REVATHI EQUIPMENT LIMITED


# 38th Annual Report 2014-15

## Acquisition Criteria

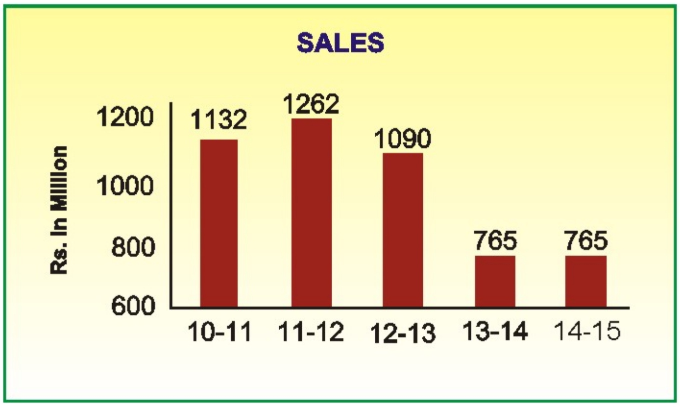
We use this space to communicate with potential sellers and their representatives, what we look for in a potential acquisition. If you, the reader, have no personal connection with a business that might be of interest to us but have a friend who does, perhaps you could pass this message on to him.

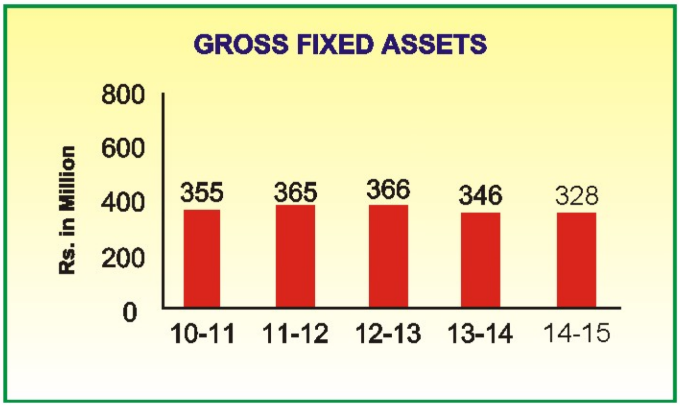
Here's the sort of business we are looking for:

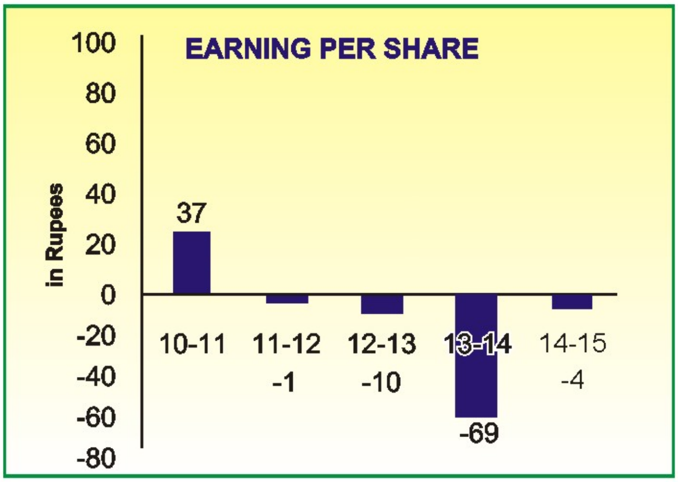
1. Enterprise value in the region of Rs. 100 crores (Rs. 1 billion),
2. Demonstrated consistent earning power (future projections are of little interest to us, nor are "turnaround" situations),
3. Businesses earning good returns on equity while employing little or no debt,
4. Management in place,
5.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

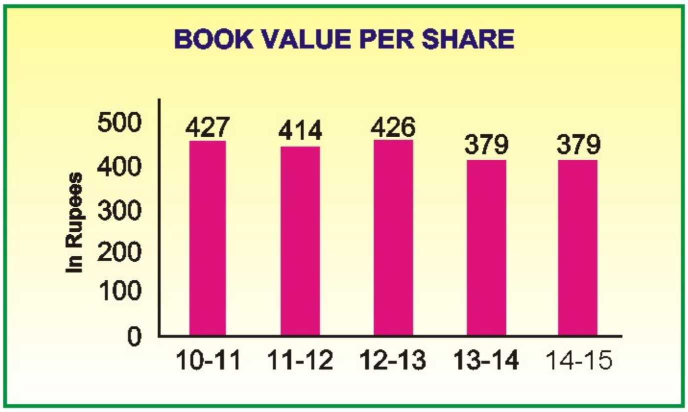
We will not engage in unfriendly takeovers. We can promise complete confidentiality and a very fast answer as to whether we are interested. We prefer to buy for cash, but will consider issuing stock when we receive as much in intrinsic business value as we give.

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

CHAITANYA DALMIA

DEEPALI DALMIA (From August 08, 2014)

S.C. KATYAL

B.V. RAMANAN

M. POONGAVANAM (From November 25, 2014)

KISHORE SIDHWANI (From November 25, 2014)

S. HARIHARAN
Whole-time Director

### 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

BANK OF INDIA
AXIS BANK LIMITED
STATE BANK OF INDIA
IDBI BANK LIMITED
ICICI BANK LIMITED
DENA BANK
HDFC BANK LIMITED

### MANAGEMENT TEAM

L.S. SHASHI PRAKASHA
Vice - President
Business Unit Head - Drilling 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% |
| 2013-14 | -10.9% | 19.5% | -30.4% |
| 2014-15 | -0.1% | 28.2% | -28.3% |
| Average Annual Gain (FY03 - FY15) | 7.9% | 18.5% | -10.6% |
| Overall gain ( FY 03 - FY 15) | 169.1% | 811.5% | -642.4% |

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 retained has created a rupee worth of market value.
5. If you expect, as we do, that owning 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.

Our decrease in consolidated net worth during FY15 was Rs.1.1 million, which decreased the per share book value by 0.1%. Over the last thirteen years (that is, since the present owners took over) per share book value, has grown from Rs.151 to Rs.379 (Rs.463 after ignoring the effect of goodwill write-offs), which, after factoring in dividend paid during this period, works out to a rate of 7.9% (9.4%) compounded annually.

********

Last year I had written that the worst is probably behind us, and that the combined factors of decisive leadership at the Center and a turn in the business cycle should kickstart the overall economy starting FY15. Both views have generally come true. Compared to where we were a year ago, some bright spots have started to emerge in the economy. From macro parameters like meeting the stiff fiscal deficit target and the formation of the Niti Aayog to promote true federalism, to structural reforms like aligning the power and coal sectors. Of course it is early days, the work has only just begun and a lot still needs to be done to compensate for a lost half decade. But if I look at the big picture, I see a strong resurgent nation emerging from the shadows. And that can only be good news.

Turning around companies takes a lot of effort and a lot of things need to be done right to make an impact. It takes a few years, depending on the size of the business, to make sustainable improvement possible. Given how complex our country is, expecting a quick turn around would be naïve. The new government has taken a lot of good decisions but it takes time for their impact to be felt on the ground. But if the broad market is any indicator, we are well on our way to an economic revival.

********

I would like to share a bit of perspective. Coal India's production grew at an annualized rate of 2.7% between FY09 and FY14. This is in contrast to the long-term average growth rate of about five per cent. This anemic growth was compensated by booming coal imports, which grew at over twenty per cent per annum over the past ten years. Things finally turned brighter for the coal sector when the government found increasing production as a way to reduce imports and bring the fiscal deficit under control. As a result, coal production grew by 6.8% in FY15.

As a result of the above, the Drilling Solutions business was able to turn around after three tough years (FY12 through FY14). Though the full year results do not show a profit, but the Drill business turned around in the fourth quarter.

When the business environment is tough, it takes more than just foresight to expand your business. It also takes resources, both management and financial. For smaller companies, these resources are usually in short supply and even more so when the business climate is soft. As a result, we had to put on hold our export plans as well as slow down our new product development plans.

Given that there was not much we could do to change the external environment, we focused inwards to tighten things up. We reduced material cost and overheads. We also discontinued unprofitable maintenance contracts, which though led to shrinkage in our Revenues, also gave us better profitability. I have repeatedly seen that the adage "doing more by doing less" works. With limited resources of time and money, focus makes a big difference to results.

The outcome of the above was that we were able to post an operating profit of Rs.11 million as opposed to Rs.141 million operating loss last year, a swing of Rs.152 million for a similar level of activity. Some of these savings were temporary in nature and will go away as activity levels pick up. However, some of these savings are permanent in nature and cuts in these have made our business healthier.

On the business development side also, we made some progress in some areas, which had been stubbornly stuck for years. These include the closure of the order from Africa, marking our entry into that market. Though we do not plan to spend significant resources on that market in the near future, our drills on the ground will certainly help spread the word about our quality and performance. Over the next few years, as we build a local track record, this should help us in winning more business in the years ahead. We were also able to re-enter the water well market after a gap of nine years. This market is neither a big market, nor a consistent market, year-to-year. But as and when orders come, they tend to be large orders.

Going forward, it will be our effort to try and find more such pockets, which might yield business every few years. This would mean that every year, we would try to win some business of this kind, which though not consistent by itself, would lead to additional orders over our core business of coal mining.

Over the past year, there has been a lot of noise about ambitious targets for coal production in the country. The government is targeting doubling coal production to reach a billion tons by 2020. On top of that, it is also planning an additional coal production by the private sector of about 500 million tons over the next five years. These numbers seem unbelievable when seen through the prism of the past. In our view, the growth could be high single digits. Whatever reality turns out to be, it should be significantly better than the past five years.

In last year's letter I had mentioned that the force of better governance and a turn in the business cycle should help us post better performance in the years ahead. The last quarter of the year was the start of that period and things can only get better from here on.

We continue to shrink our Concreting Solutions business as another initiative to return our business back to health. We now operate out of our Coimbatore facility and as a result have been able to significantly reduce our overheads. Additionally, the cleaning up of Receivables pertaining to the tough years has gradually been done over the years. Accordingly, this year's results do not carry substantially, the burden of fixed costs pertaining to this Division as also the bad debt provisioning that had become a permanent feature of the last few years.

********

In last year's letter I had mentioned that we had started restructuring our balance sheet. As a part of that, we liquidated some more of our holding in Panch Tatva Realty, but given how tough the real estate market in Mumbai has been, we could not liquidate nearly as much as we wanted to. We ran into a similar tepid response for our Gummidipondi facility. Hopefully, as sentiment improves, we should be able to achieve our debt reduction goals in the next financial year.

********

Semac posted another year of strong performance in a still soft capex world. It is said, Sales is vanity, Profit is sanity and Cash is reality. If I were to look at one metric in this business, it would be cash in the bank. After four decades of being in business, our cash balance was Nil around the end of 2012. Since then, we have gradually focused more closely on this metric and have gradually been squirrelling away cash every year. As a result, our cash pile grew by about fifty per cent over last year to about Rs.20 crores. This treasury has been invested mostly in low risk avenues, awaiting deployment in the business.

This has given us the ability to start investing in the future growth of the business. We kicked off a change management initiative, which saw us hiring a new senior management team to run various Corporate functions like HR, Finance, IT, etc.

This initiative will see us expand into new geographies and new verticals. However, before results of these initiatives start coming through, there will be a period of time when we will add extra costs to the system. Also, any change management process typically brings with it changes, which some people are unable to adapt to. That means some disruption in the usual ways of working. This can be a short-term shock to a people-driven business. The net result of this is likely to be negative in the short-term, which will hopefully not exceed a year. Hopefully, the net outcome of all this will be very worthwhile for all stakeholders.

********

The real estate project in Mumbai has been stuck in the approval process. I recently spoke to someone from a leading real estate developer. He was saying that for years we cursed the government for delaying our approvals. Much later we realized that it is because of all those delays that we were able to realize much greater value out of our projects, since prices continued to grow with time. I am hoping these delays will ultimately be a blessing in disguise for us.

********

I would like to thank our bankers for being very understanding and standing by our side during these tough times. I know it has been anxious moments for them over the past few years, but we stand by our commitment to honor every commitment we have made to them.

I would also like to thank our shareholders for being patient through the pain that all of us have been through over the past few years. We have been working hard to make up for lost time. I hope that you continue to repose your confidence in us.

## REPORT OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**For the year ended 31st March 2015**

Your Directors have pleasure in presenting the Thirty Eighth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2015.

### Financial Highlights

The highlights of the performance of your Company during the fiscal are given hereunder:

All figures in Rs. Lakhs

| Particulars | 31.03.2015 | 31.03.2014 |
|---|---|---|
| Total Income | 7920.14 | 7975.71 |
| Total Expenditure | 7808.51 | 9384.02 |
| Profit before tax | 111.63 | (1408.31) |
| Less: Exceptional items | (228.16) | (788.80) |
| Profit / (Loss) before tax | (116.53) | (2197.11) |
| Less: Tax expense | (20.31) | 77.83 |
| Profit / (Loss) after tax | (136.84) | (2119.28) |

### Operations / Performance review

Net sales of the company were at Rs. 76.5 Crores which was more or less same as compared to previous year figure of Rs 76.5 Crores. The revenue generated from the performance of the Drill business in the current year was better against the same in the last financial year

PBT before exceptional item for FY 15 was at 1.1 Crores as against Rs. 14.1 Crores loss in FY 14.

Certain measures undertaken in respect of restructuring of construction equipment division, close control on costs by aligning resources to business volumes, inventory control , focusing on order book, better product mix helped company to bring about the turnaround.

Exceptional items for FY 15 was Rs 2.3 Crores as against Rs.7.9 Crores in FY 14. Interest charge was Rs 10.4 Crores for FY 15 against Rs 11.3 Crores for FY 14.

### Management discussion and analysis

Structure and Developments, opportunities and Threats, outlook, risk and concern:

### Overview of the Economy

India is set to become the world's fastest-growing major economy by 2016 ahead of China, the International Monetary Fund (IMF) said in its recent forecast. India is expected to grow at 6.3 percent in 2015, and 6.5 percent in 2016 by when it is likely to cross China's projected growth rate, the IMF said in the latest update of its World Economic Outlook.

Industrial production grew at a two-month high of 4.1 percent in April, primarily driven by the manufacturing sector, but capital goods growth slowed. However, retail inflation too edged up in May amid worries over deficient monsoon.

### Business Environment, outlook & Prospects for FY 2015-16.

Coal India Ltd. (CIL) produced 494 Million Ton against target of 507 million ton registering growth of 6.9%.

CIL had unveiled its road map to attain one billion ton coal production by 2019-20. With the projected coal demand of the country by 2020 be 1200 million ton at an envisaged growth rate of 7%. MCL and SECL are expected to play a vital role in CIL's vision of attaining one billion ton production with 250 million ton and 240 million ton respectively.

With this better outlook, Central Government's focus on infrastructure growth, private sector participation on coal mining, it is expected that demand for company's products will grow better.

First quarter of FY 16 reflects improvement in business with sales at Rs 34.2 Crores and profit after tax at Rs 4.6 Crores; prior year first quarter sales were Rs 11.6 Crores with a loss of Rs 1.6 Crores.

### Transfer to reserves

Due to losses incurred in current year, the Company is unable to transfer any amount to its Reserves.

### Dividend

No dividend has been declared in the financial year under review having regard to results of the year.

### Transfer of unclaimed dividend to investor education and protection fund

In terms of Section 205A & 205C of the Companies Act, 1956, an amount of Rs.1,03,540/- being unclaimed dividend (2005-06) was transferred during the year to the Investor Education and Protection Fund established by the Central Government. Further, there is no due for remittance of any unclaimed or unpaid Dividend to the Investor Education and Protection Fund established by the Central Government.

### Share capital

The paid-up capital of the Company as at 31.03.2015 stood at Rs.3,06,69,430/-. During the year under review, the Company has not made any fresh issue of shares.

### Extract of Annual Return

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is furnished in Annexure A and is attached to this report.

### Board meetings and its committees conducted during the period under review

The Company had conducted Seven (7) Board meetings, Five (5) Audit Committee Meetings, Four (4) Stakeholders Relationship Committee Meetings and Two (2) Nomination and Remuneration Committee Meetings during the period under review. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

### Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) of the Companies Act 2013, with respect to Directors' Responsibility Statement, the Board hereby confirm that -

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

### Details in respect of frauds reported by auditors under Section 143(12) of the Companies Act, 2013 other than those which are reportable to the central government

There have been no frauds reported by the Auditors pursuant to Section 143(12) of the Companies Act, 2013.

### Declaration of independent directors

The Company has received the declarations from all the independent directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges.

### Company's policy relating to directors appointment, payment of remuneration and other matters provided under Section 178(3) of the Companies Act, 2013

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for fixing and revising remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and employees of the Company. The Remuneration policy of the Company is annexed herewith as Annexure B and can also be accessed on the Company's website at the link http://www.revathi.in/wp-content/themes/rel/pdf/Nomination-Remuneration-Policy.pdf

### Comments on Auditors' Report:

In respect of the qualification(s) made by the Statutory Auditors in their Report, your Directors wish to state as under;

| S.No. | Independent Auditors' Qualifications | Reply to the Auditors' Qualifications |
|---|---|---|
| 1. | Approval is awaited from Central Government for excess payment of remuneration of Rs 4.06 lacs for the financial year 2013-14 (Note No 22(a)). | As required by MCA vide their letter dated 30th September 2015, necessary resolution pursuant to the provisions of the new Companies Act, 2013 has been included in the AGM notice under item no. 4 |
| 2. | In absence of any valuation for certain fixed assets pertaining to Construction Equipment Division held for disposal (note 32(a)) and its impact on financial statements is presently not ascertainable. | Valuation of assets is estimated to be equal or more than the value expected to be realised on disposal of assets. Hence valuation of assets will be made at the time of disposal of assets. |

In respect of the qualification(s) made by the Secretarial Auditor in his Report, your Directors wish to state as under;

| S. No. | Secretarial Auditors' Qualifications | Reply to the Secretarial Auditors' Qualifications |
|---|---|---|
| 1. | The payment of consultancy fees to a Non-executive Director of the Company is subject to the approval of the shareholders under Clause 49(II)(C) of the Listing Agreement entered into with the Stock Exchanges. | Necessary resolution has been included in the AGM notice for payment of consultancy fees to a Non-executive Director of the Company. |
| 2. | The composition of the Board of Directors for the period upto 24.11.2014 is not in conformity with the requirements of Clause 49(II)(A) of the Listing Agreement entered into with the Stock Exchanges. | The Board of Directors have appointed two independent directors on 25th November 2014 and complied with the requirements of Clause 49(II)(A) of the Listing Agreement. |
| 3 | The Company has made an application to the Central Government for waiver of recovery of excess remuneration of Rs.4.06 Lakhs paid to Mr.Abhishek Dalmia, Executive Chairman of the Company for which requisite approval is awaited. | As required by MCA vide their letter dated 30th September 2015, necessary resolution pursuant to the provisions of the new Companies Act, 2013 has been included in the AGM notice under item no. 4 |

### Particulars of loans, guarantees or investments made under Section 186 of the Companies Act, 2013

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

### Particulars of contracts or arrangements with related parties

All transaction entered into with related parties as defined under Section 188 of the Companies Act, 2013 during the financial year 2014-15 were in the ordinary course of business and on an arm's length basis. Since there are no transactions which are not on arm's length basis and material in nature, the requirement of disclosure of such related party transactions in Form AOC-2 does not arise.

### Material changes and commitments affecting the financial position of the company:

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### Conservation of energy, technology absorption, foreign exchange earnings and outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure C and is attached to this report.

### Statement concerning development and implementation of risk management policy of the company

The Company has been addressing various risks impacting the business of the Company and risk mitigation measures are being taken then and there.

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

### Details of policy developed and implemented by the company on its corporate social responsibility initiatives

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

### Annual evaluation of the Board on its own performance and of the individual directors and Committees

As per the requirements of the Companies Act, 2013 and the clause 49 of the listing agreement, the formal annual evaluation of the Board as a whole, its committees and individual directors was conducted based on the criteria and framework adopted by the Board. The evaluation process included an assessment of each director's eligibility, skills and knowledge and the Board is satisfied that all the Directors on the Board are competent and have the necessary experience to effectively execute their duties.

The Board also evaluated the working of the Committees and the Board expressed its satisfaction on the quality, quantity and timeliness of the flow of the information between the Committees and the Board. The Independent Directors of the Company have also convened a separate meeting for reviewing the performance of Non-Independent Directors and the Board as a whole.

### Directors & Key Managerial Personnel

During the year under review, the members have approved the appointment of Mr.S.C.Katyal and Mr.B.V.Ramanan as the Independent Directors of the Company for a period of five years.

Mr. B.D. Narang and Mr.P.M.Rajanarayanan have resigned from the Directorship with effect from 27th October 2014 and 25th November 2014 respectively. Your Directors wish to place on record the valuable services rendered by them during their tenure of Office as Directors of the Company.

The Board appointed Mr.Kishore Sidhwani and Mr.M. Poongavanam as additional directors on the Board with effect from 25th November 2014 and subsequently in accordance with Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, they were appointed as Independent Directors of the Company on 22nd January 2015 by the members through Postal Ballot.

As per the provisions of the Companies Act, 2013, Mr.S.Hariharan, Director, retires at this Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment.

The Board of Directors at their meeting held on 10th July 2015 have re-appointed Mr.Abhishek Dalmia as the Executive Chairman of the Company for a further period of 5 years with effect from 1st April 2016 on such remuneration as recommended by the Nomination and Remuneration Committee. The Board recommends his re-appointment.

### Subsidiaries, joint ventures and associate companies

The Company has two subsidiaries namely M/s. Semac Consultants Pvt Ltd - a material subsidiary within the definition of clause 49 of the listing agreement and M/s. Semac and Partners, LLC - step down subsidiary.

M/s. Panchtatva Realty (joint venture) is an Association of Persons (AOP) in which the Company is having 54% holding.

A report containing the salient features of the subsidiaries and joint ventures as required under Section 129(3) of the Companies Act, 2013 has been annexed herewith in Form AOC-1 and is attached as **Annexure D** to this report.

The policy on determination of material subsidiaries of the company as approved by the Board of Directors has been uploaded on the website of the Company and can be accessed at the link http://www.revathi.in/wp-content/themes/rel/pdf/Material-Subsidiary-Policy.pdf

The consolidated financial statements of the company and its subsidiaries and joint ventures have been prepared in accordance with the applicable accounting standards have been annexed to the Annual Report.

The annual accounts of the subsidiary companies are posted on the website of the Company viz. www.revathi.in and will also be kept open for inspection by any shareholder at the Registered Office of the Company. The Company shall also provide the copy of the annual accounts of subsidiary companies to the shareholders upon their request.

### Fixed deposits

The company has not accepted any deposits from public during the year and accordingly there are no unclaimed deposits as at 31/03/2015.

### Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

There is no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

### Internal control systems and their adequacy.

Your 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 five 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.

### Auditors

### Statutory auditors

M/s Lodha & Co, Chartered Accountants, Kolkata have expressed their unwillingness to be reappointed as the Statutory Auditors of the Company at the ensuing AGM. The Directors wish to place on record their appreciation for the valuable services rendered by them. The shareholders approval is being sought for the appointment of M/s. S.S. Kothari Mehta & Co (Firm Registration No. 000756N) Chartered Accountants, New Delhi in the place of M/s Lodha & Co, Chartered Accountants, Kolkata for a period of 5 years commencing from the conclusion of the ensuing Annual General Meeting up to the conclusion of the Annual General Meeting of the Company which ought to be held during the year 2020 subject to ratification by the Shareholders annually. The Company has received a certificate from the Auditors M/s. S.S. Kothari Mehta & Co (Firm Registration No. 000756N) Chartered Accountants, New Delhi, to the effect that if the appointment is made, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

## Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr.M.D.Selvaraj, MDS & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit is annexed herewith as Annexure E to this report.

## Particulars of Employees

The disclosure as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as Annexure F and is attached to this report.

The disclosure referred to the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 does not apply to the Company as there were no employees who are in receipt of remuneration in the aggregate at the rate of not less than Rs.60,00,000/- if employed throughout the year or Rs.5,00,000/- per month if employed for part of the year.

## Disclosure under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a policy on Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received from any employee during the financial year 2014-15.

## Corporate governance

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of this Annual Report.

## Vigil mechanism (whistle blower policy)

The Company has provided for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behavior or any violation of the Company's code of conduct. The policy can be accessed on the Company's website at http://www.revathi.in/wp-content/themes/rel/pdf/Whistle-Blower-Policy.pdf

## CEO/CFO certification

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Whole-time Director and the Chief Financial Officer has furnished necessary certificate to the Board on the financial statements presented.

## 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.

## 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.

## Appreciation

The Directors express their sincere appreciation of dedicated efforts put in by our employees 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 and bankers.

By Order of the Board
For Revathi Equipment Limited

Place : Bangalore
Date : October 17, 2015

**Abhishek Dalmia**
Executive Chairman
DIN : 00011958

ANNEXURE A

## FORM NO. MGT-9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| i) | CIN | L29120TZ1977PLC000780 |
| ii) | Registration Date | 30/05/1977 |
| iii) | Name of the Company | REVATHI EQUIPMENT LIMITED |
| iv) | Category / Sub-Category of the Company | Public Limited Company / Limited by shares |
| v) | Address of the Registered office and contact details | POLLACHI ROAD,<br>MALUMACHAMPATTI POST,<br>COIMBATORE - 641050.<br>Ph. No. 0422-2610851 0422-2601852.<br>Fax No. 0422-2610427.<br>EMAIL ID: srinivasan@revathi.in<br>Website : www.revathi.in |
| vi) | Whether listed company | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | SKDC CONSULTANTS LIMITED,<br>Kanapathy Towers, 3rd Floor,<br>1391/A1, Sathy Road,<br>Ganapathy, Coimbatore - 641006.<br>Phone. No. : 0422-6549995, 2539835, 2539836.<br>Fax No. : 0422-2539837.<br>E-mail : info@skdc-consultants.com |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---|---|---|---|
| 1 | Blasthole drilling and water well drilling equipments | 28242 | 100 |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name and address of the company | CIN/GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Avalokiteshvar Valinv Ltd<br>Shiv Mahal, B-47, 2nd Floor,<br>Connaught Place<br>New Delhi -110001 | U65993DL1974PLC120976 | Holding Company | 46.59% | 2(46) |
| 2 | Semac Consultants Pvt.Ltd<br>Pollachi Road,<br>Malumachampatti post,<br>Coimbatore-641050 | U85110TZ1987PTC017564 | Subsidiary Company | 76.90% | 2(87) |
| 3 | Semac &Partners L.L.C<br>Muscat Sultanate of Omen | N.A. | Step Down Subsidiary Company | Nil | 2(87) |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

**i) Category - wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2014] | | | | No. of Shares held at the end of the year [As on 31-March-2015] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 2225953 | - | 2225953 | 72.58 | 2225953 | - | 2225953 | 72.58 | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub- Total (A)(1) | 2225953 | - | 2225953 | 72.58 | 2225953 | - | 2225953 | 72.58 | - |
| (2) Foreign | - | - | - | - | - | - | - | - | - |
| a)NRIs- Individuals | - | - | - | - | - | - | - | - | - |
| b) Others- Individual | - | - | - | - | - | - | - | - | - |
| c) Bodies corporate | - | - | - | - | - | - | - | - | - |
| d) Banks/ FI | - | - | - | - | - | - | - | - | - |
| e) Any other... | - | - | - | - | - | - | - | - | - |
| Sub- Total (A)(2) | - | - | - | - | - | - | - | - | - |
| Total shareholding of promoter (A) = (A)(1)+(A)(2) | 2225953 | - | 2225953 | 72.58 | 2225953 | - | 2225953 | 72.58 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | 100 | - | 100 | - | 100 | - | 100 | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | 100 | - | 100 | - | 100 | - | 100 | - | - |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 44903 | 165 | 45068 | 1.47 | 49281 | 165 | 49446 | 1.61 | 0.14 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 520312 | 77988 | 598300 | 19.51 | 497661 | 76248 | 573909 | 18.71 | -0.80 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 144765 | - | 144765 | 4.72 | 158410 | - | 158410 | 5.17 | 0.45 |
| c) Others | | | | | | | | | |
| Directors & Their Relatives | 19731 | - | 19731 | 0.64 | 19731 | - | 19731 | 0.64 | - |
| Non Resident Indians | 14506 | 132 | 14638 | 0.48 | 14117 | 132 | 14249 | 0.46 | -0.02 |
| Clearing Members | 3489 | - | 3489 | 0.11 | 2776 | - | 2776 | 0.09 | -0.02 |
| Hindu Undivided Families | 14899 | - | 14899 | 0.49 | 22369 | - | 22369 | 0.73 | 0.24 |
| Sub-total (B)(2):- | 762605 | 78285 | 840890 | 27.42 | 764345 | 76545 | 840890 | 27.42 | - |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 762705 | 78285 | 840990 | 27.42 | 764445 | 76545 | 840990 | 27.42 | - |
| C. Shares held by Custodian for GDRs&ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 2988658 | 78285 | 3066943 | 100 | 2990398 | 76545 | 3066943 | 100.00 | - |

ii) Shareholding of Promoter-

| S. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Avalokiteshvar Valinv Ltd | 1428860 | 46.59 | - | 1428860 | 46.59 | - | - |
| 2 | Renaissance Asset Management Company P Ltd | 340093 | 11.09 | - | 340093 | 11.09 | - | - |
| 3 | Renaissance Stocks Ltd | 457000 | 14.90 | - | 457000 | 14.90 | - | - |
| | TOTAL | 2225953 | 72.58 | - | 2225953 | 72.58 | - | - |

iii) Change in Promoters' Shareholding

| S. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | There has been no change in the Shareholding of the Promoters during the year | | | |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | | | | |
| | At the end of the year | | | | |

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

| S. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | **DIPAK KANAYALAL SHAH** | | | | |
| | At the beginning of the year | 53165 | 1.73 | 53165 | 1.73 |
| | Transfer of shares as on 11.04.2014 | 1835 | 0.06 | 55000 | 1.79 |
| | At the end of the year | 55000 | 1.79 | 55000 | 1.79 |
| 2 | **INDRA KUMAR BAGRI** | | | | |
| | At the beginning of the year | 36350 | 1.19 | 36350 | 1.19 |
| | Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 36350 | 1.19 | 36350 | 1.19 |
| 3 | **HITESH SATISHCHANDRA DOSHI** | | | | |
| | At the beginning of the year | 24841 | 0.81 | 24841 | 0.81 |
| | Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 24841 | 0.81 | 24841 | 0.81 |
| 4 | **SUDHIR CHUKKAPALLI** | | | | |
| | At the beginning of the year | 20133 | 0.66 | 20133 | 0.66 |
| | Transfer of shares as on 18.07.2014 | 410 | 0.01 | 20543 | 0.67 |
| | Transfer of shares as on 25.07.2014 | 670 | 0.02 | 21213 | 0.69 |
| | Transfer of shares as on 01.08.2014 | 710 | 0.02 | 21923 | 0.71 |
| | At the end of the year | 21923 | 0.71 | 21923 | 0.71 |

| S. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 5 | **SHYAM PATTABIRAMAN** | | | | |
| | At the beginning of the year | 11872 | 0.39 | 11872 | 0.39 |
| | Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 11872 | 0.39 | 11872 | 0.39 |
| 6 | **VENKATA RAO CHUKKAPALLI** | | | | |
| | At the beginning of the year | 10222 | 0.33 | 10222 | 0.33 |
| | Transfer of shares as on 13.06.2014 | 500 | 0.02 | 10722 | 0.35 |
| | Transfer of shares as on 20.06.2014 | 50 | 0.00 | 10772 | 0.35 |
| | Transfer of shares as on 30.06.2014 | 50 | 0.00 | 10822 | 0.35 |
| | Transfer of shares as on 11.07.2014 | 400 | 0.01 | 11222 | 0.37 |
| | Transfer of shares as on 18.07.2014 | 485 | 0.02 | 11707 | 0.38 |
| | Transfer of shares as on 25.07.2014 | 1352 | 0.04 | 13059 | 0.43 |
| | Transfer of shares as on 01.08.2014 | 200 | 0.01 | 13259 | 0.43 |
| | Transfer of shares as on 08.08.2014 | 50 | 0.00 | 13309 | 0.43 |
| | At the end of the year | 13309 | 0.43 | 13309 | 0.43 |
| 7 | **DARSHANA HARESH JHAVERI ##** | | | | |
| | At the beginning of the year | 10000 | 0.33 | 10000 | 0.33 |
| | Transfer of shares as on 31.12.2014 | (2000) | (0.07) | 8000 | 0.26 |
| | Transfer of shares as on 16.01.2015 | (1000) | (0.03) | 7000 | 0.23 |
| | Transfer of shares as on 13.03.2015 | (2000) | (0.07) | 5000 | 0.16 |
| | Transfer of shares as on 27.03.2015 | (4576) | (0.15) | 424 | 0.01 |
| | At the end of the year | 424 | 0.01 | 424 | 0.01 |
| 8 | **RAJESHKUMAR RAJNIKANT SHAH** | | | | |
| | At the beginning of the year | 9690 | 0.32 | 9690 | 0.32 |
| | Transfer of shares as on 04.04.2014 | 9 | 0.00 | 9699 | 0.32 |
| | Transfer of shares as on 11.04.2014 | 8 | 0.00 | 9707 | 0.32 |
| | Transfer of shares as on 18.04.2014 | 6 | 0.00 | 9713 | 0.32 |
| | Transfer of shares as on 25.04.2014 | 3 | 0.00 | 9716 | 0.32 |
| | Transfer of shares as on 02.05.2014 | 5 | 0.00 | 9721 | 0.32 |
| | Transfer of shares as on 09.05.2014 | 2 | 0.00 | 9723 | 0.32 |
| | Transfer of shares as on 16.05.2014 | 3 | 0.00 | 9726 | 0.32 |
| | Transfer of shares as on 23.05.2014 | 2 | 0.00 | 9728 | 0.32 |
| | Transfer of shares as on 30.05.2014 | -299 | -0.01 | 9429 | 0.31 |
| | Transfer of shares as on 06.06.2014 | 2 | 0.00 | 9431 | 0.31 |
| | Transfer of shares as on 20.06.2014 | 3 | 0.00 | 9434 | 0.31 |
| | Transfer of shares as on 30.06.2014 | 103 | 0.00 | 9537 | 0.31 |
| | Transfer of shares as on 04.07.2014 | 16 | 0.00 | 9553 | 0.31 |
| | Transfer of shares as on 11.07.2014 | 13 | 0.00 | 9566 | 0.31 |
| | Transfer of shares as on 18.07.2014 | 26 | 0.00 | 9592 | 0.31 |
| | Transfer of shares as on 25.07.2014 | 104 | 0.00 | 9696 | 0.32 |
| | Transfer of shares as on 01.08.2014 | 25 | 0.00 | 9721 | 0.32 |
| | Transfer of shares as on 08.08.2014 | 51 | 0.00 | 9772 | 0.32 |
| | Transfer of shares as on 14.08.2014 | 36 | 0.00 | 9808 | 0.32 |
| | Transfer of shares as on 22.08.2014 | 10 | 0.00 | 9818 | 0.32 |
| | Transfer of shares as on 29.08.2014 | 20 | 0.00 | 9838 | 0.32 |
| | Transfer of shares as on 05.09.2014 | 115 | 0.00 | 9953 | 0.32 |
| | Transfer of shares as on 30.09.2014 | 170 | 0.01 | 10123 | 0.33 |
| | Transfer of shares as on 10.10.2014 | 1 | 0.00 | 10124 | 0.33 |

| S. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | Transfer of shares as on 24.10.2014 | 157 | 0.01 | 10281 | 0.34 |
| | Transfer of shares as on 31.10.2014 | 11 | 0.00 | 10292 | 0.34 |
| | Transfer of shares as on 07.11.2014 | 25 | 0.00 | 10317 | 0.34 |
| | Transfer of shares as on 21.11.2014 | 5 | 0.00 | 10322 | 0.34 |
| | Transfer of shares as on 05.12.2014 | 2 | 0.00 | 10324 | 0.34 |
| | Transfer of shares as on 12.12.2014 | -50 | 0.00 | 10274 | 0.33 |
| | Transfer of shares as on 31.12.2014 | 1 | 0.00 | 10275 | 0.34 |
| | Transfer of shares as on 09.01.2015 | 8 | 0.00 | 10283 | 0.34 |
| | Transfer of shares as on 27.02.2015 | -350 | -0.01 | 9933 | 0.32 |
| | Transfer of shares as on 13.03.2015 | -159 | -0.01 | 9774 | 0.32 |
| | Transfer of shares as on 27.03.2015 | 5 | 0.00 | 9779 | 0.32 |
| | At the end of the year | 9779 | 0.32 | 9779 | 0.32 |
| 9 | **SHOBHA KATYAL** | | | | |
| | At the beginning of the year | 9673 | 0.32 | 9673 | 0.32 |
| | Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 9673 | 0.32 | 9673 | 0.32 |
| 10 | **VAIBHAV HEAVY VEHICLES LTD ##** | | | | |
| | At the beginning of the year | 8901 | 0.29 | 8901 | 0.29 |
| | Transfer of shares as on 13.02.2015 | (1100) | (0.04) | 7801 | 0.25 |
| | Transfer of shares as on 20.02.2015 | (3501) | (0.11) | 4300 | 0.14 |
| | Transfer of shares as on 20.03.2015 | (2080) | (0.07) | 2220 | 0.07 |
| | Transfer of shares as on 27.03.2015 | (2220) | (0.07) | 0 | 0 |
| | At the end of the year | - | - | - | - |
| 11 | **ZEN SECURITIES LTD** | | | | |
| | At the beginning of the year | 5000 | 0.16 | 5000 | 0.16 |
| | Transfer of shares as on 20.02.2015 | 255 | 0.01 | 5255 | 0.17 |
| | Transfer of shares as on 27.02.2015 | 3186 | 0.10 | 8441 | 0.28 |
| | Transfer of shares as on 06.03.2015 | 708 | 0.02 | 9149 | 0.30 |
| | Transfer of shares as on 13.03.2015 | 851 | 0.03 | 10000 | 0.33 |
| | At the end of the year | 10000 | 0.33 | 10000 | 0.33 |
| 12 | **RACHNA LODHA **** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Transfer of shares as on 06.02.2015 | 10 | 0.00 | 10 | 0.00 |
| | Transfer of shares as on 13.02.2015 | 2604 | 0.08 | 2614 | 0.08 |
| | Transfer of shares as on 20.02.2015 | 677 | 0.02 | 3291 | 0.11 |
| | Transfer of shares as on 27.02.2015 | 2374 | 0.08 | 5665 | 0.18 |
| | Transfer of shares as on 06.03.2015 | 1069 | 0.03 | 6734 | 0.22 |
| | Transfer of shares as on 13.03.2015 | 202 | 0.01 | 6936 | 0.23 |
| | Transfer of shares as on 20.03.2015 | 200 | 0.01 | 7136 | 0.23 |
| | Transfer of shares as on 27.03.2015 | 654 | 0.02 | 7790 | 0.25 |
| | Transfer of shares as on 31.03.2015 | 610 | 0.02 | 8400 | 0.27 |
| | At the end of the year | 8400 | 0.27 | 8400 | 0.27 |

** Not in the list of Top 10 shareholders as on 31.03.2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2015.

## Ceased to be in the list of Top 10 shareholders as on 31.03.2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2014.

v) **Shareholding of Directors and Key Managerial Personnel:**

| S. No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | SATISH CHANDRA KATYAL | | | | |
| | At the beginning of the year | 10058 | 0.33 | 10058 | 0.33 |
| | Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 10058 | 0.33 | 10058 | 0.33 |
| 2 | KISHORE NANIK SIDHWANI | | | | |
| | At the beginning of the year | - | - | - | - |
| | Transfer of shares as on 05.12.2014 | 1000 | 0.03 | 1000 | 0.03 |
| | Transfer of shares as on 19.12.2014 | 1 | 0.00 | 1001 | 0.03 |
| | Transfer of shares as on 09.01.2015 | 200 | 0.01 | 1201 | 0.04 |
| | Transfer of shares as on.06.02.2015 | 45 | 0.00 | 1246 | 0.04 |
| | Transfer of shares as on 13.02.2015 | 200 | 0.01 | 1446 | 0.05 |
| | Transfer of shares as on 20.02.2015 | 55 | 0.00 | 1501 | 0.05 |
| | Transfer of shares as on 13.03.2015 | 60 | 0.00 | 1561 | 0.05 |
| | Transfer of shares as on 20.03.2015 | 100 | 0.00 | 1661 | 0.05 |
| | At the end of the year | 1661 | 0.05 | 1661 | 0.05 |
| 3 | B V RAMANAN | | | | |
| | At the beginning of the year | 450 | 0.01 | 450 | 0.01 |
| | Transfer of shares as on 05.12.2014 | 100 | 0.00 | 550 | 0.02 |
| | Transfer of shares as on 19.12.2014 | 100 | 0.00 | 650 | 0.02 |
| | At the end of the year | 650 | 0.02 | 650 | 0.02 |
| 4 | S.HARIHARAN | | | | |
| | At the beginning of the year | 2 | 0.00 | 2 | 0.00 |
| | Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 2 | 0.00 | 2 | 0.00 |
| 5 | ABHISHEK DALMIA | - | - | - | - |
| 6 | DEEPALI DALMIA | - | - | - | - |
| 7 | CHAITANYA DALMIA | - | - | - | - |
| 8 | MUTHU POONGAVANAM | - | - | - | - |
| 9 | B D NARANG * | - | - | - | - |
| 10 | P M RAJNARAYANAN ** | - | - | - | - |
| 11 | M.N.SRINIVASAN | | | | |
| | At the beginning of the year | 2 | - | 2 | - |
| | Increase / Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | 2 | - | 2 | - |

* Resigned on 27.10.2014 ** Resigned on 25.11.2014

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 7486.02 | Nil | Nil | 7486.02 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| **Total (i+ii+iii)** | 7486.02 | Nil | Nil | 7486.02 |
| **Change in Indebtedness during the financial year** | | | | |
| * Addition | | 1300.00 | | 1300.00 |
| * Reduction | (2032.18) | Nil | Nil | (2032.18) |
| **Net Change** | (2032.18) | 1300.00 | Nil | (732.18) |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 5453.84 | 1300.00 | | 6753.84 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | | 57.34 | | 57.34 |
| **Total (i+ii+iii)** | 5453.84 | 1357.34 | | 6811.18 |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/ or Manager :( Amount in Rupees)

| S. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
|---|---|---|---|---|
| | | Mr.Abhishek Dalmia, Executive Chairman | Mr. S. Hariharan Whole time Director | |
| **1** | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 25,80,000 | 18,48,000 | 44,28,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 9,03,000 | 14,28,618 | 23,31,612 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | – | – | – |
| 2 | Stock Option | – | – | – |
| 3 | Sweat Equity | – | – | – |
| 4 | Commission | – | – | – |
| | - as % of profit | | | |
| | - others, specify… | | | |
| 5 | Others Contribution to funds Leave salary | 10,56,725 | 8,03,297 | 18,60,022 |
| | Total (A) | 45,39,725 | 40,79,909 | 86,19,634 |
| | Ceiling as per the Act | As per Schedule V of the Companies Act 2013 | As per Schedule V of the Companies Act 2013 | |

B. Remuneration to other Directors

(Amount in Rupees)

| S. No. | Particulars of Remuneration | Name of Directors | | | | | | | | Total Amount |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Deepali Dalmia | Chaitanya Dalmia | S C Katyal | B V Ramanan | Muthu Poonga-vanam | Kishore Nanik Sidhwani | B D Narang | P M Raja-narayanan | |
| 1 | Independent Directors | | | | | | | | | |
| | Fee for attending board committee meetings | - | - | 280000 | 340000 | 80000 | 40000 | 100000 | - | 840000 |
| | Commission | - | - | - | - | - | | - | - | 0 |
| | Others | | | | | | | | | |
| | Fee for attending sub committee meetings | - | - | - | 20000 | 80000 | 80000 | - | - | 180000 |
| | Total (1) | - | - | 280000 | 360000 | 160000 | 120000 | 100000 | - | 1020000 |
| 2 | Other Non-Executive Directors | | | | | | | | | |
| | Fee for attending board committee meetings | 60000 | 80000 | - | - | - | - | - | 160000 | 300000 |
| | Commission | - | - | - | - | - | - | - | - | - |
| | Others | | | | | | | | | |
| | Fee for attending sub committee meetings | - | - | - | - | - | - | - | 40000 | 40000 |
| | Consulting Fees | - | - | - | - | - | - | - | 800000 | 800000 |
| | Total (2) | 60000 | 80000 | - | - | - | - | - | 1000000 | 1140000 |
| | Total (B)=(1+2) | 60000 | 80000 | 280000 | 360000 | 160000 | 120000 | 100000 | 1000000 | 2160000 |
| | Total Managerial Remuneration | | | | | | | | | *10779634 |
| | Overall Ceiling as per the Act | Not exceeding Rs.1 Lakh Per meeting | Not exceeding Rs.1 Lakh Per meeting | Not exceeding Rs.1 Lakh Per meeting | Not exceeding Rs.1 Lakh Per meeting | Not exceeding Rs.1 Lakh Per meeting | Not exceeding Rs.1 Lakh Per meeting | Not exceeding Rs.1 Lakh Per meeting | Not exceeding Rs.1 Lakh Per meeting + Consulting Fees Rs.1 Lakh per month | |

* Total remuneration to Managing Director, Whole-time Director and other Directors (being the total of A & B.)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| S. No. | Particulars of Remuneration | Key Managerial Personnel | |
|---|---|---|---|
| | | Company Secretary | Total |
| | | M N Srinivasan | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 7,66,000 | 7,66,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1,42,000 | 1,42,000 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | – | – |
| 2 | Stock Option | – | – |
| 3 | Sweat Equity | – | – |
| 4 | Commission | – | – |
| | - as % of profit | – | – |
| | others, specify… | – | – |
| 5 | Others, Contribution to funds | 1,68,000 | 1,68,000 |
| | Total | 10,76,000 | 10,76,000 |

## VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| A. COMPANY | | | | | |
| Penalty | – | – | – | – | – |
| Punishment | – | – | – | – | – |
| Compounding | – | – | – | – | – |
| B. DIRECTORS | | | | | |
| Penalty | – | – | – | – | – |
| Punishment | – | – | – | – | – |
| Compounding | – | – | – | – | – |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | – | – | – | – | – |
| Punishment | – | – | – | – | – |
| Compounding | – | – | – | – | – |

NOT APPLICABLE

By Order of the Board
For Revathi Equipment Limited

Place : Bangalore
Date : October 17, 2015

**Abhishek Dalmia**
Executive Chairman

## ANNEXURE B

## NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

### DEFENITIONS:

**"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

**"Key Managerial Personnel"** (KMP) means:

i) the Executive Chairman/the Chief Executive Officer or the Managing Director;

ii) the Company Secretary;

iii) the Whole-time Director;

iv) the Chief Financial Officer, and

v) such other officer as may be prescribed.

**"Senior Managerial Personnel"** means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management of rank equivalent to General Manager / Associate Vice President and above, including all functional heads.

### OBJECTIVE:

a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

c) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

### ROLE OF THE COMMITTEE:

The role of the NRC will be the following:

To formulate criteria for determining qualifications, positive attributes and independence of a Director.

To formulate criteria for evaluation of Independent Directors and the Board.

To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

To carry out evaluation of Directors' performance.

To recommend to the Board the appointment and removal of Directors and Senior Management.

To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

To devise a policy on Board diversity, composition, size.

To do succession planning for replacing Key Executives and overseeing.

To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

To perform such other functions as may be necessary or appropriate for the performance of its duties.

### APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

### TERM /TENURE

**Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**a) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms upto a maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

## EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

## REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

## RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## POLICY FOR REMUNERATION TO DIRECTORS / KMP / SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Executive Chairman / Managing Director / Whole-time Directors:

a) The Remuneration/ Commission etc. to be paid to Executive Chairman / Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Executive Chairman / Managing Director / Whole-time Directors.

2) Remuneration to Non-Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee shall be approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

i) The Services are rendered by such Director in his capacity as the professional; and

ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3) Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

## IMPLEMENTATION

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Committee may delegate any of its powers to one or more of its members.

## ANNEXURE - C

## PARTICULARS PURSUANT TO SEC. 134 (3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014:

**Conservation of Energy:**

**(i) Steps Taken for 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.

**(ii) Steps Taken by the Company for utilizing alternate sources of energy:**

As the cost of energy in the total cost is insignificant and considering the nature of our industry, utilization of alternate source of energy has not been undertaken.

**(iii) Capital Investment on energy conservation equipment:**

No capital investment was made during the year in this regard

**Technology absorption & Research & Development**

**Technology Absorption, Adaptation and Innovation:**

1) Efforts made towards technology absorption, adaptation and innovation:

   Agreements signed for Co-development and Marketing of Dual Rotary drills and Deep Hole Drills.

2) Benefits derived as a result of the above efforts:

   Development Range Enhancement for Water exploratory drilling.

3) Information of Imported Technology (imported during the last 5 years from the beginning of the Financial Year)

| | |
|---|---|
| a) Technology Imported | Dual Rotary drills |
| b) Year of Import | FY 2013-14 |
| c) Technology absorption | In progress |
| d) if not fully absorbed, areas where this has not taken place, reasons thereof, and future plans of action | In progress |

a. Expenditure incurred on Research & Development:

| Expenditure on R&D | 2014-2015 | 2013-2014 |
|---|---|---|
| Capital | 1.27 | Nil |
| Revenue | 121.59 | 123.98 |
| Total | 122.86 | 123.98 |
| R&D Expenditure as a percentage of Turnover | 1.59 | 1.62 |

**Foreign Exchange earnings & outgo:**

The details of foreign exchange earnings and outgo during the year are furnished below:

a) Earnings : Rs. 49 Lakhs

b) Outgo : Rs. 1270 Lakhs

By Order of the Board
For Revathi Equipment Limited

Place : Bangalore
Date : October 17, 2015

**Abhishek Dalmia**
Executive Chairman

**ANNEXURE - D**

## Form AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

### Part "A": Subsidiary

| S. No. | Particulars | Details | |
|---|---|---|---|
| 1. | Name of the subsidiary | Semac Consultants Pvt Ltd | Semac and Partners, LLC |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | The reporting period of the subsidiary is same as that of the holding company | The reporting period of the subsidiary is same as that of the holding company |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA | Omani Riyal / Exchange rate - Rs. 161.697 |
| 4. | Share capital | 1,82,08,920 | 2,51,000 |
| 5. | Reserves & Surplus | 47,27,05,763 | 11,84,44,559 |
| 6. | Total assets | 62,31,57,288 | 18,45,46,528 |
| 7. | Total Liabilities | 62,31,57,288 | 18,45,46,528 |
| 8. | Investments | 1,92,10,653 | NIL |
| 9. | Turnover | 57,72,44,609 | 19,15,29,106 |
| 10. | Profit before taxation | 6,64,97,255 | 4,26,88,146 |
| 11. | Provision for taxation | 2,85,77,618 | 46,02,895 |
| 12. | Profit after taxation | 3,79,19,637 | 3,80,85,251 |
| 13. | Proposed Dividend | – | – |
| 14. | % of shareholding | 76.99% | 65% |

**Notes:** There are no subsidiaries which are yet to commence operations or have been liquidated or sold during the year.

### Part "B" : Associates and Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

| Name of associates / Joint Ventures | Panchtatva Realty (Association of Persons) |
|---|---|
| 1. Latest audited Balance Sheet Date | 31.03.2015 |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | |
| - No.of shares | Not Applicable |
| - Amount of Investment in Associates/Joint Venture | Rs. 20 Crores |
| - Extend of Holding% | 54% |
| 3. Description of how there is significant influence | Business decision agreement |
| 4. Reason why the associate/joint venture is not consolidated | Not Applicable |
| 5. Net worth attributable to shareholding as per latest audited Balance Sheet - 31.03.2015 | Rs. 2834 lakhs |
| 6. Profit / Loss for the year | |
| i. Considered in Consolidation | Rs. 4.51 lakhs |
| ii. Not Considered in Consolidation | |

There are no associates/Joint Ventures which are yet to commence operations or have been liquidated or sold during the year.

By Order of the Board
For Revathi Equipment Limited

Place : Bangalore
Date : October 17, 2015

**Abhishek Dalmia**
Executive Chairman

**ANNEXURE - E**

**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED ON 31st March 2015**
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,
Revathi Equipment Ltd
(CIN: L29120TZ1977PLC000780)
Pollachi Road, Malumachampatti P.O.
Coimbatore - 641 050

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s.Revathi Equipment Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s.Revathi Equipment Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;
ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited, and National Stock Exchange of India Limited.

I report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above subject to the following observations:

i. The payment of consultancy fees to a Non-executive Director of the Company is subject to the approval of the shareholders under Clause 49(II)(C) of the Listing Agreement entered into with the Stock Exchanges.
ii. The composition of the Board of Directors for the period upto 24.11.2014 is not in conformity with the requirements of Clause 49(II)(A) of the Listing Agreement entered into with the Stock Exchanges.
iii. The Company has made an application to the Central Government for waiver of recovery of excess remuneration of Rs.4.06 lakhs paid to Mr. Abhishek Dalmia, Executive Chairman of the Company for which requisite approval is awaited.
iv. Return of changes in shareholding position of top ten shareholders in e-form MGT-10 pursuant to Section 93 of the Companies Act 2013, and applicable rules have not been filed on the presumption that it does not exceed 2% of the total paid-up share capital of the company.

   I further report that, there were no actions/ events in pursuant of

   a. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
   d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

requiring compliance thereof by the Company during the financial year and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year.

v) I further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads and Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like labour laws and environmental laws.

vii) I further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

**I further report that**

The Board of Directors of the Company is duly constituted after 24.11.2014 with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the members have passed special resolutions under Section 180(1)(a) to create charge to secure the Borrowings of the Company and under Section 180(1)(c) of the Act empowering the Board of Directors to borrow moneys in excess of the aggregate of paid-up capital and free reserve provided that the amounts borrowed and outstanding at any point of time does not exceed Rs.150 crores, apart from temporary loans obtained from the bankers in the ordinary course of business. Other than these, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960, C P No.: 411

Place: Bangalore
Date : October 17, 2015

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

To

The Members,
Revathi Equipment Ltd,
(CIN: L29120TZ1977PLC000780),
Pollachi Road, Malumachampatti P.O.,
Coimbatore - 641 050.

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulation, standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

M D Selvaraj
MDS & Associates
Company Secretaries
FCS No.: 960, C P No.: 411

Place: Bangalore
Date : October 17, 2015

## Annexure F

**Particulars pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

i) **The ratio of the remuneration of each director to the median employee's remuneration for the financial year and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year is given below:**

| Directors Name | Ratio to median employee remuneration | % increase in remuneration |
|---|---|---|
| Mr. Abhishek Dalmia<br>Executive Chairman | 19:1 | NIL |
| Mr.S.Hariharan<br>Whole-time Director & CFO | 18:1 | NIL |
| Mr.M.N.Srinivasan<br>Company Secretary | 6:1 | NIL |
| Mr.P.M.Rajanarayanan<br>Non-Executive Director<br>(upto 25th November 2014) | 3:1 | NIL |

None of other Non-Executive Directors have been paid any remuneration except sitting fees for attending Board / Committee Meetings.

ii) **The percentage increase in the median remuneration of employees in the financial year:** 5.4%

iii) **The number of permanent employees on the rolls of company:** 153

iv) **The explanation on the relationship between average increase in remuneration and company performance:**

There was no increase in remuneration of KMPs and management staff as the performance of the Company was static at previous year's level.

v) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

While the Company's performance was static at previous year's level, the remuneration of KMPs was not increased.

vi) **Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:**

| Particulars | 31.03.2015 | 31.03.2014 |
|---|---|---|
| Market Capitalization (Rs. in crores) | 105.4 | 62 |
| Price Earning Ratio | 26.92 | -4.94 |
| Closing Market Price (in Rs.) | 343.8 | 203.1 |
| % increase / (decrease) of market price | 69% | -3.33% |
| Net Worth (Rs. in crores) | 117.2 | 118.7 |

Percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer is not applicable as the last public offer made in 1978 is not comparable.

vii) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:**

Average percentile increase made in the salaries of employees other than the Managerial Personnel in the last financial year was 3.4% and percentile increase in the managerial remuneration was NIL

viii) **The key parameters for any variable component of remuneration availed by the directors:**

Over all performance of the company and individual parameters like sales, profit, working capital etc.

ix) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** Nil

x) **Your directors affirm that the remuneration is as per the remuneration policy of the Company**

By Order of the Board
For Revathi Equipment Limited

Place : Bangalore
Date : October 17, 2015

**Abhishek Dalmia**
Executive Chairman
DIN : 00011958

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2014-15

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2015.

### 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 8 Directors including 2 Executive and 6 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 7 (Seven) times during the financial year on 30th May 2014, 24th June 2014, 08th August 2014, 12th September 2014, 11th November 2014 and 25th November 2014, 14th February 2015. 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 Directors | Category | Attendance Particulars | | No. of directorships in other public companies | No. of Committee Positions held in all Companies $ | |
|---|---|---|---|---|---|---|
| | | Board meeting | Last AGM | | Chairman | Member |
| Mr. Abhishek Dalmia | Executive Chairman - Non Independent | 5 | Absent | 6 | 0 | 2 |
| Mr. S. Hariharan | Executive Director - Non Independent | 7 | Present | 0 | 0 | 0 |
| Mrs.Deepali Dalmia | Non Executive - Non Independent | 2 | Absent | 0 | 0 | 0 |
| Mr. Chaitanya Dalmia | Non Executive - Non Independent | 2 | Absent | 3 | 0 | 2 |
| Mr. S C Katyal | Non Executive - Independent | 5 | Present | 0 | 0 | 0 |
| Mr. B.V. Ramanan | Non Executive - Independent | 6 | Absent | 0 | 0 | 0 |
| Mr. Muthu Poongavanam (Appointed on 25th November 2014) | Non Executive - Independent | 1 | Absent | 0 | 0 | 0 |
| Mr. Kishore Nanik Sidhwani (Appointed on 25th November 2014) | Non Executive - Independent | 1 | Absent | 0 | 0 | 0 |
| Mr. B.D. Narang (upto 27th October 2014) | Non Executive - Independent | 2 | Absent | 6 | 0 | 0 |
| Mr.P.M.Rajaranarayanan (Upto 25th November 2014) | Non Executive - Independent | 6 | Absent | 0 | 0 | 0 |

# Excludes directorships in Private Companies and Foreign Companies

$ Only Audit Committee and Stakeholders Relationship Committee are considered.

Mr. Abhishek Dalmia, Ms.Deepali Dalmia and Mr.Chaitanya Dalmia, Directors are related to each other. None of the other directors are related.

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 committees nor are they the Chairman / Chairperson of more than 5 committees, as per the requirements of the listing agreement.

As required, a brief profile of the Director (s) seeking appointment / re-appointment is furnished in the Notice of the 38th Annual General Meeting and forms part of the Corporate Governance Report.

### Independent directors

The Company has appointed Independent Directors fulfilling the provisions of clause 49 of the Listing agreement and the relevant provisions of the Companies Act 2013.

In accordance with the Companies Act 2013, the maximum tenure of the Independent Directors has been fixed at five consecutive years from the date of their appointment and shall be eligible for appointment for another term up to five consecutive years on passing of a special resolution by the company. Provided that a person who has already served as an independent director for five years or more as on 1st October 2014 shall be eligible for appointment on completion of his present term for one more term upto five years only.

**Familiarization Program for Independent Directors:**

The new Independent Directors appointed by the Board are given induction and orientation with respect to the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and such other areas as may arise from time to time.

The new Board members are also provided with copy of latest Annual Report, the Revathi Code of Conduct for directors, employees, Code of Conduct for Prevention of Insider Trading etc. and also requested to visit the Company's website link http://www.revathi.in to enable them to familiarize with the Company's procedures and practices.

The appointment letters of Independent Directors have been posted on the Company's website at http://www.revathi.in/wp-content/themes/rel/pdf/Indipendent-directors-terms-conditions.pdf.

**Separate Meeting of the Independent Directors:**

The Independent Directors held a Meeting on 13th February 2015, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following matters discussed in detail:

I) Review of the performance of non-independent directors and the Board as a whole;

II) Review of the performance of the Chairman of the Company, taking into account the views of Non-Executive Directors;

III) Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## Committees of the Board

The Board at present have 3 Committees:

1) Audit Committee 2) Nomination and Remuneration Committee (Erstwhile Remuneration Committee) and 3) Stakeholders Relationship Committee (Erstwhile Shareholders Committee)

The Board constitutes the committees and defines their terms of reference. The members of the committees are co-opted by the Board.

## Audit committee

All the members of the Audit Committee are independent and having knowledge of finance, accounts and engineering industry.

The quorum for audit committee meeting shall be either two members or one third of the members of the audit committee whichever is greater.

The terms of reference of the Audit Committee is in line with the regulatory requirements of section 177 of Companies Act, 2013 and amended Clause 49 of the Listing Agreement. The terms of reference for the year under review, inter alia are as follows-

a) Oversee 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.

b) Examine the financial statements and the auditors' report thereon.

c) Recommendation for the appointment, remuneration and terms of appointment of auditors of the company.

d) Review and monitor the auditor's independence, performance and effectiveness of audit process.

e) Approval of Related Party Transactions and any subsequent modifications thereof.

f) Scrutinize the inter-corporate loans and investments.

g) Perform valuation of the undertakings or assets of the company, wherever it is necessary.

h) Evaluating the internal financial controls and risk management systems.

i) Monitoring the end use of funds raised through public offers and related matters.

j) Call up for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board.

k) Reviewing, with the management the quarterly financial statements before submission to the Board for approval.

l) Perform such other functions as may be specified under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement as amended from time to time.

The Audit Committee carried out review of the information as specified in Clause 49(III)(E) of the Listing Agreement as amended.

During the year under review, the Committee met five times on 30th May 2014, 08th August 2014, 12th September 2014, 11th November 2014 and 14th February 2015. The Composition of the Audit Committee and the attendance of each member of the Committee is given below.

| Name of the Members | Category | No. of meeting attended |
|---|---|---|
| Mr. S.C. Katyal - Chairman | Independent - Non-Executive | 4 |
| Mr. B.V. Ramanan | Independent - Non-Executive | 5 |
| Mr. M. Poongavanam* (Appointed on 25th November 2014) | Independent - Non-Executive | 2 |
| Mr. B.D. Narang (upto 27th October 2014) | Independent - Non-Executive | 2 |

The Company Secretary acts as the Secretary of 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 2014-15, before being approved by the Board.

## Nomination and Remuneration committee

During the year under review, the committee met two times on 8th August 2014 and 25th November 2014. The composition of the Nomination and Remuneration Committee and the attendance of each member of the Committee is given below.

| Name of the Members | Category | No. of meetings attended |
|---|---|---|
| Mr. S.C. Katyal-Chairperson | Independent - Non-Executive | 2 |
| Mr. B.V. Ramanan | Independent - Non-Executive | 2 |
| Mr. Chaitanya Dalmia | Non-Independent - Non-Executive | 1 |
| Mr. B.D. Narang Upto 27th October 2014. | Independent - Non-Executive | 1 |
| Mr. P.M. Rajanarayanan Upto 25th November 2014 | Independent - Non-Executive | 2 |

The Board of Directors of the Company at their meeting held on 24th June 2014 have renamed its Remuneration Committee as "Nomination and Remuneration Committee". The terms of reference of Nomination and Remuneration Committee, as revised, in brief consists of the following:

1. Identification of the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down.
2. Recommend to the Board the appointment and removal of Directors or Senior management personnel.
3. Carry out evaluation of the performance of every Director.
4. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
5. Recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel i.e. all members of management one level below the Executive Directors which shall include functional heads.
6. Such other terms, as per the provisions of Section 178 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement.

### Remuneration Policy

The Nomination and Remuneration Policy in compliance with section 178 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement as recommended by the Nomination & Remuneration Committee has been approved by the Board of Directors. The said Policy is attached as Annexure to the Board's Report and is also available on the Company's website http://www.revathi.in/wp-content/themes/rel/pdf/Nomination-Remuneration-Policy.pdf.

This Committee would basically look into and determine the Company's policy on remuneration.

### Details of remuneration

The remuneration paid/ payable to the Executive Directors of the Company for the year ended 31st March 2015, are as under:-

| Name of the Director | Salary | Perquisites & Other Benefits | Contribution to Various Funds | Service Contract |
|---|---|---|---|---|
| Mr. Abhishek Dalmia | 25,80,000 | 9,03,000 | 10,56,725 | 5 years w.e.f. 01.04.2011 |
| Mr. S. Hariharan | 18,48,000 | 14,28,612 | 8,03,297 | 5 years w.e.f. 01.08.2012 |

The details of the remuneration paid during the year 31st March 2015 to the non-executive directors are as under:

| Name of the Director | Sitting Fees (in Rupees) |
|---|---|
| Mrs. Deepali Dalmia | 60,000 |
| Mr. Chaitanya Dalmia | 80,000 |
| Mr. S C Katyal | 2,80,000 |
| Mr. B.V. Ramanan | 3,60,000 |
| Mr. Muthu Poongavanam | 1,60,000 |
| Mr. Kishore Sidhwani | 1,20,000 |
| Mr. P.M. Rajanarayanan (upto 25th November 2014) | 1,60,000 |
| Mr. B.D. Narang (upto 27th October 2014) | 1,00,000 |

The Company currently does not have any Stock Option Scheme

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March 2015:-

| Name of the Directors | No of Shares held (as on 31.03.2015) |
|---|---|
| Mr. S.C. Katyal | 10058 |
| Mr. Kishore Sidhwani | 1661 |
| Mr. B.V. Ramanan | 650 |

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

## Stakeholders Relationship Committee

During the year under review, the committee met four times on 30th May 2014, 8th August 2014, 11th November 2014 and 12th February 2015. The composition of the Stakeholders Relationship Committee and the attendance of each member of the Committee is given below:

| Name of the Members | Category | No. of meeting attended |
|---|---|---|
| Mr. S.C. Katyal | Independent - Non-Executive | 3 |
| Mr. B.V. Ramanan | Independent - Non-Executive | 4 |
| Mr. M. Poongavanam (Appointed on 25th November, 2014) | Independent - Non-Executive | 1 |
| Mr. B.D. Narang (Upto 27th October 2014) | Independent - Non-Executive | 1 |

The Committee deals in these matters-

a) Consider and resolve the grievances of the Shareholders of the Company.

b) Review and rectify the applications received for transfer/transmission of any class of shares issued by the company.

c) Review and approve the applications received for sub-division, consolidation and issue of duplicate share certificates in accordance with the Companies (Share Capital and Debentures) Rules, 2014.

d) Consider and approve the applications received for conversion of dematerialised shares into physical share certificates.

e) Review the dematerialisation of share certificates.

The Share Transfers/transmissions approved by the committee are placed at the Board Meetings from time to time.

The total number of complaints received and replied to the satisfaction of shareholders during the year ended 31st March 2015 was Nil and there was no outstanding complaints as on that date.

The Board of Directors of the Company at their meeting held on 24th June 2014, have renamed and reconstituted its Shareholders Committee as "Stakeholders Relationship Committee". The Company Secretary acts as the Compliance Officer of the committee.

## Management Discussion and Analysis Report

Management Discussion and Analysis appeared in directors report, forms part of this Annual Report.

## General Body Meetings

Location and time for last three AGMs held and the special resolutions, if any, passed thereat, are as given below:

| Year | Location | Time | Date | Special Resolutions passed |
|---|---|---|---|---|
| 2013-14 | Registered office, Pollachi Road, Malumachampatti (PO), Coimbatore. | 02.30 PM | 29.09.2014 | • Appointment of Mr. B.D. Narang, Mr.S.C.Katyal and Mr.B.V.Ramanan as Independent Directors of the Company, Borrowing power u/s.180(1)(c), Consent to create mortgage, charge etc.,<br>• Payment of Special Allowance to Mr. S. Hariharan, Whole Time Director & CFO<br>• Waiver from recovery of excess remuneration paid to Mr.Abhishek Dalmia, Executive Chairman. |
| 2012-13 | Hotel Park Plaza Coimbatore 116/2, Avinashi Road, Mylampatti Chinniyampalayam P.O. Coimbatore | 01.00 PM | 26.08.2013 | • Waiver from recovery of excess remuneration paid to Mr.Abhishek Dalmia, Executive Chairman. |
| 2011-12 | Registered office, Pollachi Road, Malumachampatti (PO), Coimbatore. | 12.30 AM | 28.09.2012 | • Consent for payment of excess remuneration to Managing Director.<br>• Appointment of Whole-time Director.<br>• Appointment of Sole selling agents. |

## Postal ballot:

The Shareholders of the Company have passed Ordinary Resolutions for appointment of Mr.Kishore Nanik Sidhwani and Mr.Muthu Poongavanam as Independent Directors of the Company through Postal Ballot and E-voting dated 22nd January 2015.

The Board of Directors at their meeting held on 25th November 2014 had appointed Mr. M.D. Selvaraj, Practicing Company Secretary to act as Scrutinizer for conducting the Postal Ballot.

The postal ballot was carried out as per the procedure laid down in terms of Section 108 & 110 of the Companies Act, 2013 read with Rule 20 & 22 of the Companies (Management and Administration) Rules,2014 and Clause 35B of the Listing Agreement. Mr.M.D. Selvaraj had carried out the scrutiny of all postal ballots received upto close of working hours on 19th January 2015 and submitted report thereon 21st January 2015 addressed to the Chairman / Company Secretary of the Company. Based on the scrutinizer's report, the Chairman declared the result of voting exercise on 22nd January 2015.

The details of postal ballot is given below.

| S. No. | Subject | No. of Votes Cast | | | Date of Declaration |
|---|---|---|---|---|---|
| | | In favour | Against | Total | |
| 1 | Appointment of Mr.M.Poongavanam (DIN 01865262) as Independent Director of the Company for a period of five consecutive years with effect from 22nd January 2015. | 22,37,749 | 51 | 22,37,800 | 22nd January 2015 |
| 2 | Appointement Mr.Kishore Sidhwani (DIN 02428735) as Independent Director of the Company for a period of five consecutive years with effect from 22nd January 2015 | 22,37,749 | 51 | 22,37,800 | 22nd January 2015 |

At present there is no proposal to pass any resolution through postal ballot.

## Disclosures:

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

Refer the Note No. 28 forming part of accounts for the details of related party transactions. There are no materially significant Related Party Transactions, which have potential conflict with the interest of the Company at large.

(ii) Details of non-compliance by the company, penalties, and 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 Authority 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 established a Vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethics policy. This mechanism shall also provide for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provide for direct access to the chairperson of the Audit Committee. Moreover the details of such mechanism has been disclosed by the company on its website and in the Board's Report.

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

The Company has complied with all mandatory requirements of amended Clause 49 of the Listing agreement.

**Non-Mandatory Requirements:**

1. The Board

   There is no Non-Executive Chairman in the Company. Hence the question of maintaining non-executive chairman's office does not arise.

2. Shareholder Rights

   As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

3. Audit Qualifications

   Company is in process to move towards a regime of unqualified financial statements.

4. Seperate posts of Chairman and CEO

   The Company has appointed Executive Chairman and Whole-time Director separately.

5. Reporting of Internal Auditor

   The Internal Audit reports are considered by Audit Committee.

**Disclosure of Accounting Treatment.**

The financial statements have been prepared under the historical cost convention except certain fixed assets which have been revalued, in accordance with the generally accepted accounting principles in India and the provisions of Companies Act, 2013 and Accounting Standards specified under Section 133 of Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

## 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. It incorporates the duties of Independent Directors as laid down in the Companies Act, 2013.

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

## Prevention of Insider Trading

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company Secretary is the Compliance Officer. 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.

## WTD/CFO Certification

WTD/CFO has certified to the Board that:

(a) he has reviewed the financial statements and the cash flow statement for the year 2014-15 and that to the best of his knowledge and belief :

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) there are, to the best of his knowledge and belief, no transactions entered into by the Company during the year 2014-15 which are fraudulent, illegal or violative of the Company's code of conduct.

(c) he accepts responsibility for establishing and maintaining internal controls for financial reporting and that he has evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and found them satisfactory.

(d) there are no significant changes in internal control over financial reporting during the year 2014-15

(e) there are no significant changes in accounting policies during the year 2014-15 and

(f) there are no instances of significant fraud of the management or an employee having a significant role in the company's internal control system over financial reporting.

The WTD/CFO has given a Declaration to the effect that all Board Members and Senior Management personnel have confirmed compliance with the Code of Conduct during the Financial Year ended on 31st March, 2015.

## Means of Communication

The quarterly results and annual results are displayed on the website of the Company www.revathi.in and are widely published in newspapers viz. Business Standard and Malai Malar (Vernacular paper).The results are also promptly forwarded to the Stock Exchanges in which the shares are listed.

Official news releases are made whenever it is considered necessary.

## General shareholder information

38th Annual General Meeting

| | | |
|---|---|---|
| Date and Time | : | 21st December 2015 at 2.30 p.m. |
| Venue | : | At the registered office of the company, Pollachi Road, Malumachampatti, Coimbatore 641 050 |

## Financial Calendar

**Financial Year: 1st April 2015 to 31st March 2016**

| **Period of reporting** | **Proposed Board meeting dates** |
|---|---|
| Qtr ending 30th June 2015 | Second week of July 2015 |
| Qtr ending 30th September 2015 | First week of October 2015 |
| Qtr ending 31st December 2015 | First week of January 2015 |
| Year ending 31st March 2016 | Last week of April 2016 |

| | |
|---|---|
| Date of Book closure | From 15th December 2015 to 21st December 2015 (Both days inclusive) |

Dividend payment date

Considering results of the year the Directors have not recommended any Dividend for the year ended 31st March, 2015.

## Listing of shares on Stock Exchanges

BSE 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

**Note:**

Annual listing fees for the year 2015-16 were paid to BSE Limited & National Stock Exchange of India Limited.

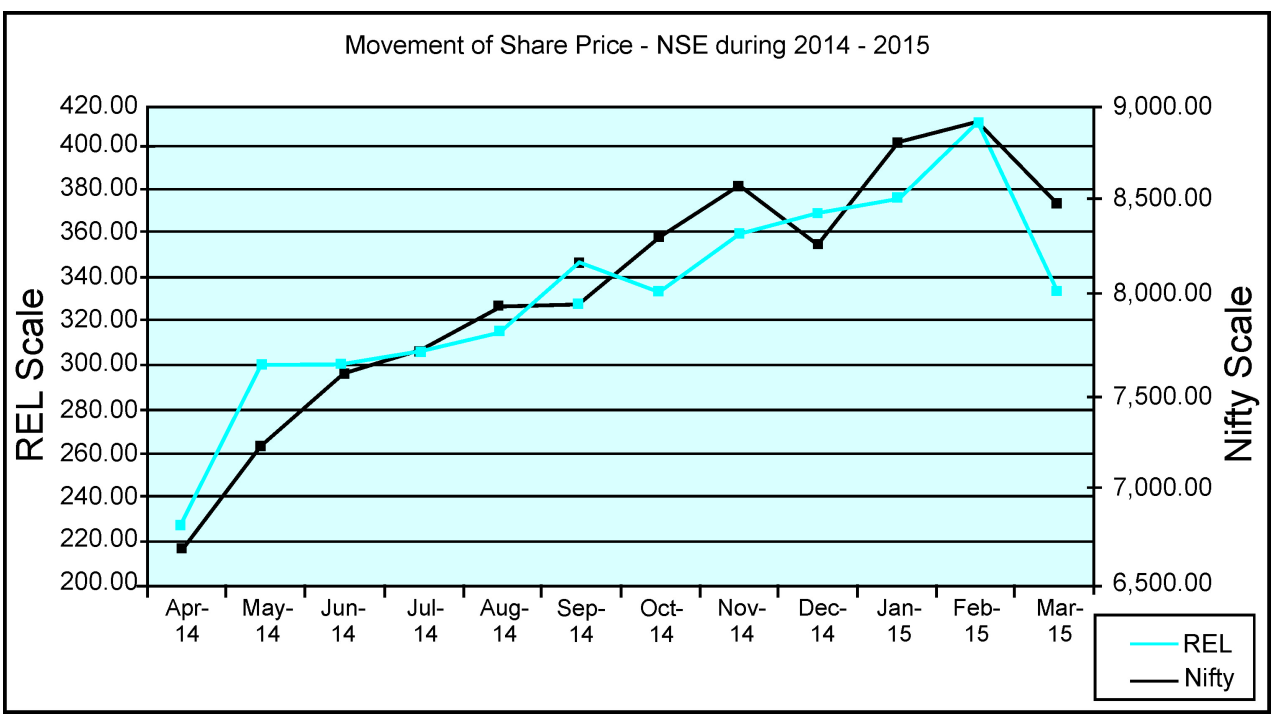
## Stock Market Data

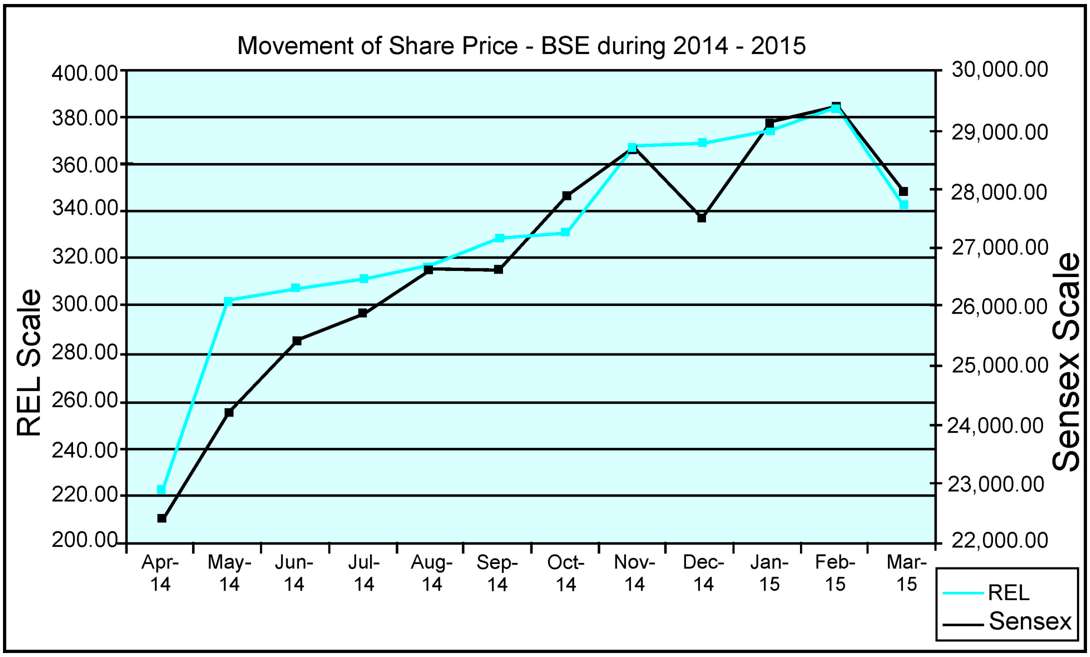
| | | |
|---|---|---|
| Type of Security | : | Equity |
| **Stock Code** | : | BSE Limited - 505368 |
| | : | National Stock Exchange of India Limited - REVATHI |
| ISIN number allotted for equity shares (Fully Paid Re. 10/- each) | : | INE617A01013 |

**Stock Price Data :**

For the Period : April 2014 to March 2015.

| National Stock Exchange | | | | BSE | | | |
|---|---|---|---|---|---|---|---|
| | Highest Rs. | Lowest Rs. | Volume Nos. | | Highest Rs. | Lowest Rs. | Volume Nos. |
| April, 2014 | 245.00 | 200.00 | 8,093 | April, 2014 | 251.80 | 200.00 | 10,908 |
| May | 353.10 | 215.20 | 18,111 | May | 355.00 | 224.75 | 8,843 |
| June | 315.00 | 270.25 | 11,388 | June | 315.00 | 267.10 | 16,463 |
| July | 350.00 | 300.00 | 13,456 | July | 349.95 | 300.00 | 11,376 |
| August | 354.75 | 256.25 | 9,447 | August | 347.00 | 275.00 | 10,604 |
| September | 406.90 | 290.35 | 14,912 | September | 369.90 | 303.00 | 9,040 |
| October | 353.90 | 306.60 | 9,474 | October | 368.00 | 288.55 | 6,061 |
| November | 400.65 | 320.00 | 19,771 | November | 398.80 | 298.00 | 10,900 |
| December | 430.00 | 346.55 | 16,793 | December | 426.00 | 351.00 | 13,676 |
| January, 2015 | 435.95 | 350.10 | 12,089 | January 2015 | 441.00 | 355.00 | 10,592 |
| February | 425.00 | 353.75 | 19,719 | February | 400.00 | 363.00 | 11,952 |
| March, 2015 | 399.00 | 312.50 | 17,715 | March, 2015 | 394.00 | 331.40 | 18,658 |
| Total | | | 1,70,968 | Total | | | 1,39,073 |






**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 - 641050
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 Stakeholders Relationship 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 Stakeholders Relationship Committee generally meets as and when required to effect the shares received for transfer in physical form.

The total number of shares transferred (physically) during the year 2014-15 was 1488 (previous year 1838)

**Categories of Shareholders as on 31st March 2015**

| Category | 2014-15 No.of Share holders | Voting Strength % | No.of Shares held |
|---|---|---|---|
| Individuals | 4,327 | 24.521 | 752,060 |
| Bodies Corporate | 147 | 74.282 | 2,278,175 |
| Insurance Co's | - | - | - |
| Directors & Rel | 6 | 0.729 | 22,359 |
| NRI | 57 | 0.465 | 14,249 |
| Banks | 1 | 0.003 | 100 |
| OCB | - | - | - |
| Mutual Fund | - | - | - |
| FII | - | - | - |
| Total | 4,538 | 100.000 | 3,066,943 |

**Distribution of Shareholding as on 31st March 2015**

| 2014-15 | | | | |
|---|---|---|---|---|
| No.of Equity Shares held | No. of Share holders | % of Share holders | No.of Shares | % of Share holding |
| 01 - 100 | 3,403 | 74.99 | 130,218 | 4.25 |
| 101 - 200 | 483 | 10.64 | 80,609 | 2.63 |
| 201 - 500 | 407 | 8.97 | 137,718 | 4.49 |
| 501 - 1000 | 137 | 3.02 | 98,756 | 3.22 |
| 1001 - 5000 | 91 | 2.01 | 175,435 | 5.72 |
| 5001 - 10000 | 7 | 0.15 | 49,786 | 1.62 |
| 10001 and above | 10 | 0.22 | 2,394,421 | 78.07 |
| Total | 4,538 | 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 2014-15, 1790 (0.58%) shares were dematted. As on 31st March, 2015, total shares in demat form is 29,90,398 shares and 76,545 shares in physical form. This represents 97.5% shares of the company are in demat form and 2.5% 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 regarding compliance by Board Members and Senior Management Personnel with the code of conduct pursuant to Clause 49(II)(E)**

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 website of the Company www.revathi.in
- All the Board of Directors of the Company and senior management personnel have affirmed compliance with the said code of conduct for the year ended March 31, 2015.

By Order of the Board

Place : Chennai
Date : 10th July, 2015

**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 conditions of Corporate Governance by Revathi Equipment Limited, for the year ended 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Company's 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 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 opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned statements of the Company.
4. We 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 : 12th August, 2015

**R.P. Singh**
Partner
Membership No.: 052438

## INDEPENDENT AUDITORS' REPORT

**To the members of**
**REVATHI EQUIPMENT LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Revathi Equipment Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss, and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 (" the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditors' 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 qualified audit opinion.

**Basis for Qualified Opinion**

Attention is drawn to the following notes to the financial statement:

a) Payment of managerial remuneration amounting to Rs. 4.06 lacs is subject to approval of Central Government (Note 22(a))

b) In absence of any valuation of certain fixed assets pertaining to Construction Equipment Division, held for disposal (note 32(a)) its impact on financial statements is presently not ascertainable.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its Profit/Loss and its Cash Flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

a) We have sought and 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books;

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

d) Except for the possible effects of the matter described in the Basis For Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act , read with Rule 7 of the Companies (Accounts) Rules, 2013;

e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,in our opinion and to the best of our information and according to the explanations given to us:

   i. Pending litigations (other than those already recognized in the accounts) having material impact on the financial position of the Company have been disclosed in the financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013; (Note 27)

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. Unclaimed dividend of Rs. 1.04 lacs which fallen due for payment in the previous year as stated in note 7 were transferred to the Investor Education and Protection Fund. Other than this, there is no amount which is required to be transferred to the Investor Education and Protection Fund.

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

**R.P. Singh**
Partner
Membership No.: 052438

Place : Kolkata
Date : May 29, 2015

## ANNEXURE TO OUR REPORT OF EVEN DATE:

i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.

   b. During the year, fixed assets have been physically verified by the management according to a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verifications.

ii) a. As informed, the inventories of the Company except for materials in transit and those lying with third parties have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable.

   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 and according to the information and explanations given to us, the Company has maintained proper records of its inventory and the discrepancies between the physical stock and book records were not material.

iii) The Company has not granted any loans secured or unsecured to companies, firms or parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.

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) The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.

vi) 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.

vii) 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; and

b. According to information and explanations given to us and as per the records of the Company examined by us as at 31st March, 2015, there are no amount outstanding in respect of sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.

c. Matters relating to transfer to the Investor Education and Protection Fund have been reported under f(iii) of Report on Other Legal and Regulatory Requirements paragraph of this report. There is no other amount required to be reported upon under this clause.

viii) The Company does not have any accumulated losses as at the end of the financial year and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

ix) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks.

x) According to information and explanations given to us, the Company had given guarantee in earlier year for loans taken by a subsidiary company from bank, the terms and conditions of this guarantee are not prima facie prejudicial to the interest of the Company.

xi) According to the information and explanations given to us, no fresh term loan has been taken during the year and thereby provision of clause (xi) is not applicable.

xii) During the course of our examination of books of account 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 cases by the management.

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

**R. P. Singh**
Partner
Membership No: 052438

Place : Kolkata
Date : May 29, 2015

## REVATHI EQUIPMENT LIMITED

**Balance Sheet as at 31st March, 2015**
**(All amounts in thousands of Indian Rupees)**

| Particulars | Note No. | As at 31st March 2015 | As at 31st March 2014 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| Shareholders' funds | | | |
| (a) Share capital | 2 | 30,669 | 30,669 |
| (b) Reserves and surplus | 3 | 1,145,065 | 1,161,107 |
| Non-current liabilities | | | |
| (c) Long-term provisions | 4 | 7,317 | 6,848 |
| Current liabilities | | | |
| (a) Short-term borrowings | 5 | 675,383 | 748,602 |
| (b) Trade payables | 6 | 152,954 | 172,016 |
| (c) Other current liabilities | 7 | 143,537 | 79,938 |
| (d) Short term provisions | 8 | 7,811 | 12,503 |
| TOTAL | | 2,162,736 | 2,211,683 |
| **ASSETS** | | | |
| Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 9 | 178,593 | 188,280 |
| (ii) Intangible assets | 9 | 802 | 1,092 |
| (b) Non-current investments | 10 | 1,077,271 | 1,077,271 |
| (c) Deferred Tax Assets (Net) | 11 | 2,387 | 3,851 |
| (d) Long-term loans and advances | 12 | 36,268 | 49,196 |
| (e) Other Non-Current Assets | 13 | 37,450 | 7,289 |
| Current assets | | | |
| (a) Inventories | 14 | 354,356 | 375,288 |
| (b) Trade receivables | 15 | 373,202 | 367,074 |
| (c) Cash and cash equivalents | 16 | 34,625 | 31,431 |
| (d) Short-term loans and advances | 17 | 67,051 | 84,713 |
| (e) Other Current Assets | 17A | 731 | 26,198 |
| TOTAL | | 2,162,736 | 2,211,683 |
| Significant Accounting policies | 1 | | |

Significant Accounting policies and other accompanying notes are an integral part of the financial statements.
This is the Balance Sheet referred to in our Report of even date.

**For and on behalf of the Board**

**For Lodha & Co**
Chartered Accountants

**S.C. Katyal**
Director

**S. Hariharan**
Whole-time Director

**R.P. Singh**
Partner
Membership No:052438

**M.N. Srinivasan**
Company Secretary

Place : Kolkata
Date : May 29, 2015

Coimbatore
May 29, 2015

REVATHI EQUIPMENT LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

**(All amounts in thousands of Indian Rupees)**

| Particulars | Note No. | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|---|---|---|---|
| Revenue from operations | 18 | 765,192 | 764,975 |
| Other Income | 19 | 26,822 | 32,596 |
| Total Revenue | | 792,014 | 797,571 |
| **Expenses** | | | |
| Cost of Materials Consumed | 20 | 276,915 | 278,584 |
| Purchases of Stock in Trade | 20A | 123,114 | 143,104 |
| Processing charges and purchase of materials through sub-contractors | | 19,849 | 22,089 |
| Changes in inventories of finished goods, work in progress and Stock-in- trade | 21 | 10,540 | 64,012 |
| Employee benefits expense | 22 | 73,375 | 104,747 |
| Finance Costs | 23 | 104,517 | 112,714 |
| Depreciation and amortization expense | 9 | 6,393 | 17,744 |
| Other expenses | 24 | 166,148 | 195,408 |
| **Total Expenses** | | 780,851 | 938,402 |
| Profit/(Loss) before exceptional items and tax | | 11,163 | (140,831) |
| Exceptional items | 25 | 22,816 | 78,880 |
| Profit / (Loss) before tax | | (11,653) | (219,711) |
| Tax expense | 26 | 2,031 | (7,783) |
| **Profit / (Loss) for the year** | | (13,684) | (211,928) |
| Earnings per equity share: | 31 | | |
| (1) Basic | | (4.46) | (69.10) |
| (2) Diluted | | (4.46) | (69.10) |
| Significant Accounting policies | 1 | | |

Significant Accounting policies and other accompanying notes are an integral part of 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

**S.C. Katyal**
Director

**S. Hariharan**
Whole-time Director

**R.P. Singh**
Partner
Membership No:052438

**M.N. Srinivasan**
Company Secretary

Place : Kolkata
Date : May 29, 2015

Coimbatore
May 29, 2015

## REVATHI EQUIPMENT LIMITED

### STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2015

| (All amounts in thousands of Indian Rupees) | 2014-15 | 2013-14 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| **Net profit before tax** | (11,653) | (219,711) |
| Adjustments to reconcile net profit to net cash provided by operating activities: | | |
| Depreciation | 6,393 | 17,744 |
| Bad Debts and advance written - off | 1,009 | 14,434 |
| Provision for Doubtful Debts | – | 16,249 |
| Share of Profit from RCTIL LLP (Refer Note ) | – | (11,512) |
| Interest and dividend income | (17,702) | (13,927) |
| (Profit)/Loss on sale of investments | – | 48,750 |
| Provisions/Liabilities no longer required written back | (6,772) | (5,551) |
| Interest on borrowings | 99,599 | 111,780 |
| (Profit) / Loss on sale of fixed assets | 1,425 | 6,536 |
| | 72,299 | (35,208) |
| Changes in current assets and liabilities: | | |
| (Increase)/decrease in inventories | 20,932 | 112,518 |
| (Increase)/decrease in trade and other receivables | (7,137) | 17,164 |
| (Increase)/decrease in Loans & Advances | 50,719 | 10,510 |
| (Decrease)/increase in current liabilities and provisions | (58,648) | (38,998) |
| **Cash generated from Operations** | 78,165 | 65,986 |
| Direct taxes paid (Net of Refund) | 16,727 | – |
| **Net cash provided by/(used in) operating activities** | 94,892 | 65,986 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Sale of fixed assets | 465 | 765 |
| Proceeds from RCTIL LLP | – | 15,000 |
| Proceeds from Panchatatva | – | 76,500 |
| Purchase of fixed assets | (1,231) | (2,452) |
| Purchase of investments | – | (15,925) |
| Sale of investment | 100,000 | – |
| Disinvestment from RCTIL LLP | – | 10,000 |
| Deposit with more than 12 months maturity | (37,450) | (7,254) |
| Interest and dividend received | 13,602 | 1,487 |
| **Net cash provided by/(used in) investing activities** | 75,386 | 78,121 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from / (repayment) of long term borrowings | – | (1,594) |
| Proceeds from / (repayment) of short term borrowings | (73,219) | (53,875) |
| Interest paid | (93,865) | (111,780) |
| **Net cash provided by/(used in) financing activities** | (167,084) | (167,249) |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | 3,194 | (23,142) |
| **CASH AND CASH EQUIVALENTS** | | |
| Beginning of the year | 31,431 | 54,573 |
| Dividend Accounts (Restricted) | – | 104 |
| End of the year | 34,625 | 31,327 |

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. 18,423 (previous year Rs 11,494) which are under lien or are not freely available.
3) Previous year's figures have been rearranged, whereever necessary.

As per our report of even date

**For and on behalf of the Board**

**For Lodha & Co**
Chartered Accountants

**R.P. Singh**
Partner
Membership No:052438

Place : Kolkata
Date : May 29, 2015

**S.C. Katyal**
Director

**M.N. Srinivasan**
Company Secretary

Coimbatore
May 29, 2015

**S. Hariharan**
Whole-time Director

**REVATHI EQUIPMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

**(All amounts in thousands of Indian Rupees)**

## SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention except certain fixed assets which have been revalued, in accordance with the generally accepted accounting principles in India and the provisions of Companies Act, 2013 and Accounting Standards specified under Section 133 of Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. These accounts have been prepared on the accounting principles of going concern and accrual basis have been followed. All expenses and income to the extent considered payable & receivable respectively unless stated to be otherwise, are accounted for on mercantile basis. Accounting policies unless specifically stated to be otherwise, are consistent 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 affect 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 are known/materialised. Contingencies are recorded when it is probable that a liability will be incurred and the amount can reasonably be estimated.

### (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 on straight line method, at the rates and in the manner specified in Schedule II to the Companies Act, 2013.

Intangible assets - computer software are amortised over the period of 3 to 5 years on straight line basis. Intangible assets - Technical know how are amortised over the period of three years on straight line basis.

On amount added on revaluation, difference between depreciation for the year based on revalued amount of the fixed assets and depreciation based on its original cost is transferred to General Reserve.

Depreciation on Fixed Assets added/disposed off during the year is provided for on pro-rata basis with reference to the month of addition/disposal.

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 investments. 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. Cost of manufactured goods represents the cost of material, labour and appropriate portion of manufacturing overheads.

### (g) Revenues and Other Income

Sale of Equipments and spares are recognised on dispatch 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 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 as and when incurred.

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) 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.

**(l) 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 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.

**(m) 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.

| 2) SHARE CAPITAL | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|
| **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) Shareholders holding more than 5% shares | | No. of Shares | No. of Shares |
| Avalokiteshvar Valinv Ltd (AVL) (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 |

b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs 10/- . Each equity shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets after discharging all liabilities of the Company, in proportion to their shareholding.

| 3) RESERVES AND SURPLUS | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|
| Capital reserve | | 149 | 149 |
| Capital redemption reserve | | 3,111 | 3,111 |
| Revaluation reserve | | | |
| Opening Balance | | 1,442 | 1,541 |
| Less: Transfer to General reserve on account of depreciation difference with respect to revalued amount and original cost of fixed assets. | 9(c) | (1,176) | (99) |
| Balance at the end of the year | | 266 | 1,442 |
| General Reserve from LLP | 33 | – | 12,028 |
| Less: Transferred to General Reserve | | – | (12,028) |
| | | – | – |
| General reserve | | 458,080 | 446,052 |
| Add: General Reserve from LLP | 33 | – | 12,028 |
| Add : Transfer from revaluation reserve on account of depreciation difference with respect to on revalued amount and original cost of fixed assets. | 9(c) | 1,176 | |
| Less : Adjustment on account of remaining useful life in terms of Schedule II of Companies Act, 2013 (Net of deferred tax of Rs. 567) | | (2,358) | |
| | | 456,898 | 458,080 |
| Surplus | | | |
| Opening Balance | | 698,325 | 910,253 |
| Add: Profit/ (Loss) for the year transferred from Statement of Profit & Loss | | (13,684) | (211,928) |
| Balance at the end of the year | | 684,641 | 698,325 |
| | | 1,145,065 | 1,161,107 |

| 4) LONG TERM PROVISIONS | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|
| Provision for Privilege Leave Encashment & Sick Leave | 29 | 7,317 | 6,848 |
| | | 7,317 | 6,848 |

| 5) SHORT TERM BORROWINGS | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|
| From Banks - Cash Credit (Secured) | 5(a) | 545,383 | 748,602 |
| Inter Corporate Deposit from Related Party- Subsidiary Company (Unsecured) | | 130,000 | – |
| | | 675,383 | 748,602 |

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.

| | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|
| **6) TRADE PAYABLES** | | | |
| -Due to Micro, Small and Medium Enterprises | 6(b) & (c) | 15,179 | 2,191 |
| -Others | | 116,346 | 163,640 |
| -Acceptances | 6(a) | 21,429 | 6,185 |
| | | 152,954 | 172,016 |

a) Acceptance represents outstanding vendors' bills discounted from the bank.

b) 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.

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

| | 2014-15 | 2013-14 |
|---|---|---|
| a) Principal amount outstanding at the end of the year | 15,179 | 2,191 |
| b) Interest amount due at the end of the year | Nil | Nil |
| c) Interest paid to suppliers | Nil | Nil |

| | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|
| **7) OTHER CURRENT LIABILITIES** | | | |
| Current maturities of Vehicle Loan | 7(a) | – | 986 |
| Unclaimed dividends * | | – | 104 |
| Advances from customers | | 1,571 | 35,046 |
| Advance against sale of entitlement | 10 (d) (ii) | 100,000 | |
| Employee Related Dues | | 4,802 | 9,605 |
| Statutory Liabilities | | 11,790 | 4,209 |
| Amount payable to Related party (Subsidiary) | 28 | – | 195 |
| Interest Accrued but not due on borrowings (payable to Related party - Subsidiary ) | 28 | 5,734 | 1,423 |
| Security Deposit from Stockist | | 3,000 | 3,000 |
| Accrued Expenses | | 16,640 | 25,370 |
| | | 143,537 | 79,938 |

* Deposited with Investor Education and Protection Fund on 20 May 2014.

a) Vehicle loan is secured by hypothecation of vehicles.

| | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|
| **8) SHORT TERM PROVISIONS** | | | |
| Provision for Warranties Claims | 8(a) | 5,739 | 10,614 |
| Provision for Privilege Leave Encashment & Sick Leave | 29 | 2,072 | 1,889 |
| | | 7,811 | 12,503 |

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

| | 2014-15 | 2013-14 |
|---|---|---|
| Opening Balance | 10,615 | 16,166 |
| Provided during the year | 3,590 | 3,380 |
| Utilization during the year | (8,466) | (8,931) |
| Closing Balance | 5,739 | 10,615 |

## 9. FIXED ASSETS

(All amounts in thousands of Indian Rupees)

| Particulars | Balance at the beginning of year | Additions / charge | Deletions/ Sales Adjustment | Balance at the end of year |
|---|---|---|---|---|
| **Gross Block** | | | | |
| **Tangible Assets** | | | | |
| Freehold/Leasehold land | 71,453 | – | – | 71,453 |
| Buildings | 123,061 | – | – | 123,061 |
| Plant and machinery* | 68,775 | 798 | 516 | 69,057 |
| Production tooling | 13,895 | 52 | 127 | 13,820 |
| Data processing equipment | 18,449 | 229 | 554 | 18,124 |
| Furniture and fittings | 5,831 | – | 454 | 5,377 |
| Office equipment | 12,092 | 30 | 5,405 | 6,717 |
| Vehicles | 11,948 | – | 1,593 | 10,355 |
| | 325,504 | 1,109 | 8,649 | 317,964 |
| **Intangible Assets** | | | | |
| Technical knowhow | 10,784 | – | 10,282 | 502 |
| Computer software | 9,568 | 122 | – | 9,690 |
| | 20,352 | 122 | 10,282 | 10,192 |
| | 345,856 | 1,231 | 18,931 | 328,156 |
| **Previous year** | 366,203 | 2,452 | 22,799 | 345,856 |
| **Accumulated depreciation** | | | | |
| Tangible Assets | | | | |
| Freehold /Leasehold land | 5,497 | | – | 5,497 |
| Buildings | 32,181 | 3,558** | – | 35,739 |
| Plant and machinery | 45,094 | 2,198 | 230 | 47,062 |
| Production tooling | 13,588 | 170 | 127 | 13,631 |
| Data processing equipment | 15,684 | 1,275 | 551 | 16,408 |
| Furniture and fittings | 5,089 | 354 | 351 | 5,092 |
| Office equipment | 9,549 | 455 | 4,078 | 5,926 |
| Vehicles | 10,542 | 896 | 1,422 | 10,016 |
| | 137,224 | 8,906 | 6,759 | 139,371 |
| **Intangible Assets** | | | | |
| Technical knowhow | 10,481 | - | 10,282 | 199 |
| Computer software | 8,779 | 412 | - | 9,191 |
| | 19,260 | 412 | 10,282 | 9,390 |
| | 156,484 | 9,318 | 17,041 | 148,761 |
| **Previous year** | 154,138 | 17,843 | 15,497 | 156,484 |
| **Net Block** | | | | |
| Tangible Assets | | | | |
| Freehold /Leasehold land | 65,956 | | | 65,956 |
| Buildings | 90,880 | | | 87,322 |
| Plant and machinery | 23,681 | | | 21,995 |
| Production tooling | 307 | | | 189 |
| Data processing equipment | 2,765 | | | 1,716 |
| Furniture and fittings | 742 | | | 285 |
| Office equipment | 2,543 | | | 791 |
| Vehicles | 1,406 | | | 339 |
| | 188,280 | | | 178,593 |
| **Intangible Assets** | | | | |
| Technical knowhow | 303 | | | 303 |
| Computer software | 789 | | | 499 |
| | 1,092 | | | 802 |
| | 189,372 | | | 179,395 |
| **Previous year** | 212,065 | | | 189,372 |

a. ** Includes depreciation of Rs. Nil (2014 - Rs. 99) transferred from revaluation reserve.

b. 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 |

| | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|

(c) During the year depreciation has been provided based on the useful life of the assets as per Schedule II of the Companies Act, 2013. Consequently, depreciation for the year in the profit and loss account is higher by Rs.2,651. In respect of the fixed assets, where remaining useful life as per the said Schedule have expired as on 1st April 2014, the carrying values there of has fully been depreciated and Rs. 2358 (net of deferred tax of Rs. 567 thereagainst) has been adjusted against general reserve of the company. Corresponding amount of revaluation reserve amounting to Rs. 1,176 has been transferred therefrom to the general reserve.

(d) Includes following assets pertaining to Construction Equipment Division (CED) held for disposal (Note 32(a)), which have been carried at net book value as on 31st March 2015: Land and Building Rs 138,707 (2014; Rs. 138,707), Plant & Machinery Rs 14,684 (2014 Rs 14,970), Production Tooling Rs 117 (2014: Rs 117), Data Processing Equipment Rs 702 (2014: Rs. 705), Office equipment Rs 419 (2014: Rs. 1,722), Furniture & Fittings Rs 125 (2014: 227) and Vehicles Rs. 175 (2014: Rs. 345) - Aggregating to Rs.154,929 (2014: Rs. 156,793)

## 10) NON CURRENT INVESTMENTS (NON TRADE)

| | | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|---|
| | Investment in Equity Instruments (unquoted) | | | |
| **(a)** | **Subsidiary Companies:** | | | |
| | 1,401,860.(2014-1,401,860)Equity Shares of Rs.10/-each in Semac Consultants Pvt.Ltd | | 877,271 | 877,271 |
| **(b)** | **Associates:** | | | |
| | Nil (2014-8,896,797) Preferred Stock in Satellier Holdings Inc.,USA | | 48,750 | 48,750 |
| | Less: Provision for diminution in value | 25 & 34 | (48,750) | (48,750) |
| **(c)** | **Joint Venture** | | | |
| | Capital contribution in Panch Tatva Realty | 10 (d) | 200,000 | 200,000 |
| | | | 1,077,271 | 1,077,271 |
| | Aggregate amount of unquoted investments | | 1,077,271 | 1,077,271 |

**d)** i. The Company alongwith another company 'Tridhaatu Realty and Infra Pvt Ltd' has formed an Association of Person (AOP) Panch Tatva Realty and has made an investment of Rs 200,000 towards its share of contribution in the capital of AOP (note 10(c)) for undertaking a real estate project as joint venture (JV) for construction of residential complexes in Chembur, Mumbai. Pursuant to an agreement (including modification and Memorandum of Understanding) (the agreement) entered into in this respect, the company will be entitled to 54% of the profits and surplus of the said JV. In respect of the residential complexes, it will be entitled to obtain minimum of 50000 sq ft of constructed area against the investment made in AOP. The company will also be entitled to the additional area based on actual measurement and in case of delay in completion of the project as per terms and conditions as specified in the agreement.

ii. The Company has entered into a Memorandum of Understanding (MOU) on 24th December 2014 with the joint venture partner to sell 6350 sq ft out of the Company's entitlement of constructed area as stated above. An advance of Rs. 100000 has been received in this respect and will be adjusted on receipt of necessary approval for construction etc. in terms of MOU.

iii. Further, Rs Nil (Rs 120600) has been given as loan to AOP and said loan and interest receivable there against amounting to Rs. Nil (Rs 44100) and Rs Nil (Rs 24484) respectively have been shown under "Short Term Loan and Advances" (note 17)

## 11) DEFERRED TAX Assets / LIABILITIES (NET)

| | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|
| **Deferred Tax Liabilities :** | | | |
| Depreciation Difference | | 4,496 | 3,183 |
| Payment of Gratuity Fund | | 1,436 | 1,073 |
| **Deferred Tax Assets :** | | | |
| Provision for Leave | | (3,047) | (2,835) |
| Provision for Doubtful debt | | (5,272) | (5,272) |
| | | (2,387) | (3,851) |
| a) Includes Rs 567 adjusted against general reserve. | 3 & 9 (c) | | |

| | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|
| **12) LONG TERM LOANS AND ADVANCES** | | | |
| (Unsecured -considered good unless otherwise stated) | | | |
| Deposits | | 14,135 | 11,298 |
| MAT Credit Entitlement | 12 (a) | 13,573 | 12,476 |
| Advance Payment of Tax (net of provision) | | 8,077 | 24,804 |
| Loan to Employees | **17 (a)** | 483 | 618 |
| | | 36,268 | 49,196 |

a) The Company has been liable to pay Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961 (the Act) during current year and earlier years. Accordingly, as advised in guidance note on "Accounting for credit available in respect of minimum alternate tax under the Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India, Rs 13573 ('000) being the credit available have been carried forward as MAT credit Entitlement to be set off against the future tax liabilities in terms of the relevant provisions of the Act. In view of the Management, the Company's taxable profit in future will be sufficient to offset the entitlement so recognized in the accounts.

| | | |
|---|---|---|
| **13) OTHER NON CURRENT ASSETS** | | |
| Margin money with Bank with maturity of more than 12 months (including accrued interest) | 37,450 | 7,289 |
| | 37,450 | 7,289 |
| **14) INVENTORIES** | | |
| (Inventories are stated at the lower of cost and net realisable value) | | |
| Raw Materials (including goods-in-transit) | 168,095 | 178,487 |
| Work in Progress | 122,461 | 99,455 |
| Merchanting goods (including goods-in-transit) | 63,800 | 97,346 |
| | 354,356 | 375,288 |
| **15) TRADE RECEIVABLES** | | |
| (Unsecured -considered good unless otherwise stated) | | |
| Outstanding for a period exceeding six months | | |
| – Considered good | 52,160 | 53,777 |
| – Considered Doubtful | 16,248 | 16,248 |
| Other debts | | |
| – Considered good | 321,042 | 313,297 |
| Less: Provision for Doubtful debt | (16,248) | (16,248) |
| | 373,202 | 367,074 |
| **16) CASH AND BANK BALANCES** | | |
| Cash and cash equivalent | | |
| - Cash on hand | 345 | 412 |
| - Deposit with bank with less than or equal to three months maturity | 300 | – |
| Balances with Banks: | | |
| - Current Accounts | 15,557 | 19,421 |
| - Dividend Accounts (Restricted) | – | 104 |
| - Margin Money Deposit against bank guarantee and letter of credit with banks (Under Lien) with more than three months maturity (Including accrued interest) | 18,423 | 11,494 |
| | 34,625 | 31,431 |

## 17) SHORT TERM LOANS AND ADVANCES

(Unsecured -considered good unless otherwise stated)

| | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|
| Loan Given to Related Party | 10(d) & 28 | – | 44,100 |
| Balances with Government authorities | | 8,628 | 6,094 |
| Advance to Suppliers | | 44,518 | 24,380 |
| Recoverable from employees | | 1,016 | 2,122 |
| Deposits | | 136 | 136 |
| Prepaid expenses | | 7,057 | 2,666 |
| Gratuity Prepayment | | 4,425 | 3,307 |
| Other advances | | 1,271 | 1,908 |
| | | 67,051 | 84,713 |

a) Disclosure under clause 32 of the Listing Agreement

| Loans and Advances to Employees | Max.Amt.outstanding during 2014-15 | Max.Amt.outstanding during 2013-14 | Outstanding as on 31.03.2015 | Outstanding as on 31.03.2014 |
|---|---|---|---|---|
| Housing Loan to employees (Interest @ 5%) | 96 | 688 | 96 | 410 |
| Other loans and advances (Interest free) | 179 | 730 | 483 | 618 |

## 17A) OTHER CURRENT ASSETS

| | Note No. | As at 31 March 2015 | As at 31 March 2014 |
|---|---|---|---|
| Receivables from Related Party | 10(d) & 28 | – | 24,484 |
| Interest receivables on margin money deposit with banks | | 61 | 1,131 |
| Interest receivable on housing loan to employees | | 577 | 583 |
| Accrued income | | 93 | – |
| | | 731 | 26,198 |

## 18) REVENUE FROM OPERATIONS

| | Note No. | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|---|---|---|---|
| Sale of product | | 771,133 | 704,407 |
| Less : Excise Duty | | (37,170) | (45,765) |
| | | 733,963 | 658,642 |
| Sale of Services | | 29,181 | 109,616 |
| Less: Service tax | | (2,556) | (6,098) |
| | | 26,625 | 103,518 |
| Other Operating Revenue | | 4,604 | 2,815 |
| Net Sales | | 765,192 | 764,975 |
| a) Earnings in foreign exchange | | | |
| FOB value of exports | | 4,982 | 45,450 |

## 19) OTHER INCOME

| | Note No. | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|---|---|---|---|
| Share of Profit from RCTIL LLP | 28 | – | 11,512 |
| Interest on investments and deposits | | 17,702 | 13,927 |
| Provision/liabilities no longer required written back | | 5,724 | 5,551 |
| Miscellaneous Income (Includes interest of Rs. 2,008 on income tax refund.) | | 3,396 | 1,606 |
| | | 26,822 | 32,596 |

| | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|---|---|---|
| **20) COST OF MATERIAL CONSUMED** | | |
| Raw Material and components consumed* | | |
| Opening Stock of Raw Material | 178,487 | 226,993 |
| Add: Purchases | 283,658 | 230,078 |
| Less: Closing Stock | (185,230) | (178,487) |
| | 276,915 | 278,584 |

*Net of Rs.17,335 (2014-Rs.6,924) for sales returns and includes Rs.8,466 (2014-Rs.8,931) for Warranty supplies

**a) RAW MATERIAL CONSUMED**

| Items | | |
|---|---|---|
| Under Carriage assemblies | 8,630 | 10,966 |
| Compressors and accessories | 20,727 | 7,206 |
| Electrical components | 51,052 | 37,033 |
| Hydraulic components | 48,862 | 41,392 |
| Pipes and valves | 21,012 | 13,001 |
| Gear/chain assemblies | 24,928 | 20,736 |
| Others (individually less than 10 per cent of total consumption) | 101,704 | 148,250 |
| | 276,915 | 278,584 |

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, 2015 | | For the Year ended 31st March, 2014 | |
|---|---|---|---|---|
| Imported | 71,850 | 25.95% | 45,375 | 16.29% |
| Indigenous | 205,065 | 74.05% | 233,209 | 83.71% |
| | 276,915 | 100% | 278,584 | 100% |
| Consumption of stores and spares | | | | |
| Indigenous | 2,408 | 100% | 3,618 | 100% |
| | 2,408 | 100% | 3,618 | 100% |
| **c) C.I.F. VALUE OF IMPORTS** | | | | |
| Raw Materials, components | 93,924 | | 81,166 | |
| Spares | 32,413 | | – | |
| | 126,337 | | 81,166 | |

| | 2015 | 2014 |
|---|---|---|
| **20A PURCHASES OF STOCK IN TRADE** | | |
| Purchase of Merchanting Components | 123,114 | 143,104 |
| a) PURCHASE OF MERCHANTING GOODS | | |
| Items | | |
| Compressors | 6,912 | 3,107 |
| Others | 116,202 | 139,997 |
| | 123,114 | 143,104 |
| **21) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE** | | |
| **Opening Stock** | | |
| Work in Progress | 99,455 | 141,187 |
| Merchanting Goods | 97,346 | 119,626 |
| **Closing Stock** | | |
| Work in Progress | 122,461 | 99,455 |
| Merchanting Goods | 63,800 | 97,346 |
| | 10,540 | 64,012 |

| | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|---|---|---|
| **22) EMPLOYEE BENEFIT EXPENSE** | | |
| Salaries & wages | **60,548** | 85,975 |
| Contribution to Provident and other Funds | **7,168** | 8,688 |
| Staff Welfare expense | **5,659** | 10,084 |
| | **73,375** | 104,747 |

a) Approval for excess remuneration of Rs. 406 paid in respect of FY 2013-14 to Executive Chairman is awaited from Central Government.

b) Remuneration of Rs. 8620 paid / payable to Executive Chairman and Whole-time Director is pending necessary approval of shareholders in the ensuing Annual General Meeting of the company.

| | | |
|---|---|---|
| **23) FINANCE COSTS** | | |
| Interest Expense | **99,599** | 111,780 |
| Other borrowing costs | **4,918** | 934 |
| | **104,517** | 112,714 |
| **24) OTHER EXPENSES** | | |
| Consumption of stores, spares, small tools, jigs and fixtures | **2,408** | 3,618 |
| Power and fuel | **3,956** | 4,511 |
| Rent | **3,630** | 5,421 |
| Repairs and maintenance: | | |
| Buildings | **7,167** | 8,484 |
| Plant and machinery | **78** | 475 |
| Others | **2,899** | 4,160 |
| Insurance | **1,768** | 1,996 |
| Rates and taxes | **5,070** | 4,786 |
| Travelling and conveyance | **23,615** | 38,746 |
| Freight, clearing and packing | **7,095** | 11,647 |
| Legal and professional charges | **8,337** | 8,321 |
| Loss on sale of fixed assets-net | **1,425** | 6,536 |
| Directors' sitting fees | **1,320** | 820 |
| Selling commission | **67,499** | 15,291 |
| Exchange loss(net) | **–** | 555 |
| Bad debts and advances written-off (net of recoveries Rs.172 (2014- Rs. Nil) | **1,009** | 14,434 |
| Provision for Doubtful Debts | **–** | 16,249 |
| Bank Charges | **5,966** | 6,917 |
| Service Charges | **6,010** | 23,427 |
| Miscellaneous expenses | **16,896** | 19,014 |
| | **166,148** | 195,408 |

a) Payment to auditors (included in Legal & Professional charges) as:

| | | |
|---|---|---|
| Auditor | **275** | 275 |
| For other services | **275** | 275 |
| For reimbursement of expenses | **275** | 303 |
| | **825** | 853 |

b) Expenditure in foreign currency

| | | |
|---|---|---|
| Technical know-how | **–** | – |
| Selling commission | **–** | 1,243 |
| Travel | **699** | 2,756 |
| | **699** | 3,999 |

| | Note No. | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|---|---|---|---|
| **25) EXCEPTIONAL ITEMS** | | | |
| Exceptional Items include: | | | |
| – Provision for diminution in carrying value of the long term investment in Associate, Satellier Holdings Inc, USA, | 33. | – | 48,750 |
| – Loss/Provision against non usable and surplus inventory | 32 (b) | 22,816 | 30,130 |
| | | 22,816 | 78,880 |
| **26) TAX EXPENSESS** | | | |
| Current Tax | | 1,097 | - |
| MAT Credit | 17 (b) | (1,097) | - |
| Deferred tax | | 2,031 | (7,783) |
| | | 2,031 | (7,783) |
| **27) CONTINGENT LIABILITIES AND COMMITMENTS** | | | |
| (to the extent not provided for) | | | |
| Customer claims for damages | | 3,678 | 3,678 |
| Income Tax demand pending in appeal | | – | 1,088 |
| Corporate guarantee given on behalf of a subsidiary | | – | 45,000 |
| | | 3,678 | 49,766 |

## 28) Related Party Disclosures :

1. Enterprises where control exists:
   Avalokiteshvar Valinv Ltd (AVL) - Holding Company
   Renaissance Construction Technologies India LLP upto 31.12.2013 (RCTILLP)
   Semac Consultants Pvt.Ltd (Subsidiary) (Semac)
2. Other related party with whom the company had transactions, etc.
   (i) Key Management Personnel:
   Mr. Abhishek Dalmia — Executive Chairman
   Mr. S. Hariharan — Whole-time Director
   (ii) Enterprise control by Director
3. Associate
   Panch Tatva Realty - AOP

4. Disclosure of transactions between the related parties & the status of balances as on 31st March, 2015

(Rs. in 000's)

| Particulars | Subsidiary/ RCTILLP | Panchatava - AOP | Key Management Personnel |
|---|---|---|---|
| | | **2014-15** | |
| **Income:** | | | |
| Interest Income | | 10,916 | |
| **Expenses:** | | | |
| Remuneration - Mr. Abhishek Dalmia | | | 4,540 |
| Remuneration - Mr. S. Hariharan | | | 4,080 |
| Interest on Inter Corporate deposit received from Semac | 6,371 | | |
| Refund of loan by Panchtatva | | 44,100 | |
| Inter corporate deposit received from Semac | 130,000 | | |
| Balances as on 31st March, 2015 | | | |
| (a) Inter corporate deposit received from Semac | 130,000 | | |
| (b) Payables to Subsidiary | – | | |
| (c) Interest Payable to Subsidiary | 5,734 | | |
| | | **2013-2014** | |
| **Income:** | | | |
| Share of Profit in RCTILLP | 11,512 | | |
| Interest Income | | 12,440 | |
| **Expenses:** | | | |
| Remuneration - Mr. Abhishek Dalmia | | | 4,540 |
| Remuneration - Mr. S. Hariharan | | | 4,832 |
| Refund of Capital Contribution | 10,000 | | |
| Amount received on account of current account | 5,000 | | |
| Reimbursement of Expenses | 9 | | |
| Sale of Investments | – | | |
| Balances as on 31st March, 2014 | | | |
| (a) Current Account with RCTILLP | 1423 | | |
| (b) Loan and Interest Receivable | | 68,584 | |
| (b) Payables to Subsidiary | 195 | | |

5) Provision for Diminution in value of long term investment has been made (Refer note no 25 and 34) 48750

## 29) 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 - 4,367 (2014 - 5,226)

Employer's Contribution to Superannuation Fund - 2,296 (2014 - 2,659)

**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 actuarial 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 build 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, 2015** | | | | | |
|---|---|---|---|---|---|
| **Expenses recognised during the year ended March 31, 2015, (included in Schedule 18 of Profit and Loss Account)** | | **Gratuity (Funded)** | **Leave Encashment (Non-Funded)** | **Gratuity (Funded)** | **Leave Encashment (Non-Funded)** |
| | | **31.3.2015** | **31.3.2015** | **31.3.2014** | **31.3.2014** |
| 1. | Current Service Cost | **1,357** | **581** | 1,518 | 656 |
| 2. | Interest Cost | **1,465** | **446** | 1,629 | 414 |
| 3. | Expected return on plan assets | **(1,990)** | **–** | (1,967) | – |
| 4. | Actuarial Losses / (Gains) | **(1,880)** | **(125)** | (932) | (344) |
| | **Total Expenses** | **(1,048)** | **902** | 248 | 726 |
| | **Change in the obligation during the year ended March 31, 2015** | | | | |
| 1. | Present value of Defined Benefit Obligation at the beginning of the year | **19,481** | **5,441** | 19,320 | 5,648 |
| 2. | Current Service Cost | **1,357** | **581** | 1,518 | 656 |
| 3. | Interest Cost | **1,465** | **446** | 1,629 | 414 |
| 4. | Benefit Paid | **(1,414)** | **(857)** | (2,034) | (933) |
| 5. | Actuarial (Gains) / Losses | **(1,874)** | **(125)** | (952) | (344) |
| | **Present value of Defined Benefit Obligation at the end of the year** | **19,015** | **5,486** | 19,481 | 5,441 |
| | **Change in Assets during the year ended March 31, 2015** | | | | |
| 1. | Plan Assets at the beginning of the year | **22,788** | **–** | 22,875 | – |
| 2. | Contribution by Employer | **69** | **857** | – | 933 |
| 3. | Expected return on plan assets | **1,990** | **–** | 1,967 | – |
| 4. | Benefit Paid | **(1,414)** | **(857)** | (2,034) | (933) |
| 5. | Actuarial Gains / (Losses) | **5** | **–** | (20) | – |
| **Plan Assets at the end of the year** | | **23,438** | **–** | 22,788 | – |
| **Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2015** | | | | | |
| 1. | Net Asset / (Liability) at beginning of the year | **3,307** | **(5,441)** | 3,555 | (5,648) |
| 2. | Employer Expenses | **1,048** | **(902)** | (248) | (726) |
| 3. | Employer Contributions | **69** | **857** | – | 933 |
| 4. | Net Asset / (Liability) at the end of the year | **4,424** | **(5,486)** | 3,307 | (5,441) |
| **Actuarial Assumptions** | | | | | |
| 1. | Discount Rate | **7.80%** | **7.80%** | 8.90% | 8.90% |
| 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) | | | |
|---|---|---|---|---|
| | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
| Present Value of Defined Benefit Obligation | 19,015 | 19,481 | 19,320 | 18,644 |
| Fair Value of Plan Assets | 23,438 | 22,788 | 22,875 | 19,490 |
| Surplus / (Deficit) | 4,425 | 3,307 | 3,555 | 847 |
| Experience Adjustments on Plan Liabilities - (Loss) / Gain | 2,795 | (718) | 992 | (616) |
| Experience Adjustments on Plan Assets - (Loss) / Gain | 5 | (20) | 2,141 | 46 |

## 30) 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 segment 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)

| | 2014-15 | | | |
|---|---|---|---|---|
| | Revenue | Asset | Liabilities | Capital Expenditure |
| Within India (*) | 764,308 | 2,156,436 | 987,002 | 1,231 |
| Outside India | 884 | 6,300 | – | – |

| | 2013-14 | | | |
|---|---|---|---|---|
| | Revenue | Asset | Liabilities | Capital Expenditure |
| Within India (*) | 614,956 | 21,96,571 | 1,019,907 | 17,843 |
| Outside India | 43,686 | 15,112 | – | – |

(*) includes investment in a company situated in USA in the year 2013-14.

## 31) EARNINGS PER SHARE

| | Year ended 31.3.2015 | Year ended 31.3.2014 |
|---|---|---|
| Net Profit/(Loss) attributable to equity shareholders (Rs.) | (13,684) | (211,928) |
| 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) | (4.46) | (69.10) |

32) a) Considering the market condition of construction equipment business (CED), last year the manufacturing facilities at Chennai were downsized and shifted both manufacturing and service resources located at Chennai to Coimbatore. Fixed assets pertaining to said division at Chennai having written down value of Rs 1,54,929 as on 31st March, 2015 (2014: Rs.1,56,793) comprising of lease hold land, building, plant and machinery, office equipment etc as disclosed in Note 9 are therefore meant for disposal and necessary steps in this respect are being taken. Adjustment, if any, with respect to value realisable thereagainst will be carried out as and when ascertained.

b) In view of above, certain inventories becoming non usable and surplus were written off and provision against remaining items against expected loss in value thereof as per the Management's estimate has been made in this year. Loss of Rs 30,130 (net of sale proceeds of Rs. 9,378 thereaginst) arising in this respect in the previous year and Rs. 22,816 during the year (including provision of Rs.17,135 for expected losses) on above have been shown under exceptional item.

33) The Company in terms of the Board resolution dated 26.11.2013 had retired from the partnership of Renaissance Construction Technologies India LLP (LLP) with effect from 31st December 2013 and one of the director alongwith his relative had joined as a partner in the said firm. Consequently, profit for the period from 1st April 2013 to 31st December 2014 (period) had been included in Note 19 "Other Income" and the opening balance of "General Reserve from LLP" as accumulated in the firm and belonging to the Company (note 3) had been transferred and added to general reserve of the Company. The capital contribution in the said LLP was returned in the previous year and adjusted from the investment in this respect.

34) The affairs of Satellier Holding Inc, USA, one of the associate of the company was dissolved and certificate of dissolution had been issued by the appropriate authority. There being no likelihood of any amount being recoverable towards investment in equity and as such full provision against Investment of Rs. 48750 in the said company had been done in the year 2013-14. There is no change in the status thereof in this year.

35) Certain debit and credit balances including accounts receivables, trade payables, loans & advances and bank balances are subject to confirmation and reconciliation arising therefrom.

**36) Information on Joint Ventures**

a) Joint Venture

| Name of Joint Venture | Country of Incorporation | Percentage of Ownership Interest |
|---|---|---|
| Panch Tatva Reality | India | 54% |

b) There being no contingent liabilities and capital commitments in respect of joint venture, disclosure of information in this respect are not applicable to the company.

c) Interest in the assets, liabilities, income and expenses with respect to joint venture :

| Particulars | Financial Year 2014-15 | 2013-14 |
|---|---|---|
| I. Assets | | |
| Fixed Assets (Net Block) | **140,770** | **140,770** |
| Current Assets, Loans and Advances: | | |
| - Cash and Bank Balances | **1,421** | **1,992** |
| - Inventory | **242,657** | **253,265** |
| - Loans and Advances | **42,339** | **36,942** |
| II. Liabilities | | |
| Loan Funds | **103,086** | **111,267** |
| Current Liabilities and Provisions: | | |
| - Liabilities | **171,076** | **177,214** |
| III. Income | | |
| Income | **91,919** | – |
| Other Income | **130** | **238** |
| IV. Expenditure | | |
| Selling, Administrative and Other General Expenses | **291** | **9** |
| Finance Charges | **5** | **12** |
| **Project Expenses** | **91301** | **12** |

**37)** Previous year figures have been regouped/reclassified to confirm with current year presentation, whereever considered necessary.

| | | |
|---|---|---|
| **For Lodha & Co**<br>Chartered Accountants | **S.C. Katyal**<br>Director | **S. Hariharan**<br>Whole-time Director |
| **R.P. Singh**<br>Partner<br>Membership No:052438 | **M.N. Srinivasan**<br>Company Secretary | |
| Place : Kolkata<br>Date : May 29, 2015 | Coimbatore<br>May 29, 2015 | |

## Independent Auditors' Report

**TO THE BOARD OF DIRECTORS OF REVATHI EQUIPMENT LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF REVATHI EQUIPMENT LIMITED, ITS SUBSIDIARY AND JOINT VENTURE**

### Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of Revathi Equipment Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and joint venture entity, comprising of the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other notes for the year ended on that date (hereinafter referred to as "the Consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including Joint venture entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and joint venture entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor's in terms of their reports referred to in sub-paragraph (a), (b) and (c) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### Basis for Qualified Opinion

Attention is drawn to the following notes to the consolidated financial statement:

a) Payment of managerial remuneration amounting to Rs. 4.06 lacs is subject to approval of Central Government (Note 25(a)).

b) In absence of any valuation of certain fixed assets pertaining to Construction Equipment Division, held for disposal (note 36(a)) and its impact on financial statements is presently not ascertainable.

c) Certain debit /credit balances including trade receivables and fixed deposits with banks and receivable from a related party as stated in note 19(d) and balances mentioned in note 8(d) and 19(e) are subject to confirmation/reconciliation and consequential adjustments thereof has not been determined (Note 39).

d) As stated in note 1(A)(V), the financial statements of the subsidiary at Muscat are unaudited and have been taken as prepared and submitted by the management.

e) Figures, details and disclosures for the purpose of consolidation in case of Panch tatva Realty have been considered based on the financial statements compiled and submitted by the management and adjustments/disclosures on the same being audited are presently not ascertainable. (Note 1(A)(VI))

f) As given in Note 1(B), 1(J) (1.7) and 1(F) (1.3), material impacts, if any, of the varying accounting policies with respect to employee benefits and depreciation followed by the overseas branch, subsidiary company and joint venture on the consolidated Financial Statements have not been ascertained and given effect to for the purpose of consolidation.

g) Further to para 'c' above with respect to subsidiary at Muscat, in absence of necessary details, adjustments with respect to deductions/payments against balance of surplus of the company's subsidiary at Muscat including for minority interest has been made based on management's representations of the Company and placing reliance there upon that no appropriation/ payment out of the distributable surplus to or for the Company has been made by the said subsidiary. Details with respect to balance unreconciled amount of Rs. 89.22 lacs were also not available. As such we are unable to offer any comment with respect to adjustments so carried out and the balances remaining unreconciled at the end of the year. (Note 3(a) and (b)).

h) Status of Rs 470.55 lacs included under other loans & advances being differential with respect to share of net assets of non-corporate joint venture in AOP and contribution made by the Company is determinable in future therefore recovery/adjustment thereagainst in terms of arrangement with JV partner and possible impact thereof as such cannot be commented upon by us.(Note 19(b)).

i) Impact with respect to (a) and (h) are presently not ascertainable and as such cannot be commented upon by us.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid consolidated 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, of the state of affairs of the Group as at 31st March, 2015, and jointly controlled entity as at 31st March 2015, and their consolidated Profit and their consolidated Cash Flows for the year ended on that date.

**Emphasis of Matter**

Accounting for revenues in respect of Engineering Consultancy and Project Management Charges as per note 1.8 of the consolidated financial statements has been made based on agreed terms of billing generally as stated after receiving confirmation of the completion of work by the customers. These being technical matters and in absence of any independent mechanism for arriving at the specified milestones, reliance have been placed on the management's estimation in this respect. Our opinion is not qualified in respect of this matter.

**Other Matters**

a) We did not audit the financial statements of an overseas branch included in the standalone financial statements of the Company whose financial statements reflects total assets of Rs. 50.63 lacs as at 31st March 2015, total revenue of Rs. 185.66 lacs for the year ended as on that date, as considered in the standalone financial statements. The financial statements of this branch have been audited by other auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch is based solely on the reports of the report of such branch auditor.

b) We did not audit the financial statements of overseas subsidiary company and joint venture, whose financial statements reflect total assets of Rs. 21,77.77 lacs as at 31st March 2015 and total revenue of Rs. 27,90.02 lacs for the year ended as on that date as considered in the standalone financial statements. The financial statements of these entities do not include cash flow statements and thereby the said statements have been derived by the management on overall basis based on consolidated balances. The aforesaid financial statements have not been audited by their auditors and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and joint venture entity, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture entity, is based solely on the unaudited financial statements submitted to us by the management.

c) We did not audit the financial statements of non-corporate joint venture entity, whose financial statements reflect total assets of Rs. 7910.89 lacs as at 31st March 2015 and total revenue of Rs. 1704.63 lacs for the year ended as on that date, as considered in the standalone financial statements. The financial statements of this entity do not include cash flow statements and thereby the said statements have been derived by the management on overall basis based on consolidated balances. The aforesaid financial statements have not been audited by their auditors and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of the aforesaid joint venture entity, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture entity, is based solely on the unaudited financial statements submitted to us by the management.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statement certified by the Management.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company and a subsidiary company (refer note 1 to the attached consolidated financial statements), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. Semac & Partners LLC, subsidiary and Semac Qatar WLL, joint venture entity are incorporated outside India and Panch Tatva Realty being a non-corporate entity, the Order issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act is not applicable to them. As related disclosures under "the order" is not applicable to them.

Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:

a) We have sought and obtained except the matter described in para (e) under the 'Basis for Qualified Opinion' and those stated in para h(i) and h(ii) below, 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 accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and the report of the other auditors;

c) The reports on the accounts of the branch office of the Subsidiary Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;

d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

e) Except for the possible effects of the matter described in para (d) above under the Basis For Qualified Opinion paragraph, in our opinion, the Consolidated Balance Sheet, Consolidated Statement of Profit and loss and Consolidated Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act , read with Rule 7 of the Companies (Accounts) Rules, 2013;

f) On the basis of the written representations received from the directors of the Holding Company and subsidiary company incorporated in India and audited by us, as on March 31, 2015, taken on record by the Board of Directors of the Holding Company and said subsidiary company, none of the directors of the Group companies and joint venture entity incorporated in India is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act. The other subsidiary and joint venture entities are either incorporated outside India or non-corporate entity hence requirement of section 164(2) is not applicable to them.

g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. Except as given in note 30(a) of the consolidated financial statements regarding pending compilation of the details for litigations with respect to a subsidiary and note 30(b) of the consolidated financial statements non-availability of information in this respect regarding a non-corporate joint venture entity, the consolidated financial statements disclose the impact of pending litigations (Other than those already recognized in the consolidated financial statements) on the consolidated financial position of the Group and joint venture entities as required in terms of the accounting standards and provisions of the Companies Act, 2013; (Refer note 30 of the consolidated financial statements)

   ii. The Holding Company and a subsidiary incorporated in India did not have any long-term contracts for which there were any material foreseeable losses. In respect of non-corporate joint venture entity as stated in note 1(A)(VI) of the consolidated financial statements, in absence of audited financial statements, it is not possible to ascertain and comment whether all material foreseeable losses have been provided for real estate contracts which are long term in nature. The other subsidiary and joint venture entities are incorporated outside India hence such details are not available.

   iii. Unclaimed dividend amount of Rs. 1.04 lacs relating to the Holding company which fallen due for payment in the previous year as stated in note 8(a)(i) were transferred to the Investor Education and Protection Fund. Other than this, as stated in note 8(a)(ii) of the consolidated financial statements, unclaimed dividend of Rs. 0.07 lacs with respect to a subsidiary company is yet to be transferred to the Investor Education and Protection Fund and therefore there is a delay in transferring the said sum as required as per the provisions of the Act. Other than this, there is no amount which is required to be transferred to the Investor Education and Protection Fund. The other subsidiary and joint venture entities are either incorporated outside India or non-corporate entity hence requirement of section 143(3) is not applicable to them.

**For Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No.301051E

**R P Singh**
Partner
Membership No: 052438

Place: Kolkata
Dated: May 29, 2015

**Annexure to the Auditors' Report our Report of even date:**

i) a. The Group has maintained proper records showing full particulars, including quantitative details and situations of fixed assets except for subsidiary company who has continued the process of updating proper records in this respect which was initiated earlier year.

b. As explained to us, the fixed assets of the Group are physically verified by the management over a phased manner, which we consider reasonable considering the size of the respective Companies and the nature of their assets. As explained to us such verification has been carried out by the management and the necessary reconciliation with the book records were under progress at the year end. No material discrepancies were noticed to the extent verified and reconciled by the management.

ii) Keeping in view the nature of business, clause (ii) of the order is not applicable to subsidiary. In respect of the Holding company,

a. As informed, the inventories of the Holding Company except for materials in transit and those lying with third parties have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable.

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 Holding Company and the nature of its business.

c. In our opinion and according to the information and explanations given to us, the Holding Company has maintained proper records of its inventory and the discrepancies between the physical stock and book records were not material.

iii) The Holding Company has not granted any loans secured or unsecured to companies, firms or parties covered in the register maintained under Section 189 of the Act.

According to information and explanation given to us, the subsidiary Company has given interest free advances to the Joint Venture company and the Holding Company. Other than this, the subsidiary company has not granted any loans, secured and unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Advances given to joint venture entity are interest free. Principal amount and interest where in respect of Holding company have not been fallen due for payment and as such has not been recovered during the year. Amounts given to joint venture as stated in note 19 (d) are strategic in nature and in absence of any stipulation for repayment etc. we are unable to offer any comment with respect to these.

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 Holding and subsidiary Company and nature of its business for the purchase of fixed assets. Further, during the course of our audit, we have neither come across nor have we been informed of any instances of major weakness in the aforesaid internal controls procedures and continuing failure on the part of the management to take corrective course of action in this regard. However, internal controls with regard to the sale of services with respect to the Subsidiary company need to be strengthened further.

v) According to the information and explanation given to us, the Holding company and subsidiary company incorporated in India have not accepted any deposit from public covered under Section 73 to 76 or any other relevant provisions of the Act and rules framed there under.

vi) 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 by the Holding company. However, we have not carried out any detailed examination of such records with a view to determine whether they are accurate or complete.

The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Subsidiary Company.

vii) a. According to information and explanations given to us and as per the records of the Holding Company and Subsidiary company examined by us, in our opinion the Holding Company and Subsidiary company except for subsidiary company in respect of service tax, provident fund, tax deducted at source and Employees' State Insurance are generally regular in depositing with the appropriate authorities undisputed material statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Cess as applicable to it. The details of material statutory dues outstanding for a period exceeding six months for the subsidiary company as provided for in the accounts are given below:

| Statute | Nature of Dues | Amount | Period to which the amount relates |
|---|---|---|---|
| The Central Excise Act, 1944 | Service Tax | 20,00,207.12 | 2013-14 & 2014-15 |
| Maharashtra State Tax on Professions, Trades, Callings & Employment Act, 1975 | Employee's Professional Tax | 26,775.00 | 2013-14 |

b. As stated in note 30(a) in absence of details of pending litigation and status thereof with respect to the subsidiary company, amount lying un-deposited in respect of service tax cannot be ascertained and commented upon. Other than this, according to information and explanations given to us and as per the records of the Holding Company and the Subsidiary Company examined by us as at 31st March, 2015, there are no amount outstanding in respect of sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.

c. There has been delay in transferring unpaid dividend of Rs. 1.04 lacs to the Investor Education and Protection Fund by the Holding Company and Unclaimed dividend of Rs. 7200 is yet to be transferred to the Investor Education and Protection Fund by the Subsidiary Company.

viii) Without considering the matter described in the Basis for Qualified Opinion paragraph effect whereof cannot be ascertained and commented upon, the Group and joint venture entities, does not have consolidated accumulated losses at the year end of the financial year and have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.

However, the Holding company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

ix) In our opinion and on the basis of information and explanations given to us, we are of the opinion that the Holding Company and Subsidiary Company has not defaulted in repayment of dues to banks.

x) According to the information and explanations given to us and based on the documents and records produced to us, the Holding Company and Subsidiary Company have not granted loans and advances on the basis of security by way of pledge of shares, debentures and other security except guarantee given by the Holding company in earlier year for loans taken by the subsidiary company from bank, the terms and conditions of this guarantee are not prima facie prejudicial to the interest of the Company.

xi) According to the information and explanations given to us, term loan was applied for the purpose for which the loan was taken.

xii) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Holding Company and subsidiary company incorporated in India nor have we been informed of any such cases by the management.

**For Lodha & Co.**
Chartered Accountants
Firm's ICAI Registration No.301051E

**R P Singh**
Partner
Membership No: 052438

Place: Kolkata
Dated: May 29, 2015

## REVATHI EQUIPMENT LIMITED

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

**(All amounts in thousands of Indian Rupees)**

| Particulars | Note No. | As at 31 March, 2015 | As at 31 March, 2014 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| Shareholders' funds | | | |
| (a) Share capital | 2 | 30,669 | 30,669 |
| (b) Reserves and surplus | 3 | 1,176,800 | 1,133,709 |
| Minority Interest | 3(b) | 169,903 | 152,729 |
| Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 104,453 | 88,273 |
| (b) Long-term provisions | 5 | 40,934 | 42,513 |
| Current liabilities | | | |
| (a) Short-term borrowings | 6 | 546,193 | 773,226 |
| (b) Trade payables | 7 | 175,248 | 184,033 |
| (c) Other current liabilities | 8 | 388,266 | 376,948 |
| (d) Short term provisions | 9 | 25,593 | 25,585 |
| TOTAL | | 2,658,059 | 2,807,685 |
| **ASSETS** | | | |
| Non-current assets | | | |
| Goodwill | 38 | 448,625 | 448,625 |
| (a) Fixed assets | | | |
| (i) Tangible assets | 10 | 345,041 | 375,500 |
| (ii) Intangible assets | 10 | 8,926 | 8,784 |
| (iii) Capital work in progress | | – | – |
| (b) Non-current investments | 11 | 706 | 706 |
| (c) Deferred tax assets (net) | 12 | 19,878 | 17,032 |
| (d) Long-term loans and advances | 13 | 132,451 | 161,429 |
| (e) Other Non-Current Assets | 14 | 46,658 | 13,971 |
| Current assets | | | |
| (a) Current Investments | 15 | 19,118 | 111,757 |
| (b) Inventories | 16 | 586,098 | 628,553 |
| (c) Trade receivables | 17 | 700,604 | 703,334 |
| (d) Cash and cash equivalents | 18 | 122,624 | 94,326 |
| (e) Short-term loans and advances | 19 | 197,376 | 225,652 |
| (f) Other current assets | 20 | 29,954 | 18,016 |
| TOTAL | | 2,658,059 | 2,807,685 |
| Significant Accounting Policies | 1 | | |

Significant Accounting policies (Note 1) and accompanying notes are an integral part of the financial statements.

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

**For and on behalf of the Board**

**For Lodha & Co**
Chartered Accountants

**R.P. Singh**
Partner
Membership No.:052438

Place : Kolkata
Date : May 29, 2015

**S.C. Katyal**
Director

**M.N. Srinivasan**
Company Secretary

Chennai
May 29, 2015

**S. Hariharan**
Whole-time Director

**REVATHI EQUIPMENT LIMITED**

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

**(All amounts in thousands of Indian Rupees)**

| Particulars | Note No. | For the year ended 31 March 2015 | For the year ended 31st March 2014 |
|---|---|---|---|
| Revenue from operations | 21 | 1,631,220 | 1,757,670 |
| Other Income | 22 | 56,105 | 50,441 |
| Total Revenue | | 1,687,325 | 1,808,111 |
| Expenses | | | |
| Cost of Materials Consumed | 23 | 276,915 | 278,584 |
| Cost of Construction | 23(a) | 91,301 | - |
| Purchases of Stock in Trade | | 123,114 | 143,104 |
| Processing charges and purchase of materials through sub-contractors | | 19,849 | 22,089 |
| Professional Charges | | 61,969 | 30,563 |
| Changes in inventories of finished goods, work in progress and Stock-in- trade | 24 | 10,540 | 64,012 |
| Employee benefits expense | 25 | 521,881 | 610,784 |
| Finance Costs | 26 | 101,209 | 116,908 |
| Depreciation and amortization expense | 10 | 28,365 | 36,827 |
| Less: Transferred from Revaluation Reserve | | – | (99) |
| Other expenses | 27 | 326,009 | 478,073 |
| Total Expenses | | 1,561,152 | 1,780,845 |
| Profit/loss before exceptional items | | 126,173 | 27,266 |
| Exceptional Items | 28 | 22,816 | 78,880 |
| Profit before tax | | 103,357 | (51,614) |
| Tax expense: | 29 | 35,212 | 40,610 |
| Profit/(Loss) for the year before Share of Profit / (Loss) of associates and Minority Interest | | 68,145 | (92,223) |
| Minority Interest | 3(b) | 28,987 | (33,782) |
| Profit on disposal of Associate | | | – |
| Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates | | 39,158 | (126,005) |
| Earnings per equity share: | | | |
| — Basic and Diluted | 31 | 12.77 | (41.08) |
| Significant Accounting Policies | 1 | | |

Significant Accounting policies (Note 1) and accompanying notes are an integral part of the financial statements.

This is the statement of Profit and Loss Account referred to in our Report of even date.

**For and on behalf of the Board**

**For Lodha & Co**
Chartered Accountants

**R.P. Singh**
Partner
Membership No.:052438

Place : Kolkata
Date : May 29, 2015

**S.C. Katyal**
Director

**M.N. Srinivasan**
Company Secretary

Chennai
May 29, 2015

**S. Hariharan**
Whole-time Director

**REVATHI EQUIPMENT LIMITED**

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(All amounts in thousands of Indian Rupees)

| | 2014-15 | 2013-14 |
|---|---|---|
| (A) CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net profit before tax after exceptional items | 103,357 | (51,613) |
| Adjustments to reconcile net profit to net cash provided by operating activities: | | |
| Depreciation | 28,365 | 36,728 |
| Sundry Balances Written Off | (398) | - |
| Bad Debts and advance written - off | 25,983 | 16,539 |
| Bad Debts Recovered | (157) | - |
| Provision for Doubtful Debts | 4,622 | 27,243 |
| Interest and dividend income | (37,922) | (27,501) |
| (Profit)/Loss on sale of investments | (8,640) | - |
| Provisions/Liabilities no longer required written back | (6,772) | (5,586) |
| Interest on borrowings | 102,656 | 116,908 |
| Foreighn Exchange (Gain) / Loss, Net | – | 1,045 |
| Release of earlier losses on disposal of Associate | – | (6,271) |
| Provision for dimunition in carrying value of the long term investment in Associate | – | 48,750 |
| (Profit) / Loss on sale of fixed assets | 513 | 2,552 |
| Operating cash flow before working capital changes | 211,607 | 158,794 |
| Changes in Working Capital: | | |
| (Increase)/Decrease in inventories | 31,030 | (140,747) |
| (Increase)/decrease in trade and other receivables | (164,842) | 166,312 |
| (Increase)/decrease in Loans & Advances | 50,719 | - |
| (Decrease)/increase in current liabilities and provisions | (92,437) | 124,418 |
| Cash generated from Operations | 36,077 | 308,776 |
| Direct taxes paid (Net of Refund) | (27,926) | 30,864 |
| Net cash provided by/(used in) operating activities (A) | 8,151 | 339,640 |
| (B) CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sale of fixed assets | 1,780 | - |
| Purchase of fixed assets | (16,927) | (149,983) |
| Purchase of investments | – | (124,934) |
| Sale/ Redemption of investments (Net) | 201,280 | - |
| Deposit with more than 12 months maturity | (37,450) | - |
| Purchase of investments in Subsidiary | – | (15,925) |
| Interest and dividend received | 26,528 | 9,733 |
| Net cash provided by/(used in) investing activities (B) | 175,211 | (281,110) |
| (C) CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from / (repayment) of long term borrowings | 16,180 | 51,921 |
| (Decrease)/Increase in Capital | (15,728) | - |
| Proceeds from / (repayment) of short term borrowings | (73,219) | - |
| Interest paid | (96,923) | (116,908) |
| Appropriation and adjustments to balances of surplus and minority interest (Note 3 below) | (3,498) | (14,184) |
| Net cash provided by/(used in) financing activities (C ) | (173,188) | (79,171) |
| **NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)** | 10,174 | (20,641) |
| **CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR** | 94,326 | 120,410 |
| Exchange Difference on Translation of Foreign Subsidiary | 18,124 | (5,443) |
| **CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR** | 122,624 | 94,326 |

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. 20,198 ( previous year Rs. 32,826) which are under lien or are not freely available.
3) Adjusted as per note 3(a) and 3(b), pending necessary details in this respect.
4) Previous year's figures have been rearranged, where necessary.

**For and on behalf of the Board**

**For Lodha & Co**
Chartered Accountants

**S.C. Katyal**
Director

**S. Hariharan**
Whole-time Director

**R.P. Singh**
Partner
Membership No.:052438

**M.N. Srinivasan**
Company Secretary

Place : Kolkata
Date : May 29, 2015

Chennai
May 29, 2015

## NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

### 1) BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

**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". The basis of preparation of the Consolidated Financial Statements is as follows:

(i) The financial statements of the Company and its subsidiary are consolidated 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 2014-15 | 2013-14 |
|---|---|---|---|
| Semac Consultants Pvt Ltd | India | 76.99% | 76.99% |
| Semac & Partners LLC | Muscut - Sultanate of Oman | 65% | 65% |

III. The interest in joint venture is given below:

| Name of the Company | Description of Interest | Country of Incorporation | % Voting Power 2014-15 | 2013-14 |
|---|---|---|---|---|
| Semac Qatar W.L.L - Limited Liability Company | Joint venture | Qatar | 49% | 49% |
| Panch Tatva Realty - Association of Person | Joint venture | India | 54% | 54% |

IV. 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.

V. In absence of audited financial statements of Semac & Partner (Muscat), subsidiary and Semac Qatar WLL (Qatar), joint venture entity, financial statements of these have been considered based on the unaudited financial results for the period from 1st April, 2014 to 31st March, 2015 as submitted by the management.

VI. In absence of audited financial statements of joint venture entity, Panch Tatva Realty, the figures, details and disclosures for the purpose of consolidation have been considered based on such statements submitted by the management. Variations in this respect will be given affect to as and when ascertained on receipt of the audited financial statements.

B. The Group has adopted Accounting Standard 15 (AS 15) on "Employee Benefits". These consolidated financial statements include the obligations as per requirements of this standard except for 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 & Partners LLC (Muscat), has capitalised retained earnings to the Share Capital in earlier years 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 scripts 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 and Joint Venture at Qatar have transferred certain portion of its' net income from/to Legal/ Statutory Reserve. These reserves are not available for distribution except in the circumstances stipulated and the same has been disclosed as Legal/Statutory Reserve.

E. In respect of the joint venture (JV), the financial statements have been prepared on a going concern basis. However, the JV's accumulated losses as at 31st March, 2015 has exceeded 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 confirmed their willingness to provide necessary financial support as would be necessary for the said JV to meet its obligations to continue its future operations.

F. The Company in terms of the Board resolution dated.26.11.2013 had retired from the partnership of Renaissance Construction Technologies India LLP (LLP) with effect from 31st December 2013 and one of the director alongwith his relative had joined as a partner in the said firm. Consequently, profit for the period from 1st April 2013 to 31st December 2014 (period) had been included in “Other Income”(Note 22) and the opening balance of “General Reserve from LLP” as accumulated in the firm and belonging to the Company (Note 3) had been transferred and added to general reserve of the Company. The capital contribution in the said LLP was returned in the financial year 2012-13 and adjusted from the investment in this respect.

G The Company alongwith another company ‘Tridhaatu Realty and Infra Pvt Ltd’ has formed an Association of Person (AOP) Panch Tatva Realty and has made an investment of Rs. 200000 towards its share of contribution in the capital of AOP (note 3(c ) & 11(d)) for undertaking a real estate project as joint venture (JV) for construction of residential complexes in Chembur, Mumbai. Pursuant to an agreement (including modification and Memorandum of Understanding)(the agreement) entered into in this respect, the company will be entitled to 54% of the profits and surplus of the said JV. In respect of the residential complexes, it will be entitled to obtain minimum of 50000 sq ft of constructed area against the investment made in AOP. The company will also be entitled to the additional area based on actual measurement in case of delay in completion of the project, as per terms and conditions specified in the agreement.

H The Company has entered into a Memorandum of Understanding (MOU) on 24th December 2014 with the joint venture partner to sell 6350 sq ft out of the Company’s entitlement of constructed area as stated above. An advance of Rs. 100000 has been received in this respect and will be adjusted on receipt of necessary approval for construction etc. in terms of MOU (Note 8).

I The affairs of Satellier Holding Inc, USA, one of the associate of the company was dissolved and certificate of dissolution had been issued by the appropriate authority. There being no likelihood of any amount being recoverable towards investment in equity and as such full provision against Investment of Rs. 48750 in the said company had been done in the year 2013-14. There is no change in the status thereof in this year (Note 11(b) & 28(a)).

**J SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of Preparation of Financial Statements**

The accounts have been prepared under the historical cost convention except certain fixed assets which have been revalued, in accordance with the generally accepted accounting principles in India and the provisions of Companies Act, 2013 and Accounting Standards specified under Section 133 of Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. These accounts have been prepared on the accounting principles of going concern and accrual basis have been followed. All expenses and income to the extent considered payable & receivable respectively unless stated to be otherwise, are accounted for on mercantile basis. Accounting policies unless specifically stated to be otherwise, are consistent and in consonance with generally accepted accounting principles.

**1.2 Use of Estimates**

The preparation of financial Statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the period. Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Difference between the actual results and the estimates are recognised in the period in which the results become known/ materialise.

**1.3 Fixed Assets and Depreciation**

Fixed assets shown under Gross Block are stated at cost of acquisition, inclusive of Freight, duties, taxes, incidental expenses related to acquisition and also includes cost of erection, installation, wherever incurred.

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 on straight line method at the rates and in the manner specified in Schedule II to the Companies Act, 2013 except at Potential where the company is providing depreciation on written down value basis by adopting the useful life as per Schedule II of the Companies Act, 2013 except in case of overseas branch, foreign subsidiary and joint ventures where depreciation has been provided on a straight line method based on management’s estimate of useful life of assets. Depreciation on additions to fixed assets during the current year is charged on pro-rata basis for the period of use. Office renovation at Qatar is capitalized and charged off over a period of 6-7 years. Leasehold improvement are amortised on straight line basis over the primary lease period.

Intangible assets- computer software are amortised over the period of 3 to 5 years on straight line basis. Intangible assets - Technical know how are amortised over the period of three years on straight line basis.

On amount added on revaluation, difference between depreciation for the year based on revalued amount of the fixed assets and depreciation based on its original cost is transferred to General Reserve.

Depreciation on Fixed Assets added/disposed off during the year is provided for on pro-rata basis with reference to the month of addition/disposal.

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 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 it's value in use. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased.

**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.

Construction work in progresses valued at lower of cost and net realizable value. Cost includes expenditure directly relating to development activity and indirect expenditure incurred during construction period to the extent to which the expenditure is indirectly related to development or is incidental thereto. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale

**1.6 Investments**

Current Investments are carried at the lower of cost or fair value. Long Term investments are carried at cost less provisions recorded to recognize any decline, other than temporary in the carrying value of each investment.

**1.7 Employee Benefits**

(i) Short Term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account in the year in which related services are rendered by the employees.

(ii) Post Employment Benefits and other Long Term Benefits:

Company's contribution to defined contribution schemes such as Provident Fund, Pension Fund, etc. are recognized as and when incurred.

Company's Liability towards defined benefit scheme such as Contribution to Gratuity, etc. (other than in respect of overseas branch, subsidiary company and joint venture) are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gain and losses are recognized in the year when they arise.

In respect of overseas branch, subsidiary and joint venture, provision is made for end-of-service gratuity liability in accordance with the local labour laws.

**1.8 Revenue recognition**

Sale of Equipments and spares are recognised on dispatch 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.

Income for engineering consultancy and project management services 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. Revenue for construction job and services is accounted for on complettion of the work as per agreed terms.

When there is uncertainty as to the measurement of work being done or ultimate collectability, revenue recognition is postponed till resolution thereof.

**Recognition of Revenue from Real Estate Projects**

For projects commenced on or after April 1, 2012 and also to projects which have already commenced but where revenue is being recognized for the first time on or after April 1, 2012, revenue from real estate projects are recognized upon transfer of all significant risks and awards of ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements. Where the Joint Venture -AOP still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such case is recognized by applying the percentage of completion method only if the following thresholds have been met:

i. All critical approvals necessary for commencement of the project have been obtained.

ii. When the stage of completion of the project reaches a reasonable level of development. A reasonable level of development is not achieved if the expenditure incurred on construction and development costs is less than 25 % of the construction and development costs.

iii. Atleast 25% of the saleable project area is secured by contracts or agreements with buyers.

iv. Atleast 10 % of the total revenue as per the agreements of sale or any other legally enforceable documents are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts,

When outcome of Real estate project can be estimated reliably and the conditions above are satisfied project revenue and project cost associated with the real estate project should be recognized as revenue and expense by reference to the stage of completion of project activity at the reporting date arrived at with reference to the entire project costs incurred."

**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, 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, 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/development of qualifying asset, are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily take substantial period of time to get ready for use. All other borrowing costs are charged to revenue.

| | | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|---|
| **2)** | **SHARE CAPITAL** | | | |
| | AUTHORISED : | | | |
| | 3,500,000 Equity Shares of Rs. 10/- each<br>(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<br>(Previous year 3,066,943 Equity Shares of Rs. 10/- each) | | 30,669 | 30,669 |
| | | | 30,669 | 30,669 |
| a) | Shareholders holding more than 5% shares | | No. of Shares | No. of Shares |
| | Avalokiteshvar Valinv Ltd (AVL) (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 |

b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs 10/-. Each equity shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets after discharging all liabilities of the Company, in proportion to their shareholding.

| | | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|---|
| **3)** | **RESERVES AND SURPLUS** | | | |
| | Capital reserve | | **149** | 149 |
| | Capital redemption reserve | | **3,111** | 3,111 |
| | **Revaluation reserve** | | | |
| | Balance at the beginning of the year | | **1,442** | 1,541 |
| | Less: Transfer to General Reserve on account of depreciation difference with respect to revalued amount of original cost of fixed assets | 10(b) | **(1,176)** | (99) |
| | Balance at the end of the year | | **266** | 1,442 |
| | Consolidation Adjustment Reserve | 1C | **5,828** | 5,828 |
| | General reserve | | | |
| | Balance at the beginning of the year | | **552,505** | 540,477 |
| | Add: General Reserve from LLP | 1F | **–** | 12,028 |
| | Add : Transfer from revaluation reserve on account of depreciation difference with respect to revalued amount and original cost of fixed assets. | 10(b) | **1,176** | – |
| | Less : Adjustment on account of remaining useful life in terms of Schedule II of Companies Act, 2013 (Net of deferred tax of Rs. 567) | 10(b) & 12 | **(2,358)** | – |
| | | | **551,323** | 552,505 |
| | Foreign Currency Translation Reserve (FCTR) (including share of Joint Venture- Rs. (2970) (Previous Year Rs. (14180)) | | **13,375** | (4,749) |
| | Legal Reserve | 1D | | |
| | Balance at the beginning of the year | | **7,730** | 7,134 |
| | Add/(Less): Transferred from/to Statement of Profit & Loss | | **(804)** | 596 |
| | Balance at the end of the year(including share of Joint Venture- Rs. (8,04)) (Previous Year Rs. (8,04)) | – | **6,926** | 7,730 |
| | **Surplus** | | | |
| | Balance at the beginning of the year | | **567,693** | 717,789 |
| | Add: Profit for the year transferred from Consolidated Statement of Profit & Loss (including share of profit in Joint Venture- Rs. 5823 (Previous Year Rs. 2,908)) | | **28,241** | (126,005) |
| | Less: Transferred of General Reserve on disposal of RCTILLP | 1F | **–** | (12,028) |
| | Add/Less: Adjustment on consolidation | | | |
| | - Joint Venture | 3(c) | **–** | (582) |
| | - Subsidiary | 3(a) | **6,191** | (10,885) |
| | Less: Transfer (to)/from Legal/Statutory Reserve | | **804** | (596) |
| | Less: Adjustment for subsidiary in terms of Schedule II of Companies Act, 2013 (Net of deferred tax of Rs. 3412) | 10(b) & 12 | **(7,105)** | – |
| | Balance at the end of the year (including share of Joint Venture- Rs.(8,300) (Previous Year Rs. (10,193)) | | **595,823** | 567,693 |
| | | | **1,176,800** | 1,133,709 |

a) Details of deductions against the balances of surplus in earlier years of the Company's subsidiary at Muscat to the extent of Rs. 6191 has so far been reconciled during the year. Surplus balances to that extent have therefore been increased to that extent and corresponding adjustment of Rs. 4574 in minority interest and Rs.1617 in bank balances have been given effect to in these financial statements. Further, consequential adjustment of Rs.14,31 in FCTR with reduction of minority interest to that extent have also been given effect to in this year. The details with respect to balance amount of deductions amounting to Rs. 8922 is under reconciliation and consequential effect in this respect will be recognised on ascertainment thereof. Pending this, the balances of surplus etc. have however been taken and shown as per the unaudited financial statements of the said subsidiary as submitted by the management.

b) The subsidiary at Muscat has paid Rs. 4438 out of the minority shareholder's share of profit and the same has therefore been adjusted against Minority interest . No such amount has been declared, appropriated or paid in favour of the Holding Company and as such no adjustment in this respect has been made in the financial statements of the Company.

c) Share of post acquisition losses recognised for on consolidation of joint venture as per Note 1G.

| | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|
| **4) LONG TERM BORROWINGS (SECURED)** | | | |
| Term Loan from ICICI Bank | 4(a) & (c ) | 1,124 | 1,423 |
| Vehicle Term Loan from Bank | 4(b) & (c ) | 136 | 207 |
| Vehicle Term Loan from Others | 4(b) & (c ) | 107 | |
| | | 1,367 | 1,630 |
| Share of Joint Venture | | 103,086 | 86,643 |
| | | 104,453 | 88,273 |

a) Loan taken from ICICI Bank is secured/to be secured by Mortgage of flat at Sikanderabad and is repayable in equated monthly instalments (EMI) of Rs.38.6 each (starting from August 2005 for a period of 120 months) and Rs. 29.7 each (starting from November, 2005 for a period of 176 months).

b) Vehicle Loans are secured by hypothecation of vehicles and are payable in EMI of Rs.12.5 each (starting from April 2014 for a period of 36 months), Rs. 9.8 each (starting from July 2014 for a period of 36 months and Rs 11.7 (starting from April 2013 for a period of 35 months).

c) Current maturities of above loans have been shown under note. 8.

| | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|
| **5) LONG TERM PROVISIONS** | | | |
| Provision for Employee Benefits | | | |
| Provision for Privilege Leave Encashment & Sick Leave | 34 | 7,317 | 6,848 |
| Provision for Gratuity | 34 | 30,899 | 33,444 |
| | | 38,216 | 40,292 |
| Share of Joint Venture | | 2,718 | 2,221 |
| | | 40,934 | 42,513 |
| **6) SHORT TERM BORROWINGS** | | | |
| Cash Credit (Secured) | 6(a) | 545,383 | 748,602 |
| Inter Corporate Deposit from Related Party - Subsidiary Company (Unsecured) | | – | – |
| | | 545,383 | 748,602 |
| Share of Joint Venture | | 810 | 24,624 |
| | | 546,193 | 773,226 |

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.

| | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|
| **7) TRADE PAYABLES** | | | |
| - Due to Micro, Small and Medium Enterprises | 7(b) & (c) | 15,179 | 2,191 |
| - Others | | 127,496 | 169,328 |
| - Acceptances | 7(a) | 21,429 | 6,185 |
| | | 164,104 | 177,704 |
| Share of Joint Venture | | 11,144 | 6,329 |
| | | 175,248 | 184,033 |

a) Acceptance represents outstanding vendors' bills discounted from the bank.

b) 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.

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

| | Note No. | 2014-15 | 2013-14 |
|---|---|---|---|
| a) Principal amount outstanding at the end of the year | | 15,179 | 2,191 |
| b) Interest amount due at the end of the year | | Nil | Nil |
| c) Interest paid to suppliers | | Nil | Nil |

| | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|
| **8) OTHER CURRENT LIABILITIES** | | | |
| Current maturities of | | | |
| - ICICI Bank Loan | 4(a) | 299 | 590 |
| - Vehicle Loan | 4(b) | 330 | 1,692 |
| Unclaimed Dividend | 8(a) | 7 | 111 |
| Amount due to related parties | 33(4) | 11,868 | 10,103 |
| Advances from customers | | 1,571 | 35,046 |
| Advance against sale of entitlement | 8(b) | 100,000 | - |
| Employee Related Dues | | 27,996 | 33,926 |
| Statutory Liabilities | | 33,025 | 31,918 |
| Security Deposit from Stockist | | 3,000 | 3,000 |
| Accrued Expenses & Other Liabilities | 8(c) | 46,291 | 71,077 |
| | | 224,387 | 187,463 |
| Share of Joint Venture | | 163,879 | 189,485 |
| | | 388,266 | 376,948 |

a) (i) Unclaimed dividend of Rs. 104 of the Holding company was deposited with Investor Education and Protection Fund on 20th May, 2014

(ii) Regarding unclaimed dividend of Rs. 7 relating to subsidiary company, the management is in the process of depositing the same pertaining to Investor Education and Protection Fund.

b) The Company has entered into a Memorandum of Understanding (MOU) on 24th December 2014 with the joint venture partner to sell 6350 sq ft out of the Company's entitlement of constructed area as stated in note 1(G). An advance of Rs. 100,000 has been received in this respect and will be adjusted on receipt of necessary approval for construction etc. in terms of MOU.

c) Other Payables include Rs. 12,400 regarding claim made by a client which is under dispute.

d) Share of joint venture includes Rs. 221 payable to their related parties for which necessary third party confirmations are not available.

| | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|
| **9) SHORT TERM PROVISIONS** | | | |
| **Provision for Employee Benefits** | | | |
| Provision for Priviledge Leave Encashment & Sick Leave | 34 | 2,451 | 3,026 |
| Provision for Incentive | | – | 6,045 |
| Provision for Bonus | | 6,678 | 464 |
| Provision for Gratuity | 34 | 4,888 | 4,285 |
| Provision For Income Tax | | 4,611 | - |
| Provision for Warranties Claims | 9(a) | 5,739 | 10,614 |
| | | 24,367 | 24,434 |
| Share of Joint Venture | | 1,226 | 1,151 |
| | | 25,593 | 25,585 |

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

| | | | |
|---|---|---|---|
| Opening Balance | | 10,615 | 16,166 |
| Provided during the year | | 3,590 | 3,380 |
| Utilization during the year | | (8,466) | (8,931) |
| Closing Balance | | 5,739 | 10,615 |

## NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

### 10. FIXED ASSETS (All amounts in thousands of Indian Rupees)

| Gross Block | Balance at the beginning of year | Additions/ Charge | Deletions / Sales Adjustments | FCTR | Balance at the End of year |
|---|---|---|---|---|---|
| **Gross Block** | | | | | |
| **Tangible Assets** | | | | | |
| Freehold/Leasehold land | 71,452 | - | - | - | 71,452 |
| Buildings | 130,777 | - | - | - | 130,777 |
| Plant and machinery | 70,894 | 798 | 516 | - | 71,176 |
| Production tooling | 13,895 | 52 | 127 | - | 13,820 |
| Data processing equipment | 72,522 | 2,255 | 740 | 27 | 74,064 |
| Furniture and fittings | 27,023 | 345 | 537 | 116 | 26,947 |
| Lease Hold Improvements | 7,063 | 163 | - | - | 7,226 |
| Office equipment | 41,556 | 1,478 | 5,578 | 267 | 37,724 |
| Vehicles | 47,291 | 2,608 | 3,466 | 1,004 | 47,437 |
| Share In Joint Venture | 143,120 | 326 | - | (56) | 143,390 |
| | 625,593 | 8,026 | 10,964 | 1,358 | 624,013 |
| **Intangible Assets** | | | | | |
| Technical knowhow | 10,784 | - | 10,282 | - | 502 |
| Computer software | 48,975 | 8,900 | 500 | 148 | 57,523 |
| | 59,759 | 8,900 | 10,782 | 148 | 58,025 |
| Total | **685,352** | **16,925** | **21,746** | **1,506** | **682,038** |

| Accumulated depreciation | Balance at the beginning of year | Additions/ Charge | Deletions/ Adjustments | FCTR | Balance at the End of year |
|---|---|---|---|---|---|
| **Tangible Assets** | | | | | |
| Freehold /Leasehold land | 5,497 | - | - | - | 5,497 |
| Buildings | 34,917 | 4,089 | - | - | 39,006 |
| Plant and machinery | 47,018 | 2,351 | 230 | - | 49,139 |
| Production tooling | 13,588 | 170 | 127 | - | 13,631 |
| Data processing equipment | 65,250 | 4,097 | 690 | - | 68,657 |
| Furniture and fittings | 17,302 | 5,023 | 388 | 82 | 22,019 |
| Lease Hold Improvements | 5,187 | 1,709 | - | - | 6,896 |
| Office equipment | 25,788 | 11,424 | 4,180 | 194 | 33,227 |
| Vehicles | 34,019 | 7,081 | 3,189 | 1,026 | 38,937 |
| Share In Joint Venture | 1,527 | 357 | - | 78 | 1,962 |
| | 250,093 | 36,301 | 8,804 | 1,380 | 278,971 |
| **Intangible Assets** | | | | | |
| Technical knowhow | 10,481 | - | 10,282 | - | 199 |
| Computer software | 40,494 | 8,648 | 355 | 114 | 48,900 |
| | 50,975 | 8,648 | 10,637 | 114 | 49,099 |
| Total | **301,068** | **44,951** | **19,441** | **1,494** | **328,070** |
| Previous year | **284,370** | **36,827** | **21,657** | **1,529** | **301,068** |

| Net Block | Balance at the beginning of year | Additions/ Charge | Deletions / Adjustments | FCTR | Balance at the End of year |
|---|---|---|---|---|---|
| **Tangible Assets** | | | | | |
| Freehold /Leasehold land | 65,956 | | | | 65,956 |
| Buildings | 95,860 | | | | 91,770 |
| Plant and machinery | 23,876 | | | | 22,037 |
| Production tooling | 307 | | | | 189 |
| Data processing equipment | 7,272 | | | | 5,407 |
| Furniture and fittings | 9,721 | | | | 4,927 |
| Lease Hold Improvements | 1,875 | | | | 330 |
| Office equipment | 15,768 | | | | 4,497 |
| Vehicles | 13,272 | | | | 8,500 |
| Share In Joint Venture | 141,593 | | | | 141,428 |
| | 375,501 | | | | 345,041 |
| **Intangible Assets** | | | | | |
| Technical knowhow | 303 | | | | 303 |
| Computer software | 8,481 | | | | 8,623 |
| | 8,784 | | | | 8,926 |
| Total | 384,284 | | | | 353,967 |
| Previous year | 273,679 | | | | 384,284 |

a. 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 |

b. During the year depreciation has been provided based on the useful life of the assets as per Schedule II of the Companies Act, 2013. Consequently, depreciation charge for the year in the profit and loss account is higher by Rs.7,003. In respect of the fixed assets, where remaining useful life as per the said Schedule have expired as on 1st April 2014, the carrying values there of have fully been depreciated. Accordingly, Rs. 2358, Rs. 7105 and Rs. 2124 (net of deferred tax of Rs. 567, Rs. 3412 and Rs. 1020 thereagainst, respectively) has been adjusted against general reserve, Surplus and Minority Interest, respectively. Corresponding amount of revaluation reserve amounting to Rs. 1176 (Previous year : Rs. 99) has been transferred therefrom to the general reserve (Note 3).

c. Includes following assets pertaining to Construction Equipment Division (CED) held for disposal (Note 36), which have been carried at net book value as on 31st March 2015:

Land and Building Rs. 138707 (2014: Rs. 138707), Plant & Machinery Rs. 14684 (2014: Rs. 14970), Production Tooling Rs. 117 (2014: Rs. 117), Data Proceeding Equipment Rs. 702 (2014: Rs. 705), Office equipment Rs. 419 (2014: Rs. 1722), Furniture & Fittings Rs. 125 (2014: Rs. 227) and Vehicles Rs. 175 (2014: Rs. 345) - Aggregating to Rs.154,929 (2014: Rs. 156793)

| | As at 31.3.2015 | As at 31.3.2014 |
|---|---|---|
| d. Capital commitments – | – | – |
| | – | – |

| | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|
| **11) NON CURRENT INVESTMENTS (NON TRADE)** | | | |
| (At cost unless otherwise stated) | | | |
| Investment in Equity Instruments (unquoted) | | | |
| (a) Shares in Subsidiary Companies: | | | |
| 14,01,860 (2014-Rs.14,01,860) Equity Shares of Rs.10/-each in Semac Consultants Pvt.Ltd | | | |
| (b) Shares in Associates: | | | |
| Nil (2014-Rs. 88,96,797) Preferred Stock in Satellier Holdings Inc.,USA | 1(I) | – | 48,750 |
| Less:Provision for Write down of Investment | 28(a) | – | (48,750) |
| (c) 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 |
| 66,640 Fully Paid up Equity shares of Rs. 10/- each in AEC Infotech Pvt. Ltd. | | 666 | 666 |
| (d) **Joint Venture** | | | |
| Capital contribution in Panch Tatva Realty | 11(e & f), 19(d) 37 & 1G | – | – |
| | | 706 | 706 |
| Aggregate amount of Quoted Investments | | 36 | 36 |
| Market Value of Quoted Investments | | 46 | 56 |
| Aggregate amount of Unquoted Investments | | 670 | 670 |

e. Further, Rs. Nil (Rs. 1,20,600) has been given as loan to AOP and said loan and interest receivable there against amounting to Rs. Nil (Rs. 44,100) and Rs. Nil (Rs. 24,484) respectively have been shown under "Short Term Loan and Advances" (note 19)

(f) Information pertaining to Joint Venture are given in Note 37.

| | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|
| **12) DEFERRED TAX ASSETS (NET)** | | | |
| **Deferred Tax Assets :** | | | |
| Expense Allowable on Payment basis and Others | | 12,913 | – |
| Provision for Leave Encashment & Gratuity | | 3,047 | 12,042 |
| Provision for Doubtful Debts | | 5,272 | 10,051 |
| Deferred Tax Liabilities : | | | |
| Depreciation Difference | | 83 | (3,988) |
| Payment of Gratuity Fund | | (1,436) | (1,073) |
| | | 19,878 | 17,032 |

a) Includes Rs. 567, Rs. 3412, Rs. 1020 pertaining to depreciation adjusted against General Reserve, Surplus and Minority Interest respectively (Surplus as per Note 3 and 10(b)).

b) Charges in Statement of Profit & Loss: Rs. 2153 (Previous year : NIL)

| | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|
| **13) LONG TERM LOANS AND ADVANCES** | | | |
| (Unsecured -considered good unless otherwise stated) | | | |
| Loan to Others | 13(a) | 25,000 | - |
| Loan to Employees | | 483 | 618 |
| Deposits | | 20,196 | 17,590 |
| MAT Credit Entitlement | 13(b) | 13,573 | 12,476 |
| Advance Payment of Tax and Fringe Benefit Tax (net of provision) | | 73,090 | 130,641 |
| | | 132,342 | 161,325 |
| Share of Joint Venture | | 109 | 104 |
| | | 132,451 | 161,429 |

a. Loan has been given to Vasundhara International, a sole proprietary concern on 1st October, 2014 for general corporate purpose for a period of two years at interest of 14% per annum. The same is repayable annually in two equal installments.“Assignment of life insurance policy of Rs. 65,00,000 of the proprietor in favour of the Company is in process.

Current maturity of above loan has been shown under Note 19.

b. The Company has been liable to pay Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961 (the Act) during current year and earlier years. Accordingly, as advised in guidance note on "Accounting for credit available in respect of minimum alternate tax under the Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India, Rs 13,573 ('000) being the credit available have been carried forward as MAT credit Entitlement to be set off against the future tax liabilities in terms of the relevant provisions of the Act. In view of the Management, the Company's taxable profit in future will be sufficient to offset the entitlement so recognized in the accounts.

| | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|
| **14) OTHER NON CURRENT ASSETS** | | | |
| Deposits with Banks (under Lien Rs. 9,208)(P.Y: Rs. 6,682) | 39 | 9,208 | 6,682 |
| Deposits with Bank with original maturity of more than 12 months* | 39 | 37,450 | 7,289 |
| * Includes Margin Money deposit (under lien) of Rs. 37,450 (P.Y : Rs. 7,254) | | 46,658 | 13,971 |
| **15) CURRENT INVESTMENTS** | | | |
| (At cost or Fair Value, whichever is less) | | | |
| Other Investments | | | |
| **IN Equity Instruments :** | | | |
| **Others (Quoted)** | 15(a) | | |
| 95 Fully paid up equity shares of Rs. 10 each in Clariant Chemicals (India) Ltd. | | 77 | – |
| 2160 fully paid up equity shares of Rs. 10 each in Coal India Ltd. | | 784 | – |
| 76 fully paid up equity shares of Rs. 10 each in D I C India Ltd. | | 26 | – |
| 1738 fully paid up equity shares of Rs. 10 each in Essar Oil Ltd. | | 190 | – |
| 616 fully paid up equity shares of Rs. 10 each in Essar Ports Ltd. | | 76 | – |
| 4697 fully paid up equity shares of Rs 10 each in Essar Shipping Ltd. | | 103 | – |
| 15793 fully paid up equity shares of Rs. 10 each in Mangalore Chemicals & Fertilizers Ltd. | | 1,396 | – |
| 390 fully paid up equity shares of Rs. 10 each in Manjushree Technopack Ltd. | | 174 | – |
| 3102 fully paid up equity shares of Rs. 10 each in Nirlon Ltd. | | 610 | – |
| 52 fully paid up equity shares of Rs. 5 each in Oracle Financial Services Software Ltd. | | 170 | – |
| 64 fully paid up equity shares of Rs.10 each in Panasonic Appliances India Co. Ltd. | | 24 | – |
| 7165 fully paid up equity shares of Rs. 10 each in Pipavav Defence & Offshore Engg. Co. Ltd. | | 410 | – |
| 1241 fully paid up equity shares of Rs. 5 each in Polaris Consulting & Services Ltd. | | 205 | – |
| 654 fully paid up equity shares of Rs. 2 each in Shasun Pharmaceuticals Ltd. | | 244 | – |
| 2293 fully paid up equity shares of Rs. 3 each in Spice Mobility Ltd. | | 61 | – |
| Total | | 4,550 | – |
| **IN Mutual Funds :** | | | |
| **(Un Quoted)** | 15(a) | | |
| In Mutual Funds: HDFC Liquid Fund (7,03,568 units) (Previous year - 44,86,627 units) | | 13,656 | 111,757 |
| IDFC Cash Fund (541.781 units) | | 912 | – |
| | | 19,118 | 111,757 |

a) Investments shown under equity instruments and made in Cash fund are made through portfolio manager and has been accounted for as per the balance confirmation received therefrom.

| | |
|---|---|
| Aggregate amount of Quoted Investments | 4,548 |
| Market Value of Quoted Investments | 4,548 |
| Aggregate amount of Unquoted Investments | 14,568 |

| | | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|---|
| **16)** | **INVENTORIES** | | | |
| | (Inventories are stated at the lower of cost and net realisable value) | | | |
| | Raw Materials ( including goods-in-transit) | | 168,095 | 178,487 |
| | Work in Progress | | 122,461 | 99,455 |
| | Merchanting goods ( including goods-in-transit) | | 63,800 | 97,346 |
| | | | 354,356 | 375,288 |
| | Share of Joint Venture | | 231,742 | 253,265 |
| | | | 586,098 | 628,553 |
| **17)** | **TRADE RECEIVABLES** | | | |
| | (Unsecured -considered good unless otherwise stated) | | | |
| | Outstanding for a exceeding six months | | | |
| | - Considered good | 39 | 210,354 | 197,157 |
| | - Considered doubtful | | 25,149 | 30,976 |
| | Other debts | | | |
| | - Considered good | 39 | 485,352 | 504,597 |
| | Less: Provision for doubtful debts | | (33,035) | (38,669) |
| | | | 687,820 | 694,061 |
| | Share of Joint Venture | | 12,784 | 9,273 |
| | | | 700,604 | 703,334 |

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

| | | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|---|
| **18)** | **CASH AND CASH EQUIVALENTS** | | | |
| | Cash and Cash Equivalent | | 816 | 895 |
| | - Deposit with bank with less than or equal to three months maturity | | 300 | - |
| | Balances with Banks: | | | |
| | - Current Accounts | | 95,781 | 62,934 |
| | Other Bank Balances | | | |
| | - Unclaimed Dividend Accounts (Restricted) | | 11 | 104 |
| | - Deposit with maturity of less than 12 months (Under Lien: Rs. 1213) (Previour year: Rs. 149) | 39 | 4,905 | 149 |
| | - Deposit with maturity of more than 12 months (Under Lien: Rs. 562 (Previous Year: Rs. 1373)) | 39 | 562 | 16,693 |
| | - Margin Money Deposit (Under Lien) with more than 3 months of maturity. | 39 | 18,423 | 11,494 |
| | | | 120,798 | 92,269 |
| | Share of Joint Venture | | 1,826 | 2,057 |
| | | | 122,624 | 94,326 |
| **19)** | **SHORT TERM LOANS AND ADVANCES** | | | |
| | (Unsecured -considered good unless otherwise stated) | | | |
| | Loan given to related party | 11(d) & 33(4) | – | 44,100 |
| | Receivables from related party | 19(c) & (d) | 11,226 | 47,844 |
| | Loan given to Others | 13(a) | 25,000 | - |
| | Advance to Suppliers | | 45,222 | 25,547 |
| | Recoverable from employees | 19(a) | 3,842 | 3,919 |
| | Balances with Government authorities | | 8,628 | 6,069 |
| | Deposits | | 2,447 | 6,348 |
| | Prepaid Expenses | | 18,683 | 7,077 |
| | Gratuity Prepayment | | 4,425 | - |
| | Other Loans and advances | 19(b) | 62,930 | 65,655 |
| | | | 182,403 | 206,559 |
| | Share of Joint Venture | | 14,973 | 19,093 |
| | | | 197,376 | 225,652 |

a) Disclosure under clause 32 of the Listing Agreement:

| | Max. Amt. outstanding during 2014-15 | Max. Amt. outstanding during 2013-14 | Outstanding as on 31.03.15 | Outstanding as on 31.03.14 |
|---|---|---|---|---|
| Loans and Advances to Employees | | | | |
| Housing Loan to employees (Interest @ 5%) | 96 | 688 | 96 | 410 |
| Other loans and advances (Interest free) | 179 | 730 | 483 | 618 |

b) Receivable from Co-Venturer for Capital Contribution include Rs. 47,055 (Previous year: Rs. 55.142) being differential with respect to net assets consolidated and contribution thereagainst by the company. The amount is adjustable against Company's share of assets and recoveries therefrom in terms of arrangement with JV Partner.

c) Details of loan and advances given to related parties for general business purposes

| | Amount as on 31.3.2015 | Period |
|---|---|---|
| Semac Qatar W.L.L (Interest free) (Joint Venture Company) | **11,138** | On Demand |

d) Rs. 11138 Receivable from related party includes amounts given to the joint venture company in earlier years and expenses incurred on their behalf. In view of long term strategic involvement, the amount outstanding have been considered good and recoverable.

e) Share of joint venture includes Rs.1639 recoverable from their related parties for which necessary third party confirmations are not available.

| | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---|---|---|
| **20) OTHER CURRENT ASSETS** | | | |
| (Unsecured -considered good unless otherwise stated) | | | |
| Interest Accrued on Deposits | | – | –- |
| Interest Accrued on Deposits with banks | 39 | 1,560 | –- |
| Interest receivables on margin money deposit with banks | | 61 | – |
| Interest receivable on housing loan to employees | | 577 | – |
| Unbilled Revenue | | 93 | – |
| | | 2,291 | – |
| Share of Joint Venture | | 27,663 | 18,016 |
| | | 29,954 | 18,016 |

| | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|---|---|
| **21) REVENUE FROM OPERATIONS** | | |
| Sale of product | 863,052 | 810,898 |
| Less : Excise Duty | (37,170) | (45,765) |
| | 825,882 | 765,133 |
| Sale of Services/ Engineering Consultancy and Project Management Charges | 807,632 | 1,035,146 |
| Work Contract Services | 4,616 | – |
| Less: Service tax | (54,238) | (82,126) |
| | 758,010 | 953,020 |
| Other Operating Revenue | 4,604 | 2,815 |
| Share of Joint Venture | 42,724 | 36,702 |
| Net Sales | 1,631,220 | 1,757,670 |

| | Note No. | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|---|---|---|
| **22) OTHER INCOME** | | | |
| Interest on investments and deposits with banks | | 18,297 | 16,841 |
| Interest on Advances | | 3,890 | 394 |
| Interest on IT refund | | 9,364 | - |
| Other Interest income | | – | 10,266 |
| Profit on sale/redeemption of current Investments | | 8,640 | - |
| Profit/Loss on sale/discard of fixed assets (Net) | 22(a) | 664 | 4,084 |
| Foreign Exchange Difference (Net) | | 320 | - |
| Tender document charges received | | 4,580 | 4,541 |
| Bad Debts Recovered | | 157 | - |
| Release of earlier year losses with respect to Associate | 1(I) | – | 6,271 |
| Sundry balances/Provision/Liabilities no longer required written back | | 6,122 | 5,586 |
| Miscellaneous Income | 22(a) | 3,803 | 1,606 |
| | | 55,837 | 49,589 |
| Share of Joint Venture | | 268 | 852 |
| | | 56,105 | 50,441 |

a) There was a fire in Navi Mumbai Branch of subsidiary company, which has been closed during the year. Consequent to review carried out of sundry balances ie. recoverable and payables mainly relating to employees being no longer required have been written off and written back in these accounts and Net amount of Rs. 502.42 being no longer required has been written back and included in miscellaneous income above. Fixed assets having net carrying value of Rs 248.34 have been discarded and adjusted in profit/loss on sale/discard of fixed assets.

## 23) COST OF MATERIAL CONSUMED

| | 2015 | 2014 |
|---|---|---|
| Raw Material and components consumed* | | |
| Opening Stock of Raw Material | 178,487 | 226,993 |
| Add: Purchases | 283,658 | 230,078 |
| Less: Closing Stock | (185,230) | (178,487) |
| | 276,915 | 278,584 |

*Net of Rs. 17,335 (2014-Rs.6,924) for sales returns and includes Rs. 8,466 (2014-Rs.8,931) for Warranty supplies

**RAW MATERIAL CONSUMED**

| Items | 2015 | 2014 |
|---|---|---|
| Under Carriage assemblies | 8,630 | 10,966 |
| Compressors and accessories | 20,727 | 7,206 |
| Electrical components | 51,052 | 37,033 |
| Hydraulic components | 48,862 | 41,392 |
| Pipes and valves | 21,012 | 13,001 |
| Gear/chain assemblies | 24,928 | 20,736 |
| Others (individually less than 10 per cent of total consumption) | 101,704 | 148,250 |
| | 276,915 | 278,584 |

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

## 23a) COST OF CONSTRUCTION

| | 2015 | 2014 |
|---|---|---|
| Share of joint venture | | |
| Opening balance of Project in Progress | 252,756 | 176,783 |
| Add: Expenditure during the year | 70,287 | 75,973 |
| | 323,043 | 252,756 |
| Less: Closing balance of Project in progress | 231,742 | 252,756 |
| Cost of construction charged to statement of Profit and Loss | 91,301 | – |

| | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|---|---|
| **24) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE** | | |
| Opening Stock | | |
| Work in Progress | 99,455 | 141,187 |
| Merchanting Goods | 97,346 | 119,626 |
| Closing Stock | | |
| Work in Progress | 122,461 | 99,455 |
| Merchanting Goods | 63,800 | 97,346 |
| | 10,540 | 64,012 |
| **25) EMPLOYEE BENEFIT EXPENSE** | | |
| Salaries & wages | 457,351 | 521,804 |
| Contribution to Provident and other Funds | 20,197 | 28,128 |
| Staff Welfare expense | 14,993 | 34,636 |
| | 492,541 | 584,568 |
| Share of Joint Venture | 29,340 | 26,216 |
| | 521,881 | 610,784 |

a) Approval for excess remuneration of Rs. 406 paid in respect of FY 2013-14 to Executive Chairman is awaited from Central Government."Remuneration of Rs. 8620 paid/payable to Executive Chairman and Whole-Time Director is pending necessary approval of shareholders in the ensuing Annual General Meeting of the company.

| | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|---|---|
| **26) FINANCE COSTS** | | |
| Interest Expense | 96,286 | 116,896 |
| Other borrowing costs | 4,918 | 12 |
| | 101,204 | 116,908 |
| Share of Joint Venture | 24,390 | – |
| Less: Transferred to project in progress (Note 23(a)) | (24,385) | |
| | 101,209 | 116,908 |
| **27) OTHER EXPENSES** | | |
| Job Work Charges & Consumables | 5,030 | 41,987 |
| Consumption of stores, spares, small tools, jigs and fixtures | 2,408 | 3,618 |
| Labour Charges | – | 17,746 |
| Power and fuel | 9,689 | 9,790 |
| Rent | 23,043 | 28,986 |
| Repairs and maintenance | – | – |
| Buildings | 7,493 | 8,619 |
| Plant and machinery | 78 | 475 |
| Others | 10,154 | 10,053 |
| Insurance | 7,306 | 6,902 |
| Rates and taxes | 7,076 | 6,981 |
| Travelling and conveyance | 52,798 | 63,558 |
| Freight, clearing and packing | 7,095 | 11,647 |
| Legal and professional charges | 8,337 | 8,321 |
| Directors' sitting fees | 1,360 | 820 |
| Selling expenes and commission | 67,499 | 15,291 |
| Foreign Exchange Difference (Net) | 314 | 1,045 |
| Bad debts and advances written-off | 25,983 | 16,539 |
| Provision for Bad Debts | 4,622 | 27,243 |
| Bank Charges | 6,244 | 7,199 |
| Loss on sale of fixed assets | 1,425 | 6,635 |
| Service Charges | 6,010 | 23,427 |

| | Note No. | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
|---|---|---|---|
| Printing & Stationery | | 5,924 | – |
| Site Expenses and Allowances | | 4,159 | – |
| Corporate Social Responsibilites | 27(a) | 943 | – |
| Postage & Telephone | | 6,969 | – |
| Vehicle Maintenance | | 7,172 | – |
| Training & Seminar Expenses | | 11,000 | – |
| Miscellaneous expenses | | 30,356 | 154,898 |
| | | 320,487 | 471,780 |
| Share of Joint Venture | | 5,522 | 6,293 |
| | | 326,009 | 478,073 |

a) Corporate Social Responsibility (CSR) expenditure includes amount incurred towards construction of toilets at a Girl's school (Rs. 751) and donation to a NGO (Rs. 192) to serve the underprivileged children as required in terms of Section 135 of the Companies Act, 2013.

## 28) EXCEPTIONAL ITEMS

| | Note No. | 2014-15 | 2013-14 |
|---|---|---|---|
| (a) Exceptional Items include: | | | |
| - Provision for diminution in carrying value of the long term investment in Associate, Satellier Holdings Inc, USA. | 1(I) | – | 48,750 |
| - Loss / Provision against non usable and surplus inventory | 36(b) | 22,816 | 30,130 |
| | | 22,816 | 78,880 |

## 29) TAX EXPENSE

| | | |
|---|---|---|
| Current Tax | 34,156 | 40,610 |
| MAT Credit | (1,097) | – |
| Deferred tax | 2,153 | – |
| | 35,212 | 40,610 |
| Share of Joint Venture | – | – |
| | 35,212 | 40,610 |

## 30) CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

| | | | |
|---|---|---|---|
| Customer claims for damages | | 3,678 | 3,678 |
| Income Tax demand pending in appeal | | – | 1,088 |
| Corporate guarantee given on behalf of a subsidiary | | – | 45,000 |
| Service Tax Matters | 30(a) | 2,777 | 2,777 |
| | | 6,455 | 52,543 |

a) Details with respect to above for a subsidiary company were under compilation. Pending this, related figures for previous year have been continued during the year.

b) The above details with respect to joint venture entity, Panch Tatva Realty are not available.

31) Disclosure of Earning per share under Accounting Standard 20 - Basic and Diluted Earnings per share:

| **Earnings Per Share** | 2014-15 | 2013-14 |
|---|---|---|
| Net Profit / (Loss) attributable to equity shareholders (Rs.) | 39,157 | (126,005) |
| 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) | 12.77 | (41.08) |

32) The subsidiary has taken office premises on operating lease and rent amounting to Rs. 15,335 (Previous Year: Rs. 15,800) and the same has been debited to Profit and Loss Account. The future minimum lease and rent payments are as under:

| Particulars | 2014-15 | 2013-14 |
|---|---|---|
| Not later than one year | 14,429 | 13,383 |
| Later than one year and not later than five years | 69,348 | 64,834 |
| Later than five years | – | – |

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.

## 33) RELATED PARTY DISCLOSURE

1. Enterprises where control exists:
   Avalokiteshvar Valinv Ltd (AVL) - Holding Company
   Hilltop Metals Limited
2. Other related party with whom the company had transactions, etc.
   (i) Key Management Personnel & their relatives :
      a) Key Management Personnel
         Mr. Abhishek Dalmia (Executive Chairman)
         Mr. S. Hariharan (Whole-time Director)
         Mr. Ramesh Pangasa (Managing Director of Subsidiary)
      b) Relative of Key Management Personnel
         Smt. V. Pangasa (Wife of Mr. Ramesh Pangasa)
         Mr. Nitin Pangasa (Son of Mr. Ramesh Pangasa)
   (ii) Enterprise control by Director of Subsidiary
      (a) Renaissance Construction Technologies India LLP (with effect from 1st January, 2013)
      (b) Hilltop Metals Limited
3. Joint Venture
   (a) Semac Qatar W.L.L
   (b) Panch Tatva Realty - AOP
4. Disclosure of transactions between the related parties & the status of balances as on 31st March 2015

| 2014-2015 | | | | | | |
|---|---|---|---|---|---|---|
| Particulars | Holding | RCTILLP | "Joint Venture" "Semac Qatar W.L.L" | "Joint Venture" "Panch Tatva Realty" | Hilltop metals Limited | Key Management personnel and their relatives |
| **Income** | | | | | | |
| Interest Income | | | | 10,916 | | |
| Expenses: | | | | | | |
| Remuneration - Mr. Abhishek Dalmia | | | | | | 4,540 |
| Remuneration - Mr. S. Hariharan | | | | | | 4,080 |
| Remuneration - Mr. Ramesh Pangasa | | | | | | 7,928 |
| Remuneration - Mr. Nitin Pangasa | | | | | | 1,790 |
| Rent - Smt. V. Pangasa | | | | | | 432 |
| Consultancy Income | | | 2,250 | | | |
| Expenses paid and Claimed | | | 155 | | | |
| Project Management Charges | | 84 | | | | |
| Professional Charges | | 12,653 | | | 2,139 | |
| Refund of loan by Panchtatva | | | | 44,100 | | |
| Balances as on 31st March, 2015 | | | | | | |
| (a) Payable-Remuneration / Consultancy fee | | | | | | 11,868 |
| (b) Rental Deposit | | | | | | |
| (c) Receivable | | | 16,615 | | | |
| (d) Trade Receivable | | | 2,836 | | | |

| 2013-2014 | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Holding** | **RCTILLP** | **"Joint Venture "Semac Qatar W.L.L"** | **"Joint Venture "Panch Tatva Realty"** | **Hilltop metals Limited** | **Key Manage-ment personnel** |
| **Income** | | | | | | |
| Interest Income | | | | 12,440 | | |
| Expense: | | | | | | |
| Remuneration | | | | | | 17161 |
| Rent Expenses | | | | | | 480 |
| Consultancy Fees | | | 400 | | | |
| Advances Given (Net) | | 3590 | (550) | | | |
| Balances as on 31st March, 2014 | | | | | | |
| (a) Payable to RCTILLP | | 1,423 | | | | |
| (b) Loan/Interest Receivable | | | | 68,584 | | |
| (c) Advance given (Net) | | 12,737 | 141 | | | |
| (d) Payable - Remuneration | | | | | | 8,500 |
| (e) Payable - Rent | | | | | | 180 |
| (f) Trade Receivable | | | 2,147 | | | |
| (g) Receivable | | | 15,941 | | | |

Note: (i) In respect of the above parties, there is no provision for doubtful debts as on 31.3.2015 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.

(iii) Disclosures with respect to transaction referred in note 3(a) has not been given here in above for the reasons in the said note.

**34) 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 & Pension Fund - 17,562 (2014 - 18,663)

Employer's Contribution to Superannuation Fund - 2,296 (2014 - 2,659)

**Defined Benefit Scheme:**

The employees' gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial 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.

| (a) Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuation as on 31 March, 2015 | | | | |
|---|---|---|---|---|
| **Expenses recognised during the year ended March 31, 2015, (included in Schedule -18 of Profit and Loss Account)** | **Gratuity (Funded)** | **Leave Encashment (Non-Funded)** | **Gratuity (Funded)** | **Leave Encashment (Non-Funded)** |
| | **31st March 2015** | | 31st March 2014 | |
| 1. Current Service Cost | 5,246 | 581 | 6,260 | 656 |
| 2. Interest Cost | 4,433 | 446 | 4,131 | 414 |
| 3. Expected return on plan assets | (2,500) | - | (2,530) | - |
| 4. Actuarial Losses / (Gains) | (4,261) | (125) | (3,568) | (344) |
| **Total Expenses** | **2,918** | **902** | **4,293** | **726** |

| Expenses recognised during the year ended March 31, 2015, (included in Schedule -18 of Profit and Loss Account) | Gratuity (Funded) | Leave Encashment (Non-Funded) | Gratuity (Funded) | Leave Encashment (Non-Funded) |
|---|---|---|---|---|
| | 31st March 2015 | | 31st March 2014 | |
| **Change in the obligation during the year ended March 31, 2015** | | | | |
| 1. Present value of Defined Benefit Obligation at the beginning of the year | 54,021 | 5,441 | 52,577 | 5,648 |
| 2. Current Service Cost | 5,246 | 581 | 6,260 | 656 |
| 3. Interest Cost | 4,433 | 446 | 4,131 | 414 |
| 4. Benefit Paid | (4,974) | (857) | (5,317) | (933) |
| 5. Actuarial (Gains) / Losses | (3,866) | (125) | (3,630) | (344) |
| **Present value of Defined Benefit Obligation at the end of the year** | **54,860** | **5,486** | **54,021** | **5,441** |
| **Change in Assets during the year ended March 31, 2015** | | | | |
| 1. Plan Assets at the beginning of the year | 28,950 | – | 29,702 | – |
| 2. Contribution by the Company | 2,608 | 857 | 2,097 | 933 |
| 3. Expected return on plan assets | 2,500 | – | 2,530 | – |
| 4. Benefit Paid | (4,974) | (857) | (5,317) | (933) |
| 5. Actuarial Gains / (Losses) | 395 | – | (62) | – |
| **Plan Assets at the end of the year** | **29,479** | – | **28,950** | **–** |
| **Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2015** | | | | |
| 1. Net Asset / (Liability) at beginning of the year | 31,685 | (5,441) | 29,985 | (5,648) |
| 2. Employer Expenses | 5,013 | (902) | 3,797 | (726) |
| 3. Employer Contributions | (2,470) | 857 | (2,097) | 933 |
| 4. Net Asset / (Liability) at the end of the year | 34,228 | (5,486) | 31,685 | (5,441) |
| **Actuarial Assumptions** | | | | |
| 1. Discount Rate | 7.8-9.11% | 7.80% | 8.9-9.11% | 8.90% |
| 2. Expected Rate of Return on Plan Assets | 9.00% | - | 9-9.15% | 0.00% |

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)

| | Gratuity (Funded) | | | | |
|---|---|---|---|---|---|
| **Particulars** | **2014-2015** | **2013-2014** | **2012-2013** | **2011-2012** | **2010-2011** |
| Present Value of Defined Benefit Obligation | 54,860 | 54,021 | 52,577 | 47,610 | 41,940 |
| Fair Value of Plan Assets | 29,480 | 28,950 | 29,702 | 26,273 | 26,083 |
| Surplus / (Deficit) | (25,378) | (25,071) | (22,875) | (21,335) | (15,858) |
| Experience Adjustments on Plan Liabilities - (Loss) / Gain | (1,155) | (718) | (1,787) | (3,118) | 3,701 |
| Experience Adjustments on Plan Assets - (Loss) / Gain | 395 | (62) | 1,737 | (155) | (1,690) |

35) **Segment Reporting**

The disclosure requirement under “Segment Reporting” as per Accounting Standard 17 is given below:

A. Primary Segment (Business Segment)

(i) **Segment Revenue:**

| **Particulars** | **2014-15** | 2013-14 |
|---|---|---|
| Construction and Mining | **765,192** | 764,975 |
| Engineering Design Services | **774,109** | 992,695 |
| Real Estate | **91,919** | – |
| | **1,631,220** | 1,757,670 |

(ii) **Segment Results**

| **Particulars** | **2014-15** | 2013-14 |
|---|---|---|
| Construction and Mining | **90,218** | (59,893) |
| Engineering Design Services | **82,092** | 154,458 |
| Real Estate | **327** | (9) |
| Unallocable | **61,116** | 49,620 |
| | **233,753** | 144,175 |
| Less: Interest | **(107,581)** | (116,908) |
| Profit / (Loss) before exceptional items | **126,173** | 27,267 |
| Exceptional Items | **22,816** | 78,880 |
| Profit before taxes | **103,357** | (51,613) |
| Provision for taxes | **35,211** | 40,610 |
| Profit / (Loss) after taxes and before adjustment for share of profit in associate and minority interest | **68,145** | (92,223) |
| Less: Minority Interest | **28,987** | 33,782 |
| Add: Share of Profit / (Loss) in Associates | – | – |
| Profit / (Loss) after taxes and adjustment for share of profit in associate and minority interest | **39,158** | (126,005) |

(iii) Segment Assets and Liabilities

| Particulars | **2014-15** | | 2013-14 | |
|---|---|---|---|---|
| | **Assets** | **Liabilities** | Assets | Liabilities |
| Construction and Mining | **1,061,428** | **721,268** | 1,024,697 | 1,017,990 |
| Engineering Design Services | **625,790** | **150,645** | 480,408 | 173,706 |
| Real Estate | **416,272** | **274,163** | 432,969 | 288,481 |
| Unallocable | **554,569** | **134,611** | 869,611 | 10,401 |
| | **2,658,059** | **1,280,687** | 2,807,685 | 1,490,578 |

(iv) Capital Expenditure and Depreciation

| Particulars | **2014-15** | | 2013-14 | |
|---|---|---|---|---|
| | **Capital Expenditure** | **Depreciation** | Capital Expenditure | Depreciation |
| Construction and Mining | **1,231** | **9,318** | 2,452 | 17,744 |
| Engineering Design Services | **15,696** | **35,633** | 22,091 | 18,984 |
| Real Estate | **–** | **–** | 140,770 | – |
| Unallocable | **–** | **–** | – | – |
| | **16,927** | **44,951** | 165,313 | 36,728 |

**B. Secondary Segment (Geographical Segment)**

| Particulars | 2014-15 | | | |
|---|---|---|---|---|
| | Revenue | Assets | Liabilities | Capital Expenditure |
| Within India | 1,303,471 | 2,446,285 | 1,210,236 | 12,926 |
| Outside India | 327,749 | 211,773 | 70,451 | 4,001 |

| Particulars | 2013-14 | | | |
|---|---|---|---|---|
| | Revenue | Assets | Liabilities | Capital Expenditure |
| Within India | 1,488,283 | 2,627,196 | 1,411,358 | 154,024 |
| Outside India | 269,387 | 180,489 | 79,220 | 11,289 |

**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', “Engineering Design Services” and “Real Estate” as the operating segments.

**(c) Compositions of Business Segment**

| Segment Name | Company | Description |
|---|---|---|
| Construction & Mining | Revathi Equipment Limited | Holding Company |
| | Renaissance Construction Technologies India LLP w.e.f 01.01.2013 till 31.12.2013 | Subsidiary |
| Engineering Design Services | Semac Consultants (P) Limited | Subsidiary |
| | Semac Qatar W.L.L. | Joint Venture |
| | Semac & Partners LLC | Subsidiary |
| Real Estate | Panch Tatva Realty - AOP | 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.

36) a) Considering the market condition of construction equipment business (CED) of the company, last year the manufacturing facilities at Chennai were downsized and shifted both manufacturing and service resources located at Chennai to Coimbatore. Fixed assets pertaining to said division at Chennai having written down value of Rs 1,54,929 as on 31st March, 2015 (2014: Rs.1,56,793) comprising of lease hold land, building, plant and machinery, office equipment etc as disclosed in Note 10(c) are therefore meant for disposal and necessary steps in this respect are being taken. Adjustment, if any, with respect to value realisable thereagainst will be carried out as and when ascertained.

(b) In view of above, certain inventories becoming non usable and surplus were written off and provision against remaining items against expected loss in value thereof as per the Management's estimate has been made in this year. Loss of Rs 30,130 (net of sale proceeds of Rs. 9,378 thereagainst) arising in this respect in the previous year and Rs. 22,816 during the year (including provision of Rs.17,135 for expected losses) on above have been shown under exceptional item(Note 28).

37) a) **Information on Joint Ventures**

| Name of Joint Venture | Country of Incorporation | Percentage of Ownership |
|---|---|---|
| Panch Tatva Realty - Association of Person | India | 54% |
| Semac Qatar W.L.L - Limited Liability Company | Qatar | 49% |

b) There being no contingent liabilities and capital commitments in respect of joint venture, disclosure of information in this respect are not applicable to the company.

c) Interest in the assets, liabilities, income and expenses with respect to joint venture :

| Particulars | Financial Year | |
|---|---|---|
| | **2014-15** | 2013-14 |
| I. Assets | | |
| Fixed Assets (Net Block) | **141,430** | 141,595 |
| Long Term Loans & Advances | **109** | - |
| Current Assets, Loans and Advances: | | |
| Inventories | **242,658** | 253,265 |
| Sundry Debtors | **12,784** | 9,273 |
| Cash and Bank Balances | **1,826** | 2,058 |
| Loans and Advances | **14,973** | 37,214 |
| Other Current Assets | **27,663** | - |
| II. Liabilities | | |
| Loan Funds | **103,086** | 111,267 |
| Current Liabilities and Provisions: | | |
| Liabilities | **188,597** | 196,533 |
| Provisions | **3,944** | 3,373 |
| III. Income | | |
| Engineering Consultancy and Project Management Charges | **134,644** | 36,702 |
| Other Income | **268** | 238 |
| IV. Expenditure | | |
| Operational expenses | **2,543** | 1,133 |
| Employee expenses | **29,340** | 26,216 |
| Selling, Administrative and Other General Expenses | **5,522** | 6,292 |
| Finance Charges | **26** | 16 |
| Depreciation | **357** | 375 |
| Project Expenses - Prarambh | **91,302** | - |

38) In view of the management considering the long term business prospect of the subsidiary (Semac Consultants Private Limited) the goodwill arising on consolidation has a perpetual value and has therefore not been amortised.

39) Certain debit and credit balances including trade receivables, loans & advances and bank balances including fixed deposit balances are subject to confirmation and reconciliation arising thereform.

40) Disclosure with respect to real estate projects undertaken by non-corporate joint venture entity.

| Description | 2014-2015 |
|---|---|
| Project Revenue recognized | 91,919 |
| Aggregate amount of costs incurred and Profits recognized (less recognized losses) to date | 92,623 |
| Amount received from customers | 179,658 |
| Amount of Work-in-Progress and value of Inventories | 231,742 |

41) Statement with respect to additional information with respect to subsdiary and joint venture (Schedule III):

| Name of the entity in | Net Assets i.e., Total assets | | Share in profit or loss | |
|---|---|---|---|---|
| | As % of Consolidated net assets | Amounts in thousands | As % of Consolidated profit or loss | Amounts in thousands |
| **Parent** | | | | |
| Revathi Equipment Limited | 97.43% | 1,175,734.13 | -34.95% | (13,683.87) |
| **Subsidiaries** | | | | |
| Indian | | | | |
| Semac Consultant Pvt Ltd | 49.83% | 601,278.14 | 173.78% | 68,047.00 |
| Foreign | | | | |
| Semac & Partners LLC (Muscat) | 9.87% | 119,107.36 | 63.22% | 24,755.41 |
| Minority interest in Subsidiaries | 3% | 39,841.70 | 34% | 13,330.00 |
| **Joint Ventures** | | | | |
| Indian | | | | |
| Panch Tatva Realty - AOP | 12.68% | 153,025.44 | 1.15% | 451.00 |
| Foreign | | | | |
| Semac Qatar W.L.L | -0.60% | (7,208.81) | 13.72% | 5,371.00 |
| TOTAL | | 2,081,777.96 | | 98,270.54 |

Figures given herein above are as per standalone financial statements of the respective companies and hence effect of intercompany and other adjustments carried out on consolidation has not been considered for the purpose of above disclosure.

42) Previous year figures have been regrouped/reclassified to confirm with current year presentation, whereever considered necessary.

**For and on behalf of the Board**

**For Lodha & Co**
Chartered Accountants

**S.C. Katyal**
Director

**S. Hariharan**
Whole-time Director

**R.P. Singh**
Partner
Membership No.:052438

**M.N. Srinivasan**
Company Secretary

Place : Kolkata
Date : May 29, 2015

Chennai
May 29, 2015


REVATHI EQUIPMENT LIMITED

**Registered Office :**
**REVATHI EQUIPMENT LIMITED**
**CIN No. : L 29120TZ977PLC000780**
Malumachampatti Post, Pollachi Road
COIMBATORE - 641 050.
Ph.: 0422 - 6655100 Fax: 0422 - 6655199
E-Mail : admin@revathi.in

Rukmani Offset Press, Cbe. ✆ 04 2-2672789