

RESPONSE INFORMATICS LIMITED

**15th
ANNUAL REPORT**

2011-2012

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CORPORATE INFORMATION**Board of Directors:**

1. Mr. P. Maheswaran Nair	--	Director
2. Mr. I V S Suryanarayana Raju	--	Director
3. Mr. K. Subba Rao	--	Director

Registered Office:

Flat No.312, Arun Apartment,
Lakdikapool, Red Hills,
Hyderabad – 500004

Auditors:

M/s. Hari Babu & Associates
Chartered Accountants, Hyderabad

Audit Committee:

- 1) Mr. K. Subba Rao
- 2) Mr. P. Maheswaran Nair
- 3) Mr. I V S Suryanarayana Raju

Remuneration Committee:

- 1) Mr. K. Subba Rao
- 2) Mr. P. Maheswaran Nair
- 3) Mr. I V S Suryanarayana Raju

Investor Grievance Committee:

- 1) Mr. K. Subba Rao
- 2) Mr. P. Maheswaran Nair
- 3) Mr. I V S Suryanarayana Raju

Listing:

Calcutta Stock Exchange Limited

Registrar & Share Transfer Agents:

Aarathi Consultants Private Limited
1-2-285, Domalguda, Hyderabad
Ph No: 04027638111/27634445
Email Id: info@aarthiconsultants.com

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Shareholders of Response Informatics Limited will be held on Wednesday, the 26th September, 2012 at 11.00 a.m. at Flat No.312, Arun Apartment, Lakdikapool, Red Hills, Hyderabad – 500004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2012, the Profit and Loss Account for the year ended on that date, together with notes and schedules attached thereto along with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. P. Maheswaran Nair who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Hari Babu & Associates, Chartered Accountants as Statutory Auditors of the Company and to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

**For and on behalf of the Board
Response Informatics Limited**

**Place: Hyderabad
Date: 03.09.2012**

**Sd/-
P. M. Nair
Director**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will be closed from 24.09.2012 to 26.09.2012 (Both days inclusive).
3. Members are requested to produce the Attendance Slip duly signed as per the Specimen Signature recorded with the Company/Depository Participant for admission to the meeting hall.
4. Members holding shares in physical form are requested to notify immediately any change in their address along with address proof, i.e., Electric /Telephone Bill, Driving License or a copy of passport and Bank particulars to the company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the company/RTA without delay.
5. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.
6. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to send the same to the office of the Registrar and Transfer Agent of the Company.
7. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
8. It shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTAs for registration of transfer of shares for securities market transactions and off market/private transaction involving transfer of shares in physical form of listed companies.
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Aarthi Consultants Private Limited, Share Transfer Agents of the Company for their doing the needful.
11. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping in view shareholders are requested to update their E-Mail ID with their DP.

**For and on behalf of the Board
Response Informatics Limited**

**Place: Hyderabad
Date: 03.09.2012**

**Sd/-
P. M. Nair
Director**

DIRECTORS' REPORT

To
The Members

We have pleasure in presenting the 15th Annual Report with Audited Statements of Accounts for the year ended 31st March 2012.

FINANCIAL RESULTS:

(Amt. in Rs.)

Particulars	2011-2012	2010-11
Income	15,35,203	11,10,255
Expenditure	8,16,307	16,28,120
Profit before Tax	7,18,896	-5,17,865
Provision for Taxation	-40,410	0
Profit after Taxes	7,59,306	-5,17,865

DIVIDEND:

Keeping the Company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

LISTING:

The equity shares of your company are listed on Calcutta Stock Exchange Limited.

CAPITAL OF THE COMPANY:

The authorized capital of the company stands at Rs. 8,00,00,000 divided into 80,00,000 shares of Rs. 10/- each and the paid up capital of the company stands at Rs. 5,96,28,000 divided into 5875300 equity shares of Rs. 10/- each fully paid up and 175000 Equity Shares partly paid up.

MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report.

DIRECTORS:

In accordance with the Companies Act, 1956 read with Articles of Association of the company the Director namely Mr. P. Maheswaran Nair retires by rotation and is eligible for re-appointment.

Your Board recommends the re-appointment of the Director.

DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 217(2AA) of the Companies Amendment Act, 2000 your directors confirm:

- i) that the directors in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) that the directors had 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 at the end of the financial year.
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and deleting fraud and other irregularities.
- iv) that the directors had prepared the annual accounts on the going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:

The required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided hereunder:

A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

1. Research and Development (R&D)	:	NIL
2. Technology absorption, adoption and innovation	:	NIL

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings	:	NIL
Foreign Exchange Outgo	:	NIL

PARTICULARS OF EMPLOYEES:

There is no employee who is falling under section 217 (2A). Therefore, the disclosures

required to be made under section 217 (2A) of the Companies Act, 1956 and the rules made there under are not applicable.

CODE OF CONDUCT:

The Code of Conduct has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. Code of Conduct has also been placed on the website of the company. A declaration to this effect is given in Annexure.

AUDITORS:

M/s. Hari Babu & Associates, Chartered Accountants, Hyderabad, will retire as auditors of the company at the ensuing Annual General Meeting and being eligible have expressed their willingness for reappointment. Your directors propose the appointment of M/s. Hari Babu & Associates as statutory auditors to hold office until the conclusion of the next Annual General Meeting of the company.

CORPORATE GOVERNANCE:

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors forms part of this Report as Annexure.

ACKNOWLEDGMENTS:

Your directors would like to express their appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

DECLARATION BY DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:

The shareholders,

I, P. Maheshwaran Nair, Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the Company and have adhered to the provisions of

**For and on behalf of the Board
Response Informatics Limited**

**Place: Hyderabad
Date: 03.09.2012**

**Sd/-
P. M. Nair
Director**

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

2. Industry Structure and Developments:

The earlier trend of smaller companies being marginalized has continued in the year under review. Another distinct trend during the year has been the preference of foreign companies to outsource their entire IT needs to the larger companies and get them to setup large offshore operations to support these contracts.

According to the Global Tech Market Outlook for 2012 and 2013, an independent report published by Forrester Research, Inc. in January 2012, purchases of IT consulting, systems integration services and IT outsourcing by global businesses and governments are estimated to grow by 6.3% in calendar year 2012, when calculated in U.S. dollars.

3. Opportunities and Threats

Though the overall scenario for the smaller companies is extremely competitive, there are some niche areas where there are some opportunities for growth. The management is exploring these areas to consider entering these areas and develop expertise in such areas.

4. Outlook

The management is doing its best to forge relations with other companies and take the company forward in the new business lines. However, the outlook of the management is cautious in view of the competitive nature of the market.

5. Risks and Concerns

The company has managed to sail through challenges in the past year, thanks to the unstinted support of its employees. With the worst of the economic crisis behind us we are poised for new challenges, increased productivity and profitability. Competition from the existing and emerging local and international players continues to pose challenges to the domestic markets. The company has to reckon with aggressive strategies from the new entrants in the market.

6. Internal Control Systems

The Company has adequate internal control systems commensurate with the size and the nature of business of the Company.

The internal control system is constantly assessed and strengthened with tighter control procedures. The internal control systems ensure effectively of operations, compliance with internal policies and applicable laws and regulations, protection of resources and assets, and accurate reporting of financial transactions.

The audit committee periodically reviews the adequacy and efficacy of the said internal control systems. All the issues relating to internal control systems are resolved by the audit committee.

7. Human resource development and industrial relations

The Company has a group of able and experienced employees. The Company believes that the quality of its employees is the key to its success in the long run. The Company continues to have cordial relations with its employees and provides personal development opportunities for all round exposure to them.

Further, we also encourage individual and team awards to sustain and institutionalize the various workforce practices. This helped in giving lots of encouragement to the workforce who have been striving hard to achieve various goals.

CAUTIONARY STATEMENT:

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