

DIRECTORS' REPORT

DEAR MEMBERS,

The Board of Directors ("Directors") of Responsive Industries Limited ("the Company") is pleased to present the 39th Annual Report on the business and operations of the Company with the Audited Financial Statements for the financial year ended March 31, 2021.

FINANCIAL SUMMARY & HIGHLIGHTS

(Rs. in million)

Particulars	Standalone		Consolidated	
	For the year ended		For the year ended	
	2021	2020	2021	2020
Revenue from operations	3,662.46	4,340.55	7557.12	5,331.23
Other Income	72.72	171.99	75.66	282.19
Profit/Loss before Depreciation, Finance Costs, Exceptional Items and Tax Expense	595.48	1,052.15	1350.62	1,256.89
Less: Depreciation/Amortisation /Impairment	433.36	574.71	643.98	779.16
Profit/Loss before Finance Costs, Exceptional items and Tax Expense	162.12	477.44	706.63	477.73
Less: Finance Cost	44.07	208.70	38.16	212.75
Profit/Loss before Exceptional items and Tax Expense	118.04	268.74	668.47	265.08
Add/(Less): Exceptional items	-	-	519.56	-
Profit/Loss before Tax Expense	118.04	268.74	148.91	265.08
Less: Tax Expense (Current & Deferred)	52.89	21.54	(95.13)	21.26
Profit/Loss for the year (1)	65.17	247.20	244.05	243.74
Total Comprehensive Income/Loss (2)	8.33	(0.52)	167.86	9.98
Total (1+2)	73.50	246.68	411.91	253.70
Earnings Per Share (EPS) of Re. 1/- each	0.24	0.93	1.54	0.92

COMPANY'S STATE OF AFFAIRS & OPERATIONS

On a consolidated basis, the revenue for F.Y. 2021 was 7557.12 million, up by 35.97% over the previous year's revenue of 5331.23 million. The profit after tax (PAT) attributable to shareholders and non-controlling interests for F.Y. 2021 was Rs.403.27 million and Rs. (159.22) million respectively. The profit after tax (PAT) attributable to shareholders and non-controlling interests for F.Y. 2020 was Rs. 241.85 million and Rs. 1.89 million respectively.

AMALGAMATION

The Board of Directors of the your Company in its Meeting held on July 02, 2021, on recommendation of the Audit Committee and subject to the requisite statutory and regulatory approvals/consents including the approval of Hon'ble National Company Law Tribunal, Mumbai Bench, considered and approved the scheme of Amalgamation of Axiom Cordages Limited, a subsidiary of the Company with the Company under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder. The appointed date is April 01, 2021.

Axiom Cordages Limited is a subsidiary of the Transferee Company with common management, practices and is engaged in similar business activities. The Board of Directors of the Company is of the opinion that it shall be advantageous to consolidate the Indian operations and simplify the group structure in order to efficiently and economically manage the Transferee Company and Transferor Company as a single entity.

A consolidation by way of amalgamation would lead to a more efficient utilization of capital and cashflow, enhanced goodwill, integration of business functions and manpower which would lead to synergies in operation arising from consolidation of various projects and products leading to efficient utilization of resources including benefits arising out of economies of large scale, enhanced bargaining power, enhanced research and development capabilities and lower operating costs.

Consolidation of business in one single entity will provide several benefits including streamlining of structure by reducing the duplicity of administrative functions, multiplicity of legal and regulatory compliances and rationalization of costs.

Upon amalgamation, the rights and interests of the shareholders or other stakeholders of the Company shall not be affected and the Scheme shall not be prejudicial to the interest of the shareholders or the stakeholders of Axiom Cordages Limited. The shareholders would consolidate their holdings and leverage the share value consequent in higher profitability.

The proposed arrangement will provide greater integration and flexibility to the Company and strengthen its position in the industry, in terms of assets, base, revenue, product and service range.

The creditors of Axiom Cordages Limited will not be affected by the Scheme since the assets of the Transferor and Transferee Companies (taken together) are more than the liabilities of the Transferor and Transferee Companies (taken together). Further, even the creditors of the Company will not be affected by the Scheme since the assets of the Transferor Company are more than the liabilities of the Transferor Company. Further, post the amalgamation, the assets of the Company shall be greater than its liabilities.

The amalgamation shall result in transfer of capital assets from Axiom Cordages Limited to the Company and such transfer shall be tax neutral under the provisions of Income-tax Act, 1961.

The proposed Scheme will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of both the Companies involved.

DIVIDEND

Based on Company's performance during the year, the Board of Directors in its Meeting held on Friday, August 13, 2021 recommended dividend of Re. 0.10 per equity share of face value of Re.1/- each (at the rate of 10%) per equity share for the financial year 2020-21. The dividend shall be payable to those eligible shareholders whose name appear in the Register of Members as on Cut-off Date. This dividend on equity shares, if approved by the Members, would amount to Rs. 26.69 million.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is disclosed in the Corporate Governance Report and is also uploaded on the Company's website at 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 March 31, 2021 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 March 31, 2021, 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

The Company is having total 7 (seven) subsidiaries including step down subsidiaries. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries. The policy for determining material subsidiary of the Company is available on the website of the Company at www.responsiveindustries.com/policies.

During the year the Company has invested in Axiom Cordages Limited through purchase of its 1,04,18,162 No. of equity shares. The pre shareholding of the Company was 58.18 % of the total paid up capital and the post shareholding after purchase is 89.86% of the total paid up capital.

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 has been complied with.

Domestic Subsidiary

Axiom Cordages Limited, material non listed subsidiary incorporated on April 15, 1999 is a rope manufacturing company. The Total Revenue of the Company stood at Rs. 871.75 million (Previous year: 1104.96 million) and the Loss for the year stood at Rs. 401.08 million (Profit for previous year: Rs. 2.02 million).

Foreign Subsidiaries

Responsive Industries Limited, Hong Kong incorporated on June 02, 2017 is a wholly owned subsidiary. The Company has recorded net loss of 5,529 USD (equivalent to Rs. 0.41 million) for the year ended March 31, 2021.

Responsive Industries Limited, UAE incorporated on March 15, 2018 is a step down subsidiary of the Company. The subsidiary has installed and capitalized its fixed assets during the year; though the commercial production has not yet started, the trial runs are underway. Through certain activities during the Covid-19 pandemic phase, the Company recorded a net profit of 7,632,836 USD (equivalent to Rs. 567.79 million) for the year ended March 31, 2021.

Axiom Cordages Limited, Hong Kong, incorporated on June 02, 2017 is a step down subsidiary of the Company. The Company has recorded net loss of 6,484 USD (equivalent to Rs. 0.48 million) for the year ended March 31, 2021.

Axiom Cordages Limited, UAE incorporated on April 11, 2018 is a step down subsidiary of the Company. The Company has recorded net profit of 185,170 USD (equivalent to Rs. 13.77 million) for the year ended March 31, 2021.

Responsive Industries Private Limited, Singapore incorporate on year January 21, 2020 is a wholly owned subsidiary of the Company. The Company has recorded net Profit of 50,164 USD (equivalent to Rs. 3.73 million) for the year ended March 31, 2021

Responsive Industries LLC, USA is a step down subsidiary incorporated on March 06, 2020. The Company has recorded net loss of 47,381 USD (equivalent to Rs. 3.52 million) for the year ended March 31, 2021.

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 <https://www.responsiveindustries.com/annual-report/>.

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 Obligations and Disclosure Requirements) Regulations, 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 Obligations and Disclosure Requirements) Regulations, 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" forming part of this Annual Report.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, a copy of the Annual Return of the Company prepared in accordance with Section 92(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014 is placed on the website of the Company at <https://www.responsiveindustries.com>.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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 service.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2021 are: Mr. Mehul Vala, Whole-Time Director & Chief Executive Officer, Mr. Mrunal Shetty, Executive Director & Chief Financial Officer, and Ms. Ruchi Jaiswal, Company Secretary & Compliance Officer.

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. Mehul Vala (DIN: 08361696) 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 a Director of the Company. A brief profile along with the resolution seeking Members' approval for his appointment forms a part of the Notice convening the ensuing Annual General Meeting.

Resignation

Mr. Rajiv Kumar Bakshi (DIN: 00264007), Non-Executive Independent Director and Ms. Jyoti Rai (DIN: 07091343), Non-Executive Independent Director of the Company have resigned from their office with effect from February 25, 2021 and March 19, 2021 respectively on personal grounds. The Directors have confirmed that the resignation is purely personal in nature and that there is no other material reason other than those provided. The disclosures in this regard are available on the Company's website at www.responsiveindustries.com/news-announcements.

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 Obligations and Disclosure Requirements) Regulations, 2015. Further, there has been no change in the circumstances affecting their status as Independent Directors of the Company.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2021, 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 March 31, 2021 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, 5 (Five) 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 February 11, 2021 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 Obligations and Disclosure Requirements) Regulations, 2015. Detailed 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 Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, the Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, board culture, effectiveness of board processes, information, functioning and governance etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, information etc.

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 February 11, 2021, 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. Shah & Taparia, Chartered Accountants (Firm Reg. No: 109463W) was appointed as Statutory Auditor of the Company for a period of 5 (Five) consecutive years, from the conclusion of the 37th AGM till the conclusion of the 42nd AGM of the Company. The firm has confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed thereunder for continuing as Auditors of the Company.

The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

Audit Report

The Statutory Auditor's Report (Standalone & Consolidated) for the financial year ended March 31, 2021 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 (Membership No.: 7880) to audit the Cost Accounts of the Company for the financial year 2020-21. Further, the Board recommended for Members' approval remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) annually inclusive of out of pocket expenses payable to the Cost Auditor for the financial year 2021-22. 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 Internal Auditors of the Company to conduct Internal Audit for the financial year 2021-22, on a remuneration as decided by the Chairman in consultation with the Internal Auditor.

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 (C.P. No.: 436) to undertake the Secretarial Audit of the Company for the financial year 2021-22 on a remuneration as decided by the Chairman in consultation with the Secretarial Auditor. The Secretarial Audit Report in Form MR-3 for the financial year 2020-21 is annexed herewith as "**Annexure C**" forming part of this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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 and error
- orderly and efficient conduct of business operations including adherence to the company's policies
- timely preparation of reliable financial information

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 March 31, 2021. 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 2020-21 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 Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto and as per 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. 31 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.

There being no material related party transactions, i.e. transaction exceeding 10% of the annual consolidated turnover as per the last audited financial statements, AOC-2 is not applicable and hence it does not form a part of this Report.

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. Detailed report on CSR activities undertaken during the financial year 2020-21 is provided in “**Annexure D**” 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 E**” forming part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 falls in the list of top five hundred listed entities as per market capitalization calculated as on March 31, 2021. Hence, Business Responsibility Report for the financial year 2020-21 is provided in “**Annexure F**” forming part of this Annual Report.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTOR

All the Independent Directors inducted on the Board were familiarized with the working of the Company. Further, at the time of appointment of Independent Directors, the Company issues formal appointment letter outlining his/her role, function, duties, responsibilities and right to access information. The terms of appointment of Independent Directors are also available on the website of the Company at www.responsiveindustries.com/policies. 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 2020-21 and date of this report.

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 had 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 2020-21.

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 behavior, 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 are provided in “**Annexure G**” 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.

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: August 13, 2021