variable Rate Financial Liabilities	1,074.88	2,215.63

Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates:

(Rs in million)

Cash flow sensitivity (net)	Profit or loss	
	50 bp increase	50 bp decrease
INR		
31st March 2019		
Variable-rate loan instruments	(5.37)	5.37
Cash flow sensitivity (net)	(5.37)	5.37
31st March 2018		
Variable-rate loan instruments	(11.08)	11.08
Cash flow sensitivity (net)	(11.08)	11.08

C.iv.c Other price risk

The Company invests its surplus funds in various Equity and debt instruments. These comprise of mainly liquid schemes of mutual funds (liquid investments), Equity shares, Debentures and fixed deposits. These investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

RESPONSIVE INDUSTRIES LIMITED

Notes to Standalone Ind AS financial statements for the financial year ended March 31, 2019

Note 36 : Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day - to - day needs. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's debt to equity ratio at 31st March, 2019 was 0.17 (PY. 0.36)

Note : For the purpose of computing debt to equity ratio, equity includes Equity share capital and Other Equity and Debt includes Long term borrowings, Short term borrowings and current maturities of long term borrowings.

Note 37 : Figures of previous year have been regrouped, reclassified, and / or rearranged wherever necessary to confirm with current year's presentation.

As per our attached report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No: 112081W/W100184

Suresh Murarka
Partner
Membership No. : 044739

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board

Mehul Vala
Whole Time Director & CEO
DIN :08361696

Mrunal Shetty
Director & CFO
DIN :08362895

Ruchi Jaiswal
Company Secretary

Place : Mumbai
Date : May 24, 2019

CONSOLIDATED FINANCIALS

Opinion

We have audited the accompanying consolidated financial statements of Responsive Industries Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (including step down subsidiaries) (Holding Company and its subsidiaries (including step down subsidiaries) together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March, 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated cash flows Statement, the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group and its associates and joint ventures as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board's Report, Report on Corporate governance and Business Responsibility report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit (Consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of one foreign subsidiary and three step down foreign subsidiaries included in the audited consolidated financial results, whose annual financial statements reflect total assets of Rs 2,678.61 million as at 31 March 2019, net assets of Rs 2,678.46 million as on that date, total revenue (including Other income) of Rs 0.05 million for the year ended on that date and net cash inflows of Rs. 15.24 million for the year ended on that date. These annual financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion on the Statement to the extent they have been derived from such annual financial statements, is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure "A".

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

- i. There were no pending litigations which would impact the consolidated financial position of the Group.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.

2. As required by Section 197(16) of the act, based on our audit and on consideration of the reports of the other auditors, on separate financials statements/consolidated financial statements of the subsidiaries, we report that the holding company and one subsidiary covered under the act paid remuneration to their respective directors during the year in accordance with the provisions of and the limited laid down under Section 197 read with Schedule V to the Act to the extent applicable.

For S G C O & Co. LLP
Chartered Accountants
Firm Registration No: 112081W/W100184

Suresh Murarka
Partner
Membership No. : 044739

Place : Mumbai
Date : May 24, 2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Responsive Industries Limited and its subsidiary companies (including step down subsidiary companies), collectively (the Group) as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of the Group, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial control, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures

of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For S G C O & Co. LLP
Chartered Accountants
Firm Registration No: 112081W/W100184

Suresh Murarka
Partner
Membership No. : 044739

Place : Mumbai
Date : May 24, 2019

RESPONSIVE INDUSTRIES LIMITED
Consolidated Balance Sheet as at March 31, 2019

(Rs in million)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	6,260.70	6,990.24
(b) Goodwill on consolidation		661.27	661.27
(c) Other Intangible assets	4	-	0.68
		6,921.97	7,652.19
(d) <u>Financial Assets</u>			
(i) (i) Investments	5	0.13	0.15
(ii) Other Financial Assets	6	24.62	32.66
		24.75	32.81
(e) Income Tax Assets (net)	7	11.78	27.60
(f) Other Non Current Assets	8	2,656.35	0.14
Total Non - Current Assets		9,614.85	7,712.74
(2) Current assets			
(a) Inventories	9	768.17	1,166.19
(b) <u>Financial Assets</u>			
(i) Investments	5	187.19	377.80
(ii) Trade receivables	10	1,607.55	3,935.01
(iii) Cash and Cash Equivalents	11	62.35	141.57
(iv) Bank Balances other than Cash and Cash Equivalents	12	173.50	180.75
(v) Loans	13	2.11	1.82
(vi) Other Financial Assets	6	5.74	115.52
		2,038.44	4,752.47
(c) Other Current Assets	14	87.03	256.40
Total Current Assets		2,893.64	6,175.06
TOTAL ASSETS		12,508.49	13,887.80
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	262.50	262.50
(b) Other Equity	15	8,959.14	8,708.53
Equity attributable to owners		9,221.64	8,971.03
Non-Controlling Interest		1,593.56	1,583.31
Total Equity		10,815.20	10,554.34
Liabilities			
(1) Non-current liabilities			
(a) <u>Financial Liabilities</u>			
(i) Borrowings	16	-	2.83
(ii) Other Financial liabilities		-	-
		-	2.83
(b) Provisions	17	38.81	35.38
(c) Deferred tax liabilities (Net)	18	276.20	288.71
Total Non - Current Liabilities		315.01	326.92
(2) Current liabilities			
(a) <u>Financial Liabilities</u>			
(i) Borrowings	16	1,074.89	1,556.90
(ii) Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises	19	3.35	6.02
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	19	55.87	236.21
(iii) Other Financial Liabilities	20	182.71	1,140.47
		1,316.82	2,939.60
(b) Other current liabilities	21	59.81	65.08
(c) Provisions	17	1.65	1.86
Total Current Liabilities		1,378.28	3,006.54
TOTAL EQUITY AND LIABILITIES		12,508.49	13,887.80
Significant Accounting Polices	2		
Notes forming part of the financial statement	1 to 41		

As per our attached report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No: 112081W/W100184

Suresh Murarka
Partner
Membership No. : 044739

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board

Mehul Vala
Whole Time Director & CEO
DIN :08361696

Ruchi Jaiswal
Company Secretary

Place : Mumbai
Date : May 24, 2019

Mrunal Shetty
Director & CFO
DIN :08362895

RESPONSIVE INDUSTRIES LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(Rs in million)

Particulars	Note	As at March 31st 2019	As at March 31st 2018
Income			
I Revenue from Operations	22	7,750.38	12,637.01
II Other Income	23	244.52	186.96
III Total Income (I + II)		7,994.90	12,823.97
IV Expenses			
Cost of Material Consumed	24	5,284.16	10,555.33
Changes in Inventories of finished goods, stock in trade & work-in-progress	25	157.62	(184.26)
Cost of Traded Goods Purchased	26	55.93	
Excise Duty		-	168.21
Employee benefit expenses	27	179.42	138.98
Finance Costs	28	129.18	171.85
Depreciation and Amortisation expenses	3-4	818.99	866.52
Other expenses	29	919.13	844.90
Total Expenses (IV)		7,544.43	12,561.53
V Profit / (Loss) before Exceptional item and tax (III-IV)		450.47	262.44
Exceptional Item	38	-	50.80
Profit / (Loss) before tax		450.47	211.64
VI Tax Expenses			
(1) Current tax		149.16	47.00
(2) Deferred tax Charge / (Credit)	18	(12.78)	48.63
(3) Income Tax for earlier years		19.50	22.45
VII Profit after tax		294.59	93.56
VIII Other Comprehensive Income (net of tax)			
A. Items that will not be reclassified to Statement of Profit or loss			
- Remeasurements of Defined Benefit Plans [Net of Deferred tax amounting to Rs. 0.26 million (P.Y. Rs. 1.81 million)]	32	1.20	3.46
- Foreign Exchange Currency Translation Reserve		(2.42)	0.33
B. Items that will be reclassified to Statement of Profit or loss			
	A + B	(1.22)	3.79
IX Total Comprehensive Income for the year		293.37	97.35
Profit attributable to:			
Owners of the company		287.04	107.66
Non - controlling interests		7.55	(14.10)
Profit for the year		294.59	93.56
Other Comprehensive Income attributable to:			
Owners of the company		(3.92)	3.63
Non - controlling interests		2.70	0.16
Other Comprehensive Income for the year		(1.22)	3.79
Total Comprehensive Income attributable to:			
Owners of the company		283.12	111.29
Non - controlling interests		10.25	(13.94)
Total Comprehensive Income for the year		293.37	97.35
X Earnings per equity share (Face Value Re.1) :			
(1) Basic	30	1.09	0.41
(2) Diluted		1.09	0.41
Significant Accounting Policies	2		
Notes forming part of the financial statement	1 to 41		

As per our attached report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No: 112081W/W100184

Suresh Murarka
Partner
Membership No. : 044739

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board

Mehul Vala
Whole Time Director & CEO
DIN :08361696

Ruchi Jaiswal
Company Secretary

Place : Mumbai
Date : May 24, 2019

Mrunal Shetty
Director & CFO
DIN :08362895

RESPONSIVE INDUSTRIES LIMITED
Consolidated Cash Flow Statement for the year ended March 31, 2019

(Rs in million)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	450.47	262.44
Add / (Less) : Adjustments for		
Depreciation and Amortisation	818.99	866.52
Provision for Gratuity	6.32	7.13
Interest Income	(13.02)	(23.46)
Interest Expenses	129.18	171.85
Dividend Income	(4.35)	(4.87)
Impairment allowance for Doubtful Debts & Advances	-	18.35
Fair value of non-current investments measured at FVTPL	-	(0.01)
Fair value gain on-current mutual fund measured at FVTPL	(2.00)	(8.98)
Provision for Expected Credit Loss	5.18	4.22
Sundry balances written back	-	(6.58)
Sundry balances written off	7.46	-
Loss / (Profit) on Sale of Investments	(1.62)	(8.56)
Loss / (Profit) from foreign exchange fluctuation (net)	2.22	(59.66)
(Profit) / Loss on Sale of Property, Plant & Equipments	3.20	2.96
Operating Profit Before Working Capital changes	1,402.03	1,221.35
Add / (Less) : Adjustments for change in working capital		
(Increase) / Decrease in Other Non-current financial assets	8.04	10.00
(Increase) / Decrease in Other Non-Current Assets	0.09	1.06
(Increase) / Decrease in Inventory	398.02	83.48
(Increase) / Decrease in trade receivables	2,297.40	129.72
(Increase) / Decrease in current loans	(0.29)	0.45
(Increase) / Decrease in Other Current financial assets	109.78	(92.34)
(Increase) / Decrease in Other Current Assets	169.37	87.48
Increase / (Decrease) in trade payables	(182.45)	(103.21)
Increase / (Decrease) in other current financial liabilities	(957.76)	165.46
Increase / (Decrease) in other current liabilities	(5.27)	38.29
Cash generated from Operations	3,238.95	1,541.74
Add / (Less) : Direct taxes paid	(175.08)	(124.71)
Net Cash Inflow / (Outflow) from Operating activities (A)	3,063.88	1,417.03
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Acquisition of property, plant & equipments / Capital WIP	(97.28)	(573.08)
Capital Advance (given) / received	(2,656.30)	236.19
Proceeds from sale of property, plant & equipments	8.52	10.82
Interest Received	13.02	23.46
Dividend Received	4.35	4.87
Fair value of non-current investments measured at FVTPL	-	0.01
Fair Valuation (loss) / gain on current mutual fund measured at FVTPL	2.00	8.98
Purchase of Investments	188.99	(235.12)
Sale of Investments	0.02	0.04
Fixed Deposits placed with banks	7.25	236.14
Net Cash Inflow / (Outflow) from Investing activities (B)	(2,529.43)	(287.69)

RESPONSIVE INDUSTRIES LIMITED
Consolidated Cash Flow Statement for the year ended March 31, 2019

(Rs in million)

Particulars	Year Ended 31-Mar-2019	Year Ended 31-Mar-2018
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings / (Repayment) in non current long term borrowings	10.68	(1,262.17)
Short term loans taken / (repaid) during the year	(469.86)	(330.36)
Interest Paid	(129.18)	(171.85)
Dividend paid (including Tax on Dividend)	(32.51)	(2.02)
Net Cash Inflow / (Outflow) from Financing activities (C)	(620.87)	(1,766.40)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(86.43)	(637.06)
Add: Cash and Cash Equivalents at the beginning of year	148.78	785.84
Cash and Cash Equivalents at the end of year	62.35	148.78
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF YEAR		
Cash on hand	1.48	2.24
Balance with banks	56.52	135.22
Fixed deposits lien marked (as margin money)	4.35	4.11
Closing Cash & Cash Equivalent as per Financial Statements	62.35	141.57
Add: Unrealised Gain / (Loss) in Bank Accounts	-	7.21
Cash and Cash Equivalents (closing)	62.35	148.78

As per our attached report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No: 112081W/W100184

For and on behalf of the Board

Suresh Murarka
Partner
Membership No. : 044739

Place : Mumbai
Date : May 24, 2019

Mehul Vala
Whole Time Director & CEO
DIN :08361696

Ruchi Jaiswal
Company Secretary

Place : Mumbai
Date : May 24, 2019

Mrunal Shetty
Director & CFO
DIN :08362895

RESPONSIVE INDUSTRIES LIMITED
Statement of Changes in Equity for the year ended March 31, 2019

A. Share Capital

(Rs in million)

Particulars	Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018	Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
Paid up Equity Capital	262.50	-	262.50	262.50	-	262.50

B. Other Equity

(Rs in million)

Particulars	Other Equity				Other Comprehensive Income		Attributable to Owners of the company	Attributable to NCI	Total Other Equity
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	Foreign Exchange Currency Translation Reserve			
Balance as at April 1, 2017	1.38	2,370.90	0.10	6,256.14	-	1.27	8,629.79	1,597.25	10,227.04
<u>Additions :</u>									
Profit for the year	-	-	-	107.66			107.66	(14.10)	93.56
<u>Other Comprehensive Income :</u>									
-Remeasurements of net defined benefit plans (Net of tax)	-	-	-						
-Foreign Exchange Currency Translation Reserve	-	-	-		3.31	0.32	3.63	0.16	3.79
Final Dividend				(26.94)			(26.94)		(26.94)
Tax on Final Dividend Paid				(5.61)			(5.61)		(5.61)
Balance as at March 31, 2018	1.38	2,370.90	0.10	6,331.25	3.31	1.59	8,708.53	1,583.31	10,291.84
Profit for the year	-	-	-	287.04			287.04	7.55	294.59
<u>Other Comprehensive Income :</u>									
-Remeasurements of net defined benefit plans (Net of tax)									
-Foreign Exchange Currency Translation Reserve	-	-	-		3.86	(7.78)	(3.92)	2.70	(1.22)
Final Dividend				(26.94)			(26.94)	-	(26.94)
Tax on Final Dividend Paid				(5.57)			(5.57)	-	(5.57)
Balance as at March 31, 2019	1.38	2,370.90	0.10	6,585.78	7.17	(6.19)	8,959.14	1,593.56	10,552.70

As per our attached report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No: 112081W/W100184

Suresh Murarka
Partner
Membership No. : 044739

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board

Mehul Vala
Whole Time Director & CEO
DIN :08361696

Ruchi Jaiswal
Company Secretary

Place : Mumbai
Date : May 24, 2019

Mrunal Shetty
Director & CFO
DIN :08362895

SIGNIFICANT ACCOUNTING POLICIES

Notes to Consolidated Financial Statements for the year ended March 31, 2019

1. Statement of Significant Accounting Policies:

1.1 Basis of preparation of Consolidated Financial Statements:

The Consolidated Ind AS Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Consolidated Ind AS Financial Statements have been prepared under historical cost convention basis, except for certain assets and liabilities measured at fair value.

The percentage of ownership interest of the Parent Company in the Subsidiary/ Step down Subsidiary Companies is as follows:

Subsidiaries	March 31, 2019	March 31, 2018
Axiom Cordages Limited	58.18%	58.18%
Responsive Industries Limited (Hongkong)	100%	100%
Step Down Subsidiaries		
Responsive Industries Limited (UAE)	100%	NA
Axiom Cordages Limited (Hongkong)	58.18%	58.18%
Axiom Cordages Limited (UAE)	58.18%	NA

1.2 Basis of Consolidation:

Subsidiary:

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date on which Group attains control and are deconsolidated from the date that control ceases to exist.

The Consolidated Ind AS Financial Statements have been prepared on the following basis.

The Consolidated Ind AS Financial Statements of the Company and its Subsidiaries have been combined on a line-by-line basis by adding together the balances of items like Assets, Liabilities, Income and Expenditure after fully eliminating the intra-group balances and intra-group transactions resulting in unrealized profits or losses.

The Consolidated Ind AS 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.

Non-Controlling interests in the net assets of the subsidiary Companies that are consolidated consists of the amount of equity attributable to non-controlling shareholders at the date of acquisition and subsequent addition of their share of changes in equity.

Profit or loss and each component of OCI are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

1.3 Changes in the proportion held by non-controlling interests

Changes in the proportion of the equity held by non-controlling interests are accounted for as equity transactions. The carrying amount of the controlling interests and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

1.4 Use of estimates:

The preparation of the Consolidated Financial Statements of the Group in accordance with Indian Accounting Standards (Ind-AS) requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities at the date of the Consolidated Financial Statements. These estimates are based upon management's best knowledge of current events and actions; however uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amounts of assets or liabilities in future periods. Appropriate revisions in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions in estimates are recognized prospectively in the Consolidated Statements in the period in which the estimates are revised in any future periods affected.

1.5 Fair Value Measurement:

The Group measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial asset and liabilities.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Group uses valuation techniques, which are appropriate in circumstances and for which sufficient data is available considering the expected loss/profit in case of financial assets or liabilities.

1.6 Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization and when the revenue can be reliably measured.

Revenue from sale of goods is recognized when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained.

Revenue from the sale of goods includes excise duty and are net-off returns, taxes or duties collected on behalf of the government and applicable discounts and rebates.

Interest income is recognized using Effective Interest Rate (EIR) method.

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

Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reasonably.

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

1.7 Inventories

Inventories of Raw Materials, Finished Goods, Semi-Finished Goods, Stores and Spares and Packing Materials, are valued at cost or net realizable value, whichever is lower. Materials-in-transit are valued at cost-to-date. Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on FIFO basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience.

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

Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

1.8 Property, Plant and Equipment (PPE):

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment. In other cases, the spare part is inventorised on procurement and charged to the Statement of Profit and Loss on consumption.

An item of property, plant and equipment and any significant part initially recognised separately as part of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at regular intervals and changes, if any, are accounted in line with revisions to accounting estimates.

1.9 Capital Work in Progress

Cost of assets not ready for use at the balance sheet date is disclosed under capital work-in-progress. Expenditure during construction period is included under Capital Work in Progress & the same is allocated to the respective PPE on the completion of its construction.

1.10 Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible Assets are amortized on a systematic basis over its useful life on straight line basis and the amortization for each period will be recognized as an expense.

1.11 Borrowing costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

1.12 Depreciation

Depreciation on Plant, Property and Equipment has been provided on the Straight - Line basis, over the estimated useful lives of assets. The Group provides pro-rata depreciation from the date of addition / upto the date of deletion made during the reporting period. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the Consolidated Financial Statements upon sale or disposal of the asset and the resultant gains or losses are recognized in the statement of Profit and Loss.

The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act, except in case of Plant & Machinery which are depreciated over a useful lives of 20 years based on the technical assessment.

1.13 Impairment of Non - financial Assets:

Non - financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of the assets or Cash Generating Units (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.14 Government Subsidy

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

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

Government grants related to revenue are recognized on a systematic basis in net profit in the statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

1.15 Taxes on Income

a) Current Tax

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

b) Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred Tax asset and liability are measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled based on rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

1.16 Financial Assets

a) Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

b) Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

- Debt instruments at Fair value through Other Comprehensive Income (FVTOCI)

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive Income.

- Debt instruments at Fair value through profit or loss (FVTPL)

Fair value through profit or loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

- Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when:

The rights to receive cash flows from the asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Group has transferred substantially all the risks and rewards of the asset, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Accumulated gains or losses on equity instruments measured at FVTOCI are never reclassified to the Statement of Profit and Loss.

d) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial asset measured at amortised cost
- Financial asset measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, considering historical trend, industry practices and the business environment in which the Company operates or any other appropriate basis.

The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

1.17 Financial Liabilities

a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

b) Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

(i) Financial Liabilities at fair value through profit or loss (FVTPL)

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

(ii) Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities other than those which are classified as fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

1.18 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.19 Employee Benefits

a) Short-term employee benefit

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

b) Post-employment obligations

The Group operates the following post - employment schemes:

1. Defined benefit plans such as gratuity, and
2. Defined contribution plans such as provident fund.

Gratuity Obligation:

Provision for Gratuity is recorded on the basis of actuarial valuation certificate provided by the actuary using Projected Unit Credit Method.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund, etc. are charged to the Statement of Profit and Loss as incurred.

1.20 Foreign Currency Transactions:

a) Functional and Presentation Currency:

The Consolidated Financial Statements are presented in Indian rupees which is the functional currency for the Group. All amounts have been rounded off to the nearest million, unless otherwise indicated.

a) Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items (except for long term monetary items taken prior to April 1, 2016) are recognised in Statement of Profit and Loss either as Profit or Loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

The Group has elected to continue the policy adopted under previous GAAP for accounting the foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items outstanding as of 31st March, 2016 ie. foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of the asset or liability.

b) Non - Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.21 Provisions, Contingent Liabilities and Capital Commitments

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the Consolidated Financial Statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.22 Earnings per Share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

1.23 Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

1.24 Cash and Cash equivalents

Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.25 Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

1.26 Recent accounting pronouncements

On 30 March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1 April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc

RESPONSIVE INDUSTRIES LIMITED

Notes to the consolidated financial statements for the year ended March 31, 2019

Note 3 : Property, Plant and Equipment

(Rs in million)

Particulars	Freehold Land	Factory Building	Plant and Machinery	Electrical Installation	Furniture and Fixtures	Office equipments	Computer	Motor Cars	Motor Trucks	Weighing Scale	Total
Year Ended March 31, 2019											
As at April 1, 2018	78.1	288.41	10,103.04	11.46	2.91	15.75	6.11	101.37	20.77	0.20	10,628.12
Additions	-	-	0.90	-	2.24	0.62	0.94	-	39.35	-	44.05
Disposals	-	-	-	-	-	-	-	-	(23.54)	-	(23.54)
Increase / (Decrease) in foreign exchange fluctuations (net)	-	-	53.23	-	-	-	-	-	-	-	53.23
Closing Gross Carrying Amount	78.10	288.41	10,157.17	11.46	5.15	16.37	7.05	101.37	36.58	0.20	10,701.86
Accumulated Depreciation											
Upto March 31, 2018	-	27.48	3,547.88	7.51	1.03	10.60	3.90	30.30	9.11	0.07	3,637.88
For the year	-	11.57	781.86	1.49	0.37	2.04	1.18	13.36	6.41	0.03	818.31
Reversal on account of disposals	-	-	-	-	-	-	-	-	(15.03)	-	(15.03)
Closing Accumulated Depreciation	-	39.05	4,329.74	9.00	1.40	12.64	5.08	43.66	0.49	0.10	4,441.16
Net Carrying Amount as at March 31, 2019	78.10	249.36	5,827.43	2.46	3.75	3.73	1.97	57.71	36.09	0.10	6,260.70
Year Ended March 31, 2018											
Gross Carrying Amount											
As at April 1, 2017	78.1	287.51	9,867.88	11.46	2.33	14.87	4.33	101.37	20.77	0.20	10,388.82
Additions	-	0.90	568.22	-	0.58	0.88	1.78	-	-	-	572.36
Disposals	-	-	(333.73)	-	-	-	-	-	-	-	(333.73)
Increase / (Decrease) in foreign exchange fluctuations (net)	-	-	0.67	-	-	-	-	-	-	-	0.67
Closing Gross Carrying Amount	78.10	288.41	10,103.04	11.46	2.91	15.75	6.11	101.37	20.77	0.20	10,628.12
Accumulated Depreciation											
Upto March 31, 2017	-	15.80	2,984.21	5.79	0.71	8.46	2.84	16.61	6.10	0.04	3,040.56
For the year	-	11.68	832.82	1.72	0.32	2.14	1.06	13.69	3.01	0.03	866.47
Reversal on account of disposals	-	-	(269.15)	-	-	-	-	-	-	-	(269.15)
Closing Accumulated Depreciation	-	27.48	3,547.88	7.51	1.03	10.60	3.90	30.30	9.11	0.07	3,637.88
Net Carrying Amount as at March 31, 2018	78.10	260.93	6,555.16	3.95	1.88	5.15	2.21	71.07	11.66	0.13	6,990.24

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

Note 4 : Intangible assets

(Rs in million)

Particulars	Computer Software	Total
Useful Life	3 years	
Year Ended March 31, 2019		
Deemed Cost		
As at April 1, 2018	2.56	2.56
Additions	-	-
Closing Gross Carrying Amount	2.56	2.56
Accumulated Amortisation		
Opening Accumulated Amortisation	1.88	1.88
Amortisation Charge for the year	0.68	0.68
Closing Accumulated Amortisation	2.56	2.56
Closing Net Carrying Amount as at March 31, 2019	-	-
Year Ended March 31, 2018		
Gross Carrying Amount		
As at April 1, 2017	2.50	2.50
Additions	0.06	0.06
Closing Gross Carrying Amount	2.56	2.56
Accumulated Amortisation		
Opening Accumulated Amortisation	1.83	1.83
Amortisation Charge for the year	0.05	0.05
Closing Accumulated Amortisation	1.88	1.88
Closing Net Carrying Amount as at March 31, 2018	0.68	0.68
Particulars	31-Mar-19	31-Mar-18
Note 5 : Investments		
Non Current Investments		
Investments in equity instruments at Fair Value through Profit or Loss (Quoted and fully paid up)		
Mavi Industries Limited	0.04	0.04
Less: Provision for Diminution in Investments	-	-
Mavi Industries Limited	0.04	0.04
Syschem India Limited	0.19	0.19
Less: Provision for Diminution in Investment	(0.10)	(0.08)
Syschem India Limited	0.09	0.11
Total Investment In Equity Instruments	0.13	0.15
Total Non-Current Investments	0.13	0.15
Details of Holdings in Non - current Investments:		
No. of Shares:		
Mavi Industries Limited of Rs 10 each	36,750	36,750
Syschem India Limited of Rs 10 each	9,526	9,526
Aggregate amount of		
a) Aggregate amount of quoted investments as per books	0.13	0.15
b) Market value of Quoted investments	0.13	0.15
c) Aggregate amount of unquoted investments as per books	-	-
d) Aggregate amount of impairment in value of investment	-	-

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Current Investments		
Investments in Mutual Funds at Fair Value through Profit or Loss Quoted		
JM Multi Strategy Fund	5.53	5.22
ICICI Prudential Leap Fund	31.99	31.38
DSP Blackrock Mutual Fund	-	151.13
ICICI Prudential Short Term Fund	41.85	-
Aditya Birla Sun Life Money Manager Fund	20.28	-
ICICI Prudential Savings Fund	-	97.84
Motilal Oswal Focused Multicap Opportunities Fund	14.37	14.26
Motilal Oswal Most Focused 35 year Fund - Growth	9.28	9.41
Union Corporate Bond Fund	5.35	-
Union Arbitrage Fund	5.03	-
Investments in Other Investments at Fair Value through Profit or Loss Unquoted		
IDFC Score Fund	23.26	20.50
Edelweiss Crossover Opportunities Fund	3.91	2.76
E CAP Equities Limited	-	20.11
IIFL Yield Enhancer Fund	26.34	25.20
	187.19	377.80
Aggregate amount of -		
a) Aggregate amount of quoted investments as per books	133.68	309.24
b) Market value of Quoted investments	133.68	309.24
c) Aggregate amount of unquoted investments as per books	53.51	68.57
d) Aggregate amount of impairment in value of investment	-	-
Details of holding in Current Investments		
No. of Mutual Funds held		
JM Multi Strategy Fund of Rs. 10 each fully paid up	1,91,109	1,91,109
ICICI Prudential Leap Fund of Rs 100 each fully paid up	2,79,516	2,79,516
DSP Blackrock Mutual Fund of Rs 10 each fully paid up	-	1,47,15,641
ICICI Prudential Short Term Fund of Rs 10 each fully paid up	10,83,239	-
Aditya Birla Sun Life Money Manager Fund of Rs 100 each fully paid up	80,984	-
ICICI Prudential Savings Fund of Rs 10 each fully paid up	-	3,75,712
Motilal Oswal Focused Multicap Opportunities Fund of Rs 10 each fully paid up	13,74,968	13,74,968
Motilal Oswal Most Focused 35 year Fund - Growth of Rs 10/- per unit	3,57,301	3,57,301
Union Corporate Bond Fund of Rs 10 per unit	5,00,000	-
Union Arbitrage Fund of Rs 10 per unit	4,99,990	-
-Other Instrument		
IDFC Score Fund of Rs. 1,000 per unit	20,500	20,500
Edelweiss Crossover Opportunities Fund of Rs 10 per unit	3,84,374	2,50,000
E CAP Equities Limited of Rs 1,00,000 per unit	-	195
IIFL Yield Enhancer Fund of Rs 10 per unit	96,85,095	60,88,878

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
NAV of Unit Mutual Fund held		
JM Multi Strategy Fund	28.93	27.30
ICICI Prudential Leap Series Fund	114.45	112.28
DSP Blackrock Mutual Fund	NA	10.27
ICICI Prudential Short Term Fund	38.64	NA
Aditya Birla Sun Life Money Manager Fund	250.37	NA
ICICI Prudential Savings Fund	NA	260.41
Motilal Oswal Focused Multicap Opportunities Fund	10.45	10.37
Motilal Oswal Most Focused 35 year Fund - Growth	25.97	26.33
Union Corporate Bond Fund	10.69	-
Union Arbitrage Fund	10.06	-
Note 6 : Other Financial Assets (Unsecured and considered good, unless otherwise stated)		
Non - Current		
<u>Security deposits</u>		
Considered Good	24.62	32.66
Considered Doubtful	-	2.10
Less: Allowance for Doubtful	-	(2.10)
	24.62	32.66
Current		
Interest accrued on Security Deposits - Considered Good	3.84	6.43
Other Security Deposits	0.61	22.69
Dividend Receivable	0.92	
Other Receivables	0.37	86.40
	5.74	115.52
For details of lien refer note 16		
Note 7 : Income Tax Asset (net)		
Advance Tax & TDS (net of Provisions)	11.78	27.60
	11.78	27.60
Note 8 : Other Non Current Assets (Unsecured & Considered Good, unless otherwise stated)		
Capital Advances	2,656.30	-
Prepaid expenses	0.05	0.14
	2,656.35	0.14
Note 9 : Inventories (at lower of cost or net realisable value)		
a) Raw Materials*	616.98	798.09
b) Goods-in-transit*	0.69	28.40
c) Finished Goods**	78.29	222.53
d) Work in Process**	51.52	64.90
e) Stores & Spares	15.67	23.77
f) Packing Materials	5.02	28.50
	768.17	1,166.19
*PVC resin and related raw materials **PVC related products For details of lien refer Note 16		

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Note 10 : Trade receivables (Unsecured and considered good, unless otherwise stated)		
Dues from other trade receivables		
- Trade Receivables	1,616.95	3,939.23
- Trade Receivables which have significant increase in credit risk	-	-
- Trade Receivables - Credit Impaired	-	-
Less: Expected Credit Loss	(9.40)	(4.22)
	1,607.55	3,935.01
Current Portion	1,607.55	3,935.01
Non-Current Portion	-	-
	1,607.55	3,935.01
For details of lien refer Note 16		
Note 11 : Cash and Cash Equivalents		
Balance with banks - on Current Accounts	56.52	135.22
Cash on hand	1.48	2.24
Fixed deposits maturity within 3 months	4.35	4.11
	62.35	141.57
For details of lien refer Note 16		
Note 12 : Bank Balances other than Cash and Cash Equivalents		
Fixed Deposits with Bank held as Margin Money *		
- original maturity beyond 3 months and less than 12 months	137.79	180.75
- original maturity beyond 12 months and remaining maturity less than 12 months as on balance sheet date	35.71	-
	173.50	180.75
* Out of the above, Fixed Deposits amounting to Rs. 151.83 million (P.Y. Rs. 131.09) is on Lien against facilities taken from bank.		
Note 13 : Loans		
Current		
Loans and advances to staff	2.11	1.82
	2.11	1.82
Note 14 : Other Current Assets		
Advances recoverable in cash or kind or for value to be received	11.23	1.39
<u>Advances for Purchases</u>		
Considered Good	8.84	86.67
Prepaid expenses	9.48	7.40
Advance to Staff	-	0.09
Other Advances	0.01	-
Recoverable from Tax Authorities	57.47	160.85
	87.03	256.40
Note 15 : Equity Share Capital		
Authorised		
42,00,00,000 (P.Y. 42,00,00,000) Equity shares of Re.1/- each	420.00	420.00
	420.00	420.00
Issued, Subscribed and Fully Paid up		
26,69,12,700 (P.Y. 26,69,12,700) Equity shares of Re.1/- each fully paid up	262.50	262.50
	262.50	262.50

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
a. Reconciliation of shares outstanding at the beginning and at the end of the year		
Opening balance of shares	26,24,95,370	26,24,95,370
Closing balance of shares	26,24,95,370	26,24,95,370
b. Shares held by holding entity and subsidiary company		
Holding Entity - [Wellknown Business Ventures LLP]	12,34,25,340	13,59,25,340
Subsidiary Company - [Axiom Cordages Limited]	44,18,330	44,18,330
c. Details of shareholders holding more than 5% shares in the company		
1) Wellknown Business Ventures LLP		
- Number of share held	12,34,25,340	13,59,25,340
- % of total equity share capital	46.24%	50.93%
2) Fossebridge Limited		
- Number of share held	3,28,96,800	3,29,01,800
- % of total equity share capital	12.32%	12.33%
3) Xatis International Limited		
- Number of share held	3,27,00,720	3,27,05,720
- % of total equity share capital	12.25%	12.25%
4) Parshvanath Comtrade LLP		
- Number of share held	2,50,00,000	-
- % of total equity share capital	9.37%	-
5) Brenzett Limited		
- Number of share held	1,53,62,708	1,53,67,708
- % of total equity share capital	5.76%	5.76%
d. There are no bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.		
e. Rights / Preferences and restrictions attached to equity shares.		
Each holder of equity shares is entitled to one vote per equity share. They are entitled to receive dividend proposed by the Board of Directors and approved by shareholders in General Meeting, right to receive annual report and other quarterly / half yearly / annual publications and right to get new shares proportionately in case of issuance of additional shares by the Company.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
Other Equity		
Capital Reserve	1.38	1.38
Securities Premium Reserve	2,370.90	2,370.90
General Reserve	0.10	0.10
Retained Earnings	6,585.78	6,331.25
Other Comprehensive Income	0.98	4.90
	8,959.14	8,708.53
(i) Capital reserves		
Opening balance	1.38	1.38
Closing Balance	1.38	1.38
(ii) Securities Premium Reserve		
Opening balance	2,370.90	2,370.90
Closing Balance	2,370.90	2,370.90

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
(iii) General reserves		
Opening balance	0.10	0.10
Closing Balance	0.10	0.10
(iv) Retained Earnings		
Opening balance	6,331.25	6,256.14
Add:		
- Profit for the year as per Statement of Profit and Loss	287.04	107.66
Less: Appropriation		
- Final dividend Paid	26.94	26.94
- Tax on Final Dividend	5.57	5.61
	6,585.78	6,331.25
(v) Other Comprehensive Income		
Opening balance	4.90	1.27
- Remeasurements of net defined benefit plans (Net of tax)	3.86	3.31
- Foreign Exchange Currency Translation Reserve	(7.78)	0.32
	0.98	4.90
Total	8,959.14	8,708.53
<p>Capital Reserve Capital Reserve is created on account of forfeiture of shares.</p> <p>Securities Premium Reserve Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.</p> <p>General Reserve General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.</p> <p>Retained Earnings Retained Earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.</p>		
Note 16 : Borrowings		
Non Current Borrowings		
Secured - From Banks		
Vehicle Loans (Refer Note 1 below)	13.51	16.39
External Commercial Borrowing (Refer Note 2 below)	-	658.73
Gross Non Current Borrowings	13.51	675.12
Less - Current Maturities	(13.51)	(672.29)
Less - Interest accrued but not due on borrowings	-	-
	-	2.83

Note 1: The loans are repayable in equal instalments and the interest rate on above is ranging between 8.50% to 10.60%. They are secured by way of hypothecation of specific vehicles acquired under the arrangements.

Note 2: External Commercial Borrowings were secured by way of first pari passu charge on all fixed assets of the Parent company and second ranking pari passu charge on all current assets of the Parent Company. The External Commercial Borrowings was repayable in 24 quarterly installments commencing from December 2012. Interest rate on ECB are 6 months USD LIBOR + 456 basis points. There is no outstanding facility against the same as at March 31, 2019

Terms of Repayment Schedule of Long Term Borrowings as at March 31, 2019

Current	Interest Rate	Rs. (in million)
Vehicle Loans	8.50% to 10.60%	13.51
External Commercial Borrowing	USD LIBOR + 456 basis points	-

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Current Borrowings		
<u>Secured - From Banks</u>		
Packing Credit Foreign Currency Loans (Refer Note 1 below)	745.43	853.99
EBRD (Post Shipment) Loan (Refer Note 2 below)	-	309.60
Buyer's Credit (Refer Note 3 below)	-	393.31
Cash Credit loan (Refer Note 4 below)	329.46	-
	1,074.89	1,556.90
<p>Note 1: PCFC Loan of Rs.745.43 million (PY Rs.853.99 million) are secured by first ranking pari passu hypothecation charge on entire current assets of the parent company both present and future. Note 2: EBRD (Post Shipment) of Rs. NIL (PY Rs.309.60 million) are secured by first ranking pari passu hypothecation charge on entire current assets of the parent company both present and future. Note 3: Buyer's Credit of Rs. NIL (P.Y 393.31 million) was secured by goods purchased under Letter of credit. Note 4: Cash credit loan of Rs 329.46 million (P.Y Rs NIL) are secured by first ranking pari passu hypothecation parent charge on entire current assets of the company both present and future.</p>		
Terms of facility of short term borrowings as at March 31,2019		
Current	Interest rate	Rs. in million
Packing Credit Foreign Currency Loans	2.5 % + LIBOR	745.43
Cash Credit Facility	3.40 %	329.46
Note 17 : Provisions		
Non - Current		
Provision for Employee benefits (Refer note 32 below)	38.81	35.38
	38.81	35.38
Current		
Provision for Employee benefits (Refer note 32 below)	1.65	1.86
	1.65	1.86
Note 19 : Trade Payables		
Amount due to Micro, Small and Medium Enterprises (Refer Note below)	3.35	6.02
Others	55.87	236.21
	59.22	242.23
Details of due to Micro, Small and Medium Enterprises as per the Micro, Small and Medium Enterprises Development Act 2006		
Amount due and payable at the year end		
- Principal amount	3.35	6.02
- Interest on above principals*	-	-
Payment made during the year after the due date		
- Principal	-	-
- Interest	-	-
Interest due and payable for Principal already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-
* Interest has been waived off by the respective parties		
Note 20 : Other financial liabilities		
Current		
Current Maturities of Long Term Debt [Refer Note 16 above]	13.51	672.29
Interest accrued but not due on borrowings	-	0.02
Cheques Overdrawn	169.20	468.16
	182.71	1,140.47
Note 21 : Other Current Liabilities		
Advance received from Customers	23.77	61.41
Statutory Liabilities	5.21	3.67
GST Payable	30.83	-
	59.81	65.08

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

Note 18 : Tax Expense

(a) Amount recognised in Statement of Profit and Loss

(Rs in million)

Particulars	2018-19	2017-18
Current Tax expense (A)		
Current year	149.16	47.00
Short /(Excess) provision of earlier year	19.50	22.45
	168.66	69.45
Deferred tax expense (B)		
Origination and reversal of temporary differences	(12.78)	48.63
Tax expense recognised in the income statement (A+B)	155.88	118.08

(b) Amount recognised in other comprehensive income

(Rs in million)

Particulars	2018-19			2017-18		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plans	1.46	(0.26)	1.20	5.27	(1.81)	3.46
	1.46	(0.26)	1.20	5.27	(1.81)	3.46

(c) Reconciliation of effective tax rate

(Rs in million)

Particulars	2018-19	2017-18
Profit before tax	450.47	211.64
Tax using the company domestic tax rate (Current year 34.608% and Previous Year 34.608%)	155.90	73.24
Tax effect of:		
Tax effect on non deductible expenses	3.87	39.13
Recognition of deferred tax on brought forward depreciation	(24.65)	(16.32)
Others	1.26	(16.32)
Exempt Income	-	(0.42)
Adjustment recognised in current year in relation to the current tax of prior years	19.50	22.45
Tax expense as per Statement of the Profit and loss	155.88	101.76
Effective tax rate	34.60%	48.08%

(d) Movement in deferred tax balances

(Rs in million)

Particulars	Net balance as at April 1, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Deferred tax liability	Deferred tax asset	Net Balance as at March 31, 2019
Deferred tax (Asset)/ Liabilities							
Property, plant and equipment & Intangible assets	300.25	(10.20)	-	-	290.25	-	290.25
Indexed cost of Land	(1.67)	(2.32)	-	-	-	(3.99)	(3.99)
Investments	10.49	-	-	-	10.49	-	10.49
Fair Valuation of Non-current Assets	(0.02)	-	-	-	-	(0.02)	(0.02)
Employee benefits	(14.95)	-	0.26	-	-	(14.69)	(14.69)
Provisions	(2.88)	(1.33)	-	-	-	(4.21)	(4.21)
Other Items	(2.51)	0.88	-	-	-	(1.63)	(1.63)
Deferred tax (Asset)/ Liabilities	288.71	(12.97)	0.26	-	300.74	(24.55)	276.20

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Note 22 : Revenue from Operations		
<u>Revenue from Sale of Products (Including excise duty)*</u>		
Sale of Products*	7,676.30	12,478.38
Other Operating Revenue		
Incentive and assistance	74.08	157.07
Other Operating Income	-	1.56
	7,750.38	12,637.01
* PVC related products Incentive and assistance includes export incentive in the nature of promotion of export & refund of taxes on export of goods.		
Note 23: Other Income		
Dividend Income	4.35	4.87
<u>Interest Income</u>		
- on Fixed Deposits	13.02	23.45
- on non current Instruments measured at FVTPL	-	0.01
Gain on Foreign Exchange fluctuation (net)	221.47	132.85
Insurance Claim Received	2.01	-
Fair Value of non - current investments (net)	-	0.01
Sundry balance written off / back (net)	-	0.37
Profit on sale of current Investments (net)	1.62	8.56
Fair valuation gain on Mutual Funds measured at FVTPL	2.00	8.98
Sundry Balance written off / back (net)	-	6.58
Other Income	0.05	1.28
	244.52	186.96
Note 24: Cost of Materials Consumed		
Opening Stock	826.48	1,118.08
Add: Purchases*	5,075.35	10,263.73
	5,901.83	11,381.81
Less: Closing Stock	617.67	826.48
	5,284.16	10,555.33
*PVC resin and related raw materials		
Note 25: Changes in inventories of finished goods, stock in trade and work-in-progress		
Closing Stocks:		
Finished Goods	78.29	223
Stock in process	51.52	64.90
	129.81	287.43
Less: Opening Stocks		
Finished Goods	222.53	-
Stock in process	64.90	103.17
	287.43	103.17
	157.62	(184.26)

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Note 26. Cost of Traded Goods Purchased		
Purchase of Traded Goods	55.93	-
	55.93	-
Note 27: Employee benefit expenses		
Salaries and wages	160.86	113.65
Provision for Gratuity (Refer Note 32)	6.32	7.13
Contribution to Provident fund and others (Refer Note 32)	4.87	3.97
Staff welfare expenses	7.37	14.23
	179.42	138.98
Note 28: Finance Costs		
Interest expenses on Borrowings	110.71	154.46
Other Borrowing Costs	18.47	17.39
	129.18	171.85
Note 29: Other expenses		
Manufacturing Expenses		
Power & Fuel	430.15	291.25
Packing Materials consumed	16.46	4.48
Stores and Spares consumed	51.08	50.68
Repairs and Maintenance (Plant and Equipment)	8.65	9.23
Repairs and Maintenance (Buildings)	-	1.11
Other Manufacturing Expenses	69.44	68.49
Sales and marketing cost		
Freight & Forwarding Charges	123.55	159.98
Other Selling & Distribution Expenses	38.58	93.09
Administrative & Other Expenses		
Auditor's Remuneration (Refer note below)	3.21	4.90
Conveyance and Travelling Expenses	28.76	22.24
Insurance charges	10.53	10.00
Professional & Consultancy Fees	33.86	48.90
Impairment Allowance for Doubtful Debts and Advances (Net)	-	18.35
Rates & Taxes	11.48	6.81
Rent expenses (Refer Note 31)	11.63	4.69
Loss on forward contracts	9.96	
Provision for Expected Credit Loss (ECL)	5.18	4.22
Loss on sale of property, plant & equipments (NET)	3.20	2.96
Loss on sale of investment	0.35	-
Loss on Instrument measured at FVTPL	0.53	-
CSR Expenditure (Refer Note 34)	0.65	0.07
Sundry Balance Written Off (net)	7.46	-
Miscellaneous expenses	54.42	43.44
	919.13	844.90

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
Auditors' remuneration includes: (Excluding Service Tax)		
Audit Fees	3.20	3.05
Certification fees	-	-
Others	0.01	1.85
	3.21	4.90
Note 30: Earnings per share		
Profit attributable to equity shareholders for basic and diluted earnings per share (Rs)	287.04	107.66
Weighted average number of equity shares for Basic EPS	26,24,95,370	26,24,95,370
Weighted average number of equity shares for Diluted EPS	26,24,95,370	26,24,95,370
Nominal value of Equity Share (Re.)	1	1
Basic Earnings Per Share (Rs.)	1.09	0.41
Diluted Earnings Per Share (Rs.)	1.09	0.41
Note 31 : Leases		
<u>Assets taken on Operating Lease</u>		
Lease Payments recognised during the year in the Statement of Profit and Loss	11.63	4.69
Note 32 : Employee benefit expenses		
Post Employment Benefit Plans:		
Defined Contribution Plans		
Amount recognised in the Statement of Profit and Loss :		
Contribution to Provident fund and Employee State Insurance Corporation	4.87	3.97
Defined Benefit Plans		
The Company has the following Defined Benefit Plans:		
Gratuity: In accordance with the applicable laws, the Group provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date. The following are the details of defined benefit plans:		
Movement in net defined benefit (asset)/ liability		
a) Reconciliation of balances of Defined Benefit Obligations.		
Defined Obligations at the beginning of the year	37.24	37.00
Interest Cost	2.78	2.61
Current Service Cost	3.54	2.81
Past service cost	-	1.72
Benefits paid	(1.64)	(1.63)
Actuarial (Gains)/ Losses on obligations		
-Changes in financial Assumptions	0.82	(2.00)
-Changes in demographic assumption	-	(1.47)
-Experience adjustments	(2.27)	(1.80)
Defined Obligations at the end of the year	40.46	37.24
Net (Asset) / Liability recognised in the balance sheet	40.46	37.24

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
b) Amount recognised in Statement of Profit and Loss:		
Current Service Cost	3.54	3.00
Past Service Cost and loss / (gain) on curtailments and settlement	-	1.53
Interest Cost	2.78	2.61
Expenses for the year	6.32	7.14
c) Amount recognised in Other Comprehensive Income - Remeasurements :		
Actuarial (Gains)/ Losses		
-Changes in financial assumptions	0.82	(2.00)
-Change in demographic assumption	-	(1.47)
-Experience adjustments	(2.27)	(1.80)
Total	(1.46)	(5.27)
d) Major Actuarial Assumptions		
Discount Rate (%)	7.45%	7.65%
Salary Escalation/ Inflation (%)	11.00%	10.00%
Withdrawal rates	10% at younger ages reducing to 2% at older ages	10% at younger ages reducing to 2% at older ages
<p>The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.</p> <p>Sensitivity analysis Sensitivity analysis for each significant actuarial assumption as stated above, showing how the defined benefit obligation would be affected, considering increase/decrease as at 31.03.2019 and 31.03.2018 is as below:</p>		
Particulars	Gratuity - Unfunded	
	2019	2018
Discounting rate varied by 0.5%		
+ 0.5%	38.45	35.46
- 0.5%	42.61	39.15
Salary growth rate varied by 0.5%		
+ 0.5%	42.20	38.84
- 0.5%	38.89	35.56
Withdrawal rate (W.R.) varied by 10%		
W.R. * 110%	40.12	36.92
W.R. * 90%	40.80	37.57
<p>Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation keeping all other actuarial assumptions constant.</p> <p>The expected future cash flows as at 31st March 2019 were as follows:</p>		
Expected Contribution	Gratuity - Unfunded	
Projected benefits payable in future years from the date of reporting		
1st following year		1.65
2nd following year		1.58
3rd following year		2.23
4th following year		2.13
5th following year		2.54
Years 6 to 10		15.08
Other details as at 31.03.2019		
Prescribed contribution for next year		1.65

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

Note 33: Disclosures on Related party transactions

i) Nature and Relationship of Related Parties

a) Holding Entity

Wellknown Business Ventures LLP

b) Directors & Key Management Personnel

1) Mr. Rishabh Agarwal

Chairman and Managing Director (from 2 May, 2018 upto 13 Feb,2019) Re-designated as Non-Executive Chairman (from 14 Feb, 2019)

Non-Executive Chairman

Director

Whole-Time Director and Chief Executive Officer (CEO)

Director & Chief Financial Officer (CFO)

Company Secretary

2) Mr. Atit Agarwal (Upto 30 Sept, 2018)

3) Mr. Rajesh Pandey (Upto 27 Feb, 2019)

4) Mr. Mehul Vala (from 14 Feb, 2019)

5) Mr. Mrunal Shetty (from 14 Feb, 2019)

6) Ms. Ruchi Jaiswal (from 30 May, 2017)

c) Relatives of Key Management Personnel

1) Mr. Abhishek Agarwal (Upto 30 Sept, 2018)

2) Mrs. Saudamini Agarwal (Upto 30 Sept, 2018)

3) Ms. Swati Agarwal (Upto 30 Sept, 2018)

d) Entities where Directors / Key Management Personnel

have Significant Influence

1) One Source Trading Company LLP (Upto 30th Sept, 2018)

2) Fairpoint Tradecom LLP

(Rs in million)

Relationship	31-Mar-19		31-Mar-18	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
ii) Transactions with Related Parties during the year				
a) Holding Entity				
Dividend Paid	14.97		14.97	
Wellknown Business Ventures LLP		14.97		14.97
b) Directors & Key Management Personnel				
Salary (Refer note 2)	7.67		0.46	
Mr. Rishabh Agarwal		5.38		
Mr. Rajesh Pandey		1.33		
Ms. Ruchi Jaiswal		-		0.46
Dividend Paid	0.08		0.08	
Mr. Atit Agarwal		0.08		0.08
c) Relatives of Key Management Personnel				
Dividend Paid	0.28		0.28	
Mr. Abhishek Agarwal		0.06		0.06
Mrs. Saudamini Agarwal		0.09		0.09
Ms. Swati Agarwal		0.13		0.13
d) Entities where Directors / Key Management Personnel have Significant Influence				
Rent Expenses	-		0.53	
One source Trading Co LLP		-		0.53
Advance Given	-		4.70	
One source Trading Co. LLP		-		4.70
Advance received back	-		4.70	
One source Trading Co. LLP		-		4.70
Deposit received back	-		11.70	
One source Trading Co. LLP		-		11.70
Capital Expenditure towards purchase of Trucks	39.35		-	
Fairpoint Tradecom LLP		39.35		-

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

(Rs in million)

Relationship	31-Mar-19		31-Mar-18	
	Total Amount	Amount for Major Parties*	Total Amount	Amount for Major Parties*
iii) Closing Outstanding Balances of Related Parties				
Key Management Personnel				
Director Remuneration payable	-		0.08	
Mr. Rajesh Pandey		-		0.08
Salary Payable	0.90		-	
Rishabh Agarwal		0.55		-
Mehul Vala		0.20		-
Mrunal Shetty		0.10		-
Entities where key management have significant influence				
Trade Payable	-		22.76	
Fairpoint Tradecom LLP		-		22.76
Deposit Receivable	-		22.50	
Fairpoint Tradecom LLP		-		22.50

* "Major Parties" denotes who account 10% or more of the aggregate for that category of transaction

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

Note 2: Salary does not include amount in respect of gratuity as the same is not determinable.

Note 3: No amount pertaining to related parties have been provided for as doubtful debts. Also, no amount has been written off / back which was due from / to related parties.

Particulars	31-Mar-19	31-Mar-18
Note 34 : Disclosure in respect of Expenditure on Corporate Social Responsibility Activities		
a) Amount required to be spent by the Group during the year	7.35	13.34
b) Amount spent during the year (on purpose other than construction / acquisition of assets controlled by the company) #	0.65	0.10
c) Provision created for balance amount	-	-
# The above expenditure includes contribution to funds, expenses through registered trusts / registered society or company established under Section 8 of the Act and direct expenses by the Group.		
Note 35 : Segment Reporting		
The Group is primarily engaged in the business of producer and supplier of 'Articles made out of Plastics / Polymers'. As such, the Company operates in a single segment and there are no separate reportable segments as defined in Ind AS 108 - 'Operating Segments'. The same is consistent with the information reviewed by the Chief Operating Decision Maker (CODM).		
Geographical Information:		
The operation of the Company comprises of local sales and export sales. The Management views the Indian market and Export market as distinct geographical areas. The following is the distribution of the Company's Revenues by geographical markets :		
Revenues		
India	4,395.65	6,966.93
Export	3,354.73	5,670.08
	7,750.38	12,637.01
The following is the carrying amount of segment assets by geographical area in which the assets are located		
Non-Current Assets (other than financial instruments and deferred tax assets)		
India	9,590.10	7,679.93
Outside India	-	-
	9,590.10	7,679.93

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

Note 36 : Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Rs in million)

31st March 2019	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments in Equity Instruments	0.13	-	-	0.13	0.13	-	-	0.13
Investments in Mutual Funds	133.68	-	-	133.68	133.68	-	-	133.68
Other Investments	53.51	-	-	53.51	53.51	-	-	53.51
Other Financial Assets	-	-	30.36	30.36	-	-	-	-
Trade receivables	-	-	1,607.55	1,607.55	-	-	-	-
Cash and cash equivalents	-	-	62.35	62.35	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	173.50	173.50	-	-	-	-
Loans	-	-	2.11	2.11	-	-	-	-
	187.32	-	1,875.87	2,063.19	187.32	-	-	187.32
Financial liabilities								
Borrowings	-	-	1,074.89	1,074.89	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	182.71	182.71	-	-	-	-
	-	-	1,257.60	1,257.60	-	-	-	-

(Rs in million)

31st March 2018	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments in Equity Instruments	0.15	-	-	0.15	0.15	-	-	0.15
Investments in Mutual Funds	309.24	-	-	309.24	309.24	-	-	309.24
Other Investments	68.56	-	-	68.56	68.56	-	-	68.56
Other Financial Assets	-	-	148.18	148.18	-	-	-	-
Trade receivables	-	-	3,935.01	3,935.01	-	-	-	-
Cash and cash equivalents	-	-	141.57	141.57	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	180.75	180.75	-	-	-	-
Loans	-	-	1.82	1.82	-	-	-	-
	377.95	-	4,407.33	4,785.28	377.95	-	-	377.95
Financial liabilities								
Borrowings	-	-	1,559.73	1,559.73	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	1,140.47	1,140.47	-	-	-	-
	-	-	2,700.20	2,700.20	-	-	-	-

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The Fair Value of the Financial Assets & Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/ payment discounted using appropriate discounting rates.	Not applicable	Not applicable

C. Financial Risk Management

C.i. Risk management framework

A wide range of risks may affect the Group's business and operational / financial performance. The risks that could have significant influence on the Group are market risk, credit risk and liquidity risk. The Holding Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the Company's operational and financial performance.

C.ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables, cash and cash equivalents and other bank balances. To manage this, the Group periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(a) Trade and other receivables from customers

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in the credit risk on an on-going basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business.
- ii) Actual or expected significant changes in the operating results of the counterparty.
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparties ability to meet its obligation.
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

Financial assets are written off when there is a no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. When loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. When recoverables are made, these are recognised as income in the Statement of Profit and Loss.

The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

Ageing of Accounts receivables:

(Rs in million)

Particulars	As at 31-03-2019	As at 31-03-2018
Not Due	760.86	2,558.45
0 - 6 months	468.31	1,078.22
6 - 12 months	378.38	99.63
Beyond 12 months	-	198.71
Total	1,607.55	3,935.01

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movements in provision of doubtful debts

Particulars	As at 31-03-2019	As at 31-03-2018
Opening provision	4.22	12.61
Less : Provision reversed	-	(12.61)
Add : Provision for Expected Credit Loss	5.18	4.22
Closing provisions	9.40	4.22

The Group held cash and cash equivalents and other bank balances of Rs. 235.85 million at 31st March 2019 (P.Y. 322.32 million). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing. Also, Group invests its short term surplus funds in bank fixed deposit, which carry no / low mark to market risks for short duration therefore does not expose the Group to credit risk.

C.iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Group through effective fund management. The Group has obtained fund and non-fund based working capital lines from banks. Furthermore, the Group has access to funds through foreign currency borrowings.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Maturity Analysis of Significant Financial Liabilities

(Rs in million)

Particulars	Contractual Cash Flows			
	As at 31st March 2019	Upto 1 year	1-5 years	More than 5 years
Non current borrowings (including current maturities)				
- Vehicle Loans	13.51	13.51	-	-
- External Commercial Borrowing	-	-	-	-
Current borrowings				
- Packing Credit Foreign Currency Loans	745.43	745.43	-	-
- Cash Credit Facility	329.46	329.46	-	-
Trade and other payables	-	-	-	-
Other current liabilities	182.71	182.71	-	-

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

(Rs in million)

Particulars	Contractual Cash Flows			
	As at 31st March 2018	Upto 1 year	1-5 years	More than 5 years
Non current borrowings (including current maturities)				
- Vehicle Loans	16.39	13.56	2.83	-
- External Commercial Borrowing	658.73	658.73	-	-
Current borrowings				
- Packing Credit Foreign Currency Loans	853.99	853.99	-	-
- EBRD (Post Shipment) Loan	309.60	309.60	-	-
- Buyer's Credit	393.31	393.31	-	-
Trade and other payables	-	-	-	-
Other current liabilities	1,140.47	1,140.47	-	-

C.iv. Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

C.iv.a Currency risk

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Group is Indian Rupee. Our exposure are mainly denominated in U.S. dollars. The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Group's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Group has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2019, March 31, 2018 are as below:

	(Rs in million)
31st March, 2019	USD
Financial assets	
Bank Balances other than Cash and Cash Equivalents	-
Trade receivables	25.00
Net exposure for assets	25.00
Financial liabilities	
Foreign Currency Borrowings (Including Current Maturities)	-
Short Term Borrowings	10.78
Trade and other payables	-
Net exposure for liabilities	10.78
Net exposure (Assets - Liabilities)	14.22
31st March, 2018	USD
Financial assets	
Bank Balances other than Cash and Cash Equivalents	0.25
Trade receivables	53.12
Net exposure for assets	53.37
Financial liabilities	
Foreign Currency Borrowings (Including Current Maturities)	10.11
Short Term Borrowings	23.89
Trade and other payables	3.10
Net exposure for liabilities	37.10
Net exposure (Assets - Liabilities)	16.27

RESPONSIVE INDUSTRIES LIMITED

Notes to the consolidated financial statements for the year ended March 31, 2019

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

Impact of movement on Profit or (loss) and Equity :

(Rs in million)

Particulars	Profit or (loss) and Equity	
	Strengthening	Weakening
Effect in INR (before tax)		
For the year ended 31st March, 2019 1% movement		
USD	9.83	(9.83)
	9.83	(9.83)
For the year ended 31st March, 2018 1% movement		
USD	(10.60)	10.60
	(10.60)	10.60

C.iv.b Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimise the Group's position with regards to interest income and interest expenses and to manage the interest rate risk the management balances the portfolio of fixed rate and floating rate financial instrument in its total portfolio.

According to the Group, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of reasonably possible change in interest rates.

Exposure to interest rate risk

Group's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

(Rs in million)

Particulars	31-Mar-19	31-Mar-18
External Commercial Borrowing bearing variable interest rate	-	658.73
Packing Credit Foreign Currency Loans	745.43	853.99
EBRD (Post Shipment) Loan	-	309.60
Cash Credit Facility	329.46	-
Buyer's Credit	-	393.31
Total of Variable Rate Financial Liabilities	1,074.89	2,215.63

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Group's income statement over the remaining life of the related fixed assets.

(Rs in million)

Cash flow sensitivity (net) INR	Profit or (loss) and Equity	
	50 bp increase	50 bp decrease
31st March 2019		
Variable-rate loan instruments	(5.37)	5.37
Cash flow sensitivity (net)	(5.37)	5.37
31st March 2018		
Variable-rate loan instruments	(11.08)	11.08
Cash flow sensitivity (net)	(11.08)	11.08

The Group invests its surplus funds in various Equity and debt instruments. These comprise of mainly liquid schemes of mutual funds (liquid investments), Equity shares, Debentures and fixed deposits. This investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

Note 37: Details of Subsidiaries and Step-Down Subsidiaries

Name of Company	Held Through	Country of Incorporation	“% Voting Power held As on 31.03.2019”	“% Voting Power held As on 31.03.2018”
Direct Subsidiaries:				
Axiom Cordages Limited	1	India	58.18	58.18
Responsive Industries Limited, Hongkong	1	Hongkong	100.00	100.00
Indirect Subsidiaries:				
Axiom Cordages Limited, Hongkong	2	Hongkong	58.18	-
Responsive Industries Limited, UAE	3	UAE	100.00	-
Axiom Cordages Limited, UAE	4	UAE	58.18	-

Held Through

- 1 Responsive Industries Limited
- 2 Axiom Cordages Limited
- 3 Responsive Industries Limited, Hongkong
- 4 Axiom Cordages Limited, Hongkong

RESPONSIVE INDUSTRIES LIMITED
Notes to the consolidated financial statements for the year ended March 31, 2019

Note 38: Disclosure of additional information pertaining to the Parent Company and Subsidiaries: (Rs in million)

Name of the Enterprises	Net Assets		Share in Profit/ Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit/ Loss	As % of Consolidated Profit or Loss	Other Comprehensive Income	As % of Consolidated Profit or Loss	Total Comprehensive Income
Parent								
Responsive Industries Limited	47.99	5,190.72	95.19	280.42	441.47	(5.39)	93.75	275.04
Indian Subsidiaries								
Direct Subsidiaries								
- Axiom Cordages Limited	16.34	1,767.04	2.89	8.51	(120.16)	1.47	3.40	9.98
- Foreign Subsidiaries								
Direct Subsidiaries								
- Responsive Industries Limited, Hongkong	0.04	4.64	(0.24)	(0.71)	-	-	(0.24)	(0.71)
Indirect Subsidiaries								
- Axiom Cordages Limited, Hongkong	0.02	2.51	(0.27)	(0.79)	-	-	(0.27)	(0.79)
- Responsive Industries Limited, UAE	15.88	1,717.21	(0.10)	(0.29)	-	-	(0.10)	(0.29)
- Axiom Cordages Limited, UAE	4.99	539.53	(0.04)	(0.12)	-	-	(0.04)	(0.12)
Minority Interest in all subsidiaries	14.73	1,593.56	2.56	7.55	(221.31)	2.70	3.49	10.25
TOTAL	100.00	10,815.20	100.00	294.59	100.00	(1.22)	100.00	293.37

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2019

Note 39: Capital Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day - to - day needs. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's debt to equity ratio at 31st March, 2019 was 0.12 (31st March 2018: 0.36)

Note : For the purpose of computing debt to equity ratio, equity includes Equity share capital and Other Equity and Debt includes Long term borrowings, Short term borrowings and current maturities of long term borrowings.

Note 40: Exceptional item in the previous year includes Loss on sale of Property, Plant & Equipments amounting to Rs.50.80 million.

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

As per our attached report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No: 112081W/W100184

Suresh Murarka
Partner
Membership No. : 044739

Place : Mumbai
Date : May 24, 2019

For and on behalf of the Board

Mehul Vala
Whole Time Director & CEO
DIN :08361696

Mrunal Shetty
Director & CFO
DIN :08362895

Ruchi Jaiswal
Company Secretary

Place : Mumbai
Date : May 24, 2019

Form AOC-1

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

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

Part "A" Subsidiaries

(Rs in million)

Sr. No	Name of the Subsidiary	Axiom Cordages Limited	Responsive Industries Limited, Hong Kong	Axiom Cordages Limited, Hong Kong	Responsive Industries Limited, UAE	Axiom Cordages Limited, UAE
1.	Financial Year ending on	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
2.	Reporting Currency	Indian Rupee	US Dollar	US Dollar	US Dollar	US Dollar
3.	Exchange rates on the last date		1 USD = Rs. 69.16	1 USD = Rs. 69.16	1 USD = Rs. 69.16	1 USD = Rs. 69.16
4.	Share Capital	328.83	25.01	13.62	24.92	13.53
5.	Reserves & Surplus	3767.00	(0.01)	(0.02)	(0.01)	(0.00)
6.	Total Assets	4212.25	25.00	13.60	24.91	13.52
7.	Total Liabilities	2.75	25.00	13.60	24.91	13.52
8.	Investments	71.41	24.92	13.53	0.00	13.51
9.	Turnover (net of excise duty)	1525.39	0.00	0.00	0.00	0.00
10.	Profit/(Loss) before Taxation(A)	(10.71)	(0.01)	(0.02)	(0.01)	(0.00)
11.	Provision for Taxation (B)	(25.48)	0.00	0.00	0.00	0.00
12.	Profit/(Loss) after Taxation(A) - (B)	14.77	(0.01)	(0.02)	(0.01)	(0.00)
13.	Proposed Dividend	0.00	0.00	0.00	0.00	0.00
14.	% of shareholding	58.18%	100%	58.18%	100%	58.18%

Notes:

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

For and on behalf of the Board

Mehul Vala
Whole Time Director & CEO
DIN :08361696

Mrunal Shetty
Director & CFO
DIN :08362895

Ruchi Jaiswal
Company Secretary

Place : Mumbai
Date : May 24, 2019

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