

# Annual Report

## 2015 - 16



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**34<sup>th</sup> Annual General Meeting on Friday, 09<sup>th</sup> September, 2016 at 10.00 a.m. at Hotel Silver Avenue, Ostwal Empire, Next to Big Bazar, Boisar (West), Thane – 401 501**



**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Mr. Atit Agarwal  
Mr. Rajesh Pandey  
Ms. Swati Agarwal  
Mr. S. S. Thakur  
Mr. Jagannadham Thunuguntla  
Ms. Jyoti Rai

Chairman  
Director  
Non - Executive Director (*up to 05.02.2016*)  
Independent Non - Executive Director  
Independent Non - Executive Director  
Independent Non - Executive Director

**COMPANY SECRETARY**

Ms. Alpa Ramani

**STATUTORY AUDITORS**

Haribhakti & Co. LLP  
Chartered Accountants  
705, Leela Business Park,  
Andheri-Kurla Road, Andheri (East),  
Mumbai – 400059

**PRINCIPAL BANKERS**

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

**REGISTERED OFFICE & WORKS**

Village Betegaon, Mahagaon Road,  
Boisar (East), Taluka Palghar,  
Dist. Thane – 401501  
CIN NO: L99999MH1982PLC027797

**CORPORATE OFFICE**

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

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

**REGISTRARS & SHARE TRANSFER AGENT**

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

Tel No.: (022) 25963838  
Fax No.: (022) 25946969  
Email: rnt.helpdesk@linktime.co.in  
Website: www.linkintime.co.in



## DIRECTORS' REPORT

### DEAR MEMBERS,

Your Directors have pleasure in presenting this Thirty fourth Annual Report on the business and operations of your Company with the Audited Financial Statements for the year ended March 31, 2016.

### 1. FINANCIAL PERFORMANCE

Financial Results	(Rs. in Million)	
	2015-16	2014-15
Sales and Other Income	18,491.23	15,348.43
Profit before Interest, Depreciation & Tax	1,798.82	1,941.26
Less: Interest	237.61	237.68
Profit before Depreciation & Tax	1,561.21	1,703.58
Less: Depreciation	1,276.47	1,231.18
Profit before Tax	284.74	472.40
Less: Provision for Taxation	105.58	140.50
<b>Net Profit after Tax</b>	<b>179.16</b>	<b>331.90</b>
Balance brought forward from previous year	3,352.95	3,053.17
<b>Profit available for appropriations</b>	<b>3,532.11</b>	<b>3,385.07</b>
<b>Appropriations</b>		
Transfer to General Reserve	-	-
Proposed Final Dividend	-	26.69
Interim Dividend	26.69	-
Corporate Dividend Tax	3.88	5.43
<b>Balance carried to Balance Sheet</b>	<b>3,501.54</b>	<b>3,352.95</b>

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

Your Company earned revenue of Rs. 18,491.23 Million for the year ended 31<sup>st</sup> March, 2016, as compared to Rs. 15,348.43 Million in the previous financial year.

The Company recorded a Net Profit after Tax of Rs. 179.16 Million for the year ended 31<sup>st</sup> March, 2016. The Net Profit after Tax for the financial year ended 31<sup>st</sup> March, 2015 was Rs. 331.90 Million.

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

### 3. DIVIDEND

Interim Dividend for the financial year 2015-16 at the rate of 10% i.e. Re. 0.10 per Equity Share of face value of Re. 1/- each fully paid up aggregating to Rs. 26.69 Million is paid by the Company. Your Directors recommend that the said Interim Dividend be confirmed as Final Dividend for the financial year ended 31<sup>st</sup> March, 2016.

#### **4. TRANSFER TO RESERVES**

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

#### **5. SHARE CAPITAL**

The paid up Equity Share Capital as at March 31, 2016 stood at 266.91 Million. During the year under review, the Company has not issued shares with differential voting rights nor granted any stock options or sweat equity shares. As on March 31, 2016 none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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

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

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

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

##### **Performance of Axiom Cordages Limited is as follows:**

The total revenue of Axiom Cordages Limited stood at Rs.4,444.06 Million (Previous year 6,045.18 Million). Profit after tax for the year stood at Rs.17.33 Million (Previous year 290.09 Million).

The requirement of appointing Independent Director of the Company on the Board of Directors of the subsidiary Company has been duly complied with. The requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI Listing Regulations") with regard to subsidiary company have been complied with. Statement containing salient features of the financial statement of Subsidiary Company in Form AOC-1 forms part of this Annual Report.

#### **7. CONSOLIDATED FINACIAL STATEMENT**

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

#### **8. CORPORATE GOVERNANCE**

The Company has complied with all the mandatory requirements of Corporate Governance. A separate report on Corporate Governance and a certificate from M/s. P. P. Shah & Co., Practicing Company Secretaries regarding compliance with the conditions of Corporate Governance is given in a separate section and forms part of the Annual Report. Further, a declaration affirming compliance with the code of conduct by all the Board members and senior management personnel along with certificate under Regulation 17(8) of the SEBI Listing Regulations is also given in this Annual Report.

**9. DIRECTORS**

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

Mr. Atit Agarwal is re-designated as Non-Executive Chairman of the Company effective from 01<sup>st</sup> June, 2016 at the Board Meeting held on 30<sup>th</sup> May, 2016.

During the year under review, he was drawing remuneration from Subsidiary Company i.e. Axiom Cordages Limited.

Mr. S.S.Thakur was appointed as Independent Director at the Annual General Meeting held on 09<sup>th</sup> August, 2014. Mr. Jagannadham Thunuguntla & Ms. Jyoti Rai were appointed as Independent Director at the Annual General Meeting held on 22<sup>nd</sup> September, 2015. All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and SEBI Listing Regulations. During the year, non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

Ms. Swati Agarwal (DIN 02330442), Non-Executive Director of the Company has resigned from the Board w.e.f. 05<sup>th</sup> February, 2016.

**10. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed and there are no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the Profit & loss of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (f) the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.



**11. PLEDGE OF SHARES**

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

**12. PUBLIC DEPOSITS**

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

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

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

**14. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion & Analysis Report for the year under review is attached, which forms part of the Annual Report.

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

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

**16. GROUP**

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

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

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

**18. EXTRACT OF ANNUAL RETURN**

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

## **19. AUDITORS**

### **19.1 Statutory Auditors**

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

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

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

### **19.2 Cost Auditors**

Pursuant to Section 148 of Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, on recommendations of Audit Committee, your Directors has appointed M/S. S.K. Agarwal & Associates to audit the cost accounts of the Company for the financial year 2016-17.

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

### **19.3 Secretarial Auditor**

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

As per the provisions of Section 203 (1) of the Companies Act, 2013, the Company is required to appoint CFO. The Company is in process of finding suitable person as its Chief Financial Officer. The 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.

## **20. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the year under review were in the ordinary course of business and on arm's length basis. The Company has not entered into any contract/arrangement/transaction with related parties which could be considered material in nature. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. Your Directors draw attention of the members to note no.33 to the standalone financial statement which sets out related party disclosures.