REVATHI EQUIPMENT LIMITED

36th Annual Report 2012-13

Acquisition Criteria

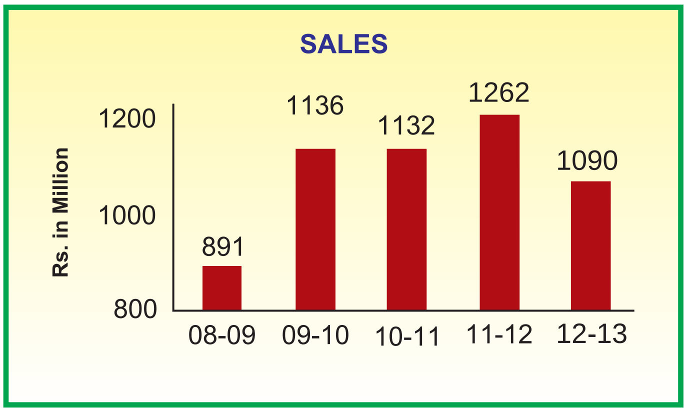
We use this space to communicate with potential sellers and their representatives, what we look for in a potential acquisition. If you, the reader, have no personal connection with a business that might be of interest to us but have a friend who does, perhaps you could pass this message on to him.

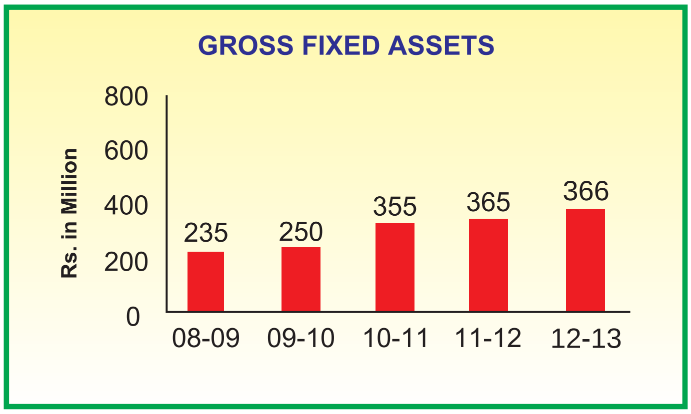
Here's the sort of business we are looking for:

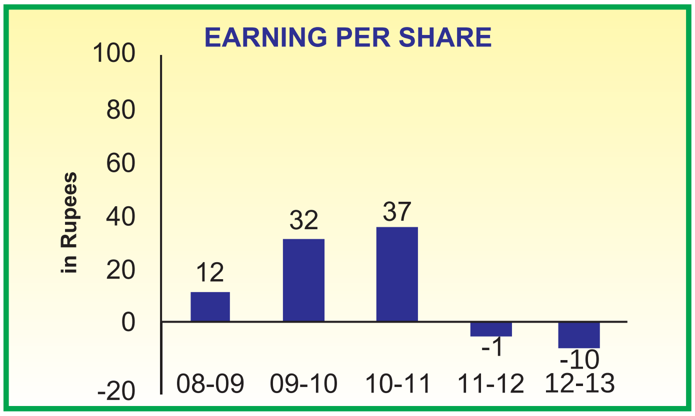
1. Enterprise value in the region of Rs. 100 crores (Rs. 1 billion),
2. Demonstrated consistent earning power (future projections are of little interest to us, nor are "turnaround" situations),
3. Businesses earning good returns on equity while employing little or no debt,
4. Management in place,
5. Simple businesses,
6. An offering price.

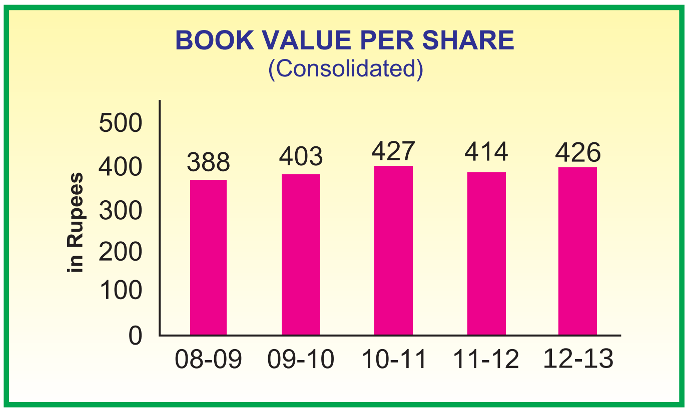
We will not engage in unfriendly takeovers. We can promise complete confidentiality and a very fast answer as to whether we are interested. We prefer to buy for cash, but will consider issuing stock when we receive as much in intrinsic business value as we give.

Our favourite form of purchase is one where the company's owner-managers generate significant amounts of cash, sometimes for themselves, but often for their families or inactive shareholders. At the same time, these managers wish to remain significant owners who continue to run their companies just as they have in the past. We think we offer a particularly good fit for owners with such objectives. We invite potential sellers to check us out by contacting people with whom we have done business in the past.









Revathi Equipment Limited

CORPORATE DATA

BOARD OF DIRECTORS

ABHISHEK DALMIA
Executive Chairman

S. HARIHARAN
Whole-time Director (From August 01, 2012)

CHAITANYA DALMIA

S.C. KATYAL

B.D. NARANG

B.V. RAMANAN

P.M. RAJANARAYANAN (From May 08, 2012)

SHARE TRANSFER AGENTS

S.K.D.C. CONSULTANTS LTD.,
KANAPATHY TOWERS
3rd FLOOR, 1391/A-1, SATHY ROAD
GANAPATHY, COIMBATORE 641 006.

COMPANY SECRETARY

M.N. SRINIVASAN

REGISTERED OFFICE

POLLACHI ROAD,
MALUMACHAMPATTI POST
COIMBATORE - 641 050.
Website : http://www.revathi.in

BANKERS

AXIS BANK LIMITED
CANARA BANK
DENA BANK
HDFC BANK LIMITED
ICICI BANK LIMITED
STATE BANK OF BIKANER & JAIPUR
STATE BANK OF INDIA
IDBI BANK LIMITED
BANK OF INDIA

MANAGEMENT TEAM

L.S. SHASHI PRAKASHA
Vice - President
Business Unit Head - Drilling Equipment Division

T. MANOHAR
Vice - President
Business Unit Head - Construction Equipment Division

AUDITORS

LODHA & Co.,
KOLKATA

Revathi's Corporate performance vs the Nifty

Year	Annual percentage change in		Relative results
	Per share book value of Revathi (1)	Nifty 50 with dividend included (2)	(1) - (2)
2002-03	9.0%	-11.7%	20.7%
2003-04	21.6%	86.3%	-64.7%
2004-05	41.3%	17.3%	24.0%
2005-06	19.1%	70.0%	-50.9%
2006-07	11.6%	13.8%	-2.2%
2007-08	16.6%	25.7%	-9.1%
2008-09	-2.5%	-35.4%	32.9%
2009-10	3.6%	75.3%	-71.7%
2010-11	6.0%	12.4%	-6.4%
2011-12	-2.9%	-8.2%	5.3%
2012-13	2.8%	8.7%	-5.9%
Average Annual Gain (FY03 - FY13)	10.5%	17.6%	-7.1%
Overall gain (FY 03 - FY 13)	198.6%	495.3%	-296.7%

Notes :

1. All data is for financial years and includes dividends paid, if any.
2. The Nifty-50 numbers are pre-tax and assume that dividends were reinvested, whereas the numbers for Revathi are after tax.
3. We think our investors should measure our performance against their general experience in the equity markets. While the Nifty-50 is not perfect (nor is anything else) as a measure of performance, it has the advantage of being widely known and reflects with reasonable accuracy the experience of investors generally with the market.
4. The reason we have used the “growth in book value” as against stock price is, that over time, we intend measuring our performance by checking if a rupee ratained has created a rupee worth of market value.
5. If you expect, as we do, that owing a representative stock index would produce reasonably satisfactory results over a period of time, it follows that, for long-term investors, gaining small advantages over that index must prove rewarding.

CHAIRMAN'S LETTER

Our increase in consolidated net worth during FY13 was `36 million, which increased the per share book value by 2.8%. Over the last eleven years (that is, since the present owners took over) per share book value, has grown from `151 to `426 (`510 after ignoring the effect of goodwill write-offs), which, after factoring in dividend paid during this period, works out to a rate of 10.5% (12.1%) compounded annually.

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The state of the economy has been no secret. For five years now, since mid-2008, the S&P BSE Capital Goods index and the S&P BSE Small Cap index have tread water. The S&P BSE Realty Index, which tracks the other industry we are exposed to, is down to half of where it was when the Lehman crisis hit the global economy. The broader market as measured by the S&P BSE 500 index has compounded at 2.4% since April 2008. As against this, your company has compounded book value at an annualized rate of 4.5% over the same period. Obviously this performance is not satisfactory, but it is good to keep things in perspective.

The good news is that with every passing year of the economy being in a mess, the time when it will recover is getting shorter. The other good news is that tough times are the best times to revisit your business model, your strategy, your team, your served markets. Basically such times force you to revisit every underlying assumption and make sure they are still valid. And if they are not, tough times are the best times to convince people that something needs to change to make things better.

We have been on that journey ever since the crisis hit the global economy in October 2008. In some of our businesses, progress is better than in some other businesses. But still, the overall results are certainly less than satisfactory. I know we can do better and the striving will not stop.

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Coming first to the Drilling Solutions business, we made some progress along two important dimensions.

Before I elaborate on the areas where we made some progress, a quick recap of our overall direction. The usual growth strategies focus on developing new products to serve existing markets, finding new markets for existing products or finding new uses for existing products. Of these, we have been working on the first two approaches.

A typical product development process goes through several stages before a new product becomes available for commercial production. These stages are designing - building a prototype - internal testing - design modification based on results of internal testing - modifying the prototype - further internal testing - field testing - design modification based on feedback from field testing - commercial production. This process typically takes three to four years.

Since 2004, we have developed eleven new products. Of these, four have become important contributors to our financial results and two are in the final stages of commercialization. We expect to start commercial exploitation of these two products during the next financial year. Though we now have a wider product basket, we have not fully exploited the market potential of these products. As the market picks up, we hope that these new products will give our Revenues a meaningful boost.

After getting into the South East Asia market last year, we were able to win business from the African continent during this year. But given the state of the global economy, things continue to be tough. The South East Asian market got affected due to the discovery of shale gas in the US and parts of the African market has had challenges in arranging acceptable lines of credit to buy goods. There will always be some surprises but the hope is that as we diversify our product basket and our exposure to multiple markets, these vagaries will even out.

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The Concreting Solutions business has been the kind of business where you spend most of your time praying that there will be some redemption around the corner. It has been the kind of industry that reminds you of the maxim - the market can stay irrational longer than you can stay solvent.

Despite the industry consolidation, the market conditions have been so tough that the leader has found it hard to set rational prices for its products. As a result, their net margins have sunk to somewhere between two and three per cent. When the market leader who, despite controlling about two thirds of the market, finds it hard to make money, that tells you something about the state of the market.

To survive in such an unforgiving market, we rationalized our cost structure further and also changed some key members of the management team. The market being what it is, we may decide to further restructure the business during the next financial year.

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Semac Consultants (erstwhile Potential Semac) turned out a satisfactory performance in a tough year. A combination of Revenues growth and tight control over costs allowed us to post a profit after tax and minority interest of Rs.70 million as compared with a small loss last year.

Additionally, our wholly-owned subsidiary, Renaissance Construction Technologies, which was spawned around Q4FY12 as a direct result of our exposure to Semac, earned a profit of Rs.40 million in its first full year of operation.

In many ways, this was a year of consolidation of the various initiatives we had taken last year. The leaders of each of our offices contributed in their own way, by either showing growth in Revenues or by clamping down on costs or some combination thereof. The net result was that we were able to grow year-on-year Revenues by fourteen percent while bringing costs down by almost five percent over the previous year.

Of course, finally it is the people who make or break a business. However, one should not underestimate the role of strong processes. After we took over the business, we found that most of the decision-making was based on "experience" and not much was based on hard data. What was more confounding was that beyond the data required statutorily, there was very little data available to take day-to-day business decisions. As an example, anyone who has run a business would appreciate the need to have historical data to guide him/her in forecasting Revenues, based on the order book on hand. Without an accurate prediction of Revenues, one could build a cost structure, which may throw profitability out of kilter with even a slightly lower level of Revenues.

Gradually, over the years, we have worked hard to create systems to capture data to help decision-making at each office. With each passing year, the quality of data improves, thereby enhancing our ability to build greater predictability into our business. This is the journey of transforming a business, which was historically run by first generation technocrats, who undoubtedly were very good at the core of the business to a more robust business. There are lots of areas still to be improved but I think the basic building blocks are now in place.

One other important change that was initiated at some of the offices was to bring about cultural change through shared responsibility. Historically, almost all the important decisions were taken by the leader of that office. The rest of the office was only expected to deliver a quality drawing on time. Gradually, we have started giving more people a voice in how that office is run. I am sure this will be a positive over the coming years.

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After the Municipal Commissioner laid down the new rules, real estate projects in Mumbai, including ours have got moving after total suspension of activity for about fifteen months. After we acquired the neighboring land last year, the project size increased three times the original size. Based on current projections, the project should get completed towards the end of FY15.

Some positive developments that will have an upward impact on realisations follow. The Eastern Express Highway, intended to reduce commute time between South Mumbai and the Eastern suburbs was opened to traffic in June 2013. This has reduced the travel time from Chembur to South Mumbai from over an hour earlier to only fifteen minutes. Another road connecting Chembur to the Santa Cruz airport is also under construction and that is also likely to be completed before our project comes on to the market. By avoiding going through Sion, this is expected to significantly cut down travel time to the airport. There are a few other infrastructure projects, which are expected to cause Chembur as a micro market to be rerated in the coming years.

Based on the recent estimates, our investment of Rs.200 million has more than trebled.

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As I mentioned towards the beginning of this letter, with every passing year, we are getting closer to the recovery of the economy. More importantly, we have started to find ways to deliver better performance even if the economy stays soft for a while longer. After enduring lots of pain over the past half decade, let us hope for better times over the coming half.

REPORT OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

For the year ended 31st March 2013

Your Directors have pleasure in presenting the Thirty sixth Annual Report together with the audited accounts of your Company for the year ended March 31, 2013

Financial Results

All figures in Rs. Million

Particulars	FY 13	FY 12
Total Income	1136	1283
Total Expenditure	1166	1285
Profit before tax	(30)	(2)
Less: Tax expense	(1)	(2)
Profit / (Loss) after tax	(31)	(4)
Appropriation made as under:		
Transfer to General Reserve	–	–
Surplus / deficit carried to Balance Sheet	(31)	(4)

Dividend

No dividend has been declared in the financial year under review having regard to results of the year and need to conserve resources

Performance Review

Net sales of the company were lower at Rs. 1090 million against Rs.1262 million last year primarily because of very low sales of Construction Equipments. Good performance of drill division has been negated by poor performance of construction equipment business, resulting in net loss of Rs.31 millions.

The Company has decided to restructure its construction equipment business by realigning its resources to the expected lower level of business with a view to effect reductions in expenses/ costs as well working capital requirements.

Overview of the Economy

The Indian Economy has been slowing down continuously over last two years. Fiscal and current a/c deficits, inflation not abating, tight monetary conditions, declining net exports coupled with governance issues and inordinate delays in clearances with regard to environment clearances, land acquisition, fuel linkages and paralysis in decision making/ policy initiatives have eroded business confidence .The recent rupee depreciation has added to the woes of the Indian Economy. The consumer demand which had lead to growth has also slowed down. Capacity utilization in capital goods sector is at around 70% with above normal inventory levels and hardly anyone is adding capacities.

The Government has started announcing certain measures like raising the limits of FDI in various sectors, clearances of pending projects and promises to clear more and more projects primarily relating to infrastructure. The investment in manufacturing is at its lowest. However, the perception of business and public at large continues to be negative and will turn positive only when they see the realities on the ground

The steps taken by the Government in recent weeks/months will take time for policy intent to be translated to economic / industrial revival. It will take still longer time for capital goods sector because of under utilized equipments and higher inventory levels. Hence, it will be difficult to assume benefits of various measures in FY 14

Currently, significant micro risks prevail from slow down, high current a/c and fiscal deficits and inflation above threshold limits which is impacting growth substantially.

Business Environment & Prospects for FY 2013-14

Coal India, the company's main customer, endeavors to step up the Domestic Coal Production in order to meet the growing needs of our economy. During the year 2012-13, the overall production of coal has increased by 17.5 million tonnes. Of this increase, close to 16.4 Million Tonnes came from Coal India Ltd. (CIL). CIL has also registered a growth of 1.3% in production, 1.8% in off-take and 7.4% in coal supply to the power sector during April-May 2013. Keeping in mind the aim of increasing the coal production, 7 Open Cast Mines of total capacity of about 25 million tonnes are proposed to be offered to Mine Developer-cum-Operators (MDOs) within this year.

The business from Coal India is expected to be better this year during FY14 as a number of tenders pending for a long time are at the finalization stage. Our efforts to broad base our business in terms of products and markets including export are ongoing will start giving benefits from now on.

Prospects for construction equipments are not expected to improve. Accordingly, capacities as well resources deployed will be very closely aligned to business needs with a view to cut costs during this year.

Subsidiary Companies

Semac Consultants Pvt Ltd (Semac)

Potential Semac Consultants Pvt. Ltd (P+S) name has been changed as Semac Consultants Private Ltd.

Semac Consultants Pvt. Ltd (Semac) is providing architecture and Engineering Design solutions for realty sector catering to industrial and commercial segments

Total revenue of Semac was at Rs 760 million in FY13 as against Rs 670 million in FY12 registering an increase of 13.4%. The subsidiary made a profit (PBT) of Rs. 117.2 million in FY13 against the profit of Rs 1.2 million in FY12. Considerable decrease in expenses and increase in revenue resulted in improved increase of profitability.

Renaissance Construction Technologies India LLP

Renaissance Construction Technologies India Ltd., wholly owned subsidiary, commenced its operations in FY12 by undertaking design and build projects and offering PMC services. The subsidiary company was converted into Limited Liability Partnership with effect from 27.12.2012.

Revenue from operations of this entity was at Rs 348.4 million in FY13 against Rs 56.7 million in FY12 registering an increase of 514% and earned a PBT of Rs 56.1 million in FY13 against loss of Rs 7.30 Million in FY12.

Consolidated Financial Statements

Your directors have pleasure in attaching the consolidated financial statements by consolidating accounts of Revathi Equipment Ltd., Renaissance Construction Technologies LLP. (wholly owned subsidiary), Semac Consultants Pvt. Ltd. (subsidiary company) and Satellier Holdings Inc. USA under applicable accounting Standards of the Institute of Chartered Accountants of India.

On consolidated basis, the total revenue for FY13 was Rs.2.25 billion (FY12 - Rs.2.02 billion) and PBT was Rs 123 million against loss of Rs 27 Million. Increase in sales revenue and resultant profit is due to better performance of subsidiaries.

Human Resources

Your company realizes that it has to re-orient its organization as dynamics of business are changing fast. The company is taking steps to retain its talent pool, enhance skill of existing people and recruit the most suited talent to spearhead its growth initiatives. Your company's business has been divisionalised and business unit heads are in place.

Risks and Concerns

Lower than expected GDP growth in infrastructure sector, particularly in coal and construction segment may impact your company's prospects.

Inflation and rising interest costs continue to cause worry.

Cautionary Note

Certain statements in "management discussions and analysis" section may be forward looking and are stated as required by law and regulations. Many factors, both external and internal, may affect the actual results which could be different from what the directors envisage in terms of performance and outlook.

Internal Control

The company is committed to maintaining an effective internal control environment and a system of accounting and control that provides assurance on the efficiency of operations, existence of internal controls and safeguarding of its assets and management of risks. The system of accounting and controls are modified and improved from time to time, in line with changes in business conditions and recommendations of internal auditors.

During the financial year under review, the Audit Committee met four times to examine the reports on internal control/audit systems, financial disclosures and monitoring the implementation of internal audit recommendations. Your company continues to focus on risk management and also evaluate the internal control systems continuously so as to minimize and mitigate risks and improve control systems.

Board constitution

In accordance with the Articles of Association of the company, Mr. B.V.Ramanan and Mr. B.D.Narang retire by rotation and being eligible, seek re-appointment.

Conservation of Energy

As regards conservation of energy, company continued its efforts by elimination of waste, improvement in power factor and by good maintenance of various equipments. No capital investment was made during the year in this regard. As the cost of energy in the total cost is insignificant and considering the nature of our industry, measurement of savings in energy could not be undertaken.

Technology Absorption

Particulars with regard to technology absorption as required under Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are furnished in the annexure and the same forms part of this report.

Foreign exchange earnings and outgo

The Company earned foreign exchange of Rs. 46.9 million and the foreign exchange outgo during the year amounts to Rs 110.8 million.

Personnel/Industrial relations

Industrial relations were satisfactory during the year.

In terms of Sub- section (2A) of Section 217 of the Companies Act 1956, the company has no employee drawing salary exceeding Rs.60.00 lakhs per annum or Rs.5.00 lakhs per month during the year under review.

Directors' responsibility statement

The Board of Directors confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period ;

(iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the directors had prepared the annual accounts on a going concern basis.

Appreciation

The Directors express their sincere appreciation of dedicated efforts put in by our people and their commitment to make the company a high performance Company. The Directors also place on record their appreciation of the continued support and recognition provided by our esteemed customers.

For and on behalf of the Board of Directors

Place : Chennai
Date : July 12, 2013

Abhishek Dalmia
Executive Chairman

ANNEXURE

Form for disclosure of particulars with respect to Absorption

Research and Development (R&D)

1. Specific areas in which R&D carried out by the company	:	Development of new type of Blasthole drill, for domestic market.
2. Benefits derived as a result of the above R&D	:	New Product Development.
3. Future Plan of action	:	Continuous development of new type of drills and construction equipment products.
4. Expenditure on R&D :		
(a) Capital	:	Rs. Nil
(b) Recurring	:	Rs. 12.3 Million
(c) Total	:	Rs. 12.3 Million
(d) Total R & D expenditure as a percentage of total turnover	:	1.08 %

Technology absorption, adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation		Lot of efforts are being taken for technology absorption, adaptation and innovation
2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.	:	Import substitution and cost reduction. Improved drill performance & customer satisfaction. Indigenisation of Imported items led to cost reduction.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), the following information may be furnished.		
a) Technology imported	:	Technical know-how for manufacture of Batching Plant, Transit Mixers, Concrete Pump and Boom Pump
b) Year of import	:	FY 2005-06/ FY 2006-07
c) Has Technology been fully absorbed?	:	Yes
d) if not fully absorbed, areas where this has not taken place, reasons therefore, and future plans of action	:	Not applicable

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2012-13

Company's Philosophy on Code of Governance

The Company is committed to enhancement of shareholder value and strongly believes that good corporate governance is one of the key tools for achieving this goal.

Board of Directors

The Board presently comprises 7 Directors including 2 Executive and 5 Non-Executive Directors, of which 4 are Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The Board is headed by Executive Chairman.

The Board met seven times during the financial year on 08th May 2012, 30th May 2012, 11th July 2012, 31st July 2012, 16th November 2012, 08th January 2013 and 07th February 2013 .The composition and attendance of Directors at the Board Meetings and the Annual General Meeting held during the year is as under:-

Name of the Director	Category	Attendance Particulars		No. of directorships in other Boards	No. of Committee Positions held in other Companies $	
		Board meeting	Last AGM		Chairman	Member
Mr. Abhishek Dalmia	Executive Chairman- Not Independent	6	Absent	14	Nil	1
Mr. K Sunil Kumar #	Managing Director & CEO – Not Independent	2	–	–	Nil	Nil
Mr. Chaitanya Dalmia	Non-Executive – Not Independent	1	Absent	9	Nil	2
Mr. S C Katyal	Non-Executive – Independent	6	Present	2	Nil	Nil
Mr. B D Narang	Non-Executive – Independent	4	Absent	11	Nil	Nil
Mr. B V Ramanan #	Non-Executive – Independent	4	Absent	1	Nil	Nil
Mr. P M Rajanarayanan @	Non-Executive – Independent	7	Present	-		
Mr. S Hariharan*	Whole - time Director – Not Independent	3	Present	-		

$ Audit Committee, Shareholder's Grievance Committee have been considered for committee membership.
@ Mr. P.M. Rajanarayanan was apponinted with effect from May 08, 2012.
\# Mr. K. Sunil Kumar resigned with effect from July 11, 2012.
* Mr. S. Hariharan was appointed with effect from August 01, 2012.
Mr. Abhishek Dalmia and Mr.Chaitanya Dalmia are related amongst themselves.

Criteria for independence of a director

A non - executive director shall be deemed to be an independent director for the purpose of clause 49 of the listing agreement if he satisfies the following conditions:

Apart from receiving sitting fees for attending board meetings & audit committee meetings and commission, if any, as may be decided from time to time, his pecuniary relationship or transaction by way of compensation, if any, received from the company, for other services rendered shall not be more than the following:

1. 2% of the Profit before tax excluding extra - ordinary items

   or

   1% of the Net Invoiced Sales of the Company which ever is higher in a financial year.
2. He is not related to promoters or management at the board level or at one level below the board;
3. He has not been an executive of the company in the immediately preceding three financial years;
4. He is not a partner or an executive or was not a partner or an executive during the preceding three years from December 31, 2005 of any of the following:

   the statutory audit firm or the internal audit firm that is associated with the company, and the legal firm(s) and consulting firm(s) that have the financial transactions with the company exceeding the following limit:

   2% of the Profit before tax excluding extra - ordinary items

   or

   1% of the Net Invoiced Sales of the Company which ever is higher in a financial year.
5. He is not a material supplier, service provider or customer or lessor or lessee of the company whose financial transaction(s) value with the company shall not be more than the following:

   2% of the Profit before tax excluding extra - ordinary items

   or

   1% of the Net Invoiced Sales of the Company which ever is higher in a financial year.
6. He is not a substantial shareholder of the company, i.e. owning two percent or more in the paid up share capital of the company.

Committees of the board

Audit Committee

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges.

Terms of reference:

As per clause 49 of the listing agreement, the board defined the following powers, roles and responsibilities for the audit committee:

Powers of Audit Committee

The audit committee shall have powers, which should include the following:

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

Role of Audit Committee

The role of the audit committee shall include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

  (The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India)

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The members of the Audit Committee are independent and have knowledge of finance, accounts and engineering industry. The quorum for audit committee meeting is minimum of two independent directors.

During the year under review, the Committee met 4 times on 30th May 2012, 31st July 2012, 16th Nov.2012 and 7th February 2013. The Composition of the Audit Committee and the attendance of each member of the Committee is given below:

Name of the Members	Chairman/Member	No. of Meetings attended
Mr. S.C. Katyal	Chairman	4
Mr. B.D. Narang	Member	3
Mr. B.V. Ramanan	Member	3

The Company Secretary acts as the Secretary to the Committee. The minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note of. The Audit Committee considered and reviewed the accounts for the year 2012-13 before it was placed before the Board.

Remuneration Committee

A Remuneration Committee has been constituted by the Board of Directors to review and/or determine the remuneration package of the executive directors of the Company in accordance with the guidelines laid out by the statute and the listing agreement with the Stock Exchanges. The Composition of Committee is given below:-

The following Directors are the members of the Remuneration Committee:

Name of the Members	Category	Designation
Mr. S.C. Katyal	Independent	Chairman
Mr. B.D. Narang	Independent	Member
Mr. B.V. Ramanan	Independent	Member

During the year under review, the committee met on 8th May 2012 and 31st July 2012.

The remuneration paid/ payable to the Executive Directors of the Company for the year ended 31st March 2013, are as under:-

Name of Directors	Gross Remuneration paid / payable in FY' 13	Service Contract
Mr. Abhishek Dalmia (Executive Chairman)	Rs. 45.39 Lakhs	3 Years with effect from 01.04.2011
Mr. K. Sunil Kumar (Managing Director & CEO)	Rs. 19.53 Lakhs	Resigned w.e.f. 11.07.2012
Mr.S.Hariharan (Whole-time Director)	Rs. 26.87 Lakhs	5 Years with effect from 01.08.2012

Remuneration includes Salary, Company's Contribution to Provident Fund, Commission, reimbursement of medical expenses and other perquisites.

The details of the remuneration paid during the year 31st March 2013 to the non-executive directors are as under:

Name of the Directors	Sitting Fees (in Rupees)
Mr. Chaitanya Dalmia	20000
Mr. S.C. Katyal	340000
Mr. B D Narang	280000
Mr.B.V. Ramanan	260000
Mr.P.M. Rajanarayanan	140000

The Company currently does not have any Stock Option Scheme

Statement showing number of Equity Shares held by the Non- Executive Directors as on March 31, 2013

Name of the Directors	No of Shares held. (as on 31.03.2013)
Mr.Chaitanya Dalmia	NIL
Mr. S.C.Katyal	10058
Mr. B D Narang	NIL
Mr. B.V.Ramanan	200
Mr.S.Hariharan	1

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-executive Independent Directors during the year.

Share Holders' Committee

The Company has an "Shareholders Committee" comprising of the following directors

Name of Directors	Category	Designation
Mr. S.C. Katyal	Independent-Non Executive	Chairman
Mr. B.D. Narang	Independent-Non Executive	Member
Mr. B.V. Ramanan	Independent-Non Executive	Member

Compliance Officer: Mr. M.N.Srinivasan, Company Secretary.

The Committee deals in matters relating to transfer and transmission of shares, issue of duplicate share certificates, review of dematerialized shares, redressing of investors complaints such as non-receipt of shares, non-receipt of dividends etc. and other matters related to shares.

The Share Transfers/ transmissions approved by the committee are placed at the board meetings from time to time. During the year ended 31st March 2013, nine meetings of the Committee were held.

The total number of complaints received and replied to the satisfaction of shareholders during the year ended on 31st March 2013 were nil. There was no outstanding complaints as on 31st March 2013.

Management Discussion And Analysis Report

Management Discussion and Analysis Report forms part of the directors' report.

General Body Meetings

Details of the last three AGMs held are given as under:

Year	Location	Date and time	Special Resolutions passed
2011-12	Registered office, Pollachi Road, Malumachampatti (PO), Coimbatore.	28.09.2012 12.30 AM	Consent for payment of excess remuneration to Managing Director. Appointment of Whole-time Director. Appointment of Sole selling agents.
2010-11	Registered office, Pollachi Road, Malumachampatti (PO), Coimbatore.	29.08.2011 10 AM	Appoinment of Executive Chairman Consent for payment of excess remuneration and special allowance to Managing Director.
2009-10	Registered office, Pollachi Road, Malumachampatti (PO), Coimbatore.	29.09.2010 10 AM	Appoinment of Managing Director Payment of commission to Directors

Whether any Special resolution was passed through postal ballot in FY 2013 : Nil

Procedure for postal ballot

- Postal ballots along with the proposed resolutions are being sent to shareholders of the company for casting their votes.
- Board of directors appoint scrutinizer for proper conduct of the postal ballots voting process in a fair and transparent manner.
- The Scrutinizer shall submit his report as soon as receipt of all postal ballots from the shareholders.
- The Scrutinizer shall maintain requisite registers and records for postal ballots received as per the Companies (Passing of the Resolutions by Postal Ballot) Rules 2001
- The Results of the postal ballot are declared at the Registered Office of the Company.

Disclosures:

(i) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large.

Kindly refer to the notes forming part of accounts for the details of related party transactions. There is no materially significant Related Party Transaction that may have potential conflict with the interest of the Company at large.

(ii) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

The Company has complied with all the requirements of the Listing Agreement of the Stock Exchanges as well as regulations and guidelines of SEBI, no penalties have been levied or strictures have been passed by SEBI, Stock Exchanges or any other statutory authorities on matters relating to capital markets, in the last three years.

(iii) Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee

The Company does not have a Whistle Blower Policy. However any employee, if he/she desires, would have free access to meet Senior level Management and report any matter of concern

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of clause 49

The Company complies with all the requirements of the listing agreement including the mandatory requirements of Clause 49 of the agreement.

The Company has adopted the following non-mandatory requirements on Corporate Governance recommended under clause 49 of the listing agreement:

Company has a Remuneration Committee comprises of three Non-executive independent directors.

Code of Conduct

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company. The same has been posted on the website of the Company. All Board Members and Senior Management personnel have affirmed their compliance with the code of conduct for the year under review.

The Company's Whole-time Director's declaration to this effect forms part of this report.

Code for prevention of Insider Trading

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all directors / officers / designated employees. The Code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

Means of Communication

The quarterly results and annual results are published in newspapers viz. Business Line, Business Standard, Financial Express and Malai Murasu (Vernacular paper). The results are also promptly forwarded to the Stock Exchanges in which the shares are listed. Further the results are uploaded in the web site of SEBI

Official news releases are made whenever it is considered necessary.

General Shareholder Information

35th Annual General Meeting

Date and Time : To be decided later

Venue : To be decided later

Financial Calendar

Financial Year: 2013-14:

Period of reporting	Proposed Board meeting dates
Qtr ending 30th June 2013	Last week of July 2013
Qtr ending 30th September 2013	Third week of October 2013
Qtr ending 31st December 2013	Last week of January 2014
Year ending 31st March 2014	Last week of April 2014

Date of Book closure	To be decided later
Dividend payment date	Not applicable as no dividend has been declared

Listing of shares on Stock Exchanges

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot No. C/1
'G' Block, Bandra-Kurla Complex
Bandra (East), Mumbai – 400 051

Coimbatore Stock Exchange Limited
Stock Exchange Building
Trichy Road
Coimbatore – 641 005

Note:

Annual listing fees for the year 2013-14 were paid to Bombay Stock Exchange Limited & National Stock Exchange of India Limited. Due to non-receipt of necessary intimation letter from Coimbatore Stock Exchange Limited the listing fee has not been paid so far.

Stock Market Data

Stock Code : 505368 – Bombay Stock Exchange Limited
: INE617A01013-National Stock Exchange of India Limited

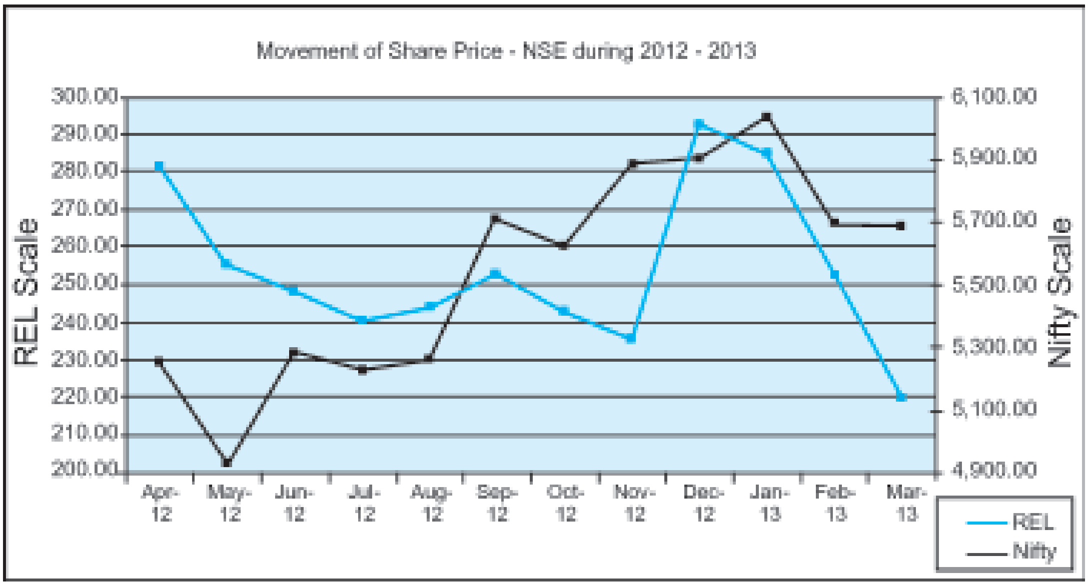
Stock Price Data : (Rs 10/- fully paid up)

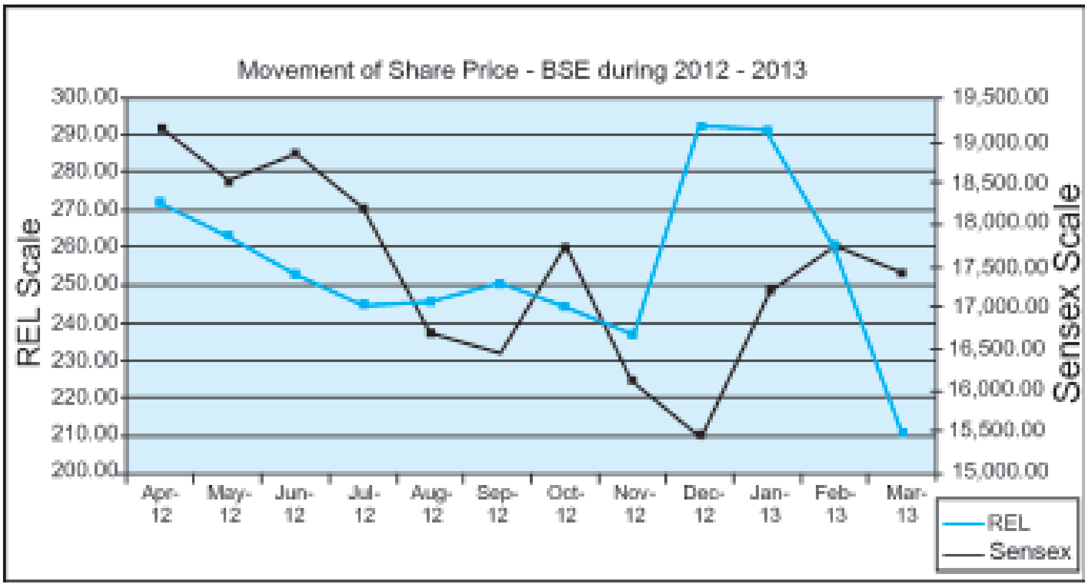
For the Period : April 2012 to March 2013

National Stock Exchange				BSE			
	Highest Rs.	Lowest Rs.	Volume Nos.		Highest Rs.	Lowest Rs.	Volume Nos.
April, 2012	291.00	260.00	8,470	April, 2012	294.00	266.75	6,994
May	310.00	250.00	2,807	May	289.90	245.85	3,786
June	269.90	240.55	5,343	June	269.95	243.80	6,849
July	268.00	232.15	5,860	July	274.80	241.00	7,737
August	278.90	233.05	6,370	August	264.95	232.00	5,559
September	265.00	240.00	5,979	September	266.95	236.25	6,323
October	270.00	243.00	5,505	October	260.00	242.00	6,292
November	257.00	231.00	22,039	November	257.70	231.55	3,542
December	395.10	238.10	293,283	December	395.00	235.05	151,964
January	349.00	272.00	9,722	January	347.25	270.00	8,259
February	295.00	245.50	5,639	February	297.80	253.15	1,840
March, 2013	265.00	199.65	22,432	March, 2013	264.65	199.35	7,421
Total			393,449	Total			216,566

% of volume traded to average number of shares outstanding 12.83

% of volume traded to average number of shares outstanding 7.06





Registrar and Share Transfer Agents
(for both physical and demat segments)

Office Address :

S.K.D.C Consultants Ltd.
Kanapathy Towers
3rd Floor, 1391/A-1, Sathy Road
Ganapathy, Coimbatore 641 006.
Tel : 0422-6549995, 2539836
Fax : 0422-2539837
E-mail : info@skdc-consultants.com

Compliance Officer's Details

M.N. Srinivasan
Company Secretary
Revathi Equipment Ltd
Pollachi Road, Malumachampatti P O,
Coimbatore – 641 050
e-mail : srinivasan@revathi.in
Phone : 0422-6655100, 6655111
Fax : 0422-2610427

Share Transfer System

The company's shares being in compulsory dematerialised (demat) list are transferable through the depository system. Shares in physical form are processed by the Registrar and Share Transfer Agents, S.K.D.C Consultants Limited and approved by the Share Transfer Committee of the Company. The Share transfers are processed within a period of 21 days from the date of receipt of the transfer documents by S.K.D.C Consultants Limited, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Share Transfer and Investor Grievance Committee generally meet as and when required to effect the shares received for transfer in physical form.

The total number of shares transferred (physically) during the year 2012-13 was 3332 (previous year 1340).

Categories of Shareholders as on 31st March 2013

Category	2012-13 No.of Share holders	Voting Strength %	No.of Shares held
Individuals	4,737	24.475	750,626
Bodies Corporate	169	74.376	2,281,058
Insurance Co's	-	-	-
Directors & Relatives	3	0.643	19,732
NRI	66	0.503	15,427
Banks	1	0.003	100
OCB	-	-	-
Mutual Fund	-	-	-
FII	-	-	-
Total	4,976	100.000	3,066,943

Distribution of Shareholding as on 31st March 2013

2012-13				
No.of Equity Shares held	No.of Share holders	% of Share holders	No.of Shares	% of Share holding
01 - 100	3,776	75.89	141,758	4.62
101 - 200	551	11.07	92,289	3.01
201 - 500	426	8.56	143,034	4.66
501 - 1000	128	2.57	94,752	3.09
1001 - 5000	78	1.57	156,331	5.10
5001 - 10000	9	0.18	71,793	2.34
10001 and above	8	0.16	2,366,986	77.18
Total	4,976	100.00	3,066,943	100.00

Dematerialisation of Shares and liquidity

The Company has arrangement with National Securities Depository Ltd. (NSDL) as well as Central Depository Services (India) Limited (CDSL) for demat facility.

During the financial year 2012-13, 7497 (0.24%) shares were dematted. As on 31st March, 2013, total shares in demat form is 2,980,376 shares and 86567 shares in physical form. This represents 97.2% shares of the company are in demat form and 2.80% shares are in physical form. The shares are compulsorily tradable in demat form with effect from 26.6.2000 for all investors.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments and their likely impact on equity.

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

Plant locations :

Drilling Equipment Division
Pollachi Road
Malumachampatti Post
Coimbatore – 641 050.

Construction Equipment Division
D-12, SIPCOT Industrial Complex
Gummidipoondi - 601 201.

Address for Correspondence :

M.N. Srinivasan
Company Secretary
Revathi Equipment Ltd
Pollachi Road, Malumachampatti P O
Coimbatore – 641 050
e-mail : srinivasan@revathi.in
Phone: 0422-6655100, 6655111
Fax: 0422-2610427

CEO declaration for code of conduct pursuant to clause 49(I)(D) of the listing agreement.

I hereby declare that

- the board of directors has laid down a code of conduct for all board and senior management personnel.
- the code of conduct has been posted on the web site of the company namely www.revathi.in.
- all the board of directors of company and senior management personnel have affirmed compliance with the said code of conduct for the year ended March 31, 2013.

Place : Chennai
Date : May 9, 2013

S. HARIHARAN
Whole-time Director

AUTDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT

To the members of
Revathi Equipment Limited:

1. We have examined the compliance of the conditions of Corporate Governance by Revathi Equipment Limited, for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For LODHA & CO
Chartered Accountants
Firm ICAI Registration No.: 301051E

Place : Kolkata
Date : May 9, 2013

H.S. Jha
Partner
Membership No.: 55854

INDEPENDENT AUDITORS' REPORT

To the members of
REVATHI EQUIPMENT LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of Revathi Equipment Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and

e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For LODHA & CO
Chartered Accountants
Firm ICAI Registration No.: 301051E

H.S. Jha
Partner
Membership No.: 55854

Place : Kolkata
Date : May 9, 2013

ANNEXURE (referred to in paragraph 5 of our report of even date).

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;

(b) We are informed that the Company has carried out physical verification of its fixed assets during the year by the Company and no material discrepancies were noted on such verification.

(c) During the year, the Company has not disposed off substantial part of its fixed assets, which could affect the going concern status of the company.

(ii) (a) As explained to us, the stocks of finished goods, spare parts and raw materials (including components) have been physically verified by the management;

(b) In our opinion and according to information and explanation given to us the procedures of physical verification of inventory followed by the management are generally reasonable and adequate considering the items of the inventory, volume thereof, size of the Company and the nature of its business;

(c) In our opinion, the Company has maintained proper records of its inventory and the discrepancies between the physical stock and book records were not material.

(iii) (a) According to information and explanations given to us the company had not granted any loans, secured and unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Para 4(iii) (b), 4(iii) (c) and 4(iii)(d) of the Order are not applicable.

(b) The Company has taken unsecured loans from a company which is now converted into a Limited liability Partnership in which the Company is a partner. Other than this the Company has not borrowed any amount from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

(c) The above loan is interest free and hence is prima facie not prejudicial to the interest of the company.

(d) The above loan has not been recalled.

(iv) Having regard to the explanation given that comparative quotations are not available in respect of items of branded/special nature purchased during the year, in our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods and services. Further during the course of our audit we have neither come across nor have we been informed of any instances of major weaknesses in the aforesaid internal control procedures and continuing failure on the part of the management to take corrective course of action in this regard.

(v) (a) To the best of our knowledge and belief and according to information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act 1956 have been entered in the register required to be maintained under that section; and

(b) Transactions of purchase of services etc. made in pursuance of such contracts or arrangements exceeding value in rupees five lacs, namely consultancy and taking premises on rent are proprietary/technical and of special nature and therefore comparable quotations thereof are not available and as such reasonableness with respect to prevailing market price as such is not ascertainable.

(vi) The Company has not accepted any deposits from the public during the year.

(vii) In our opinion, the internal audit carried out during the year by a firm of Chartered Accountants appointed by the management is adequate in respect of the area covered during the year.

(viii) On the basis of the records produced, we are of the opinion that prima facie the cost records and accounts prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 have been maintained. However, we have not carried out any detailed examination of such records with a view to determine whether they are accurate or complete.

(ix) (a) According to information and explanations given to us and as per the records of the Company examined by us, in our opinion the Company is regular in depositing with the appropriate authorities undisputed material statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess as applicable to it. There is no undisputed amounts payable in respect of these which were in arrears as at 31st March 2013 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us and as per the records of the Company examined by us as at 31st March, 2013, there are no amount outstanding in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.

(x) The Company has no accumulated losses as on 31st March 2013. However it has incurred cash losses in the current but had not incurred cash losses in the immediately preceding financial year.

(xi) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to banks.

(xii) According to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the said order are not applicable to the company.

(xiv) The Company is not dealing / trading in securities.

(xv) According to information and explanations given to us, the Company had given guarantees for loan taken by a subsidiary company from banks. Considering the long term involvement in the said company, such guarantee is not prima facie prejudicial to the interest of the Company

(xvi) According to information and explanations given to us, no fresh term loan has been taken during the year.

(xvii) According to information and explanations given to us and on overall examination of the balance sheet of the Company, we report that the company has not used the funds raised on short-term basis for long-term investments.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year.

(xix) The Company did not have any outstanding debentures during the year. Accordingly, the provision of clause 4(xix) of the order is not applicable to the Company.

(xx) The Company has not raised any money through a public issue during the year. Accordingly, provision of clause 4(xx) of the Order is not applicable to the company.

(xxi) During the course of our examination of the books of accounts carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such case by the management.

For LODHA & CO
Chartered Accountants
Firm ICAI Registration No.: 301051E

H.S. Jha
Partner
Membership No.: 55854

Place : Kolkata
Date : May 9, 2013

REVATHI EQUIPMENT LIMITED

Balance Sheet as at 31st March, 2013

(All amounts in thousands of Indian Rupees)

Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	30,669	30,669
(b) Reserves and surplus	3	1,373,134	1,392,424
Non-current liabilities			
(a) Long-term borrowings	4	1,594	2,365
(b) Deferred tax liabilities (Net)	5	3,933	2,475
(c) Long-term provisions	5A	6,597	6,543
Current liabilities			
(a) Short-term borrowings	6	802,477	848,459
(b) Trade payables	7	235,451	304,285
(c) Other current liabilities	8	54,173	137,532
(d) Short term provisions	9	18,210	17,424
TOTAL		2,526,238	2,742,177
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	210,355	224,021
(ii) Intangible assets	10	1,710	2,574
(b) Non-current investments	11	920,096	920,162
(c) Long-term loans and advances	12	238,667	255,696
Current assets			
(a) Current investments	13	–	5,929
(b) Inventories	14	487,806	547,259
(c) Trade receivables	15	414,921	588,381
(d) Cash and cash equivalents	16	54,608	63,068
(e) Short-term loans and advances	17	198,075	135,087
TOTAL		2,526,238	2,742,177
Significant Accounting Policies	1		

See accompanying notes to the financial statements

This is the Balance Sheet referred to in our Report of even date.

For and on behalf of the Board

For the auditors	Board	Board
For Lodha & Co Chartered Accountants	**Abhishek Dalmia** Executive Chairman	**S. Hariharan** Whole-time Director
H.S. Jha Partner Membership No:055854	**M.N. Srinivasan** Company Secretary	
Place : Kolkata Date : May 9, 2013	Chennai May 9, 2013	

REVATHI EQUIPMENT LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in thousands of Indian Rupees)

Particulars	Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012
Revenue from operations	18	1,090,419	1,262,019
Other Income	19	45,601	20,670
Total Revenue		1,136,020	1,282,689
Expenses			
Cost of Materials Consumed	20	510,406	635,579
Purchases of Stock in Trade	20A	142,760	198,275
Processing charges and purchase of materials through sub-contractors		41,309	51,434
Changes in inventories of finished goods, work in progress and Stock-in- trade	21	25,129	(58,596)
Employee benefits expense	22	109,288	115,323
Finance Costs	23	113,109	96,388
Depreciation and amortization expense	10	19,318	21,104
Other expenses	24	204,463	225,615
Total Expenses		1,165,782	1,285,122
Profit before tax		(29,762)	(2,433)
Tax expense	25	1,457	1,878
Profit/(Loss) for the year		(31,219)	(4,311)
Earnings per equity share:			
(1) Basic		(10.18)	(1.41)
(2) Diluted		(10.18)	(1.41)
Significant Accounting policies	1		

See accompanying notes to the financial statements.
This is the Statement of Profit & Loss Account referred to in our Report of even date.

For and on behalf of the Board

For Lodha & Co Chartered Accountants	**Abhishek Dalmia** Executive Chairman	**S. Hariharan** Whole-time Director
H.S. Jha Partner Membership No:055854	**M.N. Srinivasan** Company Secretary	
Place : Kolkata Date : May 9, 2013	Chennai May 9, 2013	

REVATHI EQUIPMENT LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in thousands of Indian Rupees)

	2012-13	2011-12
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	(29,762)	(2,433)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	19,318	21,104
Bad Debts and advance written - off	4,463	5,274
Share of Profit from RCTIL LLP (Refer Note 30)	(20,674)	–
Interest and dividend income	(12,061)	(8,058)
(Profit)/Loss on sale of investments	(2,885)	–
Provisions/Liabilities no longer required written back	–	(1,433)
Interest on borrowings	113,109	96,388
(Profit) / Loss on sale of fixed assets	(5,945)	(401)
	65,563	110,441
Changes in current assets and liabilities:		
(Increase)/Decrease in inventories	59,453	(31,771)
(Increase)/decrease in trade and other receivables	148,405	(290,214)
(Decrease)/increase in current liabilities and provisions	(80,169)	92,313
Cash generated from Operations	193,252	(119,231)
Direct taxes paid(Net of Refund)	17,777	(20,756)
Net cash provided by/(used in) operating activities	211,029	(139,987)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of fixed assets	7,871	419
Purchase of fixed assets	(6,817)	(38,106)
Purchase of investments	–	(13,230)
Sale of investment	8,880	–
Interest and dividend received	1,624	5,597
Net cash provided by/(used in) investing activities	11,558	(45,320)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from / (repayment) of long term borrowings	(71,956)	(71,930)
Proceeds from / (repayment) of short term borrowings	(45,982)	356,411
Interest paid	(113,109)	(96,388)
Net cash provided by/(used in) financing activities	(231,047)	188,093
NET INCREASE IN CASH AND CASH EQUIVALENTS	(8,460)	2,786
CASH AND CASH EQUIVALENTS		
Beginning of the year	63,068	60,282
End of the year	54,608	63,068

The accompanying notes are an integral part of this statement.

1. The above Cash Flow Statement has been compiled/prepared based on the audited accounts of the Company under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.
2. Cash and Bank balance includes Rs. 32,826 (previous year Rs 33,137) which are under lien or are not freely available.
3. Previous year's figures have been rearranged, where necessary.

As per our report of even date

For and on behalf of the Board

For Lodha & Co
Chartered Accountants

H.S. Jha
Partner
Membership No:055854

Place : Kolkata
Date : May 9, 2013

Abhishek Dalmia
Executive Chairman

M.N. Srinivasan
Company Secretary

Chennai
May 9, 2013

S. Hariharan
Whole-time Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in thousands of Indian Rupees)

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of Financial Statements

The accounts have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act,1956 and Accounting Standards notified vide Companies (Accounting Standards) Rules, 2006. Accounting policies unless specifically stated tobe otherwise, are consistant and in consonance with generally accepted accounting principles.

(b) Use of Estimates

The preparation of financial statements require the management to make estimates and assumption that effect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual results and the estimates are recognised in the year in which the results become known/materialise.

(c) Fixed Assets and Depreciation

Fixed assets, other than freehold land and buildings, are stated at cost less accumulated depreciation. Freehold land and buildings were revalued on June 30, 1985 and are stated at their revalued value. The Company capitalises all costs relating to the acquisition and installation of fixed assets.

Depreciation is provided using the straight line method, pro rata to the the period of use of the assets, at the annual depreciation rates stipulated in Schedule XIV to the Companies Act, 1956, or based on the estimated useful lives of the assets, whichever is high, as follows:

	Percent
Buildings	1.64 - 3.34
Plant and machinery	10
Production tooling	20,33.33,50 - 100
Data processing equipment	25
Furniture and fittings	15
Office equipment	15
Vehicles	20
Intangible assets-computer software	25,33.33
Intangible assets-Technical knowhow	33.33

Leasehold land is amortised on straight line basis over the primary lease period

Depreciation on revalued buildings is charged over their remaining useful life as determined by the valuers. The difference between amount of the depreciation on the revalued building and the depreciation based on the original cost is transferred from the revaluation reserve to the profit and loss account.

Individual plant and machinery items, and other assets with an original cost of Rs 5 thousand or less are fully depreciated in the year of acquisition.

(d) Impairment of Fixed Assets

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of the fixed assets is determined. An impairment loss is recognised, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount.The recoverable amount is greater of assets' net selling price or its value in use. In assessing value in use,the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof, which in case of CGU, are allocated to its assets on a pro-rata basis,is adjusted to carrying value of the respective assets.

(e) Investments

Long term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such current investments are stated at the lower of cost and market value.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Material costs are determined on a first-in, first-out basis and the valuation of manufactured goods represents the cost of material, labour and all manufacturing overheads.

(g) Revenues and Other Income

Sale of Equipments and spares are recognised on despatch of goods / raising of invoices to customers and are net of excise duty, sales-tax, trade discounts and returns. Service income is recognised upon rendering the services. Dividends, interests, incentives etc accounted on accrual basis.

(h) Product warranty costs

Product warranty costs are accrued in the year of sale, based on past experience.

(i) Foreign currency transactions

Transactions in foreign currencies are accounted for, at the exchange rate prevailing on the date of transactions. Foreign currency monetary assets and liabilities at the year end are translated using the closing exchange rates. The loss of gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognised as income or expenses and are adjusted to the respective heads of accounts.

(j) Employee benefits

(i) Short Term employee benefits are recognised as an expenses at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

(ii) Post employment benefits and other long term employee benefits:

Defined contributions plans:

Company's contribution to provident fund, pension fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statue and charged to profit and loss account.

Defined benefits plans:

Company's liability towards gratuity and compensated absences are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognised in profit and loss account.

(k) Income taxes

Provision for income tax is made for current and deferred taxes. Provision for current income tax is made at current tax rates based on assessable income.

Deferred income taxes are recognised for the future tax consequences attributable to timing differences, which are capable of reversal in one or more subsequent periods. The deferred tax assets and liabilities are recognized using the tax rates and tax laws that have been enacted/substantively enacted on the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is sufficient assurance that future taxable income will be available against which such deferred tax assets can be realised.

(l) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are disclosed by way of notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

(m) Borrowing Cost

Borrowing costs, that are attributable to the acquisition or construction of qualifying asset, are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for use. All other borrowing costs are charged to revenue.

		As at 31 March 2013	As at 31 March 2012
2)	**SHARE CAPITAL**		
	AUTHORISED :		
	3,500,000 Equity Shares of Rs. 10/- each (Previous year 3,500,000 Equity Shares of Rs. 10/- each)	35,000	35,000
	ISSUED, SUBSCRIBED AND PAID UP		
	3,066,943 Equity Shares of Rs. 10/- each (Previous year 3,066,943 Equity Shares of Rs. 10/- each)	30,669	30,669
		30,669	30,669

a) In the year 2006-07 and 2007-08, the Company bought back and extinguished 142,857 equity shares.

		No. of Shares	No. of Shares
b)	Shareholders holding more than 5% shares		
	Avalokiteshvar Valinv Ltd (AVL) (Formerly known as Utkal Investments Ltd) (Holding Company)	1,428,860	1,428,860
	Renaissance Stock Ltd (Wholly owned subsidiary of AVL)	457,000	457,000
	Renaissance Asset Management Company P.Ltd (Associate of AVL)	340,093	340,093

3)	**RESERVES AND SURPLUS**		
	Capital reserve	149	149
	Capital redemption reserve	3,111	3,111
	Revaluation reserve		
	Opening Balance	1,640	1,740
	Less: Transfer to Statement of Profit & Loss	(99)	(99)
	Balance at the end of the year	1,541	1,641
	General Reserve from LLP (Refer Note 30)	12,028	–
	General reserve	446,052	446,051
	Surplus		
	Opening Balance	941,472	945,783
	Add: Profit/ (Loss) for the year transferred from Statement of Profit & Loss	(31,219)	(4,311)
	Balance at the end of the year	910,253	941,472
		1,373,134	1,392,424
4)	**LONG TERM BORROWINGS (SECURED)**		
	Term Loan from Bank	–	–
	Vehicle Loan	1,594	2,365
		1,594	2,365

a) Total long term loan of Rs. Nil (2012: Rs 30,263/-) from HDFC Bank has been secured by exclusive charge on land and building and plant and machinery of the company situated at SIPCOT Industrial Estate, Gummidipoondi, Tamilnadu, financed out of term loan.

b) Total long term loan of Rs Nil (2012: Rs 40,000/-) from Axis Bank has been secured by first pari-passu charge on fixed assets of the Company excluding assets specifically charged to other lenders and second pari-passu charge on current assets of the company.

c) Vehicle Loan is secured by hypothecation of vehicles

5)	**DEFERRED TAX LIABILITITES (NET)**		
	Deferred Tax Liabilities :		
	Depreciation Difference	5,765	4,330
	Deferred Tax Assets :		
	Provision for Leave Encashment & Gratuity	(1,832)	(1,855)
		3,933	2,475

5A) LONG TERM PROVISIONS	As at 31 March 2013	As at 31 March 2012
Provision for Employee Benefits		
Provision for Priviledge Leave Encashment	4,277	4,523
Provision for Sick Leave	2,320	2,020
	6,597	6,543

6) SHORT TERM BORROWINGS		
Cash Credit (Secured)	802,477	839,459
Loan from Subsidiary (Unsecured)	–	9,000
	802,477	848,459

a) Cash credit Loan under multiple banking arrangement has been secured by way of pari-passu charge on entire current assets of the company and second charge on fixed assets of the company.

7) TRADE PAYABLES		
-Due to Micro, Small and Medium Enterprises	7,786	7,167
-Others	205,865	279,026
-Acceptances	21,800	18,092
	235,451	304,285

a) Disclosure of sundry creditors under current liabilities is based on the information available with the company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the balance sheet date.

Based on the above the relevant disclosures under section 22 of the Act are as follows:

	2012-13	2011-12
a) Principal amount outstanding at the end of the year	7,786	7,167
b) Interest amount due at the end of the year	Nil	Nil
c) Interest paid to suppliers	Nil	Nil

8) OTHER CURRENT LIABILITIES		
Current maturities of Term Loan from Bank	–	70,263
Current maturities of Vehicle Loan	729	1,651
Unclaimed dividends *	104	119
Advances from customers	6,882	12,746
Emplyee Related Dues	11,858	12,689
Statutory Liabilities	949	10,791
Amount payable to subsidiary	195	224
Accrued Expenses & Other Liabilities	33,456	29,050
	54,173	137,532

*These amounts are not yet due to be credited to "Investors Education & Protection Fund"

9) SHORT TERM PROVISIONS		
Provision for Warranties Claims	16,166	15,707
Provision for Employee Benefits		
Provision for Priviledge Leave Encashment	1,371	1,195
Provision for Sick Leave	673	522
	18,210	17,424

a) Disclosures as required in terms of Accounting Standard 29 " Provisions, Contingent Liabillities and Contingent Assets"

	2012-13	2011-12
Opening Balance	15,707	7,371
Provided during the year (*)	8,677	13,768
Amounts used during the year	(8,218)	(5,432)
Closing Balance	16,166	15,707

(*) remains adjusted with cost of material

10. FIXED ASSETS

	Balance at the beginning of year	Additions / charge	Deletions	Balance at the end of year
Gross Block				
Tangible Assets				
Freehold/Leasehold land	71,453	–	–	71,453
Buildings	121,798	952	–	122,750
Plant and machinery*	83,754	1,297	4,277	80,774
Production tooling	13,557	387	–	13,944
Data processing equipment	17,359	2,678	625	19,412
Furniture and fittings	5,604	227	–	5,831
Office equipment	12,058	196	–	12,254
Vehicles	13,689	312	1,070	12,931
	339,272	6,049	5,972	339,349
Intangible Assets				
Technical knowhow	10,282	–	–	10,282
Computer software	15,804	768	–	16,572
	26,086	768	–	26,854
	365,358	6,817	5,972	366,203
Previous year	354,527	13,116	2,285	365,358
Accumulated depreciation				
Tangible Assets				
Freehold /Leasehold land	3,585	956	–	4,541
Buildings	23,916	4,129**	–	28,045
Plant and machinery	41,885	6,161	2,351	45,695
Production tooling	12,455	775	–	13,230
Data processing equipment	14,316	1,400	625	15,091
Furniture and fittings	3,870	623	–	4,493
Office equipment	6,716	1,617	–	8,333
Vehicles	8,508	2,128	1,070	9,566
	115,251	17,789	4,046	128,994
Intangible Assets				
Technical knowhow	10,281	–	–	10,281
Computer software	13,231	1,632	–	14,863
	23,512	1,632	–	25,144
	138,763	19,421	4,046	154,138
Previous year	119,827	21,203	2,267	138,763
Net Block				
Tangible Assets				
Freehold /Leasehold land	67,868			66,912
Buildings	97,882			94,705
Plant and machinery	41,869			35,079
Production tooling	1,102			714
Data processing equipment	3,043			4,321
Furniture and fittings	1,734			1,338
Office equipment	5,342			3,921
Vehicles	5,181			3,365
	224,021			210,355
Intangible Assets				
Technical knowhow	1			1
Computer software	2,573			1,709
	2,574			1,710
	226,595			212,065
Previous year				226,595

1. *Plant and machinery includes Rs. 141 given on lease
2. ** Includes depreciation of Rs. 99 (2012 - Rs. 99) transferred from revaluation reserve.
3. The Company had revalued its freehold land and buildings on June 30, 1985. The net amount added to the cost of fixed assets on such revaluation was Rs. 4,239, under the following asset heads:

Freehold land	265
Buildings	3,974
	4,239

	As at 31 March 2013	As at 31 March 2012
4. Capital commitments		
On account of Tangible assets	417	1,961
	417	1,961
11) NON CURRENT INVESTMENTS (NON TRADE)		
Investment in Equity Instruments (unquoted)		
(a) Shares in Subsidiary Companies:		
10,00,000 (2012-10,00,000) Equity Shares of Rs.10/-each in Renaissance Construction Technologies India Ltd (Formerly Revathi Drilling & Mining Ltd)	–	10,000
1,291,383.(2012-1,291,483) Equity Shares of Rs.10/-each in Semac Consultants Pvt.Ltd	861,346	861,412
(b) Shares in Associates:		
8,896,797(2012-8,896,797) Preferred Stock in Satellier Holdings Inc.,USA	48,750	48,750
(c) Investments in Capiral A/c of RCTIL LLP (Refer Note 30)	10,000	–
	920,096	920,162
12) LONG TERM LOANS AND ADVANCES		
(Unsecured -considered good unless otherwise stated)		
Capital Advance	201,365	200,605
Loan Given	12,600	45,600
Loan to Employees	694	668
Deposits	11,964	6,046
Other receivables	12,044	2,777
	238,667	255,696

The company has paid advance of Rs.200,000 (Capital Advance) and loan of Rs.120,600 (including Rs.108,000 included under Note 17) towards joint development of property with another corporate entity. Various permissions are being obtained from the appropriate authorities, pending which no construction activities have commenced. Considering the location of the property and projected revenue there against, in view of the management no provision is considered necessary.

	As at 31 March 2013	As at 31 March 2012
13) CURRENT INVESTMENT (NON TRADE)		
Investment in Mutual Funds (Quoted)		
Nil (2012 - 5,40,008) units of Rs 10/- each in Franklin India Smaller Companies Fund	–	5450
Nil (2012-2854) Units of Rs.100/-each in ICICI Prudential Flexible Income Plan Growth	–	479
	–	5929
Aggregate NAV of investments in Mutual Fund	–	7,406
14) INVENTORIES		
(Inventories are stated at the lower of cost and net realisable value)		
Raw Materials (including goods-in-transit)	226,993	261,317
Work in Progress	141,187	169,143
Merchanting goods (including goods-in-transit)	119,626	116,799
	487,806	547,259
15) TRADE RECEIVABLES		
(Unsecured - considered good unless otherwise stated)		
Outstanding for a exceeding six months		
– Considered good	71,943	70,020
Other debts		
– Considered good	342,978	518,361
	414,921	588,381

	As at 31 March 2013	As at 31 March 2012
16) CASH AND CASH EQUIVALENTS		
Cash on hand	652	708
Balances with Banks:		
- Cash Credit	12,300	4,432
- Current Accounts	8,691	18,089
- Dividend Accounts (Restricted)	104	119
- Term Deposit	35	6,583
- Margin Money Deposit (Under Lien)	32,826	33,137
	54,608	63,068
17) SHORT TERM LOANS AND ADVANCES		
(Unsecured -considered good unless otherwise stated)		
Balances with Govenment authorities	11,705	27,444
Loan Given	108,000	21,600
Advance to Suppliers	29,396	23,797
Recoverable from employees	5,290	4,985
Other Loans and advances	6,327	4,253
Deposits	915	182
Current Account with LLP (Refer note 30)	2,065	-
Receivables from subsidiary	–	672
MAT Credit Entitlement	12,476	12,476
Advance Payment of Tax (net of provision)	21,901	39,678
	198,075	135,087

a) Capital Advance includes Rs 200,000 (2012-Rs.200,000) paid towards joint development of property with another Corporate body.

b) Disclosure under clause 32 of the Listing Agreement

Loans and Advances to Employees	Max.Amt.outstanding during 2012-13	Max.Amt.outstanding during 2011-12	Outstanding at the end of the current year	Outstanding at the end of the previous year
Housing Loan to employees (Interest @ 5%)	945	1813	945	1157
Other loans and advances (Interest free)	1805	1400	612	660

	For the year ended 31st March 2013	For the year ended 31st March 2012
18) REVENUE FROM OPERATIONS		
Sale of product	1,016,683	1,234,968
Less : Excise Duty	(80,626)	(91,599)
	936,057	1,143,369
Sale of Services	153,918	115,609
Less: Service tax	(5,486)	(3,927)
	148,432	111,682
Other Operating Revenue	5,930	6,968
Net Sales	1,090,419	1,262,019
a) Earnings in foreign exchange		
FOB value of exports	46,907	60,247

	For the year ended 31st March 2013	For the year ended 31st March 2012
19) OTHER INCOME		
Share of Profit from RCTIL LLP (Refer Note 30)	20,674	–
Profit on sale of current investments	2,885	–
Interest on investments and deposits	12,061	5,001
Provision/Liabilities no longer required written back	–	1,433
Other Interest income	–	3,057
Profit on sale of fixed assets	3,060	401
Lease Rental Income (Net of service tax- Rs. (2012-927))	–	9,000
Non operating Income	6,921	1,778
	45,601	20,670
20) COST OF MATERIAL CONSUMED		
Raw Material and components consumed*		
Opening Stock of Raw Material	261,317	288,142
Add: Purchases	476,082	608,754
Less: Closing Stock	(226,993)	(261,317)
	510,406	635,579

*Net of Rs.9,887 (2012-Rs.50,646) for sales returns and Rs. 19,847 (2012-Rs.18,794) for Warranty supplies

a) RAW MATERIAL CONSUMED		
Items		
Under Carriage assemblies	20,110	30,348
Compressors and accessories	13,655	18,405
Electrical components	66,095	113,752
Hydraulic components	77,778	82,452
Pipes and valves	29,407	37,016
Gear/chain assemblies	27,118	33,499
Others (individually less than 10 per cent of total consumption)	276,243	320,107
	510,406	635,579

The above figures are after adjustment of excesses and shortages ascertained on physical count and write off of obsolete and other items.

b) CONSUMPTION OF RAW MATERIAL, STORES & SPARES AND COMPONENTS

Consumption of raw material and components	For the Year ended 31st March, 2013		For the Year ended 31st March, 2012	
Imported	89,338	17.50%	86,875	13.67%
Indigenous	421,068	82.50%	548,704	86%
	510,406	100%	635,579	100%
Consumption of stores and spares				
Indigenous	7,345	100%	12,385	100%
	7,345	100%	12,385	100%

c) C.I.F. VALUE OF IMPORTS

	2013	2012
Raw Materials, components and traded goods	104,556	111,205
	104,556	111,205

	For the year ended 31st March 2013	For the year ended 31st March 2012
20A PURCHASES OF STOCK IN TRADE		
Purchase of Merchanting Components	142,760	198,275
a) PURCHASE OF MERCHANTING GOODS		
Items		
Compressors	3,463	6,756
Others	139,297	191,519
	142,760	198,275

21) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

Opening Stock		
Work in Progress	169,143	163,635
Finished Goods	–	–
Merchanting Goods	116,799	63,711
Closing Stock		
Work in Progress	141,187	169,143
Finished Goods	–	–
Merchanting Goods	119,626	116,799
	25,129	(58,596)

a) Inventories and sales

	For the Year ended 31st March, 2013			For the Year ended 31st March, 2012		
	Sales	Cl. stock	Op.Stock	Sales	Cl.stock	Op.Stock
Manufactured Goods						
Waterwell rigs,blast hole rigs & Construction equipments	595,992	–	–	802,669	–	–
Traded Goods						
Merchanting goods	340,065	119,626	116,798	340,700	116,799	–
	936,057	119,626	116,798	1,143,369	116,799	–

Net of Rs.12,532 (2012-Rs.56,012) for sales returns

b) WIP - BREAKUP	Closing Stock	Closing Stock
C650D	96,495	42,944
C750E	8,300	91,280
C750E-SECL	–	–
LHTD	11,800	5,500
HHT	–	5,800
C625H	14,657	10,500
SUB ASSY/OTHERS	9,935	13,119
	141,187	169,143

22) EMPLOYEE BENEFIT EXPENSE

Salaries & wages	88,453	92,272
Contribution to Provident and other Funds	9,184	10,034
Staff Welfare expense	11,651	13,017
	109,288	115,323

23) FINANCE COSTS

Interest Expense	113,109	93,752
Other borrowing costs	–	2,636
	113,109	96,388

	For the year ended 31st March 2013	For the year ended 31st March 2012
24) OTHER EXPENSES		
Consumption of stores, spares, small tools, jigs and fixtures	7,345	12,385
Power and fuel	5,972	6,609
Rent	5,487	5,480
Repairs and maintenance		
Buildings	9,273	7,594
Plant and machinery	688	910
Others	4,417	9,308
Insurance	2,532	2,722
Rates and taxes	6,978	3,068
Travelling and conveyance	44,444	48,014
Freight, clearing and packing	14,711	21,092
Legal and professional charges	11,095	14,300
Directors' sitting fees	1,240	880
Selling commission	23,919	26,197
Exchange loss(net)	2,182	1,141
Bad debts and advances written-off (net of recoveries Rs.68 (2012- Rs.Nil)	4,463	5,274
Bank Charges	9,612	8,784
Service Charges	26,886	24,175
Miscellaneous expenses	23,219	27,682
	204,463	225,615
a) Payment to auditors (included in Legal & Professional charges) as:		
Auditor	275	275
For other services	370	370
For reimbursement of expenses	275	339
	920	984
b) Expenditure in foreign currency		
Technical know-how	1,342	66
Selling commission	–	933
Travel	4,918	2,287
	6,260	3,286
25) PROVISION FOR TAXES		
Deferred tax	1,457	1,878
	1,457	1,878
26) CONTINGENT LIABILITIES AND COMMITMENTS		
Customer claims for damages	3,678	3,678
Claim from Income Tax Dept	–	28,754
Corporate guarantee given on behalf of a subsidiary	45,000	45,000
	48,678	77,432

27. Related Party Disclosure :

1. Enterprises where control exists:

   Avalokiteshvar Valinv Ltd (AVL) – Holding Company

   Renaissance Construction Technologies India Ltd (wholly owned subsidiary) which was converted into Renaissance Construction Technologies India LLP w.e.f 27th December, 2012 Semac Consultants Pvt.Ltd (Subsidiary)

2. Other related party with whom the company had transactions, etc.

   (i) Key Management Personnel & their relatives :

   Mr. Abhishek Dalmia — Executive Chairman

   Mr. Chaitanya Dalmia — Director (Brother of Mr. Abhishek Dalmia)

   (ii) Director / Consultant

   Mr.P.M.Rajanarayanan

3. Associate

   Satellier Holdings Inc., USA

4. Disclosure of transactions between the related parties & the status of balances as on 31st March, 2013

(Rs. in 000's)

Particulars	Holdings	Subsidiary/LLP	Associates	Key Management Personnel & their relatives	Director/ Consultant
2012-13					
Income:					
Share of Profit in LLP		20,674			
Expenses:					
Remuneration to Key Management Personnel				9,180	
Expense	960	286			
Loss on sale of Shares	28	28			
Consultancy Fee					1,200
Reimbursement of Expenses		5			
Loan taken		22,600			
Sale of Investments	5	5			
Balances as on 31st March, 2013					
(a) Current Account with LLP		2,065			
(b) Payables		195			
2011-2012					
Expenses:					
Remuneration				10,048	
Rent expense	960	219			
Reimbursement Expenses		5			
Balances as on 31st March, 2012					
(a) Payable-remuneration/Consultancy fee				26	
(b) Loan given					
(c) Loan taken		9,000			
(d) Payable	201	202			
(e) Receivables		672			

28. DISCLOSURE UNDER ACCOUNTING STANDARD -15

Employee Benefits

i) The disclosures required under AS-15 "Employee Benefits"

Defined Contribution Scheme:

Contribution to Defined Contribution Plan recognised for the year are as under
Employer's Contribution to Provident Fund - 5,713 (2012-5,805)
Employer's Contribution to Superannuation Fund - 2,784 (2012 - 3,065)

Defined Benefit Scheme:

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan.The present value of obligation is determined based on acturial valuation using Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to built the obligation.The obligation for Leave encashment is recognised in the same manner as gratuity. (Rs. in '000)

(a) Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuation as on 31 March, 2013				
Expenses recognised during the year ended March 31, 2013, (included in Schedule 18 of Profit and Loss Account)	**Gratuity (Funded)**	**Leave Encashment (Non-Funded)**	**Gratuity (Funded)**	**Leave Encashment (Non-Funded)**
	31.3.2013	**31.3.2013**	**31.3.2012**	**31.3.2012**
1. Current Service Cost	**1,679**	**731**	1,620	603
2. Interest Cost	**1,424**	**424**	1,476	298
3. Expected return on plan assets	**(1,732)**	**–**	(1,447)	–
4. Actuarial Losses / (Gains)	**(2,871)**	**121**	(1,416)	1,518
Total Expenses	**(1,501)**	**1,276**	233	2,419
Change in the obligation during the year ended March 31, 2013				
1. **Present value of Defined Benefit Obligation at the beginning of the year**	**18,643**	**5,718**	18,219	4,159
2. Current Service Cost	**1,679**	**731**	1,620	603
3. Interest Cost	**1,424**	**424**	1,476	298
4. Benefit Paid	**(1,697)**	**(1,345)**	(1,302)	(860)
5. Actuarial (Gains) / Losses	**(729)**	**121**	(1,370)	1,518
Present value of Defined Benefit Obligation at the end of the year	**19,320**	**5,648**	18,643	5,718
Change in Assets during the year ended March 31, 2013				
1. Plan Assets at the beginning of the year	**19,490**	**–**	18,185	–
2. Contribution by Employer	**1,208**	**–**	1,114	860
3. Expected return on plan assets	**1,732**	**–**	1,447	–
4. Benefit Paid	**(1,697)**	**–**	(1,302)	(860)
5. Actuarial Gains / (Losses)	**2,141**	**–**	46	–
Plan Assets at the end of the year	**22,875**	**–**	19,490	–
Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2013				
1. Net Asset / (Liability) at beginning of the year	**847**	**(5,718)**	(34)	(4,159)
2. Employer Expenses	**1,501**	**(1,276)**	(233)	(2,419)
3. Employer Contributions	**1,208**	**1,345**	1,114	860
4. Net Asset / (Liability) at the end of the year	**3,555**	**(5,648)**	847	(5,718)
Actuarial Assumptions				
1.Discount Rate	**8.00%**	**8.00%**	8.40%	8.40%
2.Expected Rate of Return on Plan Assets	**9.00%**	**–**	9.00%	–

Notes: Assumptions relating to future salary increases, attrition, interest rate for discount and overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.

ii) Disclosure in terms of Para 120(n) of AS 15 (revised 2005)

Particulars	Gratuity (Funded)			
	2012-2013	2011-2012	2010-2011	2009-2010
Present Value of Defined Benefit Obligation	19,320	18,644	18,218	22,624
Fair Value of Plan Assets	22,875	19,490	18,185	24,363
Surplus / (Defecit)	3,555	847	(34)	1,739
Experience Adjustments on Plan Liabilities - (Loss) / Gain	992	(616)	(169)	279
Experience Adjustments on Plan Assets - (Loss) / Gain	2,141	46	(1,702)	131

29 SEGMENT REPORTING

The disclosure requirement under "Segment Reporting" as per Accounting Standard 17 taking into account the organisation structure as well as the difference in risk and return, is as given below:

A. PRIMARY SEGMENT

The Company operates mainly in one business segments viz. Construction and Mining being primary segment and all other activities revolve around the main activity. The secondary segment is geographical, information related to which is given under.

B. SECONDARY SEGMENT (Geographical segment)

	2012-13			
	Revenue	Asset	Liabilities	Capital Expenditure
Within India (*)	889,151	2,515,046	1,083,979	6,817
Outside India	46,906	11,192	38,456	–

	2011-12			
	Revenue	Asset	Liabilities	Capital Expenditure
Within India (*)	1,083,122	2,727,134	1,252,812	13,116
Outside India	60,247	15,043	66,272	–

(*) includes investment in a company situated in USA.

30 The wholly owned subsidiary, Renaissance Construction Technologies India Ltd (RCTIL) was converted into a limited liability partnership on close of business as at 26th December, 2012 as Renaissance Construction Technologies India LLP (the LLP) Accordingly, the company's investment into RCTIL has been converted into "Partner's Capital in the LLP". The opening general reserve in the RCTIL has been taken to the "General Reserve from LLP". The profit of the LLP for the period 27th December, 2012 to 31st March, 2013 has been appropriated and is included in Note 19 "Other Income". Further, the consequential adjustments have been taken to "Current Account with LLP".

The Constitution of partnership as at 31st March, 2013 is as follows :

Partner	Capital Contribution (Amount in Rs.)
Revathi Equipments Limited	9,999,990
Mr. Chaitanya Dalmia	10
	10,000,000

31. EARNINGS PER SHARE

	Year ended 31.3.2013	Year ended 31.3.2012
Net Profit/(Loss) attributable to equity shareholders (Rs.)	(31,219)	(4,311)
Weighted average number of equity shares issued	3,066,943	3,066,943
Basic and diluted earnings per share (Rs.) (Face value Rs 10 per share)	(10.18)	(1.41)

32. Previous year figures have been regrouped / reclassified to conform with current year presentation, wherever considered necessary.

Disclosure of information relating to subsidiary company

The Company has two subsidiaries namely Semac Consultants P. Ltd.

There has been no material change in the nature of the business of the subsidiary. A statement containing brief financial details of the subsidiary as also the statement under Section 212 of the Companies Act,1956 are included in the Annual Report.

As required under the Listing Agreement with the Stock Exchanges, a Consolidated Financial Statement of the company and all its subsidiaries is attached. The Consolidated Financial Statements have been prepared in accordance with the relevant Accounting Standards as prescribed under Section 211(3C) of the Companies Act, 1956 ("Act").

Pursuant to the provision of Section 212(B) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. A statement containing brief financial details of the Company's subsidiary for the financial year ended March 31, 2013 are given below. The annual accounts of this subsidiary and the related detailed information will be made available to any member of the Company / its subsidiary seeking such information at any point of time and are also available for inspection by any member of the Company / its subsidiary at the registered office of the Company. The Company shall furnish a copy of details of annual accounts of subsidiary to any member on demand.

Indian Ruppes 000s

Sl No.	Particulars	Semac Consultants P Ltd
1	Share Capital	18,208
2	Reserves & Surplus	362,171
3	Total Assets	604,003
4	Total Liabilities	604,003
5	Details of Investments	705*
7	Turnover	580,753
8	Profit	78,796
9	Provision for taxation	33,519
10	Proposed dividend	45,277

*Excluding investment in subsidiary

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company

Name of the Subsidiary Company		**Semac Consultants Private Ltd.**
Financial year ending of the subsidiary		**March 31, 2013**
Extent of holding company's interest in the subsidiary at the end of the financial year (Number of shares held and percentage)		**Holding 1,291,383 equity shares of Rs 10 each. Percentage of holdings – 70.9%**
Net aggregate amount of Profit/ (Loss) of the Subsidiary not dealt within the Holding Company's accounts	For the current financial year of the Subsidiary	**Rs.78,796,437**
	For the previous financial year of the Subsidiary	**Rs.(16,797,633)**
Net aggregate amount of Subsidiary's Profit/ (Loss) dealt within the holding Company's accounts	For the current financial year of the Subsidiary	**NIL**
	For the previous financial year of the Subsidiary	**NIL**

Abhishek Dalmia
Executive Chairman

S. Hariharan
Whole-time Director

M.N. Srinivasan
Company Secretary

Place : Chennai
Date : May 9, 2013

Auditors' Report on Consolidated Financial Statements
To The Board of Directors
Revathi Equipment Limited

1. We have examined the attached Consolidated Balance Sheet of Revathi Equipment Limited ("the Company") and its subsidiaries, jointly controlled entities and joint ventures ("the Group") as at 31st March 2013 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in material respect, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit and report of other auditors provide a reasonable basis for our opinion.

3. (a) We did not audit the financial statements of overseas subsidiary, joint venture and branch of a subsidiary, whose financial statements reflect the Group's total assets of Rs.130,069 thousand and total revenues of Rs. 209,355 thousand in the Consolidated Financial Statements. These financial statements have been audited by other auditors duly qualified to act as auditor in the country of incorporation of the said subsidiary, joint venture and branch. However the reports in respect of these were not furnished to us and impact of any variations with respect to audited accounts will be accounted for, in the year of ascertainment and therefore, the same cannot be commented upon by us.

   (b) We also did not audit the financial statements of Satellier an associate Company, which reflect the Group's share of net loss of Rs.3489 thousand in the Consolidated Statement of Profit and Loss for the year. The financial results of the said associate in absence of audited financial statements as given in Note 1(A)IV) have been considered based on unaudited financial results as prepared and submitted to us by the management. Impact of any variations with respect to audited accounts is accounted for, in the year of ascertainment and therefore, the same cannot be commented upon by us.

4. As given in Note 1(B) and G (1.3) material impact, if any, of the varying accounting policies with respect to employee benefits, and depreciation followed by the foreign branch, subsidiary companies and joint venture on the consolidated financial statements have not been ascertained and given effect to for the purpose of consolidation.

5. Attention is invited to Note 23 (a) regarding payment of managerial remuneration amounting to Rs. 51,60 ('000) which is subject to approval of the shareholder and the Central Government.

6. Subject to our comments in Para 4 and 5 above, we report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements", Accounting Standard 23 "Accounting for Investments in Associates in the Consolidated Financial Statements", and Accounting Standard 27 " Financial Reporting of Interests in Joint Ventures", on the basis of separate audited financial statements of the Company and its subsidiary included in Consolidated Financial Statements.

7. We further report that, overall impact with respect to Notes given in Para 4 and 5 above cannot be ascertained and commented upon by us and consequential effect on consolidated profit for the year and respective balances of assets/ liabilities cannot be determined.

8. Based on our audit and on the consideration of report of other auditors' and on the other financial information of the components and on the basis of the information and explanations given to us, we are of the opinion that the said consolidated financial statements, subject to our comments in Para 4 and 5 above, whereby as given in Para 7 above, we are unable to ascertain and indicate the impact thereof on these consolidated financial statements and read together with the other notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

   a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2013;

   b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Group for the year ended on that date; and

   c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Lodha & Co.
Chartered Accountants
Firm ICAI Registration No.301051E
H S Jha
Partner
Membership No: 55854

Place: Kolkata
Dated: May 9, 2013

REVATHI EQUIPMENT LIMITED

CONSOLIDATED BALANCE SHEET — MARCH 31, 2013

(All amounts in thousands of Indian Rupees)

Particulars	Note No.	As at 31 March 2013	As at 31 March 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	30,669	30,669
(b) Reserves and surplus	3	1,276,723	1,241,059
Minority Interest		154,292	129,386
Non-current liabilities			
(a) Long-term borrowings	4	3,826	5,308
(b) Long-term provisions	5	39,538	48,624
Current liabilities			
(a) Short-term borrowings	6	806,251	865,362
(b) Trade payables	7	263,728	320,068
(c) Other current liabilities	8	182,328	240,704
(d) Short term provisions	9	24,155	24,459
TOTAL		2,781,510	2,905,639
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	262,730	271,183
(ii) Intangible assets	10	476,270	480,862
(iii) Capital work in progress		–	3,480
(b) Non-current investments	11	43,192	46,682
(c) Deferred tax assets (net)	12	6,729	14,470
(d) Long-term loans and advances	13	245,191	268,805
Current assets			
(a) Current investments	14	–	5,929
(b) Inventories	15	487,806	547,259
(c) Trade receivables	16	738,029	837,284
(d) Cash and cash equivalents	17	120,410	115,550
(e) Short-term loans and advances	18	400,113	314,136
(f) Other current assets	18A	1,042	-
TOTAL		2,781,510	2,905,639
Significant Accounting Policies	1		

See accompanying notes to the financial statements.

This is the Balance Sheet referred to in our Report of even date.

For Lodha & Co	**Abhishek Dalmia**	**S. Hariharan**
Chartered Accountants	Executive Chairman	Whole-time Director
H.S. Jha	**M.N. Srinivasan**	
Partner	Company Secretary	
Place : Kolkata	Chennai	
Date : May 9, 2013	May 9, 2013	

REVATHI EQUIPMENT LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in thousands of Indian Rupees)

Particulars	Note No.	2012-13	2011-12
Revenue from operations	19	2,199,162	1,988,790
Other Income	20	46,592	35,133
Total Revenue		2,245,754	2,023,923
Expenses			
Cost of Materials Consumed	21	510,406	635,579
Purchases of Stock in Trade		142,760	198,275
Processing charges and purchase of materials through sub-contractors		41,309	51,434
Changes in inventories of finished goods, work in progress and Stock-in- trade	22	25,129	(58,596)
Employee benefits expense	23	590,807	558,494
Finance Costs	24	118,300	101,520
Depreciation and amortization expense	10	38,361	58,674
Less: Transferred from Revaluation Reserve		(99)	(99)
Other expenses	25	643,431	505,620
Total Expenses		2,110,405	2,050,902
Profit/loss before exceptional items		135,349	(26,979)
Exceptional Items	26	12,400	–
Profit before tax		122,949	(26,979)
Tax expense:	27	53,836	3,202
Profit/(Loss) for the year before Share of Profit / (Loss) of associates and Minority Interest		69,113	(30,180)
Share of Profit / (Loss) of associates		(3,489)	(2,799)
Minority Interest		(30,611)	(5,386)
Profit on Sale of Joint Venture		–	–
Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates		35,013	(38,365)
Earnings per equity share:	29		
- Basic and Diluted		11.42	(12.51)
Significant Accounting Policies	1		

See accompanying notes to the financial statements.

This is the statement of profit and loss referred to in our Report of even date.

For Lodha & Co Chartered Accountants	**Abhishek Dalmia** Executive Chairman	**S. Hariharan** Whole-time Director
H.S. Jha Partner	**M.N. Srinivasan** Company Secretary	
Place : Kolkata Date : May 9, 2013	Chennai May 9, 2013	

REVATHI EQUIPMENT LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013
(All amounts in thousands of Indian Rupees)

	2012-13	2011-12
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax after exceptional items	122,949	(26,979)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	38,262	58,575
Bad debt and advances written off	11,885	36,884
Provision for doubtful debts	12,181	7,250
Sundry Balance written off	–	525
Provision no longer required written back	(14,089)	(5,348)
Interest income	(14,013)	(6,149)
Dividend income	–	(1,730)
(Profit)/Loss on sale of investments	(2,885)	6
(Profit)/Loss on sale of fixed assets	(3,041)	(643)
Unrealised foreign exchange (gain) loss, net	1,862	974
Interest on borrowings	118,300	101,520
Operating cash flow before working capital changes	271,412	164,885
Changes in working Capital:		
(Increase)/Decrease in inventories	59,453	(31,771)
(Increase)/decrease in trade and other receivables	29,876	(363,445)
(Decrease)/increase in current liabilities and provisions	(51,619)	148,099
Cash generated from Operations	309,122	(82,231)
Direct taxes paid (Net of Refund)	(48,645)	(58,611)
Net cash provided by/(used in) operating activities (A)	260,477	(140,843)
(B) CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of fixed assets	6,203	1,849
Purchase of fixed assets	(23,749)	(39,545)
Sale / (Purchase) of investments	8,814	6,964
Interest and dividend received	3,187	7,306
Net cash provided by/(used in) investing activities (B)	(5,545)	(23,426)
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from / (repayment) of borrowings	(131,772)	280,665
Interest paid	(118,300)	(101,520)
Net cash provided by/(used in) financing activities (C)	(250,072)	179,145
(D) NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	4,860	14,876
(E) CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	115,550	100,674
(G) CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	120,410	115,550

1) The above Cash Flow Statement has been compiled/prepared based on the audited accounts of the Company under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.
2) Cash and Bank balance includes Rs 32,826 (previous year Rs 33,137) which are under lien or are not freely available.
3) Previous year's figures have been rearranged, where necessary.

For Lodha & Co Chartered Accountants	**Abhishek Dalmia** Executive Chairman	**S. Hariharan** Whole-time Director
H.S. Jha Partner	**M.N. Srinivasan** Company Secretary	
Place : Kolkata Date : May 9, 2013	Chennai May 9, 2013	

1) SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

A. Principles of Consolidation

I. The Consolidated Financial Statements of Revathi Equipment Limited ("the Company") and its Subsidiary Company and its Joint Venture have been prepared in accordance with Accounting Standard (AS 21) on "Consolidated Financial Statements" and Accounting Standard (AS 27) on "Financial Reporting of Interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006. The basis of preparation of the Consolidated Financial Statements is as follows:

i) The financial statements of the Company and its subsidiary and limited liability partnership are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with the Accounting Standard (AS-21) – "Consolidated Financial Statements".

ii) Investments in joint venture have been accounted for by using the "proportionate consolidation method" in accordance with the Accounting Standard (AS-27) - "Financial Reporting of Interests in Joint Ventures".

iii) The difference between the cost of investment in the subsidiary and joint venture over the net assets at the time of acquisition of shares in the subsidiary and the joint venture is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. Such goodwill/capital reserve has been consolidated based on the audited financial statement of the subsidiary and joint venture as on the reporting date immediately preceding the date on which the holding-subsidiary and joint venture relationship came into existence.

iv) Minority Interest in the net assets of the consolidated subsidiary consists of (a) the amount of equity attributable to the minority share at the date on which investment in a subsidiary is made and (b) the minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

II. The Subsidiary which has been included in this Consolidated Financial Statements along with the Company's holdings therein are given below:

Name of Company	Country of Incorporation	% Voting Power	
		2012-13	2011-12
Renaissance Construction Technologies India Ltd (RCTIL) (Refer Note 1 (F))	India		100%
Semac Consultants Pvt Ltd	India	70.92%	69.80%
Semac & Partners LLC	Sultanate of Oman	65%	65%

III. The interest in joint venture is given below:

Name of Company	Country of Incorporation	% Voting Power	
		2012-13	2011-12
Semac Qatar W.L.L.	Qatar	49%	49%

i) There are no contingent liabilities that the company has incurred in relation to its interest in joint venture and there are no contingent liabilities which have been incurred jointly with other venturers.

ii) There are no contingent liabilities of the joint venture itself.

iii) There are no capital commitments of Potential Semac Consultants Private Limited in relation to its interest in joint venture and there are no capital commitments that have been incurred jointly with other venturers.

iv) There are no capital commitments of the joint venture itself.

IV. In the absence of audited financial statements of Semac & Partner LLC (Muscat) and Seamc Qatar WLL (Qatar), financial statements has been consolidated based on unaudited financial results for the period from 1st April, 2012 to 31st March, 2013 as submitted by the management.

V. Investments in Satellier Holding Inc, (Satellier) an associate have been accounted for under equity method of accounting as per AS 23 on "Accounting for Investments in Associates in Consolidated Financial Statement"(AS 23) for the purpose of these consolidated financial statements. In the absence of audited financial statements of Satellier, share of profit of the associate as disclosed in the consolidated financial statements, has been considered based on unaudited financial results for the period from 1st April, 2012 to 31st March, 2013 as submitted by the management.

VI. The particulars of investments as required in terms of AS-23 are as follows:

Name of the Associate	Voting Power	Original Cost	Group Profit / Loss Up to 31st March 2012	Carrying Cost	Goodwill included in original cost
Statellier Holdings Inc., USA	20%	48,750	(6,263)	42,487	25,298

VII. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements, otherwise as stated elsewhere.

VIII. In absence of audited accounts on the date of acquisition of shares, goodwill has been computed based on the latest audited accounts after adjusting profit for the period till the date of acquisition on proportionate basis.

B. The Group has adopted Accounting Standard 15 (AS 15) (revised 2005) on 'Employee Benefits'. These consolidated financial statements include the obligations as per requirement of this standard except for the overseas branch, subsidiary and joint venture incorporated outside India who have determined the valuation / provision for employee benefits as per requirements of their respective countries. In the opinion of the management, the impact of this deviation is not considered material.

C. Semac Muscat has transferred retained earnings to the Share Capital as per the local laws applicable to it in the previous years. The shareholding agreement was updated to ensure the percentage holding of the holding company. Pending issuance of the share scrips in this respect, the same has not been recorded as investment and the difference has been taken to "Consolidation Adjustment Reserve".

D. The Subsidiary at Muscat has transferred certain portion of its' net income to Legal Reserve. The reserve is not available for distribution except in the circumstances stipulated and the same has been disclosed as Legal Reserve.

E. In respect of Semac Qatar, the financial statements have been prepared on a going concern basis. However, the JV's accumulated losses as at 31st March, 2012 exceeds 50% of its capital. The validity of going concern assumption depends upon achieving profitable operations in the future and the continued financial support of all the JV partners. The Company along with other JV partners provided an undertaking that they will continue to provide or arrange such financial support as would be necessary for the said JV to meet its obligations as they fall due in the foreseeable future.

F a) Renaissance Construction Technologies India LLP (the LLP) was formed on 27th December, 2012 on conversion of Renaissance Construction Technologies India Ltd ((RCTIL) into a limited liability partnership.

b) Revathi Equipment Limited, one of the partners acquired the capital contribution of others partners and the revised constitution of partnership as at 31st March, 2013 is as follows:

Partner	"Capital Contribution"(Amoun in Rs.)"
Revathi Equipment Limited	9,999,990
Mr. Chaitanya Dalmia	10
	10,000,000

G. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The accounts have been prepared under the historical cost convention except for certain fixed assets which are revalued, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and accounting standards notified vide Companies (Accounting Standards) Rules, 2006. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

1.2 Use of Estimates

The preparation of financial statements require the management to make estimates and assumptions that effect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual results and the estimates are recognized in the year in which the results become known / materialize.

1.3 Fixed Assets and Depreciation

Fixed assets, other than freehold land and buildings, are stated at cost less accumulated depreciation. Freehold land and buildings of the Company were revalued on June 30, 1985 and are stated at their revalued value. The Company capitalizes all costs relating to the acquisition and installation of fixed assets.

Depreciation is provided using the straight line method except at Potential, where depreciation is provided on written down value method and at overseas branch, foreign subsidiaries and joint ventures where depreciation has been provided on straight line method based on management's estimate of useful life, pro rata to the period of use of the assets, at the annual depreciation rates stipulated in Schedule XIV to the Companies Act, 1956, or based on the estimated useful lives of the assets, whichever is higher, as follows:

	Percent
Buildings	1.64-3.34
Plant and machinery	10
Production tooling	20,33.33,50-100
Data processing equipment	25
Furniture and fittings	15
Office equipment	15

Vehicles	20
Intangible assets-computer software	25,33.33
Intangible assets-Technical know-how	33.33

Office renovation at Semac Qatar is capitalised and charged off over a period of 6-7 years.

Leasehold land and leasehold improvement are amortised on straight line basis over the primary lease period.

Depreciation on revalued buildings is charged over their remaining useful life as determined by the valuers. The difference between amount of the depreciation on the revalued building and the depreciation based on the original cost is transferred from the revaluation reserve to the profit and loss account.

Individual plant and machinery items and other assets with an original cost of Rs 5 thousand or less are fully depreciated in the year of acquisition.

1.4 Impairment

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of the fixed assets is determined. An impairment loss is recognised, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount.The recoverable amount is greater of assets' net selling price or its value in use. In assessing value in use,the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof, which in case of CGU, are allocated to its assets on a pro-rata basis,is adjusted to carrying value of the respective assets.

1.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Material costs are determined on a first-in, first-out basis and the valuation of manufactured goods represents the cost of material, labour and all manufacturing overheads.

1.6 Investments

Long term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments.

Current investments are stated at the lower of cost and market value.

1.7 Employee Benefits

(i) Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

(ii) Post employment benefits and other long term employee benefits:

Defined contributions plan:

Company's contribution to provident fund, pension fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/or statute and charged to profit and loss account

Defined benefits plan:

Company's liability towards gratuity and compensated absences are actuarially determined at each balance sheet date using the projected unit credit method. Acturial gains and losses are recognised in profit and loss account.

In respect of short term and long term benefits payable to the employees in RCTL, no expenses have been recognized except in respect of salaries.

In respect of overseas branch, subsidiary and joint venture, provision is made for end of service gratuity payable to the staff at the balance sheet date in accordance with local labour laws.

1.8 Revenue recognition

Sale of Equipments and spares are recognised on despatch of goods / raising of invoices to customers and are net of excise duty, sales-tax, trade discounts and returns. Service income is recognised upon rendering the services. Dividends, interests, incentives etc accounted on accrual basis.

Services income is recognised upon rendering of the services.

Dividends, interests, incentives etc are accounted on accrual basis.

Income [Professional fee receipts] is recorded in the books on the basis of issuance of invoices as per agreed terms with the customer and generally on the basis of confirmation of the work done by the customer. When there is uncertainty as to measurement or ultimate collectibility, revenue recognition is postponed until uncertainty is resolved.

1.9 Product warranty costs

Product warranty costs are accrued in the year of sale, based on past experience.

1.10 Income Tax

Provision for tax is made for both current and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods, are recognised using tax rates and tax laws which have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is sufficient assurance for reversal of the same in future years.

1.11 Foreign currency transactions

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of transaction. Foreign currency monetary assets and liabilities at the year end are transacted at the year end exchange rates. Non- monetary items other than fixed assets, which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expenses and are adjusted to the profit and loss account under the respective heads of account.

In respect of the overseas branch, which is considered to be integral foreign operation, all transactions are translated at the rates prevailing on the date of transaction or that approximates the actual rate on the date of transactions. Branch monetary assets and liabilities are restated at the year end rates. Differences arising therefrom are considered as expenses or income as the case may be.

In case of foreign subsidiary and joint venture, being non-integral foreign operations, revenue items are consolidated at the appropriate average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.

1.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not provided for but disclosed by way of Notes to the Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

1.13 Borrowing Cost

Borrowing costs, that are attributable to the acquisition or construction of qualifying asset, are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for use. All other borrowing costs are charged to revenue.

		As at 31st March, 2013	As at 31st March, 2012
2)	**SHARE CAPITAL**		
	AUTHORISED :		
	3,500,000 Equity Shares of Rs. 10/- each (Previous year 3,500,000 Equity Shares of Rs. 10/- each)	35,000	35,000
	ISSUED, SUBSCRIBED AND PAID UP		
	3,066,943 Equity Shares of Rs. 10/- each (Previous year 3,066,943 Equity Shares of Rs. 10/- each)	30,669	30,669
		30,669	30,669
a)	In the year 2006-07 and 2007-08,the Company bought back and extinguished 142,857 equity shares.		
b)	Shareholders holding more than 5% shares	No. of Shares	
	Avalokiteshvar Valinv Ltd (AVL) (Formerly known as Utkal Investments Ltd) (Holding Company)	1,428,860	1,428,860
	Renaissance Stock Ltd (Wholly owned subsidiary of AVL)	457,000	457,000
	Renaissance Asset Management Company P.Ltd (Associate of AVL)	340,093	340,093
3)	**RESERVES AND SURPLUS**		
	Capital reserve	149	149
	Capital redemption reserve	3,111	3,111
	Revaluation reserve		
	Opening Balance	1,640	1,739
	Less: Transfer to Statement of Profit & Loss	(99)	(99)
	Balance at the end of the year	1,541	1,640

	As at 31st March, 2013	As at 31st March, 2012
Consolidation Adjustment Reserve	5,828	5,828
General reserve	540,477	540,477
Foreign Currency Translation Reserve	694	(56)
Legal Reserve		
Opening Balance	6,516	5,236
Add: Profit/ (Loss) for the year transferred from Statement of Profit & Loss	–	1,280
Balance at the end of the year	6,516	6,516
Surplus		
Opening Balance	683,394	727,268
Add: Profit/ (Loss) for the year transferred from Consolidated Statement of Profit & Loss (including share of Profit in Joint Venture- Rs. 5,982 (Previous Year Loss Rs. 3,846)	35,013	(38,365)
Less: Transfer to Legal Reserve	–	1,280
Less: Dividend Paid	–	4,228
Balance at the end of the year (including share of Joint Venture- Rs.18,865,573 (Previous Year Rs. 15,019,387))	718,407	683,394
	1,276,723	1,241,059

4) LONG TERM BORROWINGS (SECURED)

Term Loan from Bank	1,476	2,091
Vehicle Loan	2,350	3,216
	3,826	5,308

a) Loan taken from ICICI Bank is secured by Mortgage of Building and is repayable in equated monthly instalments (EMI) of Rs. 38,569 each (starting from August 2005 for a period of 10 years) and Rs. 29,676 each (starting from November, 2005 for a period of 10 years).

b) Vehicle Loan is secured by hypothecation of vehicles.

5) LONG TERM PROVISIONS

Provision for Employee Benefits		
Provision for Priviledge Leave Encashment	4,277	4,523
Provision for Gratuity	31,281	41,110
Provision for Sick Leave	2,320	2,020
	37,878	47,653
Share of Joint Venture	1,660	971
	39,538	48,624

6) SHORT TERM BORROWINGS

Cash Credit (Secured)	806,251	865,362
	806,251	865,362

a) Cash credit Loan under multiple banking arrangement has been secured by way of pari-passu charge on entire current assets of the company and second charge on fixed assets of the company.

7) TRADE PAYABLES

-Due to Micro, Small and Medium Enterprises	7,786	7,167
-Others	233,904	294,809
-Acceptances	21,800	18,092
	263,490	320,068
Share of Joint Venture	238	-
	263,728	320,068

Except the company, its' subsidiaries and limited liability partnership are in the process of compiling information with regard to suppliers covered under Micro, Small and Medium Enterprise Development Act, 2006. In respect of the information available with the company there are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the balance sheet date.

		As at 31st March, 2013	As at 31st March, 2012
8)	**OTHER CURRENT LIABILITIES**		
	Current maturities of Term Loan from Bank	616	70,879
	Current maturities of Vehicle Loan	1,168	2,083
	Unclaimed dividends	104	119
	Advances from customers	6,882	24,941
	Amount due to related parties	8,179	6,256
	Emplyee Related Dues	37,264	37,665
	Statutory Liabilities	30,309	32,237
	Accrued Expenses & Other Liabilities	86,928	54,137
		171,450	228,318
	Share of Joint Venture	10,878	12,386
		182,328	240,704
	*These amounts are not yet due to be credited to "Investors Education & Protection Fund"		
9)	**SHORT TERM PROVISIONS**		
	Provision for Warranties Claims	16,166	15,707
	Provision for Contingencies	–	2,611
	Provision for Employee Benefits		
	Provision for Priviledge Leave Encashment	1,983	1,872
	Provision for Sick Leave	673	522
	Provision for Gratuity	3,769	2,837
		22,591	23,549
	Share of Joint Venture	1,564	910
		24,155	24,459
a)	Disclosures as required in terms of Accounting Standard 29 " Provisions, Contingent Liabillities and Contingent Assets".		
	Opening Balance	15,707	7,371
	Provided during the year (*)	8,677	13,768
	Amounts used during the year	(8,218)	(5,432)
	Closing Balance	16,166	15,707
	(*) remains adjusted with cost of material		

10. FIXED ASSETS

Gross Block	Balance at the beginning of year	Additions/ Charge	Deletions	FCTR	Balance at the End of year
Gross Block					
Tangible Assets					
Freehold/Leasehold land	71,452	-	-	-	71,452
Buildings	139,389	952	-	-	140,341
Plant and machinery (*)	86,924	1,297	4,277	-	83,944
Production tooling	13,557	387	-	-	13,944
Data processing equipment	68,032	5,096	847	16	72,297
Furniture and fittings	23,567	5,681	376	(4,161)	24,711
Leasehold Improvements	4,580	2,352	-	-	6,932
Office equipment	42,377	3,198	1,974	(4,945)	38,657
Vehicles	47,333	4,660	3,066	(8,465)	40,462
Share in joint venture	1,884	303	16	(54)	2,116
	499,094	23,926	10,556	(17,609)	494,855
Intangible Assets					
Technical knowhow	10,282	-	-	-	10,282
Computer software	49,514	3,304	-	93	52,912
Goodwill	722,108	-	-	-	722,108
	781,905	3,304	-	93	785,302
Total	**1,280,999**	**27,230**	**10,556**	**(17,516)**	**1,280,157**
Previous year	**1,237,542**	**45,162**	**5,773**	**4,068**	**1,280,999**

Accumulated depreciation	Balance at the beginning of year	Additions/ Charge	Deletions	FCTR	Balance at the End of year
Tangible Assets					
Freehold/Leasehold land	3,585	956	-	-	4,541
Buildings	28,100	4,799	-	-	32,899
Plant and machinery (*)	44,341	6,251	2,351	1	48,243
Production tooling	12,455	775	-	-	13,230
Data processing equipment	59,252	3,659	834	16	62,093
Furniture and fittings	16,849	2,142	212	(3,993)	14,785
Leasehold Improvements	4,579	206	-	-	4,785
Office equipment	25,818	3,684	993	(5,298)	23,211
Vehicles	32,269	7,823	3,004	(9,799)	27,290
Share in joint venture	663	353	-	33	1,050
	227,911	30,649	7,394	(19,040)	232,126
Intangible Assets					
Technical knowhow	10,281	-	-		10,281
Computer software	33,974	7,712		277	41,963
Goodwill	256,788	-	-		256,788
	301,043	7,712	-	277	309,032
Total	**528,954**	**38,361**	**7,394**	**(18,763)**	**541,158**
Previous year	**471,134**	**58,674**	**4,567**	**3,713**	**528,954**

Net Block	Balance at the beginning of year	Balance at the End of year
Tangible Assets		
Freehold/Leasehold land	67,867	66,911
Buildings	111,289	107,442
Plant and machinery (*)	42,583	35,701
Production tooling	1,102	714
Data processing equipment	8,780	10,204
Furniture and fittings	6,718	9,926
Leasehold Improvements	1	2,147
Office equipment	16,559	15,446
Vehicles	15,064	13,172
Share in joint venture	1,221	1,066
	271,183	262,730
Intangible Assets		
Technical knowhow	1	1
Computer software	15,541	10,949
Goodwill	465,320	465,320
	480,862	476,270
Total	752,045	738,999
Previous year	766,408	752,045

a. *Plant and machinery includes Rs. 141 given on lease

b. ** Includes depreciation of Rs. 99 (2012 - Rs. 99) transferred from revaluation reserve.

c. The Company had revalued its freehold land and buildings on June 30, 1985. The net amount added to the cost of fixed assets on such revaluation was Rs. 4,239, under the following asset heads:

Freehold land	265
Buildings	3,974
	4,239

d. Capital Commitments

	As at 31.3.2013	As at 31.3.2012
On account of Tangible assets	417	1,961
	417	1,961

	As at 31st March, 2013	As at 31st March, 2012
11) NON CURRENT INVESTMENTS (NON TRADE)		
Investment in Equity Instruments (unquoted)		
(a) Shares in Associates:		
8,896,797(2011-8,896,797) Preferred Stock in Satellier Holdings Inc.,USA	42,487	45,976
(b) Share in Other Bodies Corporate		
128 Fully Paid-Up Equity Shares of Rs. 25/- each in Shamrao Vittal Co-op. Bank Ltd.	3	3
3,600 Fully Paid up Equity Shares of Rs. 10/- each in Lakeland Hotels Ltd.	36	36
66,040 Fully Paid up Equity shares of Rs. 10/- each in AEC Infotech Pvt. Ltd.	666	666
	43,192	46,682
12) DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets :		
Provision for Leave Encashment & Gratuity	14,050	19,656
Deferred Tax Liabilities :		
Depreciation Difference	(7,321)	(5,186)
	6,729	14,470

	As at 31st March, 2013	As at 31st March, 2012
13) LONG TERM LOANS AND ADVANCES		
(Unsecured -considered good unless otherwise stated)		
Capital Advance	**201,365**	200,605
Loan Given	**12,600**	45,600
Loan to Employees	**694**	668
Deposits	**18,393**	19,006
Other receivables	**12,044**	2,835
	245,096	268,714
Share of Joint Venture	**95**	91
	245,191	268,805

The company has paid advance of Rs.200,000 (Capital Advance) and loan of Rs.120,600 (including Rs.108,000 included under Note 18) towards joint development of property with another corporate entity. Various permissions are being obtained from the appropriate authorities,pending which no construction activities have commeced. Considering the location of the property and projected revenue there against,in view of the management no provision is considered necessary.

	As at 31st March, 2013	As at 31st March, 2012
14) CURRENT INVESTMENT (NON TRADE)		
Investment in Mutual Funds (Quoted)		
Nil (2012 - 5,40,008) units of Rs. 10/- each in Franklin India Smaller Companies Fund	–	5,450
Nil (2012 - 2854) Units of Rs.100/-each in ICICI Prudential Flexible Income Plan Growth	–	479
	–	5,929
Aggregate NAV of investments in Mutual Fund	–	7,406
15) INVENTORIES		
(Inventories are stated at the lower of cost and net realisable value)		
Raw Materials (including goods-in-transit)	**226,993**	261,317
Work in Progress	**141,187**	169,143
Merchanting goods (including goods-in-transit)	**119,626**	116,799
	487,806	547,259
16) TRADE RECEIVABLES		
(Unsecured - considered good unless otherwise stated)		
Outstanding for a exceeding six months		
- Considered good	**182,727**	144,147
- Considered doubtful	**17,469**	14,152
Other debts		
- Considered good	**545,568**	689,834
Less: Provision for doubtful debts	**(17,469)**	(14,152)
	728,295	833,982
Share of Joint Venture	**9,734**	3,302
	738,029	837,284

a) In case of subsidiaries, the company is constantly reviewing its Sundry debtors. However, certain debtors are overdue for payment. In view of the steps being taken to recover these amounts they have been considered to be good and recoverable excepting certain balances which have been written off as bad debts during the year.

b) Amount receivable from customers is considered due on raising of invoice.

	As at 31st March, 2013	As at 31st March, 2012
17) CASH AND CASH EQUIVALENTS		
Cash on hand	987	1,358
Balances with Banks:		
- Cash Credit	12,300	4,432
- Current Accounts	51,869	47,024
- Dividend Accounts (Restricted)	7,700	119
- Deposit	14,294	29,396
- Margin Money Deposit (Under Lien)	32,826	33,137
	119,976	115,465
Share of Joint Venture	433	85
	120,410	115,550
18) SHORT TERM LOANS AND ADVANCES		
(Unsecured -considered good unless otherwise stated)		
Balances with Govenment authorities	18,475	27,715
Loan Given	108,000	21,600
Advance to Suppliers	30,775	25,817
Recoverable from employees	5,290	4,985
Deposits	6,506	3,775
Loan and advance to related parties	11,773	10,515
MAT Credit Entitlement	12,476	12,476
Advance Payment of Tax (net of provision)	190,347	187,798
	383,643	294,681
Other Loans and advances	15,976	19,248
Less: Provision for other loans and advances	–	(600)
	15,976	18,648
Share of Joint Venture	495	806
	400,113	314,136
18A) OTHER CURRENT ASSETS		
(Unsecured -considered good unless otherwise stated)		
Interest Accrued on Deposits	1,042	–
	1,042	–

	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
19) REVENUE FROM OPERATIONS		
Sale of product	1,243,746	1,283,188
Less : Excise Duty	(80,626)	(91,599)
	1,163,120	1,191,589
Sale of Services	1,068,922	829,613
Less: Service tax	(80,948)	(53,305)
	987,974	776,308
Other Operating Revenue	5,930	6,968
Share of Joint Venture	42,137	13,925
Net Sales	2,199,162	1,988,790

	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
20) OTHER INCOME		
Dividend Received	–	1,730
Profit on sale of current investments	2,885	-
Interest on investments and deposits	12,346	6,149
Provision/Liabilities no longer required written back	14,089	5,348
Other Interest income	1,668	5,861
Profit on sale of fixed assets	3,041	696
Foreign Exchange Difference (Net)	320	-
Lease Rental Income (Net of service tax- Rs. Nil (2012 - Rs. 927))	–	9,000
Non operating Income	11,866	6,349
	46,214	35,133
Share of Joint Venture	378	-
	46,592	35,133
21) COST OF MATERIAL CONSUMED		
Raw Material and components consumed*		
Opening Stock of Raw Material	261,317	288,142
Add: Purchases	476,082	608,754
Less: Closing Stock	(226,993)	(261,317)
	510,406	635,579
Share of Joint Venture	–	-
	510,406	635,579

*Net of Rs.9,887 (2012-Rs.50,646) for sales returns and Rs. 19,847 (2012-Rs.18,794) for Warranty supplies

	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
22) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Opening Stock		
Work in Progress	169,143	163,635
Merchanting Goods	116,799	63,711
Closing Stock		
Work in Progress	141,187	169,143
Merchanting Goods	119,626	116,799
	25,129	(58,596)
23) EMPLOYEE BENEFIT EXPENSE		
Salaries & wages	512,045	487,029
Contribution to Provident and other Funds	31,730	36,576
Staff Welfare expense	23,163	23,192
	566,938	546,797
Share of Joint Venture	23,869	11,697
	590,807	558,494

a) The Company is in the process of making compliance of obtaining shareholders' and Central Government approval in respect of remuneration amounting to Rs. 5,160 paid to the Managing Director.

	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
24) FINANCE COSTS		
Interest Expense	114,777	98,552
Other borrowing costs	3,524	2,968
	118,300	101,520

	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
25) OTHER EXPENSES		
Consumption of stores, spares, small tools, jigs and fixtures	7,345	12,385
Supply and Erection Charges	72,679	51,301
Purchase of Materials and other expenses at site	115,680	1,726
Labour Charges	21,129	
Power and fuel	11,867	12,497
Rent	30,165	37,616
Repairs and maintenance		
Buildings	9,535	7,827
Plant and machinery	688	910
Others	21,238	20,538
Insurance	7,993	7,812
Rates and taxes	9,648	4,967
Travelling and conveyance	73,774	74,969
Freight, clearing and packing	18,025	21,092
Legal and professional charges	88,812	81,736
Directors' sitting fees	1,240	880
Selling expenes and commission	26,629	26,780
Exchange loss(net)	2,182	974
Bad debts and advances written-off	11,885	36,884
Provision for Bad Debts	12,181	7,250
Sundry balances written off	–	525
Bank Charges	10,387	9,490
Loss on sale of fixed assets	–	53
Loss / (Profit) on sale of Investments	–	6
Miscellaneous expenses	79,835	81,804
	632,915	500,021
Share of Joint Venture	10,517	5,600
	643,431	505,620

26) Certain claim raised by a customer was under arbitration in the earlier year. During the year the award has been settled and accordingly Rs.12,400,000 payable in this respect has been recognised as exceptional items

27) PROVISION FOR TAXES		
Current tax	46,096	2,199
Deferred tax	7,740	(1,783)
Income tax relating to earlier years	–	2,786
	53,836	3,202
Share of Joint Venture	–	–
	53,836	3,202

28) CONTINGENT LIABILITIES AND COMMITMENTS		
Customer claims for damages	3,678	3,678
Service Tax	6,502	3,879
Claim from Income Tax Dept	28,754	-
	38,934	7,557

29) Disclosure of Earnings per share under Accounting Standard 20 – Basic and Diluted Earnings per share:

Particulars	2012-13	2011-12
Net Profit attributable to share holders (Rs.)	35,013	(38,365)
Weighted Average Number of Equity Shares issued	3066943	3066943
Basic and Diluted Earnings Per Share of Rs.10/- each (Rs.)	11.42	(12.51)

30) Potential has taken office premises on operating lease and rent amounting to Rs.25,937 (Previous Year Rs. 9,122) and the same has been debited to Profit and Loss Account. The future minimum lease payments is as under:

Particulars	2012-13	2011-12
Not later than one year	9,500	10,131
Later than one year and not later than five years	34,701	10,583
Later than five years	–	3,142

The above compilation does not include the charge on account of operating lease and information about minimum lease payment of the overseas branch, subsidiary and joint venture of the Company.

31) RELATED PARTY DISCLOSURES

1. Enterprises where control exists:
   Avalokiteshvar Valinv Ltd (AVL) (Formerly known as Utkal Investments Limited)- Holding Company
2. Other related party with whom the company had transactions, etc.
   (i) Key Management Personnel & their relatives :

Mr. Abhishek Dalmia	Executive Chairman
Mr.Chaitanya Dalmia	Director (Brother of Mr.Abhishek Dalmia)
Mr. K.Sunil Kumar	Managing Director & CEO
Mr. Ramesh Pangasa	Executive Director
Mr. S. Hariharan	Whole-time Director

   (ii) Director/Consultant
   Mr.S.C.Katyal
3. Joint Venture:
   Semac Qatar W.L.L
4. Associate
   Satellier Holdings Inc, USA
5. Disclosure of transactions between the related parties & the status of balances as on 31st March 2013

2012-2013				
Particulars	**Holding**	**Joint Venture**	**Key Management personnel and their relatives**	**Director / Consultant**
Remuneration to Key Management Personnel			16,620	
Consultancy Fee				1,200
Rent expense	960			
Unsecured Loans and advances given		1,258		
Balances as on 31st March, 2012:				
(a) Payable-remuneration/Consultancy fee/Rent			8,179	
(b) Unsecured Loan given outstanding		11,773		
	2011-2012			
Remuneration			17,008	
Rent expense	960		480	
Interest on Unsecured Loan				
Unsecured Loans and advances repaid				
Unsecured Loans and advances given		3,243		
Consultancy Fee				
Balances as on 31st March, 2011:				
(a) Payable-remuneration/Consultancy fee/Rent			6,256	
(b) Unsecured Loan given outstanding		10,515		

Note:

(i) In respect of the above parties, there is no provision for doubtful debts as on 31.3.2013 and no amount has been written off or written back during the year in respect of debts due from/to them.

(ii) The above related party information is as identified by the management and relied upon by the auditors.

32) The disclosure requirement under "Segment Reporting" as per Accounting Standard 17 is given below:

A. Primary Segment (Business Segment)

(i) Segment Revenue:

Particulars	2012-13	2011-12
Construction and Mining	**1,090,419**	1,318,676
Engineering Design Services	**760,895**	670,114
	1,851,314	1,988,790

(ii) Segment Results

Particulars	2012-13	2011-12
Construction and Mining	**362,326**	262,106
Engineering Design Services	**238,030**	89,122
Unallocable	**(346,706)**	(276,687)
	253,649	74,541
Less: Interest	**(118,300)**	(101,520)
Profit / (Loss) before exceptional items	**135,349**	(26,979)
Exceptional Items	**12,400**	-
Profit before taxes	**122,949**	(26,979)
Provison for taxes	**(53,836)**	(3,202)
Profit / (Loss) after taxes and before adjustment for share of profit in associate and minority interest	**69,113**	(30,181)
Less: Minority Interest	**(30,611)**	(5,386)
Add: Share of Profit / (Loss) in Associates	**(3,489)**	(2,799)
Profit / (Loss) after taxes and adjustment for share of profit in associate and minority interest	**35,013**	(38,366)

(iii) Segment Assets and Liabilities

Particulars	2012-13		2011-12	
	Assets	**Liabilities**	Assets	Liabilities
Construction and Mining	**1,405,581**	**345,014**	1,614,081	379,346
Engineering Design Services	**350,135**	**109,212**	568,142	131,951
Unallocable	**1,025,794**	**865,600**	723,417	993,228
	2,781,510	**1,319,826**	2,905,639	1,504,525

(iV)Capital Expenditure and Depreciation

Particulars	2012-13		2011-12	
	Capital Expenditure	**Depreciation**	Capital Expenditure	Depreciation
Construction and Mining	**6,817**	**19,421**	13,116	21,203
Engineering Design Services	**13,308**	**12,567**	22,873	19,038
Unallocable	**7,105**	**6,274**	9,173	18,335
	27,230	**38,262**	45,162	58,575

B. Secondary Segment (Geographical Segment)

Particulars	Revenue	Assets	Liabilities	Capital Expenditure
2012-13				
Within India	2,036,399	2,651,442	1,264,301	22,803
Outside India	209,355	130,069	55,524	4,426

Particulars	Revenue	Assets	Liabilities	Capital Expenditure
2011-12				
Within India	1,821,508	2,799,525	1,430,066	38,584
Outside India	202,415	106,114	74,459	6,578

C. Segment Information

(a) Segments have been identified in line with the Accounting Standard AS- 17 taking into account the organization structure as well as the difference in risk and return.

(b) The Company has disclosed Business Segment as the primary segment. These have been identified on the basis of the products of the company. Accordingly, the company has identified 'Construction & Mining', and "Engineering Design Services" as the operating segments.

(c) Compositions of Business Segment

Segment Name	Company	Description
Construction & Mining	Revathi Equipment Limited	
	Renaissance Construction Technologies India LLP w.e.f 31.03.2013	Subsidiary
	Renaissance Construction Technologies India Ltd upto 26th December, 2012	
Engineering Design Services	Semac Consultants (P) Limited	Subsidiary
	Semac Qatar	Subsidiary
	Semac Muscat	Joint Venture

(d) The segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and administrative expenses allocated on a reasonable basis as estimated by the management.

(e) As part of secondary reporting revenues are attributed to geographic areas and therefore the analysis of geographical segment is demarcated into India and outside India operations.

33) During the year, goodwill to the extent of Rs. 18,423 as only been charged off. In view of the management considering the long term business prospect of the subsidiary (Potential Semac Consultants Private Limited) the goodwill net-off the amount charged-off till date has a perpetual value. Accordingly, no further goodwill has chrged-off.

34) The figures have been given in Rs. / thousands and rounded off to the nearest hundreds. However, previous year's figures wherever necessary have been regrouped / rearranged/ reclassified.

For Lodha & Co
Chartered Accountants

H.S. Jha
Partner

Place : Kolkata
Date : May 9, 2013

Abhishek Dalmia
Executive Chairman

M.N. Srinivasan
Company Secretary

Chennai
May 9, 2013

S. Hariharan
Whole-time Director

REVATHI EQUIPMENT LIMITED

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