

**SCHEME OF AMALGAMATION
OF
AXIOM CORDAGES LIMITED

WITH
RESPONSIVE INDUSTRIES LIMITED**

(Under Sections 391 to 394 of the Companies Act, 1956)

1. PREAMBLE

This Scheme of Amalgamation ("**Scheme**") provides for amalgamation of AXIOM CORDAGES LIMITED (ACL) with RESPONSIVE INDUSTRIES LIMITED (RIL), pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.

The amalgamation of ACL with RIL shall be in accordance with Section 2 (1 B) of the Income Tax Act, 1961

2. DEFINITIONS

2.1 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 2.1.1. "**Act**" means the Companies Act, 1956 or any statutory modification or re – enactment thereof for the time being in force;
- 2.1.2. "**Appointed Date**" means 1 April 2013 or such other date as may be approved or fixed by the High Court;
- 2.1.3. "**Board**" shall mean the respective Board of Directors of the Transferor Company or the Transferee Company, as the case may be, including any committee thereof constituted for the purpose of implementation of this Scheme;
- 2.1.4. "**Effective Date**" means the dates on which certified copies of the Order(s) sanctioning the Scheme passed by the High Court is filed with the ROC;
- 2.1.5. "**High Court**" means the High Court of Judicature at Bombay;
- 2.1.6. "**ROC**" means the Registrar of Companies at Maharashtra, Mumbai;



- 2.1.7. **"Scheme"** means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the High Court or such other competent authority, as may be applicable;
- 2.1.8. **"the Transferor Company"** or **"ACL"** means AXIOM CORDAGES LIMITED, a company incorporated under the Companies Act, 1956, whose registered office is at Gat No. 114B and 120C, Betegaon Village, Boisar (E), Taluka-Palghar, Dist. Thane 401501 and is a subsidiary company of RIL;
- 2.1.9. **"the Transferee Company"** or **"RIL"**, means RESPONSIVE INDUSTRIES LIMITED, a company incorporated under the Companies Act, 1956 whose registered office is at Betegaon Village, Mahagaon Road, Boisar (E), Taluka-Palghar, Dist. Thane 401501;;
- 2.1.10. **"Undertaking"** shall mean the whole of the undertaking and entire business of the Transferor Company, including without limitation, all the assets, investments and properties, rights, powers, and benefits of the Transferor Company (hereinafter referred to as **"Assets"**) as also all the debts, liabilities (including contingent liabilities), duties and obligations of the Transferor Company (hereinafter referred to as the **"Liabilities"**) and all the employees on the rolls of the Transferor Company as on the Appointed Date.

Without prejudice to the generality of the foregoing clause, the Undertaking of the Transferor Company shall include all the Transferor Company's Reserves, rights, powers, interests, authorities, privileges and liberties and all properties and assets, movable or immovable, freehold or lease-hold, tenancy rights, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent, tangible or intangible of whatsoever nature and wherever situate including land, buildings, plant and machinery, office equipments, vehicles, furniture and fixtures, special equipment, inventories, investments in shares, debentures, bonds and other securities, sundry debtors, cash and bank balances, loans, advances, security deposits, other deposits, earnest moneys, receivables and recoverables from government, semi-government, local authorities, customers and other parties, reserves



provisions, funds, claims, refunds, credits, leases, tenancies, license rights and all other interests and rights in or arising out of such property together with the right to use and avail of telephones, telexes, facsimile, internet and intranet and other communication facilities, electricity and electronic connections, club memberships and all other utilities and services, all liberties, easements, advantages, exemptions, approvals, consents, grants, recognitions, registrations, letters of intent, licenses, permits, authorizations, quota rights, trade marks, trade names, brands, patents, copyrights, domain names, import entitlements and other quotas, industrial properties and intellectual property rights, held, applied for or as may be obtained hereafter by the Transferor Company or to which the Transferor Company are entitled to together with the benefit of all contracts, engagements, understandings and arrangements and all books, papers, documents and records of the Transferor Company, , rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals.

- 2.2 Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.
- 2.3 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.



3. SHARE CAPITAL

3.1 The share capital of ACL as on 1 April, 2013 is as under:-

<u>Authorized Share Capital</u>	<u>Amount in Rs.</u>
80,000,000 Equity Shares of Rs. 10/- each	Rs. 800,000,000
<u>Issued, Subscribed & Paid-up Share Capital</u>	
19,047,160 Equity Shares of Rs. 10/- each fully paid	Rs. 190,471,600

Subsequent to 1 April 2013, ACL has issued 13,836,042 equity shares of Face Value of Rs.10/- each at premium on conversion of various series of Compulsorily Convertible Debentures (CCDs) of Face Value of Rs. 100,000 each as under:-

Sr. No	Particulars	No of Equity Shares issued	Issue price Rs	Face value Rs.	Premium Rs.	Date of issue of shares
1	0% 2577 CCDs of Rs. 100,000 each	3,061,660	84.17	10	74.17	09/08/2013
2	12% 6,043 CCDs of Rs. 100,000 each	7,179,517	84.17	10	74.17	09/08/2013
3	0.015% 300 CCDs of Rs. 100,000 each	356,420	84.17	10	74.17	12/04/2013
4	0.015% 892 CCDs of Rs. 100,000 each	764,811	116.63	10	106.63	09/08/2013
5	15.5% 2,885 CCDs of Rs. 100,000 each	2,473,634	116.63	10	106.63	09/08/2013



Subsequent to which, as on 9th August, 2013, details of the share capital of ACL is as under:

<u>Authorized Share Capital</u>	<u>Amount in Rs.</u>
80,000,000 Equity Shares of Rs. 10/- each	Rs. 800,000,000
<u>Issued, Subscribed & Paid-up Share Capital</u>	
32,883,202 Equity Shares of Rs. 10/- each fully paid	Rs. 328,832,020

There is no change in the share capital of ACL since then.

3.2 The share capital of RIL as on 1 April, 2013 is as under:-

<u>Authorized Share Capital</u>	<u>Amount in Rs.</u>
42,00,00,000 Equity shares of Rs. 1/- each	Rs. 42,00,00,000
<u>Issued, Subscribed & Paid Up Share Capital</u>	
26,69,12,700 Equity Shares of Rs. 1/- each fully paid	Rs. 26,69,12,700

There is no change in the share capital of RIL since then.

4. AMALGAMATION/TRANSFER OF UNDERTAKING

- 4.1 With effect from the opening of business as on the Appointed Date, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and shall stand transferred to and vested in and/or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 391 to 394 and other applicable provisions of the Act and in accordance with the mode of transfer and vesting provided in the Scheme.
- 4.2 Without prejudice to Clause 4.1 above in respect of the Assets of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery including plant, machinery and equipments, the same shall be so transferred to the Transferee Company and shall upon such transfer become the property and an integral part of



the Transferee Company. In respect of such of the said assets other than those referred hereinabove, the same shall, without any further act, instrument or deed, be vested in and / or be deemed to be vested in the Transferee Company in accordance with the provisions of Section 394 of the Act.

- 4.3 The transfer and/or vesting as aforesaid shall be subject to the existing charges, hypothecation and mortgages, if any, over or in respect of the Assets or any part thereof of the Transferor Company.

Provided always that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become effective or otherwise.

- 4.4 With effect from the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of the Transferee Company be required, the Reserves of the Transferor Company shall be merged with those of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company. In other words, the identity of the Reserves of the Transferor Company will be preserved at the hands of the Transferee Company.

- 4.5 With effect from the Appointed Date, the Liabilities of the Transferor Company and debit balances of profit and loss account shall, without any further act, instrument or deed, be and the same shall stand transferred to and assumed by the Transferee Company pursuant to the provisions of Sections 391 to 394 of the said Act so as to become as from the Appointed Date, the debts, liabilities (including contingent liabilities), duties and obligations of the Transferor Company on the same terms and conditions as were applicable to the Transferor Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities (including contingent liabilities), duties and obligations have arisen, in order to give effect to the provisions of this clause.



- 4.6 The transfer and vesting of the Undertaking of the Transferor Company and continuance of the proceedings by the Transferee Company shall not affect any transactions or proceedings already concluded by the Transferor Company in the ordinary course of business on and after the Appointed Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed and all transactions or proceedings already concluded by the Transferor Company.

5 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 5.1 Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Company are a party, or to the benefit of which the Transferor Company maybe eligible, subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- 5.2 All subsisting agreements/arrangements of the Transferor Company relating to the use of patents, patent applications, trade marks (including logos), brands, copyrights and/or technology and all other intellectual and/or industrial properties and rights, shall accrue to and inure for the benefit of the Transferee Company.
- 5.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that with effect from the Effective Date, all consents, permissions, licenses, certificates, authorities given by, issued to or executed in favour of the Transferor Company pertaining to the Undertakings shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the rights and benefits under the same shall be available to the Transferee Company.

6 LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called the "**Proceedings**") by or against the Transferor Company are



pending and/or arising on or before the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Company to the Transferee Company or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Company notwithstanding the fact that the Transferor Company have been dissolved without winding up.

7 EFFECTIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

8 TRANSFEROR COMPANY'S STAFF, AND EMPLOYEES

All the staff and other employees on the payroll of the Transferor Company immediately before the transfer of the Undertakings under the Scheme shall on and from the Effective Date be transferred to the Transferee Company and will become the staff and employees on the payroll of the Transferee Company, as may be applicable and upon such transfer, their services will be treated as continuous and uninterrupted in the records of the Transferee Company on the basis that:

- 8.1 The terms and conditions of service applicable to the said staff or employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer; and
- 8.2 the accumulated balances standing to the credit of the transferred employees' provident fund and/or gratuity fund and/or any retirement fund shall be transferred and credited to the corresponding statutory and/or exempted retirement fund of the Transferee Company subject to approval of the concerned authorities. It is provided that as far as provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of the staff and other employees of the



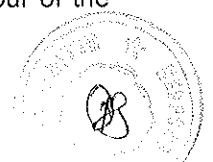
Transferor Company are concerned, upon the Effective Date, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with provisions of such funds as per the terms provided in the respective trust deeds. It is the aim and intent of this Scheme that all rights, duties, powers, responsibilities and obligations of the Transferor Company in relation to such funds shall become the rights, duties, powers, responsibilities and obligations of the Transferee Company and all the rights, duties and benefits of the employees employed in different units of the Transferor Company under such funds and trusts shall be protected.

9 CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date and upto the Effective Date, the Transferor Company:

9.1 Shall carry on and shall be deemed to be carrying on all its business activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the Assets for and on account of and in trust for the Transferee Company and all the profits or income accruing or arising to the Transferor Company or any cost, charges, expenditure or losses arising or incurred or suffered by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or cost, charges, expenditure or losses, as the case may be, of the Transferee Company;

9.2 Shall in the ordinary course of its business activities, assign, transfer or sell or exchange or dispose of or deal with all or any part of the rights vested with or title and interest in the property, assets, immovable or movable properties including assignment, alienation, charge, mortgage, encumbrance or otherwise deal with the rights, title and interest in the actionable claims, debtors and other assets etc., with the consent of the Transferee Company and such acts or actions would be deemed to have been carried on by the Transferor Company for and behalf of the Transferee Company and such acts or actions would be enforceable against or in favour of the



Transferee company and all the profits or incomes or losses or expenditure accruing or arising or incurred by the Transferor Company shall, for all purposes, be treated as the profits or incomes or expenditure or losses of the Transferee Company;

9.3 Hereby undertake to carry on their respective business and activities until the Effective Date with reasonable diligence, utmost prudence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with their respective Undertakings or any part thereof except in the ordinary course of business;

9.4 Shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business.

9.5 Pay all statutory dues relating to the Undertakings for and on account of the Transferee Company.

10 ISSUE OF SHARES BY THE TRANSFEE COMPANY

10.1 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application, act or deed, issue in the ratio of, for every 1 (one) equity shares of ACL, 4.09 (four point zero nine) equity shares of Transferee Company.

10.2 If necessary, the Transferee Company shall, before allotment of the equity shares in terms of the Scheme, increase its authorized capital by the creation of at least such number of equity shares of Rs. 1/-each as may be necessary to satisfy its obligations under the Scheme.

10.3. The said equity shares in the capital of Transferee Company be issued to the shareholders of the Transferor Company shall rank *pari passu* in all respects, with the existing equity shares in Transferee Company from the Appointed Date.



- 10.4. No fractional Share shall be issued by the Transferee Company in respect of the fractional Share entitlement, if any, arising out of such allotment shall be rounded off to the nearest complete share. Cash will be paid for the fractional shares.
- 10.5. Upon the scheme becoming effective and subject to the above provisions, the shareholders of the Transferor Company as on the record date shall receive new share certificates. Upon the issue and allotment of new shares in the capital of the Transferee Company to shareholders of the Transferor Company, the share certificates in relation to the shares held by them in the Transferor Company shall be deemed to have been cancelled. All certificates for the new shares in the capital of the Transferee Company shall be sent by the Transferee Company to the said shareholders of the Transferor Company at their respective registered addresses as appearing in the said registers (or in the case of joint holders to the address of that one of the joint holders whose name stands first in such registers in respect of such joint holding) and the Transferee Company shall not be responsible for any loss in transmission.
- 10.6. The Transferor Company shall, on the Effective Date, transfer all the shares of the Transferee Company held by it on such date (the "Trust Shares") to an individual trustee or a board of trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) or a corporate trustee (hereinafter referred to as the "Trustees"), to have and to hold the Trust Shares in trust formed together with all additions or accretions thereto upon trust exclusively for the benefit of Transferee Company and its successor subject to the powers, provisions, discretions, rights and agreements contained in the instrument (the "Trust Deed"). The constitution of the Trust, and the functions and powers of the Trustees are set forth in the trust deed. The obligations of the Trustees shall stand discharged and the Trust shall stand terminated in accordance with the provisions of the Trust Deed. For the purpose of this clause, it is hereby clarified that the procedural requirements of the Act, including the passing of resolutions by the Board, need not be separately complied



with/obtained and the required consents shall be deemed to have been given on the sanction of this Scheme.

- 10.7. All equity shareholders of the Transferor Company holding their equity shares in the Transferor Company in dematerialized form, as on the record date, shall be issued fresh equity shares in the Transferee Company in dematerialized form.
- 10.8. On the approval of the Scheme by the members of the Transferee Company pursuant to section 391 of the Act, it shall be deemed that the said members have also accorded their consent under Section 81 (1A) of the Act or other provisions of the Act as may be applicable.
- 10.9. The new equity shares of the Transferee Company issued in terms of the Scheme shall, subject to applicable regulations, be listed/admitted to trading on the relevant stock exchange(s) where the equity shares of the Transferee Company are listed/admitted to trading.
- 10.10. The exchange ratio stated in Clause 10.1 and 10.2 herein, has been determined by the Board of the Transferee Company and the Transferor Company based on their independent judgment and on the independent valuation.

11. PROFITS, DIVIDENDS, BONUS / RIGHTS SHARES

- 11.1 With effect from the Appointed Date, the Transferor Company shall not without the prior written consent of the Transferee Company, utilize the profits, if any, for declaring or paying of any dividend, and shall also not utilize, adjust or claim adjustment of profits/ losses, as the case may be earned/ incurred or suffered after the Appointed date.

It is clarified, however, that the aforesaid provision in respect of declaration of dividend is an enabling provision only and shall not be deemed to confer any right on any member of the Transferor Company to demand or claim any dividend which shall be entirely at the discretion of the Board of the Transferor Company and Transferee Company and subject to the provisions of the Act.



- 11.2 The Transferor Company shall not after the Appointed Date, issue or allot any further securities, either rights or bonus or otherwise without the prior written consent of the Board of the Transferee Company.

12. ACCOUNTING TREATMENT.

- 12.1 The Transferee Company shall record all assets and liabilities recorded in the books of accounts of ACL, which are transferred to and vested in the Transferee Company pursuant to the Scheme at their book values as on the Appointed Date.
- 12.2 The excess if any, of the value of the assets over the value of the liabilities of Transferor Company, shall be credited by Transferee Company to its Capital Reserve Account.
- 12.3 The Transferee Company shall adjust the credit balance of the profit and loss account of the Transferor Company against its profit & loss accounts. The accumulated losses and unabsorbed depreciation of the Transferor Company, if any, would be deemed as the accumulated losses and unabsorbed depreciation of the Transferee Company.
- 12.4 On the Scheme becoming effective, the Transferor Company and the Transferee Company will comply with the accounting treatment as prescribed under Accounting Standard 14 i.e. "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India.
- 12.5 Adjustment for differences in accounting policies:-
In case of any differences in the accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Free Reserve/General Reserve(s) of the Transferee Company to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policy.

13. AGGREGATION OF AUTHORISED CAPITAL

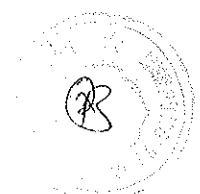
- 13.1 The provisions of the Clause 7 shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.



13.2 Upon sanction of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of the Transferor Company as on the Effective Date and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified, amended and reorganized and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 16, Section 31, Section 94 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on its authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

14. APPLICATIONS TO HIGH COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications/petitions under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Court for seeking sanction of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of the Act. The Transferor Company and the Transferee Company shall also apply for and obtain such other approvals, as required by law. The Transferor Company and the Transferee Company shall also take such other steps and proceedings as may be necessary or expedient to give full and formal effect to the provisions of the Scheme.



15. DISSOLUTION OF THE TRANSFEROR COMPANY

- 15.1 On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up.
- 15.2 On and with effect from the Effective Date the name of the Transferor Company shall be struck off the records of the relevant Registrar of Companies. The Transferee Company shall make the necessary filings with the relevant Registrar of Companies in this regard.

16. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 16.1 The Transferor Company and the Transferee Company (by their respective Boards) may make and/or consent to any modifications or amendments to the Scheme or agree to any terms and/or conditions which the Courts and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Board for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.
- 16.2 For the purpose of giving effect to the Scheme or to any modifications or amendments thereto, the Board of the Transferor Company and the Transferee Company are hereby authorised to give such directions and/or to be take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.
- 16.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions which the Transferee Company may require to own and operate the Undertaking.



17. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

The Scheme is conditional on and subject to:

- 17.1 The approval of and agreement of this Scheme by the requisite majority of the respective members and secured and unsecured creditors of the Transferor Company and of the members and secured and unsecured creditors of the Transferee Company.
- 17.2 The sanction of the High Court under Sections 391 to 394 of the said Act, in favour of the Transferor Company and the Transferee Company and the necessary order or orders under Section 394 of the said Act, being obtained.
- 17.3 Any other sanction or approval of the appropriate authorities concerned, as may be considered necessary and appropriate by the respective Boards of the Transferor Company and the Transferee Company being obtained and granted in respect of any of the matters for which such sanction or approval is required.
- 17.4 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority including Reserve Bank of India, which by law may be necessary for the implementation of this Scheme.
- 17.5 The certified copies of the order of the High Court sanctioning this Scheme being filed with the concerned Registrar of Companies.

18. EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Transferor companies and the Transferee Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual

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agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

19. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion of amalgamation of the said Undertakings of the Transferor Company in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.

CERTIFIED TO BE TRUE COPY

For RESPONSIVE INDUSTRIES LIMITED


Company Secretary





8B/6, Sangeeta Sadan, Opp. Cinemax Theatre, Jawahar Nagar, Goregaon (W), Mumbai - 400 104.
Tel.: 2874 5501 • Telefax : 2874 4782 • Email : fagun@vsnl.net • Cell: 9821140636

Recommendation of Share Exchange Ratio With Reference To The

Merger Of

'AXIOM CORDAGES LIMITED

With

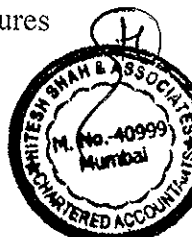
RESPONSIVE INDUSTRIES LIMITED'

Dear Sirs,

This has reference to your letter requesting us on your behalf to undertake the valuation of the equity shares of "Axiom Cordages Limited" (herein after referred to as 'ACL') and Responsive Industries Limited (herein after referred to as 'RIL') as at August 19, 2013 for the purpose of recommending a share exchange ratio for the proposed merger of the companies. As requested, we have carried out an independent assessment of the Swap Ratio for the proposed merger of ACL into RIL.

1. RIL is a Public limited company incorporated on 13th July, 1982 as Sinhal Holdings Limited and received the Certificate for commencement of business on 4th August, 1982. The name of the Company was changed to Responsive Polymers Limited w.e.f. 27th January 2006. The name of the Company was again changed to Responsive Industries Limited w.e.f. 4th January 2007. The Registered office of the company is situated at Village Betegaon, Mahagaon Road, Boisar (East), Taluka Palghar, Dist. Thane - 401501. The company manufactures wide varieties of PVC flooring, automotive upholstery solutions, pharmaceutical packaging and transparent sheeting and is also one of the leading global players in Plastic products. The shares of the company are listed on the Bombay Stock Exchange Limited (BSE), National Stock Exchange (NSE) and Multi Commodity Exchange of India Ltd (MCX).
2. ACL is a limited company incorporated on 15th April, 1999 as Arpeeta Plastics Private Limited. The name of the Company was changed to Rapid Plastics Private Limited w.e.f. 8th June, 2000. The name of the Company was again changed to Arpeeta Plastics Private Limited w.e.f. 7th July 2000. The name of the Company was again changed to Arpeeta Plastics Limited w.e.f. 25th August, 2000. The name of the Company was again changed to Axiom Implex International Limited w.e.f. 10th June 2002. The name of the Company was again changed to Axiom Cordages Limited w.e.f. 20th January 2010. The Registered office of the company is situated at Gat No. 114B & 120C, Betegaon Village, Boisar (East), Taluka Palghar, Dist. Thane - 401501. The Company is engaged in manufacturing of Shipping Ropes, Poly Propylene Polysteel Ropes, Aoxi Flex Ropes, Maxi Ropes. The shares of the company are not listed on any Stock Exchanges.

Subsequent to 31 March 2013, ACL has issued 13,836,042 equity shares of Rs.10/- each at premium on conversion of various series of Compulsorily Convertible Debentures



(CCDs) of Rs. 1,00,000 each on various dated before the date of our report and diluted equity share capital of ACL consisting of 3,28,83,202 equity shares of Rs. 10 each fully paid is considered for valuation.

For the purposes of the valuation, we have relied upon the following:

- (a) The audited financial Statements of RIL and ACL for the accounting periods ended 31st March 2010, 31st March 2011, 31st March 2012 and 31st March 2013.
 - (b) Details of Contingent Liabilities as on 31st March, 2013, for RIL and ACL.
 - (c) Financial projections for RIL and ACL for financial year ending 31st March, 2013 upto 31st March, 2017 prepared by the Company in co-ordination with the management of RIL and ACL.
 - (d) Such other information and explanation as we have been provided by the management of RIL and ACL.
 - (e) Other publicly available information and reports available from the websites including BSE and NSE.
3. We have not carried out any due diligence, audit or other tests to establish the accuracy or sufficiency of the financial statements referred to above or of the information or explanations provided to us and we are not required to do so. We don't accept responsibility for the same. Also we have reviewed the business valuation report as mentioned above of RIL and ACL.
4. Further we must emphasize that the realizations of projections are dependent on the continuing validity of the assumptions on which they are based. Since the projections relate to the future, actual results may be different from the projected results because events and circumstances do not occur as expected, and differences may be material.

For the purposes of our valuation of Responsive Industries Limited and Axiom Codrages Limited we have considered different approaches, viz.,

- (a) Discounted Cash Flow (free cash flow)
- (b) Comparable EV/EBIDA Multiples
- (c) P/E Multiple
- (d) Market Price
- (e) Net Asset Value



While Arriving At The Valuations: -

1. Discounted Cash Flow (free cash flow) -

Free cash flow is the cash available to service total capital requirements of the business, including both debt and equity. Discounting Free Cash Flow at a Weighted Average Cost of Capital (WACC) results in operating enterprise value, or the market value of all capital invested in the business. The total present value of future cash flows gives the value of the enterprise.

The value of equity is obtained by deducting the claims of other capital providers i.e., the secured / unsecured lenders.

As a foundation for projecting future free cash flow for Responsive Industries Limited and Axiom Cordages Limited, we discussed future results with Promoters, interviewed key management of Responsive Industries Limited and Axiom Cordages Limited and analysed historical results.

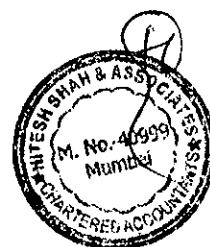
We made an explicit projection of free cash flows for three years and then estimated the continuing or residual value of Responsive Industries Limited and Axiom Cordages Limited at the end of the forecast period.

We have used Profit After Tax to obtain the net free cash flows available for post servicing total capex requirements of the business, based on which Discounted Free Cash flow Valuation with Terminal Value assumptions, the total equity value for Responsive Industries Limited and Axiom Cordages Limited as March 31, 2013 is enclosed as annexure to this report.

2. Comparable EV/EBITDA Multiples

- EV/Revenue, EV/EBITDA, EV/PAT, EV/Networth AND EV/Market Capitalisation multiples of comparable publicly traded companies in India are applied for evaluating Comparable Trading Multiples of the businesses of Responsive Industries Limited and Axiom Cordages Limited.
- Comparable companies are selected based on similarities in product portfolio and market segments.

We have examined the stock price performance and trading multiples companies from India that were deemed comparable to Responsive Industries Limited and Axiom Cordages Limited and the comparable EV/EBITDA multiples is enclosed as annexure to this report.



3. Price Earnings

- Earnings are the principal driver of a company's value. The earnings of the company determine the value the shareholders may reasonably expect for their investment in the Company.
- The future earnings of the Company are estimated based on the historical trends, the industry growth and the Company's plans like expansion. The earnings are projected from revenue and cost estimates of the Company, after providing for reasonable inflation.
- The future earnings are given appropriate weights to arrive at the weighted average profit.
- The weighted average profit is multiplied by the Price Earnings Multiple (PEM) to arrive at the value of the enterprise. The PEM is considered based on the market information available.
- Given the positioning, relevant current peer valuations in the secondary market the company may be given 13.61 P/E Multiple for both the companies i.e. Responsive Industries Limited and Axiom Cordages Limited and the Price Earnings Multiples is enclosed as annexure to this report.

4. Market Price

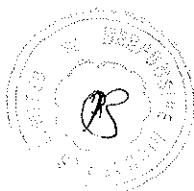
As stated earlier, shares of RIL are listed on Stock Exchanges. For the purpose of market approach, we have considered the average of the weekly high and low of the closing prices of the during the six months preceding the date of valuation or the average of the weekly high and low of the closing prices during the two weeks preceding the date of valuation as suggested by SEBI in the ICDR regulation for arriving at price for issue of share on preferential basis. As the equity shares are listed on more than one recognized stock exchange i.e. BSE and NSE, we have considered quote available on NSE as it the highest trading volume of the equity shares of the company and the calculation Market Price is enclosed as annexure to this report.

5. Net Asset Value/Underlying Asset Approach

Under the "Underlying Asset" value approach, the value is determined by dividing the net assets of the Companies by the number of shares. For the purpose of our valuation, we have relied upon the audited accounts of RIL and ACL. We have also made appropriate adjustments for the estimated liabilities expected to arise in respect of contingent liabilities, etc. We have arrived at assets value and considered for business valuation. The calculation of Net Asset Value is enclosed as annexure to this report.

Share Issue Ratio

Though different values have been arrived at under each of the above approaches, for the purposes of recommending a ratio of shares issue it is necessary to arrive at a single value for the shares of each company. It is necessary important to note that in doing so, but at their comparative value to facilitate the determination of rationale of exchange. For this purpose, it is necessary to give appropriate weightage to the values arrived under different valuation approach.



On the above basis and having regard to the review of the our opinion, a fair ratio to issue shares of RIL to the shareholders of ACL on merger the share issue ratio of "4.09 shares of RIL of face value of Re. 1 each for every (1) one share of ACL of face value of Rs. 10 each is recommended".

Disclaimer

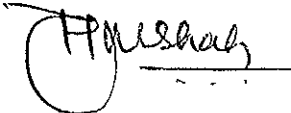
In terms of clause no 10.6 of the scheme of amalgamation, 44,18,330 equity shares held by ACL in RIL are considered as "Trust Shares" and are not be cancelled, and are to be transferred to a Trust called "RIL – ACL Merger Scheme Trust" created for the for the benefit of Transferee Company and its successor as Treasury Stock.

The Indian Companies Bill, 2012 has specifically abolished the treasury stock or Trust Shares created on account of mergers and amalgamations in terms of Sub clause 10 of clause 233 of the Companies Bill, 2012 which is passed by both the house of Parliament but yet to get accent of the President of India and will come into existence and effect with MCA Notification.

Yours Faithfully,

Hitesh Shah & Associates

CHARTERED ACCOUNTANTS



M.No: 040999



Place: Mumbai

Date: 26 August 2013



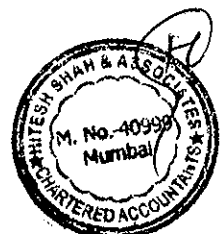
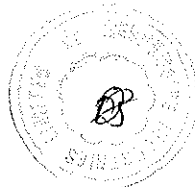
ANNEXURE 1 – DISCOUNTED CASH FLOW (FREE CASH FLOW)

(Rs. in Crs)

RESPONSIVE INDUSTRIES LIMITED

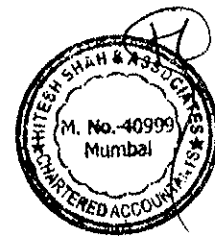
Free Cash flow calculations:	31.03.13	31.03.14	31.03.2015	31.03.2016	31.03.2017
	Actual	Projected	Projected	Projected	Projected
Particulars					
Earnings before Interest & Taxes(EBIT)	79.67	80.60	89.53	98.91	108.75
Cash Taxes on EBIT	12.83	19.16	20.81	22.36	23.94
Net Operating Profits less adjusted Taxes	66.85	61.44	68.72	76.54	84.82
Depreciation	92.12	99.71	99.71	99.71	99.71
Gross Cash flow	158.96	161.14	168.43	176.25	184.52
Change in working capital	0.00	-3.76	-21.51	-4.67	-6.15
Gross Investment	0.00	0.00	0.00	0.00	0.00
Operating free cash flow	158.96	157.38	146.92	171.58	178.37
Cash flow from non operating investments	0	0	0	0	0
Cash flow available to investors	158.96	157.38	146.92	171.58	178.37

Free Cash flow Valuation:	Free cash Flow	Discount Factor	Present value of FCF
Year		16.16%	
31-Mar-13	158.96	0	0.00
31-Mar-14	157.38	1	157.38
31-Mar-15	146.92	0.86	126.49
30-Mar-16	171.58	0.74	127.17
30-Mar-17	178.37	0.64	113.82
Terminal Value	1704.41	0.55	936.27
Value of Operations			1461.13
Total Entity Value			1461.13
Less: Value of Debt			542.29
Equity Value			918.84
No of Equity shares			266912700
Value Per Share (Face Value Rs. 10)			34.42



CALCULATION OF WEIGHTAGE AVERAGE COST OF CAPITAL (WACC)

Cost of Debt	15%
Cost of Equity	17%
Debt Equity Ratio	56%
WACC	16.16%
Terminal Growth Rate	4%

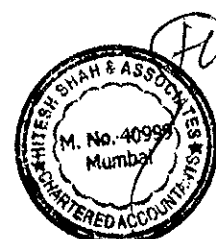


AXIOM CORDAGES LIMITED

(Rs. in Crs)

Free Cash flow calculations:	31.03.13	31.03.14	31.03.2015	31.03.2016	31.03.2017
Particulars	Actual	Projected	Projected	Projected	Projected
Earnings before Interest & Taxes(EBIT)	60.12	60.78	62.34	67.63	75.69
Cash Taxes on EBIT	17.71	20.39	20.94	22.74	25.48
Net Operating Profits less adjusted Taxes	42.42	40.39	41.39	44.88	50.21
Depreciation	28.63	42.53	45.63	45.61	45.63
Gross Cash flow	71.05	82.92	87.02	90.49	95.83
Change in working capital	0.00	-0.86	-32.58	-7.35	-7.05
Gross Investment	0.00	0.00	0.00	0.00	0.00
Operating free cash flow	71.05	82.06	54.44	83.14	88.79
Cash flow from non operating investments	0	0	0	0	0
Cash flow available to investors	71.05	82.06	54.44	83.14	88.79

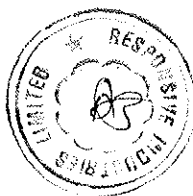
Free Cashflow Valuation:	Free cash Flow	Discount Factor 15.39%	Present value of FCF
Year			
31-Mar-13	71.05	0	0.00
31-Mar-14	82.06	1	82.06
31-Mar-15	54.44	0.87	47.18
30-Mar-16	83.14	0.75	62.44
30-Mar-17	88.79	0.65	57.79
Terminal Value	897.07	0.56	505.96
Value of Operations			755.43
Total Entity Value			755.43
Less: Value of Debt			66.54
Equity Value			688.89
No of Equity shares *			32883202
Value Per Share (Face Value Rs. 10)			209.49



CALCULATION OF WEIGHTAGE AVERAGE COST OF CAPITAL (WACC)

Cost of Debt	12%
Cost of Equity	17%
Debt Equity Ratio	15%
WACC	15.39%
Terminal Growth Rate	5%

Increase in capital of company after considering exercise of option of conversion by the CCD's Holders



ANNEXURE -2 COMPARABLE EV/EBITDA MULTIPLES AND PRICE TO EARNING MULTIPLES

AXIOM CORDAGES LIMITED

RESPONSIVE INDUSTRIES LIMITED

VALUATION AS PER COMPARABLE EV/ EBITDA MULTIPLES OF 6.54

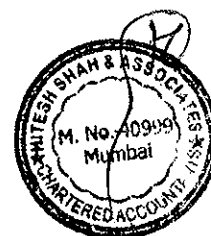
Comparable EV/EBITDA	6.54
EBITDA	88.8
Enterprise value	580.0
less: term & short term liabilities	66.5
Equity valuation	513.5
No. of shares (Face Value Rs. 10)	32,883,202
Value per share Rs.	156.16

Comparable EV/EBITDA	6.54
EBITDA	180.3
Enterprise Value	1178.4
less: term & short term liabilities	542.3
Equity valuation	636.1
No. of shares (Face Value Rs. 1)	266,912,700
Value per share Rs.	23.83

VALUATION AS PER COMPARABLE EV/ PAT MULTIPLES OF 13.61

Comparable EV/ PAT	13.61
PAT	39.8
Enterprise Value	541.4
Less: Term & Short Liabilities	66.5
Equity Valuation	474.9
No. of shares (Face Value Rs. 10)	*32,883,202
Value per share Rs.	144.42

COMPARABLE EV/ PAT	13.61
PAT	47.3
Equity value	644.2
Less: Term & Short Liabilities	542.3
Equity Valuation	101.9
No. of shares (Face Value Rs. 1)	266,912,700
Value per share Rs	24.13



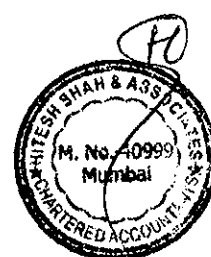
ANNEXURE -3 MARKET PRICE- RESPONSIVE INDUSTRIES LIMITED

VALUATION BASED ON MARKET PRICE IN ACCORDANCE WITH SEBI GUIDELINES
- price on NSE from 25-02-2013 to 25-08-2013

AVERAGE OF THE WEEKLY HIGH AND LOW CLOSING PRICE FOR PAST 26 WEEKS

Amt in Rs.

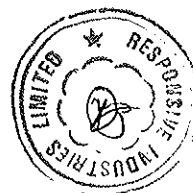
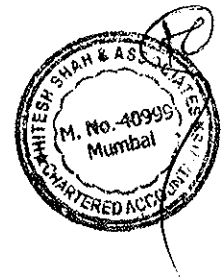
Week	Weekly Period				
Sr. No	From	To	High	Low	Average
1	25-Feb-13	3-Mar-13	102.50	91.25	96.88
2	4-Mar-13	10-Mar-13	98.80	90.00	94.40
3	11-Mar-13	17-Mar-13	96.80	87.10	91.95
4	18-Mar-13	24-Mar-13	99.80	77.70	88.75
5	25-Mar-13	31-Mar-13	97.00	85.80	91.40
6	1-Apr-13	7-Apr-13	94.95	85.10	90.03
7	8-Apr-13	14-Apr-13	102.70	77.00	89.85
8	15-Apr-13	21-Apr-13	97.45	81.70	89.58
9	22-Apr-13	28-Apr-13	97.00	80.00	88.50
10	29-Apr-13	5-May-13	93.20	80.00	86.60
11	6-May-13	12-May-13	97.00	84.15	90.58
12	13-May-13	19-May-13	99.55	83.30	91.43
13	20-May-13	26-May-13	98.00	82.25	90.13
14	27-May-13	2-Jun-13	97.00	84.00	90.50
15	3-Jun-13	9-Jun-13	112.00	87.25	99.63
16	10-Jun-13	16-Jun-13	102.80	87.10	94.95
17	17-Jun-13	23-Jun-13	100.00	86.00	93.00
18	24-Jun-13	30-Jun-13	100.00	87.30	93.65
19	1-Jul-13	7-Jul-13	102.80	85.00	93.90
20	8-Jul-13	14-Jul-13	100.00	83.25	91.63
21	15-Jul-13	21-Jul-13	102.75	85.00	93.88
22	22-Jul-13	28-Jul-13	95.00	73.00	84.00
23	29-Jul-13	4-Aug-13	106.80	83.00	94.90
24	5-Aug-13	11-Aug-13	102.90	85.00	93.95
25	12-Aug-13	18-Aug-13	95.00	85.00	90.00
26	19-Aug-13	25-Aug-13	89.50	82.05	85.78
		Average Price [A]			91.53



AVERAGE OF THE WEEKLY HIGH AND LOW CLOSING PRICE FOR THE PAST 2 WEEKS

Week	Weekly Period				
Sr. No	Date		High	Low	Average
	12-Aug-13		95.00	87.10	91.05
	14-Aug-13		90.85	87.10	88.98
	15-Aug-13		89.90	87.00	88.45
	16-Aug-13		89.00	85.00	87.00
	19-Aug-13		89.45	82.00	85.73
	20-Aug-13		88.50	85.00	86.75
	21-Aug-13		88.00	82.05	85.03
	22-Aug-13		88.45	83.30	85.88
	23-Aug-13		89.50	86.20	87.85
		Average Price [B]			87.41

The market price higher of A or B Rs.	91.53
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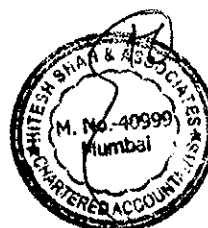
ANNEXURE -4 NET ASSET VALUE/ UNDERLYING ASSET APPROACH

AXIOM CORDAGES LIMITED

(Rs. in Cr)			
Net Asset Value As At 31-3-2013	As at 31/03/2013	On Conversion of CCDs	Total Net worth
Shareholders Funds			
Share Capital	19.05	13.84	32.88
Reserves & Surplus	221.46	113.13	334.59
Total Share Holders Funds	240.51	126.97	367.48
Less: Deferred Revenue Expenditure			-
Net Tangible Assets			367.48
Number of Shares (Face Value Rs. 10)			32,883,202
Value Per Share (in Rs)			111.75

RESPONSIVE INDUSTRIES LIMITED

Rs in Cr	
Net Asset Value As At 31-03-2012	As at 31/03/2013 STAND ALONE
Shareholders Funds	
Share Capital	26.69
Reserves & Surplus	405.81
Total Share Holders Funds	432.50
Less: Deferred Revenue Expenditure	0.00
Net Tangible Assets	432.50
Number of Shares (Face Value of Rs.1)	266912700
Value Per Share (in Rs)	16.20



ANNEXURE – 5 SHARE SWAP RATIO

SUMMARY OF VALUATION AND SHARE SWAP RATIO

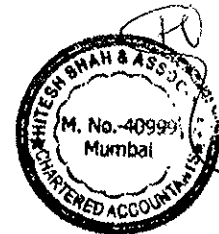
(Amt in Rs.)

PARTICULARS	WEIGHTAGE	<u>RIL</u>	WEIGHTED	<u>ACL</u>	WEIGHTED
Authorised Share Capital Rs.		420,000,000		80,000,000	
Paid Up Share Capital Rs. (Diluted)		266,912,700		328,832,020	
Face Value Per Share Rs.		1		10	
No Of Equity Shares		266,912,700		32,883,202	
Net Asset Value Per Share	1	16	16	112	112
Comparable PAT Multiple Value Per Share	1	24	24	144	144
Comparable EBIDTA Multiple Value Per Share	1	24	24	156	156
Discounted Cash Flow Value Per Share	1	34	34	209	209
Market Value On NSE Per Share	1	92	92	-	0
Average Value Rs.			38.02		155.45
Comparable Valuation (Rs. Per Share)			38.02		155.45
Share Swap Ratio			4.09		1

FOR EVERY 1 EQUITY SHARE OF AXIOM CORDAGES LTD OF FACE VALUE OF Rs. 10 EACH, 4.09 EQUITY SHARES OF RESPONSIVE INDUSTRIES LTD OF FACE VALUE OF Rs.1 each

CERTIFIED TO BE TRUE COPY
for RESPONSIVE INDUSTRIES LIMITED


Company Secretary



RESPONSIVE

We listen. We're responsive.

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE AUDIT COMMITTEE OF RESPONSIVE INDUSTRIES LIMITED HELD ON 27TH AUGUST, 2013 AT 2.00 PM AT THE CORPORATE OFFICE OF THE COMPANY AT EUCHARISTIC CONGRESS BUILDING NO.1, 5 CONVENT STREET, COLABA, MUMBAI-400001.

"RESOLVED THAT pursuant to Section 391 to 394 of the Companies Act, 1956, and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the members/creditors and subject to the approval by Board of Directors of the Company and the Hon'ble High Court of Bombay, The Ministry of Corporate Affairs represented by the Regional Director, Western Region, Registrar of Companies, Maharashtra, Mumbai, the Scheme of Amalgamation involving the amalgamation of the AXIOM CORDAGES LIMITED (ACL) with RESPONSIVE INDUSTRIES LIMITED (RIL), in terms of the draft as placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved for amalgamation of AXIOM CORDAGES LIMITED with RESPONSIVE INDUSTRIES LIMITED with effect from 1st April, 2013, being the 'Appointed Date'.

RESOLVED FURTHER that Fairness opinion dated 26th August, 2013 as given by Vertex Securities Limited-Category-I, Merchant Banker, Mumbai and Valuation Report Dated 26th August, 2013, as given by Hitesh Shah & Associates, Chartered Accountants, Mumbai, and as placed before the meeting be and are hereby noted and approved and the same be recommended to the board of Directors for their adoption.

RESOLVED FURTHER that Mr. Atit Agarwal, and / or Mr. Rajesh Pandey, Directors of the Company be and are hereby authorized to do all such acts and deeds as are required to give effect to the said Scheme of Amalgamation and to carry out such alterations in the said Scheme and assent to such conditions as may be imposed by the Hon'ble High Court while sanctioning the said scheme.

T: +91 22 6656 2727 / 2704
F: +91 22 6656 2798 / 2799
E: enquiry@responsiveindustries.com

RESPONSIVE INDUSTRIES LIMITED
Eucharistic Congress Building No. 1,
5 Convent Street, Colaba, Mumbai 400 001, India.

www.responsiveindustries.com





We listen. We're responsive.

RESOLVED FURTHER that Mr. Atit Agarwal, and/or Mr. Rajesh Pandey, Directors, and Mr. Nitin Katore, Company Secretary, of the Company be and are hereby severally authorized to sign any application, affidavit, petition or any other document as may be required to be signed in connection with the approval of the Scheme. They are further authorized to do all such things, deeds and acts as may be deemed necessary and expedient in connection with the approval of the Scheme, for and on behalf of the company.

RESOLVED FURTHER THAT that Mr. Atit Agarwal, Director, and Mr. Rajesh Pandey, Director of the company be and are hereby authorised to appoint and engage any advocate or firm of advocates and solicitors to represent the company for approval of the Scheme.

RESOLVED FURTHER THAT the above draft scheme be forwarded to the board of directors for approval and adoption subject to such statutory approval as may be required to be obtained by company.

Certified True Copy
For **RESPONSIVE INDUSTRIES LIMITED**

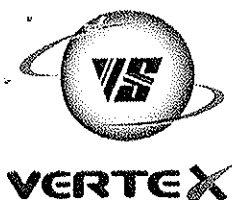



Company Secretary

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E: enquiry@responsiveindustries.com

RESPONSIVE INDUSTRIES LIMITED
Eucharistic Congress Building No. 1,
5 Convent Street, Colaba, Mumbai 400 001, India.

www.responsiveindustries.com



SEBI Regn. No. INM000010965

August 26, 2013

To,
The Board of Directors,
Responsive Industries Limited
Village Betegaon,
Mahagaon Road,
Tal - Palghar, Dist - Thane
Thane - 401501

To,
The Board of Directors,
Axiom Cordages Limited
Gat No. 114B & 120C, Betegaon Village
Boisar (East),
Taluka Palghar Dist
Thane - 401501

VERTEX SECURITIES LIMITED

(A subsidiary of Transwarranty Finance Limited)

Thottathil Towers, II Floor, Market Road, Ernakulam, Kochi - 682011

Telephone : 0484 - 2384848, 239097

Fax : 0484 - 239420

Website : www.vortexbroking.com

Email : vsf@vortexbroking.com

Re: Fairness Opinion on Valuation done by Hitesh Shah & Associates, Chartered Accountants, Mumbai, for proposed merger of Axiom Cordages Limited or "The Transferor Company" with Responsive Industries Limited or "The Transferee Company".

Dear Sir,

1. Background & Purpose of Engagement

Responsive Industries Limited (RIL) is a Public limited company incorporated on 13th July, 1982 as Sinhal Holdings Limited and received the Certificate for commencement of business on 4th August, 1982. The name of the Company was changed to Responsive Polymers Limited w.e.f. 27th January 2006. The name of the Company was again changed to Responsive Industries Limited w.e.f. 4th January 2007. The Registered office of the company is situated at Village Betegaon, Mahagaon Road, Boisar (East), Taluka Palghar, Dist. Thane - 401501. The company manufactures wide varieties of PVC flooring, automotive upholstery solutions, pharmaceutical packaging and transparent sheeting and is also one of the leading global players in Plastic products. The shares of the company are listed on the Bombay Stock Exchange Limited (BSE), National Stock Exchange (NSE) and Multi Commodity Exchange of India Limited (MCX).

Axiom Cordages Limited (ACL) is a limited company incorporated on 15th April, 1999 as Arpeeta Plastics Private Limited. The name of the Company was changed to Rapid Plastics Private Limited w.e.f. 8th June, 2000. The name of the Company was again changed to Arpeeta Plastics Private Limited w.e.f. 7th July, 2000. The name of the Company was again changed to Arpeeta Plastics Limited w.e.f. 25th August, 2000. The name of the Company was again changed to Axiom Implex International Limited w.e.f. 10th June, 2002. The name of the Company was again changed to Axiom Cordages Limited w.e.f. 20th January 2010. The Registered office of the company is situated at Gat No. 114B & 120C, Betegaon Village, Boisar (East), Taluka Palghar, Dist. Thane - 401501. The Company is engaged in manufacturing of Shipping Ropes, Poly Propylene Polysteel Ropes, Aoxi Flex Ropes, Maxi Ropes. The shares of the company are not listed on any Stock Exchange. Subsequent to 31 March 2013, ACL has issued 13,836,042 equity shares of Rs.10/- each at premium on conversion of various series of Compulsorily Convertible Debentures (CCDs) of Face Value of Rs. 1,00,000 each on various dated and diluted equity share capital of ACL consisting of 3,28,83,202 equity shares of Rs. 10 each fully paid is considered by Hitesh Shah & Associates, Chartered Accountants for their valuation.



As a part of structuring and to maximize the Enterprise value, the Company is proposing to merge Axiom Cordages Limited with Responsive Industries Limited. The allotment of Shares for the scheme of proposed merger of Axiom Cordages Limited with Responsive Industries Limited has been decided based on Valuation Report prepared by Hitesh Shah & Associates, Chartered Accountant, Mumbai (the "Valuer").

As per the clause 24(h) of the Listing Agreement, the listed company as well as unlisted company which are getting merged/ amalgamated /reconstruction /reduction of capital /arrangement etc. shall be required to appoint an Independent Merchant Banker for giving a fairness opinion on the valuation done by the Valuer for the submission to the Stock Exchanges for the approval.

2. Scope of Engagement:-

Responsive Industries Limited vide its letter dated August 19, 2013 has approached to Vertex Securities Limited, ("Vertex"), **SEBI Registered Merchant Banker (SEBI Reg. No. INB000010965)** to give Fairness Opinion on above referred Valuation done by the Valuer, Hitesh Shah & Associates, Chartered Accountant, Mumbai, for proposed merger of Axiom Cordages Limited with Responsive Industries Limited as required by clause 24(h) of Listing agreement.

3. Source of Information:

We have relied on the following information of both the Companies in giving fairness opinion on the valuation done by the Valuer for the purpose of issuing of shares of Responsive Industries Limited to the equity shareholders of Axiom Cordages Limited on account of Merger of Axiom Cordages Limited with Responsive Industries Limited.

1. Valuation Report on Share Swap Ratio by Hitesh Shah & Associates, Chartered Accountant, (the "Valuer");
2. Audited annual report of Responsive Industries Limited as on March 31, 2010, March 31, 2011, March 31, 2012 and March 31, 2013 and copy of Audited annual report of Axiom Cordages Limited as March 31, 2010, March 31, 2011, March 31, 2012 and March 31, 2013;
3. Memorandum and Articles of Association of Responsive Industries Limited and Axiom Cordages Limited;
4. Scheme of Amalgamation pursuant to section 391 to 394 of the Companies Act, 1956;
5. Such other information, documents, data, reports, discussion and verbal & written explanations from the Companies as well as advisors for Merger to the Company, as were considered relevant for the purpose of the fairness opinion.

4. Fairness Opinion:

- a) Methodology for Share Exchange Ratio.
- b) Fairness Opinion on Valuation Report dated August 26, 2013 by the Valuer, Hitesh Shah & Associates, Chartered Accountant, Mumbai.



a) Methodology for Share Exchange Ratio :

According to the Valuation Report of Hitesh Shah & Associates, Chartered Accountant, (the "Valuer"), for proposed merger and restructuring of Axiom Cordages Limited or the interest of the shareholders of Axiom Cordages Limited will not be impacted at all.

Based on the above, the Valuer has recommended a fair exchange ratio of 4.09 equity shares of Face Value of Re. 1/- each fully paid up of Responsive Industries Limited to be issued and allotted to the shareholders of Axiom Cordages Limited for every 1 equity shares of Face Value of Rs. 10/- each fully paid up of their holding in Axiom Cordages Limited in the event of Amalgamation of Axiom Cordages Limited into Responsive Industries Limited.

b) Fairness Opinion on Valuation Report given by Hitesh Shah & Associates, Chartered Accountants, Mumbai:-

We state that in our opinion the recommendation given by Hitesh Shah & Associates, Chartered Accountants dated August 26, 2013 for allotting 4.09 equity shares of Face Value of Re. 1/- each fully paid up of Responsive Industries Limited to be issued and allotted to the shareholders of Axiom Cordages Limited for every 1 equity shares of Face Value of Rs. 10/- each fully paid up of their holding in Axiom Cordages Limited seems Fair & Reasonable subject to our disclaimers as mentioned in point 5 below.

5. Disclaimer/Limitation/Warranties And Caveats

- a) In terms of clause no 10.6 of the scheme of amalgamation, 44,18,330 equity shares held by ACL in RIL are considered as "Trust Shares" and are not be cancelled, and are to transferred to a Trust called "RIL – ACL Merger Scheme Trust" created for the for the benefit of Transferee Company and its successor as Treasury Stock.

The Indian Companies Bill, 2012 has specifically abolished the treasury stock or Trust Shares created on account of mergers and amalgamations in terms of Sub clause 10 of clause 233 of the Companies Bill, 2012 which is passed by both the house of Parliament but yet to get accent of the President of India and will come into existence and effect with MCA Notification.

- b) This Fairness Opinion report is prepared by Vertex Securities Limited solely for the purpose and scope set out in this report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued and the purpose mentioned herein. We will not take any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report without our written permission in each instance. The material is true only as of the date of this letter. We assume no responsibility to update or revise the opinion based upon events or circumstances that occur later on.
- c) We have provided this Fairness opinion based on the information provided, explanation given, representations made by management of Axiom Cordages Limited and Responsive Industries Limited, and Valuation Report of Hitesh Shah & Associates, Chartered Accountant, Mumbai. We have neither checked, audited nor independently verified such information and representations. We have also not factored any tax implications or any financial or tax planning which Axiom Cordages Limited and Responsive Industries Limited might take in future. We have solely relied on explanations, information, papers, reports, documents and statements provided by the respective



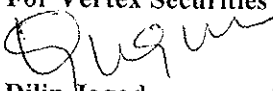
managements only and accepted all those information provided to us as consistent and accurate on "as is" basis and have considered the information provided by them in this report in good faith and in the belief that such information is neither false nor misleading.

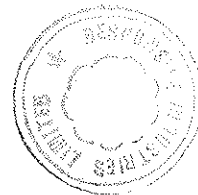
- d) This Fairness report is issued on the understanding that the Management of Axiom Cordages Limited and Responsive Industries Limited has drawn our attention to all matters of which they are aware concerning the financial position of the business of the Company, which may have an impact on our opinion up to the date of issue. Our views are necessarily based on economic market and other conditions currently in effect. We, however, have no obligation to update this report for events, trends or transactions relating to the company or the market/economy in general & occurring subsequently to the date of this report. We preserve the right to amend or replace the Report at any time. We do not hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoings whatsoever and howsoever caused, incurred, sustained or arising out of errors due to false, misleading, wrong provisioning, assurance or incomplete information or documentation being provided to us or due to any acts, or omissions of any other person.
- e) We have no present or planned future interest in Axiom Cordages Limited and Responsive Industries Limited and the fees for this report is not contingent upon the value reported herein. Our Fairness Opinion on the Valuation should not be construed as investment advice, specifically we do not express any opinion on the suitability or otherwise of entering into any transaction with Axiom Cordages Limited and Responsive Industries Limited. Further Vertex Securities Limited nor the members of the team working on the independent opinion on the valuation have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value.
- f) We owe responsibility to only the directors of that have retained us and nobody else. Vertex Securities Limited does not accept any liability to any third party in relation to the issue to this Fairness Opinion report. Neither this report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent except to Shareholders of Axiom Cordages Limited and Responsive Industries Limited, Bombay Stock Exchange Limited, National Stock Exchange Limited, Multi Commodity Exchange of India Limited or SEBI. We retain the right to deny permission for the same.

We also certify and confirm that we are a Category I Merchant Banker registered with Securities and Exchange Board of India and that the registration is valid as of the date of signing of this report.

Thanking you,

Yours faithfully
For Vertex Securities Limited


Dilip Jagad
Compliance Officer



CERTIFIED TO BE TRUE COPY
For RESPONSIVE INDUSTRIES LIMITED


Company Secretary

(i) (a) Statement showing Shareholding Pattern

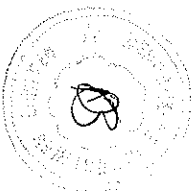
Name of the Company: RESPONSIVE INDUSTRIES LTD		BSE- 505509, NSE- RESPONIND;- Equity	
Scrip Code, Name of the scrip, class of security: Equity		23.08.2013 / Pre-merger Shareholding Pattern	
Quarter ended:			
Partly paid-up shares:-		No. of partly paid-up shares	As a % of total no. of shares of the company
Held by Promoter / Promoter Group		0	0.00
Held by public		0	0.00
Total		0	0.00
Outstanding convertible securities:-		No. of outstanding securities	As a % of total No. of outstanding convertible securities
Held by Promoter / Promoter Group		0	0.00
Held by public		0	0.00
Total		0	0.00
Warrants:-		No. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by Promoter / Promoter Group		0	0.00
Held by public		0	0.00
Total		0	0.00
Total paid-up capital of the company assuming full conversion of warrants and convertible securities		266912700	



Category Code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (VIII)/(IV)*100 (IX) =
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Promoter and Promoter Group							
1	Indian							
(a)	Individuals/Hindu Undivided Family	4	3562340	3562340	1.33	1.33	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0.00	0.00
(c)	Bodies Corporate	6	157705670	157705670	59.09	59.09	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0.00	0.00
	Sub Total (A/1)	10	161268010	161268010	60.42	60.42	0	0.00
2	Foreign							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0.00	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00	0.00	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0.00	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0.00	0.00
	Sub Total (A/2)	0	0	0	0.00	0.00	0.00	0.00
	Total Shareholding of Promoter and Promoter Group	10	161268010	161268010	60.42	60.42	0	0.00
	(A)=(A/1)+(A/2)							



(B)	Public shareholding								
1	Institutions								
(a)	Mutual Funds/UTI	0	0	0	0.00	0.00	-	-	-
(b)	Financial Institutions / Banks	2	10974140	10974140	4.11	4.11	-	-	-
(c)	Central Government/State Government(s)	0	0	0	0.00	0.00	-	-	-
(d)	Venture Capital Funds	0	0	0	0.00	0.00	-	-	-
(e)	Insurance Companies	0	0	0	0.00	0.00	-	-	-
(f)	Foreign Financial Institutions	0	0	0	0.00	0.00	-	-	-
(g)	Foreign Inst. Investors	3	11470672	11470672	4.30	4.30	-	-	-
(h)	Qualified Foreign Investors	0	0	0	0.00	0.00	-	-	-
(i)	Any Other (specify)	0	0	0	0.00	0.00	-	-	-
	Sub Total (B) (1)	5	22444812	22444812	8.41	8.41	-	-	-
2	Non-institutions								
(a)	Bodies Corporate	45	2649323	2649323	0.99	0.99	-	-	-
(b) (i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	290	123493	123493	0.05	0.05	-	-	-
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	0	0	0	0.00	0.00	-	-	-



Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) =
(c)	Qualified Foreign Investors	0	0	0	0.00	0.00	-	-
(d)	Any Other							
i	Non Resident Indians (Repat)	0	0	0	0.00	0.00	-	-
ii	Non Resident Indians (Non Repat)	1	3250	3250	0.00	0.00	-	-
iii	Foreign Companies	4	80418565	80418565	30.13	30.13	-	-
iv	Clearing Member	14	5247	5247	0.00	0.00	-	-
v	Directors / Relatives	0	0	0	0.00	0.00	-	-
vi	Trusts	0	0	0	0.00	0.00	-	-
	Sub Total (B)(2)	354	83199878	83199878	31.17	31.17	-	-
	Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	359	105644690	105644690	39.58	39.58	NA	NA
	Total (A)+(B)	369	266912700	266912700	100.00	100.00		
(C)	Shares held by custodians and against which Depository Receipts have been issued							
i	Promoter and Promoter Group	0	0	0	0.00	0.00	0.00	0.00
ii	Public	0	0	0	0.00	0.00	0.00	0.00
	Sub Total (C)	0	0	0	0.00	0.00	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	369	266912700	266912700	100.00	100.00	0.00	0.00



(i)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares		Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital	
		Number of shares held	As a % of grand total (A)+(B)+(C)	No.	As a percentage (V)=(V)/(iii) *100	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(i)	(ii)	(iii)	(iv)	(v)	(vi)=(V)/(iii) *100	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
1	WELKNOWN BUSINESS VENTURES PVT. LTD.	148425340	55.61	0	0.00	0.00	0	0.00	0	0.00	55.61
2	AXIOM CORDAGES LIMITED	4418330	1.66	0	0.00	0.00	0	0.00	0	0.00	1.66
		3270000	1.23	0	0.00	0.00	0	0.00	0	0.00	1.23
3	MAVI BUSINESS VENTURES LIMITED										
4	EFFICIENT BUILDERS LIMITED	1592000	0.60	0	0.00	0.00	0	0.00	0	0.00	0.60
5	SWATI ATIT AGARWAL	1300010	0.49	0	0.00	0.00	0	0.00	0	0.00	0.49
6	SAUDAMINI ABHISHEK AGARWAL	937000	0.35	0	0.00	0.00	0	0.00	0	0.00	0.35
7	ATIT O. AGARWAL	773330	0.29	0	0.00	0.00	0	0.00	0	0.00	0.29
		552000	0.21	0	0.00	0.00	0	0.00	0	0.00	0.21
8	ABHISHEK OMPRAKASH AGARWAL										
TOTAL		161268010	60.42	0	0.00	0.00	0	0.00	0	0.00	60.42



(1)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (1)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class held	Number of convertible securities	% w.r.t total number of convertible securities of the same class	
1	FOSSEBRIDGE LIMITED	32901800	12.33	0	0.00	0	0.00	12.33
2	XATIS INTERNATIONAL LIMITED	32705720	12.25	0	0.00	0	0.00	12.25
3	BRENZETT LIMITED	14811045	5.55	0	0.00	0	0.00	5.55
4	LIFE INSURANCE CORPORATION OF INDIA	9606846	3.60	0	0.00	0	0.00	3.60
5	PASSAGE TO INDIA MASTER FUND LIMITED	5736980	2.15	0	0.00	0	0.00	2.15
6	SPARROW ASIA DIVERSIFIED OPPORTUNITIES FUND	5733000	2.15	0	0.00	0	0.00	2.15
	TOTAL	101495391	38.03	0	0.00	0	0.00	38.03

(1)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (1)(a) above}	Details of warrants	Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	FOSSEBRIDGE LIMITED	32901800	12.33	0	0	0.00	12.33
2	XATIS INTERNATIONAL LIMITED	32705720	12.25	0	0	0.00	12.25
3	BRENZETT LIMITED	14811045	5.55	0	0	0.00	5.55
	TOTAL	80418565	30.13	0	0	0.00	30.12916396



(1)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Category of shareholder (Promoters/Public)	Number of Locked in Shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (1)(a) above}
1	WELKNOWN BUSINESS VENTURES PVT. LTD.	CORPORATE BODIES (PROMOTER CO)	5267700	1.97
TOTAL			5267700	1.973566638



(II) (b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by Promoter Group " are in excess of 1% of the total number of shares

"Promoter/

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL	NIL	NIL	NIL
	TOTAL	NIL	NIL	NIL



(II)(a) Statement showing details of Depository Receipts (DRs)				
Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL	NIL	NIL	NIL
	TOTAL	NIL	NIL	NIL



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FOR RESPONSIVE INDUSTRIES LIMITED

Devi Sankar
Company Secretary

Category Code	Category of shareholder	Number of shareholders		Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
		(i)	(ii)			As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (ix) = (viii)/(iv)*100
(A)	Promoter and Promoter Group					(vi)	(vii)	(viii)	
1	Indian								
(a)	Individuals/Hindu Undivided Family	4	3629415	3629415	0.01	1.12	0	0.00	
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0.00	0.00	0.00
(c)	Bodies Corporate	6	168451245	168451245	52.13	52.13	0.00	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0.00	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0.00	0.00	0.00
	Sub Total (A)(1)	10	172080660	172080660	53.25	53.25	0	0.00	0.00
2	Foreign								
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0.00	0.00	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0.00	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00	0.00	0.00	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0.00	0.00	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00	0.00	0.00	0.00
	Sub Total (A)(2)	0	0	0	0.00	0.00	0.00	0.00	0.00
	Total Shareholding of Promoter and Promoter Group								
	(A)=(A)(1)+(A)(2)	10	172080660	172080660	53.25	53.25	0	0.00	0.00



(B)	Public shareholding									
	1	Institutions								
	(a)	Mutual Funds/UTI	0	0	0	0.00	0.00	-	-	-
	(b)	Financial Institutions / Banks	2	10974140	10974140	3.40	3.40	-	-	-
	(c)	Central Government/State Government(s)	0	0	0	0.00	0.00	-	-	-
	(d)	Venture Capital Funds	0	0	0	0.00	0.00	-	-	-
	(e)	Insurance Companies	0	0	0	0.00	0.00	-	-	-
	(f)	Foreign Financial Institutions	0	0	0	0.00	0.00	-	-	-
	(g)	Foreign Inst. Investors	5	54080954	54080954	16.74	16.74	-	-	-
	(h)	Qualified Foreign Investors	0	0	0	0.00	0.00	-	-	-
	(i)	Any Other (specify)	0	0	0	0.00	0.00	-	-	-
		Sub Total (B) (1)	7	65055094	65055094	20.13	20.13	-	-	-
	2	Non-institutions								
(b)	(a)	Bodies Corporate	45	2649323	2649323	0.82	0.82	-	-	-
	(i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	290	136908	136908	0.04	0.04	-	-	-
	(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	0	0	0	0.00	0.00	-	-	-



Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares			Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (ix) = (viii)/(iv)*100	
(i)		(iii)	(iv)	(v)	(vi)	(vii)	(viii)		
(c)	Qualified Foreign Investors	0	0	0	0.00	0.00	-	-	
(d)	Any Other								
i	Non Resident Indians (Repat)	0	0	0	0.00	0.00	-	-	
ii	Non Resident Indians (Non Repat)	1	3250	3250	0.00	0.00	-	-	
iii	Foreign Companies	4	83222331	83222331	25.75	25.75	-	-	
iv	Clearing Member	14	5247	5247	0.00	0.00	-	-	
v	Directors / Relatives	0	0	0	0.00	0.00	-	-	
vi	Trusts	0	0	0	0.00	0.00	-	-	
	Sub Total (B)(2)	354	86017059	86017059	26.62	26.62	-	-	
	Total Public Shareholding Public Group (B)=(B)(1)+(B)(2)	361	151072153	151072153	46.75	46.75	NA	NA	
	Total (A)+(B)	371	323152813	323152813	100.00	100.00			
(C)	Shares held by custodians and against which Depository Receipts have been issued								
i	Promoter and Promoter group	0	0	0	0.00	0.00	0.00	0.00	
ii	Public	0	0	0	0.00	0.00	0.00	0.00	
	Sub Total (C)	0	0	0	0.00	0.00	0.00	0.00	
	GRAND TOTAL (A)+(B)+(C)	371	323152813	323152813	100.00	100.00	0.00	0.00	



(i)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"
 Sr. No. Name of the shareholder

	Details of Shares held			Encumbered shares			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
	Number of shares held	As a % of grand total (A)+(B)+(C)	No.	As a percentage (V)=(V)/(III) *100	As a % of grand total (A)+(B)+(C) of sub-clause (i)(a)		Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(i)	(ii)	(iii)	(iv)	(v)	(vi)=(v)/(iii)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
1	WELKNOWN BUSINESS VENTURES PVT. LTD.	159157500	49.25	0	0.00	0.00	0	0.00	0	0.00	49.25
2	AXIOM CORDAGES LIMITED	4418330	1.37	0	0.00	0.00	0	0.00	0	0.00	1.37
3	MAVI BUSINESS VENTURES LIMITED	3283415	1.02	0	0.00	0.00	0	0.00	0	0.00	1.02
4	EFFICIENT BUILDERS LIMITED	1592000	0.49	0	0.00	0.00	0	0.00	0	0.00	0.49
5	SWATI ATIT AGARWAL	1313425	0.41	0	0.00	0.00	0	0.00	0	0.00	0.41
6	SAUDAMINI ABHISHEK AGARWAL	950415	0.29	0	0.00	0.00	0	0.00	0	0.00	0.29
7	ATTI O. AGARWAL	786745	0.24	0	0.00	0.00	0	0.00	0	0.00	0.24
8	ABHISHEK OMPRAKASH AGARWAL	578830	0.18	0	0.00	0.00	0	0.00	0	0.00	0.18
TOTAL		172080660	53.25	0	0.00	0.00	0	0.00	0	0.00	53.25



(i)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares [i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (i)(a) above]	Details of warrants	Details of convertible securities	Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital		
				As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class		
					Number of warrants held			
1	FOSSBRIDGE LIMITED	35705565	11.05	0	0.00	0	0.00	11.05
2	XATIS INTERNATIONAL LIMITED	32705720	10.12	0	0.00	0	0.00	10.12
3	BRENZETT LIMITED	14811045	4.58	0	0.00	0	0.00	4.58
4	LIFE INSURANCE CORPORATION OF INDIA	9606846	2.97	0	0.00	0	0.00	2.97
5	PASSAGE TO INDIA MASTER FUND LIMITED	5736980	1.78	0	0.00	0	0.00	1.78
6	SPARROW ASIA DIVERSIFIED OPPORTUNITIES FUND	5733000	1.77	0	0.00	0	0.00	1.77
7	BANYAN TREE GROWTH CAPITAL LLC	15135601	4.68	0	0.00	0	0.00	4.68
8	NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR O NTWIKKELINGSLANDEN N.V (FMO)	27474681	8.50	0	0.00	0		8.50
TOTAL		146909438	45.46	0	0.00	0	0.00	45.46

(i)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (i)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class		
1	FOSSBRIDGE LIMITED	35705565	11.05	0	0.00	0	0.00	11.05
2	XATIS INTERNATIONAL LIMITED	32705720	10.12	0	0.00	0	0.00	10.12
3	NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR O NTWIKKELINGSLANDEN N.V (FMO)	27474681	8.50	0	0.00	0	0.00	8.50
	TOTAL	95885966	29.67	0	0.00	0	0.00	29.66994878



(1)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Category of shareholder (Promoters/Public)	Number of Locked in Shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (1)(a) above}
1	WELKNOWN BUSINESS VENTURES PVT. LTD.	CORPORATE BODIES (PROMOTER CO)	5267700	1.63
TOTAL			5267700	1.630095666



Statement showing holding of Depository Receipts (DRs), where underlying shares held by Promoter Group" are in excess of 1% of the total number of shares

"Promoter/

(II) (b)

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL	NIL	NIL	NIL
	TOTAL	NIL	NIL	NIL



(II)(a)	Statement showing details of Depository Receipts (DRs)			
Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL	NIL	NIL	NIL
TOTAL		NIL	NIL	NIL



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for RESPONSIVE INDUSTRIES LIMITED

Bohra
Company Secretary



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CERTIFIED TRUE COPY OF THE BOARD RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF RESPONSIVE INDUSTRIES LIMITED HELD ON 27TH AUGUST, 2013 AT 2.30 PM AT THE CORPORATE OFFICE OF THE COMPANY AT EUCHARISTIC CONGRESS BUILDING NO.1, 5 CONVENT STREET, COLABA, MUMBAI-400001.

“RESOLVED THAT pursuant to Section 391 to 394 of the Companies Act, 1956, and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the members/creditors and subject to the approval by the Hon'ble High Court of Bombay, The Ministry of Company Affairs represented by the Regional Director, Western Region, Registrar of Companies, Maharashtra, Mumbai, the Scheme of Amalgamation involving the amalgamation of the AXIOM CORDAGES LIMITED (ACL) with RESPONSIVE INDUSTRIES LIMITED (RIL), in terms of the draft as placed before this meeting and intialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved for amalgamation of AXIOM CORDAGES LIMITED with RESPONSIVE INDUSTRIES LIMITED with effect from 1st April, 2013, being the 'Appointed Date'.

RESOLVED FURTHER that Mr. Atit Agarwal, and / or Mr. Rajesh Pandey, Directors of the Company be and are hereby authorized to do all such acts and deeds as are required to give effect to the said Scheme of Amalgamation and to carry out such alterations in the said Scheme and assent to such conditions as may be imposed by the Hon'ble High Court while sanctioning the said scheme.

RESOLVED FURTHER that Mr. Atit Agarwal, and/or Mr. Rajesh Pandey, Directors, and Mr. Nitin Katore, Company Secretary, of the Company be and are hereby severally authorized to sign any application, affidavit, petition or any other document as may be required to be signed in connection with the approval of the Scheme. They are further authorized to do all such things, deeds and acts as may be deemed necessary and expedient in connection with the approval of the Scheme, for and on

T: +91 22 6656 ~~behalf of~~ the company.

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5 Convent Street, Colaba, Mumbai 400 001, India.

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RESOLVED FURTHER THAT that Mr. Atit Agarwal, Director, and Mr. Rajesh Pandey, Director of the company be and are hereby authorised to appoint and engage any advocate or firm of advocates and solicitors to represent the company for approval of the Scheme.

Certified True Copy

For RESPONSIVE INDUSTRIES LIMITED




Company Secretary

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Compliance Report on Corporate Governance

Name of the Company: **RESPONSIVE INDUSTRIES LIMITED**

Date: **27TH August, 2013**

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
I Board of Directors	49 I		
(A) Composition of Board	49 (IA)	YES	-
-(B) Non-executive Directors' compensation & disclosures	49 (IB)	YES	-
(C) Other provisions as to Board and Committees	49 (IC)	YES	-
D) Code of Conduct	49 (ID)	YES	-
II. Audit Committee	49 (II)		-
(A) Qualified & Independent Audit Committee	49 (IIA)	YES	-
(B) Meeting of Audit Committee	49 (IIB)	YES	-
(C) Powers of Audit Committee	49 (IIC)	YES	-
(D) Role of Audit Committee	49 (IID)	YES	-
(E) Review of Information by Audit Committee	49 (IIE)	YES	-
III. Subsidiary Companies	49 (III)	YES	-
IV. Disclosures	49 (IV)	YES	-
(A) Basis of related party transactions	49 (IV A)	YES	-
(B) Disclosure of Accounting Treatment	49 (IV B)	YES	-
(C) Board Disclosures	49 (IV C)	YES	-
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	N.A.	-
(E) Remuneration of Directors	49 (IV E)	YES	-
(F) Management	49 (IV F)	YES	-
(G) Shareholders	49 (IV G)	YES	-
V.CEO/CFO Certification	49 (V)	YES	As part of Annual report
VI. Report on Corporate Governance	49 (VI)	YES	As part of Annual report
VII. Compliance	49 (VII)	YES	As part of Annual report



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Note:

- 1) The details under each head shall be provided to incorporate all the information required as per the provisions of the Clause 49 of the Listing Agreement.
- 2) In the column No.3, compliance or non-compliance may be indicated by Yes/No/N.A. For example, if the Board has been composed in accordance with the Clause 49 I of the Listing Agreement, "Yes" may be indicated. Similarly, in case the company has no related party transactions, the words "N.A." may be indicated against 49 (IV A).
- 3) In the remarks column, reasons for non-compliance may be indicated, for example, in case of requirement related to circulation of information to the shareholders, which would be done only in the AGM/EGM, it might be indicated in the "Remarks" column as – "will be complied with at the AGM". Similarly, in respect of matters which can be complied with only where the situation arises, for example, "Report on Corporate Governance" is to be a part of Annual Report only, the words "will be complied in the next Annual Report" may be indicated.



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For RESPONSIVE INDUSTRIES LIMITED


Company Secretary

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