REL

REVATHI EQUIPMENT LIMITED

40th ANNUAL REPORT 2016-17

REVATHI EQUIPMENT LIMITED

CIN: L29120TZ1977PLC000780
Registered Office: Pollachi Road, Malumachampatti P O., Coimbatore- 641 050
E-mail: srinivasan@revathi.in Website: www.revathi.in
Phone No.: 0422 - 6655111 Fax: 0422 - 6655199

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 40th Annual General Meeting of the Shareholders of the Company will be held on Monday the 25th September, 2017 at 2.00 P.M. at A.C.Hall, The Indian Chamber of Commerce and Industry Coimbatore, Chamber Towers, 8/732, Avinashi Road, Coimbatore 641018 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company along with Consolidated Financial Statements for the financial year ended 31st March, 2017, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr.Chaitanya Dalmia (holding DIN: 00028402) who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of Auditors and to fix their remuneration and in this regard to pass the following resolution as an Ordinary Resolution:

   RESOLVED that pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 and the Rules framed there under, the re-appointment of the statutory auditors of the Company Messrs. S.S. Kothari Mehta & Co (Firm Registration No. 000756N) Chartered Accountants, New Delhi be and is hereby ratified for the financial year 2017-18 at such remuneration as may be determined by the Board of Directors of the Company.

Special Business

4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.V.V.Subramanian (DIN: 05232247) who was appointed by the Board of Directors as an Additional Director of the Company at the Board Meeting held on 29th May 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years with effect from 29th May 2017, not liable to retire by rotation.

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s. P.Mohan Kumar & Co., (Firm Registration No.18692), Cost Accountants, Coimbatore, appointed as Cost Auditors by the Board of Directors of the Company, as recommended by the Audit Committee of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018, on a remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus applicable service tax and re-imbursement of travelling and out of pocket expenses incurred by them for the purpose of audit be and are hereby ratified and confirmed.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. To consider and if thought fit, to pass the following resolution as a Special Resolution

   RESOLVED THAT pursuant to Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), and as recommended by the Nomination and Remuneration committee the consent of the Company be and is hereby accorded for payment of commission to the non-executive Directors of the Company of a sum not exceeding 1% of the Net Profits of the Company for the financial year 2016-17 computed in the manner as specified under Section 198 of the Companies Act, 2013 to be paid and distributed amongst the Non Executive Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors of the Company and such payments shall be made with respect to the profits of the Company for each year.

7. To consider and if thought fit, to pass the following resolution as a Special Resolution

   RESOLVED THAT pursuant to Sections 196, 197, 198, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and as recommended by the Nomination and Remuneration committee, the consent of the Company be and is hereby accorded for payment of commission to Mr.Abhishek Dalmia, Executive Chairman of the Company of a sum not exceeding 2% of the Net Profits (apart from remuneration already drawn by him) of the Company computed in the manner as specified under Section 198 of the Companies Act, 2013 for the financial year 2016-17.

8. To consider and if thought fit, to pass the following resolution as a Special Resolution

   RESOLVED THAT pursuant to Sections 196, 197, 198, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and as recommended by the Nomination and Remuneration committee, the consent of the Company be and is hereby accorded to the reappointment of Mr.S.Hariharan (DIN: 06363724) as the Whole-time Director of the Company from 01.08.2017 to 08.06.2018, the date of his retirement and payment of remuneration for the above period with effect from 01.08.2017 on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors at their Meeting held on 29th May 2017 which has been set out in the explanatory statement.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Board of Directors of the Company vide resolution passed on 29th May 2017 has appointed Mr.V.V.Subramanian (DIN: 05232247) as an Additional Director of the Company with effect from 29th May 2017. The qualification and expertise of Mr.V.V.Subramanian has been detailed in the annexure attached. The Company has received a notice in writing from a member along with a deposit of ₹ 1,00,000/- proposing Mr.V.V.Subramanian for the office of Independent director of the Company pursuant to the provisions of Section 160 of the Companies Act, 2013.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr.V.V.Subramanian being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from 29th May 2017. Further, the Company has received a declaration from Mr.V.V.Subramanian that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

In the opinion of the Board, Mr.V.V.Subramanian fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Mr.V.V.Subramanian as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board recommends the resolution in relation to appointment of Mr.V.V.Subramanian as an Independent Director, for the approval of the members of the Company.

Except Mr.V.V.Subramanian, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4.

Item No.5

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. P.Mohan Kumar & Co., (Firm Registration No.18692), Cost Accountants, Coimbatore, as Cost auditors to conduct the audit of cost records of the Company for the Financial Year 2017-18. In accordance with the provision of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing of an Ordinary Resolution as set out in Item No.5 of the notice for ratification of the remuneration of the cost auditor for the financial year 2017-2018.

None of the Directors or Key Managerial Personnel of your Company and their relatives are concerned or interested financially or otherwise in the above resolution.

Item No.6

The Board of Directors of the Company, subject to the approval of the members at the Annual General Meeting have approved the payment of Commission to Non-Executive Directors of the Company, at the rate of 1% of the net profits to be distributed

amongst the Non-Executive Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors of the Company.

Accordingly necessary resolution pursuant to the provisions of Section 197,198, Schedule V and other applicable provisions of the Companies Act, 2013 have been proposed in Item No.6 of the Notice for the approval of the members for payment of commission to the Non-Executive Directors of the Company. The Directors recommend passing of the resolution set out in Item No. 6 of the agenda of the notice.

Except all Non-Executive Directors being the recipient of commission and Mr.Abhishek Dalmia, Executive Chairman a relative of Mr.Chaitanya Dalmia and Mrs.Deepali Dalmia, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Item No. 7

In view of untiring efforts put in by Mr. Abhishek Dalmia, Executive Chairman of the Company, the Board of Directors at their meeting held on 29th May 2017 has approved the payment of commission payable to him, of a sum not exceeding 2% per annum of the net profits of the Company (apart from remuneration already drawn by him) for the financial year 2016-17.

The Board recommends the resolution set out in Item No. 7 of the Notice for the approval of the members.

Except Mr.Abhishek Dalmia, Executive Chairman being the recipient of commission and Mr.Chaitanya Dalmia & Mrs.Deepali Dalmia relatives of recipient, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Item No. 8

The Board of Directors of the Company at their meeting held on 29th May 2017 have re-appointed Mr.S.Hariharan (DIN: 06363724), as the Whole-time Director of the Company from 01.08.2017 to 08.06.2018, the date of his retirement, on such remuneration as recommended by the Nomination and Remuneration Committee. The terms and conditions of his appointment are as set out below.

A. SALARY:

Basic salary of Rs 1,87,570- (Rupees One lakh eighty seven thousand five hundred and seventy only) per month with effect from August 01, 2017 subject to such annual increments not exceeding 20% and such other conditions as the board at its sole discretion may decide.

B. ALLOWANCES/PERQUISITES:

In addition to the above basic salary, the Whole-time Director shall be entitled, to the following by way of perquisites and allowances not exceeding 100% of the basic salary in such form and in such manner as the Board may decide:

- The perquisites and allowances shall, inter alia, include expenses on house, gas, electricity, house maintenance including hard and soft furnishing, LTA, medical expenses including premiums paid and any other perquisite by whatever name called.
- Rent free accommodation up to 30% of basic salary or house rent allowance (HRA) upto 30% of basic salary in lieu thereof. The perquisite value shall be equal to the rent paid by the company in case of rent free accommodation.
- The Whole-time Director is entitled to incur expenses on other perquisites up to 70% of basic salary.
- The Whole-time Director is entitled to claim more than or less than the limit of 30% of basic salary set for house related perquisite provided however that the sum total of house rent and all other perquisites shall not exceed 100% of basic salary.

Perquisites will be valued as per income tax rules wherever applicable and in the absence of such rules at actual costs.

C. PERFORMANCE INCENTIVE :

Performance incentive at such percentage or amount as may be decided by the Board, at its absolute discretion, in accordance with such performance parameters as may be given to the Whole-time Director by the Executive Chairman/Board.

D. RETIREMENT BENEFITS:

i) The retirement age is 60 years.

ii) Contribution to Provident Fund and Superannuation Fund as applicable to other managers of the company.

iii) He shall be entitled for Gratuity at the rate of 15 days salary for each completed year of service.

E. OTHER BENEFITS

In addition to above 100% perquisite ceiling, he will be entitled to the following other benefits:

iv) Personal accident insurance premium of ₹ 10,000/- per annum.

v) Group term insurance policy as applicable to senior management team.

vi) Provision of car for use on Company's business, mobile phone and telephone at residence, including long distance calls shall not be considered as perquisites.

vii) The Whole-time Director shall be entitled to reimbursement of travelling expenses and entertainment expenses actually incurred in the course of the company's business in accordance with company policy

viii) He will be entitled for privilege leave, casual and sick leave as applicable to other managers of the company. Encashment of privilege leave outstanding on the date of his retirement, ie., 08.06.2018 is allowed which shall be based on full pay (basic salary plus perquisites)

ix) Salary, perquisites and performance incentive shall be subject to the overall ceiling under Section 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013

x) The Whole-time Director shall not be entitled to any sitting fees for attending the meetings of the Board or a committee thereof.

xi) In the event of absence or inadequacy of profits during the tenure of the Whole-time Director, the remuneration payable to the Whole-time Director shall be subject to the limits mentioned in Section II of Part II of Schedule V of the Companies Act 2013.

The Board recommends the resolution set out in Item No.8 of the Notice for the approval of the members.

Except Mr.S.Hariharan, Whole-time Director being the appointee none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company.

   The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.

4. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standards issued by ICSI in respect of the Director seeking re-appointment at the Annual General Meeting is furnished and forms a part of the notice.

5. The register of members and share transfer books of the company will remain closed from19.09.2017 to 25.09.2017 (both days inclusive).

6. Members holding shares in electronic form are hereby informed that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. The Company or the Registrars cannot act on any request received directly from the members holding shares in electronic form for any such change in bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the Members. Members holding shares in physical form and desirous of either registering bank particulars already registered against their respective folios for payment of dividend are requested to write to the Registrars and Share Transfer Agents of the Company.

7. Members holding shares in physical form are requested to notify immediately any change in their address along with respective address proof and Bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company / Registrars & Share Transfer Agent.

8. Members desirous and requiring any information on the accounts or operations of the Company are requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information may be made available at the meeting.

9. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

10. Members holding shares in Physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with Physical shares.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in Physical form can submit their PAN to the Company or to M/s S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641006.

12. The members are requested to forward their share transfer deed(s) and other communications directly to the Registrar and share transfer agent of the company M/s.S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641006.

13. Members are requested to register / update their Email address in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s S.K.D.C. Consultants Limited.

14. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote

15. Electronic copy of the Annual Report for 2017, the Notice of the 40th Annual General Meeting of the Company and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017 is being sent in the permitted mode.

16. Members are requested to note that the venue of the 40th Annual General Meeting is The Indian Chamber of Commerce and Industry Coimbatore, A.C.Hall, Chamber Towers, 8/732, Avinashi Road, Coimbatore 641018 and route map containing the complete particulars of the venue is printed to this Notice.

17. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members may file Nomination Forms in respect of their physical shareholdings. Any Member willing to avail this facility may submit to the Company's Registrar & Share Transfer Agent in the prescribed Statutory Form. Should any assistance be desired, Members should get in touch with the Company's Registrar & Share Transfer Agent.

18. Members may also note that the Notice of 40th Annual General Meeting and the Annual Report 2016-17 will be available on the Company's website at www.revathi.in

19. Voting through electronic means:

    I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to exercise their right to vote at the 40th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

    II. The facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their vote through polling paper at the Annual General Meeting.

    III. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again

    The instructions for members for voting electronically are as under:-

    i. The voting period begins on 22.09.2017 at 09.00 AM and ends on 24.09.2017 at 5.00 PM. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 18.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. The shareholders should log on to the e-voting website www.evotingindia.com.

iii. Click on Shareholders.

iv. Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for the relevant REVATHI EQUIPMENT LIMITED on which you choose to vote.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app

from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18.09.2017.

V. Mr.M.D.Selvaraj FCS of MDS & Associates, Company Secretaries, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VI. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

VII. The Results shall be declared within 2 days of the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.revathi.in and on the website of CDSL and communicated to the Stock Exchanges where the Company's shares are listed.

Statement of information relevant to Mr.S.Hariharan, Whole-time Director of the Company as per Schedule V of the Companies Act, 2013

I. GENERAL INFORMATION

1. Nature of Industry

   Engineering Industry

2. Date or expected date of commencement of commercial production

   The company was incorporated on May 30, 1977 and commenced commercial production subsequently in the same year

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

   Not Applicable

4. Financial performance based on given indicators

Particulars	2016-17	2015-16
Sales & other income	11966.28	14149.89
Profit/ (Loss) before tax	1496.98	2616.80
Profit/ (Loss) after tax	1438.06	2334.33
Paid-up equity capital	30669.43	30669.43
Reserves and Surplus	15223.04	13784.98
Basic Earning per share	46.89	76.11

5. Foreign Investments or collaborations, if any.

   Nil

II. INFORMATION ABOUT THE APPOINTEE

1. Background details

   Mr. S.Hariharan aged 59 years and was the Whole-time Director of the Company from 1st August 2012. In his 34 years of corporate experience, he has worked in different functions of finance handling accounting, treasury, costing & cost control, tax planning & management, forex operations, financial management and credit control. During two decades of his service in the company, he helped in setting up power division. Through prudent investment in Direct Equity, Mutual Fund and Inter-corporate Deposits, the Company made good profits.

2. Past remuneration

   The total remuneration paid to Mr.S.Hariharan for the Year 2016-17 was ₹ 6,207,084/-.

3. Recognition or awards

   Nil

4. Job profile and his suitability

   Mr. S. Hariharan as Whole-time Director of the Company shall have all powers and duties as the Board may determine from time to time. He has been associated as Whole-time Director of the Company for the past 5 years.

5. Remuneration proposed

   Details of proposed remuneration have been disclosed in Item No. 8.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

   Taking into consideration the size of the company, profile of Mr.S.Hariharan, responsibility shouldered by him and the industry standard, the remuneration paid is commensurate with the remuneration packages paid to Managerial Personnel in similar other companies.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

   Besides the remuneration being received, the Whole-time Director does not have any pecuniary relationship with the company. He is not related to any director of the Company.

III. OTHER INFORMATION

1. Reasons for loss or inadequate profits

   Not applicable as the company made adequate profits.

2. Steps taken or proposed to be taken for improvement.

   - Not applicable -

3. Expected increase in productivity and profits in measurable terms.

   - Not applicable -.

IV. DISCLOSURES

The following disclosures shall be mentioned in the Board of Directors' report under the heading "Corporate Governance", if any, attached to the financial statement.

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors

Disclosed in Corporate Governance Report attached

(ii) Details of fixed component and performance linked incentives along with the performance criteria

Disclosed

(iii) Service contracts, notice period, severance fees

Disclosed

(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable

The Company has not issued any Stock option

Additional information on Directors recommended for appointment / re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard issued by ICSI.

Name	Mr.Chaitanya Dalmia	Mr.V.V.Subramanian	Mr.Abhishek Dalmia	Mr.S.Hariharan
DIN	00028402	05232247	00011958	06363724
Date of Birth / Nationality	20.07.1975 / Indian	19.07.1955 / Indian	06.05.1969 / Indian	09.06.1958 / Indian
Date of appointment on the Board	17.08.2002	29.05.2017	17.08.2002	01.08.2012
Inter-se relationship with other directors	Mr. Chaitanya Dalmia is related to Mr. Abhishek Dalmia, Executive Chairman of the Company.	Mr.V.V.Subramanian is not related to any of the Directors on the Board of the Company	Mr.Abhishek Dalmia is related to Mr.Chaitanya Dalmia & Mrs.Deepali Dalmia, Directors of the Company.	Mr.S.Hariharan is not related to any of the Directors on the Board of the Company
Qualification	MBA, B.Com. (H)	B.Com., A.C.A., A.C.S., A.C.M.A.,	B.Com(H), FCA, AICWA	B.Com, AICWA
Experience/Expertise in functional areas	Chaitanya Dalmia did his MBA from International Management Institute, New Delhi and started his career in 1998 with OCL India Limited. He was a critical part of the decision making team during the takeover bid on GESCO Corporation. He is responsible for equity investing for the Renaissance Group since 2000. In 2003, he took a summer course covering 'Business Analysis and Valuation' and 'Financial Markets' at the London Business School to further enhance his under-standing of the equity markets. His expertise lies in investing in the secondary markets and corporate finance.	Career Finance Professional. Held several senior positions in multiple organizations. Specifically, have been responsible for some or all of these functions - Finance & Treasury, Direct & Indirect Taxation, Secretarial, M&A, Investor Relations, Information Technology, Commercial, Operations, Marketing - across different organisations in India and abroad.	He graduated from Shri Ram College of Commerce in 1989 in Delhi University, Completed his articles from Price Waterhouse and got an all-India rank in the Intermediate as well as Final Chartered Accountancy examinations in 1992.He became a member of Institute of Cost & Works Accountants of India in 1990. After spending about five years working in various family businesses, he became an investor. Started with secondary market equities and graduated into private equity after spending about ten years in business. Being a part of one of the oldest business families in India, his approach to investing is more in the Berkshire Hathaway mould, where he tends to hold his investments permanently, with some exceptions. He considers himself as value investor. He has been deeply influenced by the writings and work of Warren Buffett, Charlie Munger	In his 34 years of corporate experience, he has worked in different functions of finance handling accounting, treasury, costing & cost control, tax planning & management, forex operations, financial management and credit control. During two decades of his service in the company, he helped in setting up power division. Through prudent investment in Direct Equity, Mutual Fund and Inter-corporate Deposits, the Company made good profits.

			and Ben Graham. It is his endeavor to compound capital at high rates for long periods of time. After acquiring majority stakes in a few companies and minority in a few, he has been shepherding those investments. Revathi Equipment and Semac Consultants were amongst the investments made by him. He provides strategic direction to the investee companies. He also guides the senior management teams of these companies on various aspects of the business. His expertise is identifying low-risk and reasonable rewarding opportunities in the area of investment.	
No. of shares held	Nil	Nil	Nil	2 Equity Shares of ₹ 10/- each
Board position held	Director	Independent Director	Executive Chairman	Whole-time Director
Terms and conditions of appointment / re-appointment	Liable to retire by rotation.	Appointment as Independent Director of the Company.	N.A.	Proposed to be re-appointed as Whole-time Director from 01.08.2017 to 08.06.2018.
Remuneration sought to be paid	Sitting fees of ₹ 50000/- per meeting	Sitting fees of ₹ 50000/- per meeting	As per Agenda No.7	As per Agenda No.8
Remuneration last drawn	₹ 3,50,000/-	Nil	₹ 1,05,00,048/-	₹ 6,207,084/-
Number of Board meetings attended during the year	3 (Three)	N.A.	5 (Five)	5 (Five)
Directorships held in other companies	1. National General Industries Limited 2. Sunglow Agriculture Farms Private Limited 3. Asra Plantations Private Limited 4. Priyadarshany Agri Farms Private Limited	Nil	1. Rajratan Global Wire Ltd 2. Ashiana Housing Ltd 3. Sunglow Agriculture Farms P Ltd 4. Asra Plantations P Ltd 5. Priyadarshany Agri Farms P Ltd	Nil

	5. Sohna Agri Farms Private Limited 6. Avalokiteshvar Valinv Limited 7. Renaissance Stocks Limited 8. Renaissance Asset Management Company Private Limited 9. Semac Consultants P Ltd		6. Sohna Agri Farms P Ltd 7. Avalokiteshvar Valinv Ltd 8. Renaissance Stocks Ltd 9. Renaissance Advanced Consultancy Ltd 10. Aditya Infotech Ltd 11. Renaissance Asset Management Ltd 12. YPO (Delhi Chapter) U/s.25 13. Shogun Organics Ltd	
Membership in other Committees	Revathi Equipment Ltd - Nomination and Remuneration Committee Member	Nil	Nil	Nil

By Order of the Board
For **Revathi Equipment Limited**

Place : Coimbatore
Date : .August 18, 2017

M N Srinivasan
Company Secretary

Route Map of AGM Venue

Acquisition Criteria

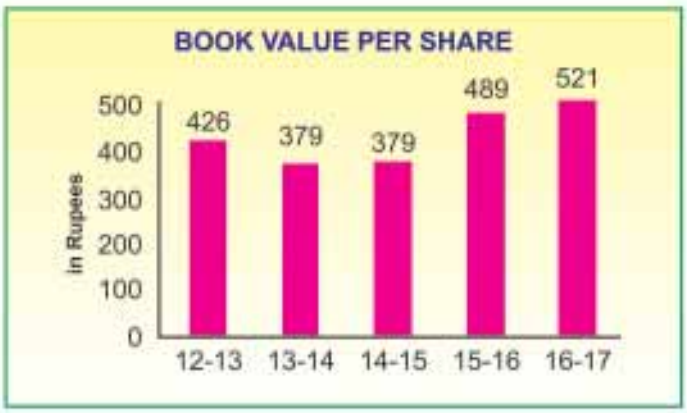
We use this space to communicate with potential sellers and their representatives, what we look for in a potential acquisition. If you, the reader, have no personal connection with a business that might be of interest to us but have a friend who does, perhaps you could pass this message on to him.

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

S.C. KATYAL

B.V. RAMANAN

M. POONGAVANAM

KISHORE SIDHWANI

V.V. SUBRAMANIAN (FROM MAY 29, 2017)

S. HARIHARAN
Whole-time Director

CHIEF EXECUTIVE OFFICER

SUNIL PURI

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
STATE BANK OF INDIA
ICICI BANK LIMITED
DENA BANK

AUDITORS

S.S. KOTHARI MEHTA & CO.
NEW DELHI

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%
2015-16	29.1%	-7.8%	36.9%
2016-17	6.4%	20.2%	-13.8%
Average Annual Gain (FY03 - FY17)	8.9%	16.7%	-7.8%
Overall gain (FY 03 - FY 17)	258.3%	909.5%	-651.2%

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 increase in consolidated net worth at the end of FY17 was ₹ 96 million, which increased the per share book value by 6.4%. Over the last fifteen years (that is, since the present owners took over) per share book value, has grown from ₹ 151 to ₹ 521 (₹ 598 after ignoring the effect of goodwill write-offs), which, after factoring in dividend paid during this period, works out to a rate of 8.9% (9.8%) compounded annually.

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In my letter to shareholders in FY06, I had written about the threat that our business faces from global warming, from which an extract is reproduced below.

"In the long-term, there is an even more serious issue that faces every manufacturer of capital goods for the coal mining industry. That factor is global warming. So far, most of the talk about global warming has merely been, in scientific parlance, 'noise'. However, as the supposed effects of global warming begin to stare humanity in the face, in the form of a growing frequency of natural calamities of increasing intensity, people are beginning to sit up and take notice. Insurance companies are beginning to tweak the premia they charge to cover risks from natural calamities. Thought leaders such as General Electric are beginning to use environment consciousness as a metric to measure employee performance. And GE's CEO, Jeff Immelt, is betting the company's future on green technologies. That to me signifies a serious change in people's attitudes about environment protection. And while that is a good thing for humanity, it is not so good for a company as dependent on coal as us!

What is unclear at this point is how quickly will these technologies become widespread and more specifically, how quickly will they get adopted in our own country. There are many reasons why their adoption in our country should be gradual. For starters, almost eighty percent of the coal produced in India is used by for generating power and producing steel and cement. For a nation, which is staring at a huge infrastructure deficit, an investment of this magnitude cannot be de-commissioned overnight. Perhaps equally importantly, the political incentives of feeding the families of over half a million employees that directly depend on Coal India for their livelihood are not small in a democratic nation.

However, it is clear that globally, coal mining will see a disruptive technology in the form of UCG and SCG. And as and when it gets adopted widely, which is now visible on the horizon, there could be important consequences for the mining equipment industry."

In this letter, I would like to revisit that subject and share my perspective on developments in the global energy industry and what impact that might have on Revathi's future prospects. Where you stand depends, of course, on where you sit. For example, we have spent much of our life in fossil fuels. That colors how we see the future. People who are deep into renewables almost certainly have a different perspective. A mother in Africa cooking over a wood-burning stove might have a third.

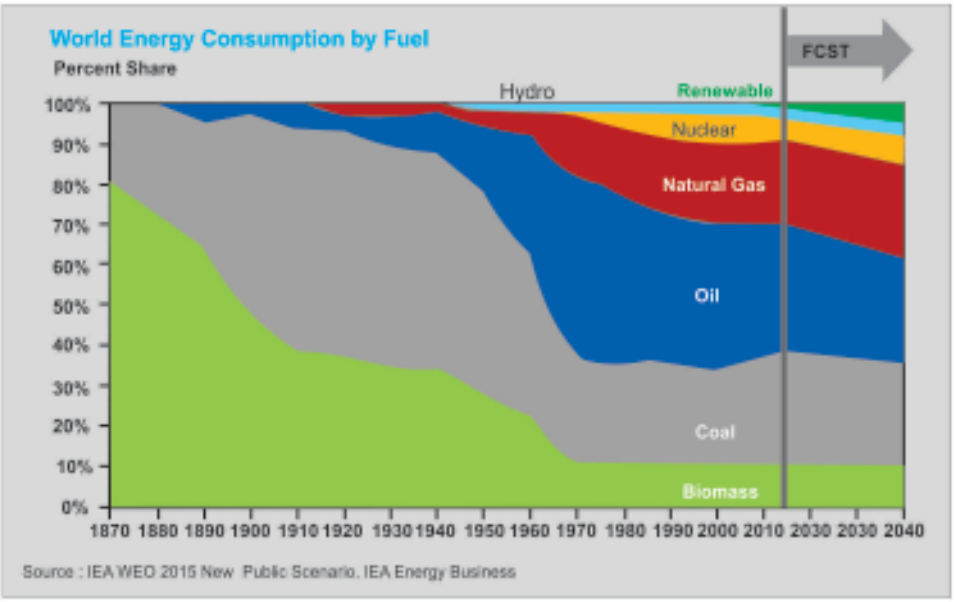
My view is that while "hockey stick growth" may apply to a company or an industry, it usually doesn't apply at a societal level. Transitions are usually gradual. Why do I think so? Let's look at some examples. Amazon was set up almost 25 years ago in 1994. Today, it has less than 5 per cent of the US retail sales market. Admittedly, it has about 50 per cent of the e-commerce market, but less than 5 per cent of the overall US retail market. And this is just the US market, not the global market. The market share in the UK market is also estimated at less than 5 per cent. AirBnB, which was founded ten years ago in August 2008 is estimated to have ended 2016 with a less than two per cent market share of the global vacation rental market. Notice the difference between a pure e-commerce company like AirBnB and the hybrid Amazon, which has to worry about building warehouses and delivering the stuff it sells. Pure e-commerce companies could potentially disrupt incumbents more rapidly. However, businesses that need to deliver a real product like shopping (or energy), are unlikely to cause disruption at a societal level any time soon.

I will now share some details on the global energy scenario in four parts. In the first part I will share the historical long-term trends in the global energy mix. In part two, I will discuss the projections to 2040 that have been put out by the International Energy Agency or the IEA. The third part will deal with Global Coal and in the final part, I will share my perspective on what all this means for Revathi.

A brief history of the shifts in the global energy basket

Over the past decade or so, the debate has shifted from clean coal technologies to renewable energy to storage technologies to solar fuels. The shift from fossil fuels to clean energy is imminent. That is the bad news (as a shareholder of Revathi) (or good news if you are a tree hugger like me). The good news is that energy transitions take generations as evidenced by this chart published by the oil giant Chevron.

Energy transitions take generations



As recently as 150 years ago biomass supplied the vast bulk of world energy. It was gradually displaced by coal. Then came oil, which is now being displaced by natural gas and a combination of nuclear, hydro and renewable sources. It took four decades for oil to go from 5 percent of the world's energy supply to 25 percent. Today, renewable energy sources like wind and solar account for less than 5 percent of the world's energy sources.

Of the 7.5 billion people on our planet, about 2.7 billion still burn solid fuels such as wood, crop residue and dung to cook their food. And despite the depth and breadth of today's energy market, there are still about 1.3 billion people in the world without electricity. Of this 1.3 billion, 300 million live in India. Most forecasts predict global energy demand to rise by around one third or more by 2040 as populations grow, incomes rise and people all over the world strive for the standard of life we enjoy today. To meet those needs we will need all forms of energy - renewables, nuclear and fossil fuels

The projected impact of The Paris Agreement

The international political response to climate change began at the Rio Earth Summit in 1992, where the 'Rio Convention' included the adoption of the UN Framework on Climate Change (UNFCCC). This convention set out a framework for action aimed at stabilising atmospheric concentrations of greenhouse gases (GHGs). The UNFCCC which came into force on 21 March 1994, now has a near-universal membership comprising 195 countries. The main objective of the annual Conference of Parties (COP) is to review the Convention's implementation. The first COP took place in Berlin in 1995 and significant meetings since then have included COP3 where the Kyoto Protocol was adopted.

In 2015 COP21 took place, which is also known as the 2015 Paris Agreement, which deals with GHG emissions mitigation starting in the year 2020. The agreement was adopted by consensus by representatives of 196 parties on 12 December 2015. The US later withdrew from COP21.

The International Energy Agency, which was set up in 1974, is the premier body that tracks the global energy industry. It puts out an annual publication titled World Energy Outlook, which, as the name suggests, is a primer on the status of world energy and where it is likely headed. The IEA has modeled some scenarios based on COP21. The table below presents these scenarios.

World primary energy demand by fuel and scenario (Mtoe)

Fuel source	2000	2014	Energy demand under various scenarios by 2040		
			Current	New Policies	450 Scenario
Coal	2,316	3,926	5,327	4,140	2,000
Oil	3,669	4,266	5,402	4,775	3,326
Gas	2,071	2,893	4,718	4,313	3,301
Nuclear	676	662	1,032	1,181	1,590
Hydro	225	335	515	536	593
Bio energy	1,026	1,421	1,834	1,883	2,310
Other renewables	60	181	809	1,037	1,759
Total	10,042	13,684	19,636	17,866	14,878
Fossil fuel share	80%	81%	79%	74%	58%

Source: IEA 2016 WEO

Mtoe: million tons of oil equivalent.

Current Policies Scenario assumes no changes in policies from the mid-point of the year of publication (previously called the Reference Scenario).

New Policies Scenario serves as the IEA baseline scenario. It takes account of broad policy commitments and plans that have been announced by countries, including national pledges to reduce greenhouse gas emissions and plans to phase out fossil-energy subsidies, even if the measures to implement these commitments have yet to be identified or announced. This is regarded as the central baseline scenario.

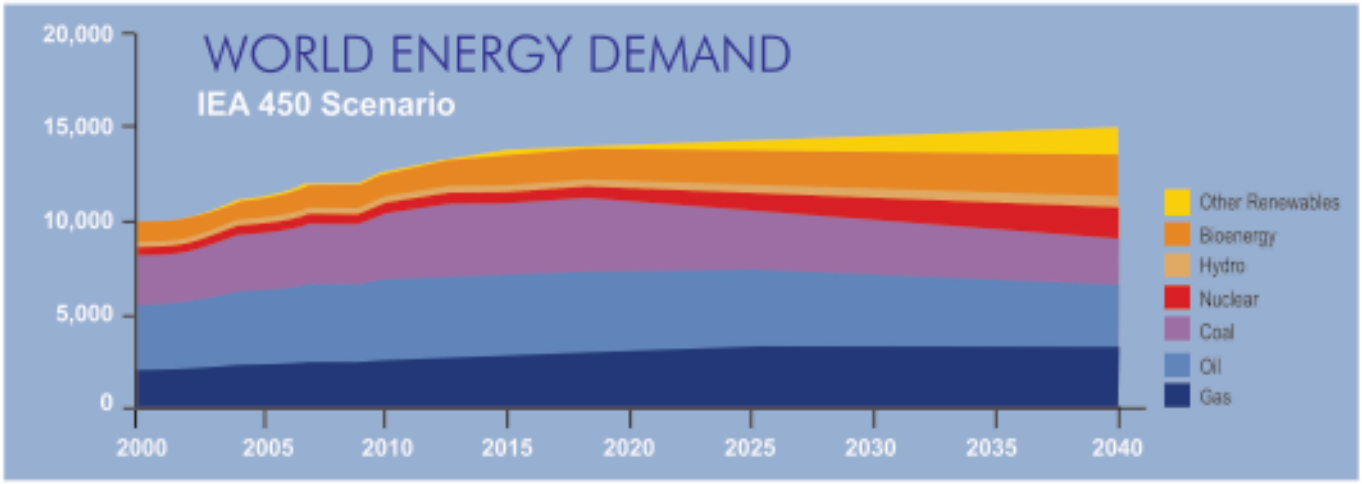
450 Scenario sets out an energy pathway consistent with the goal of having around a 50% chance of limiting the global increase in temperature to 2° C in the long-term (by 2100), as compared with pre-industrial levels. The world will require significant policy change to achieve this scenario.

Today, oil, gas and coal account for about 80 per cent of primary energy supply world-wide. A global network of mines, oil and gas fields, power plants, pipelines, refineries, filling stations and distribution systems that has been developed over the past 150 years, is in operation. $55 trillion of energy-related infrastructure uses fossil fuels, which is the equivalent of 70% of global GDP. A change in energy mix will require an enormous investment through the global economy including light vehicles (typical lifespan of 15 years), heating systems (20 years), aircrafts (25 years), commercial shipping (25 years), power plants (40 years), etc. It is not possible to replace the energy system in a short time frame.

Over the last 30 years biofuels have grown to reach just a 3 per cent share of global transport fuels after decades of R&D. Biomass still makes up 10 per cent of total primary energy. Renewables (solar, wind and hydro) are developing quickly, and are making impressive inroads into decarbonising the power sector. However, renewables and nuclear currently account for only 4 per cent each of primary energy supply.

Low-carbon power generation - renewables in tandem with natural gas - has enormous potential, and yet it has just an 18 per cent market share of energy consumption today.

World primary energy demand (Mtoe)



Source : OECD / IEA 2015 WEO

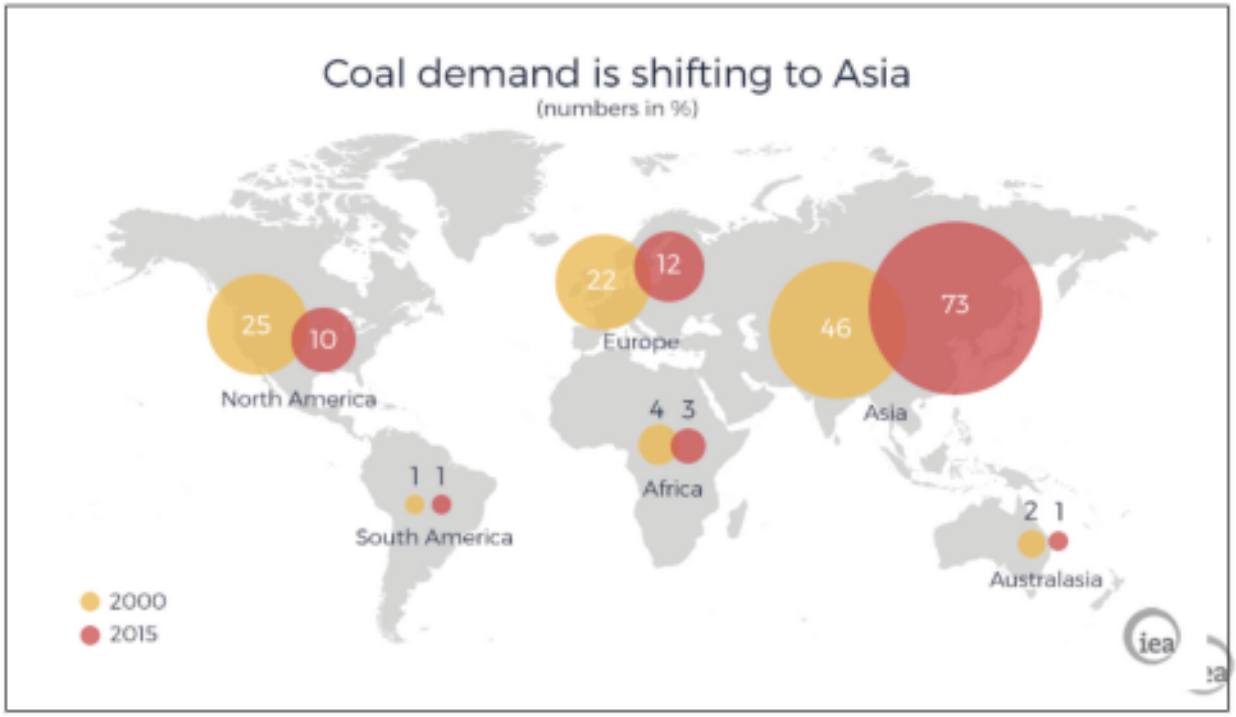
China and the United States, along with fast growth of renewables and strong focus on energy efficiency.

An analysis of the pledges made at the Paris Agreement suggests that the era of fossil fuels appears far from over. In a sign of coal's paradoxical position, the world is still highly dependent on coal. China accounts for 50% of global coal demand and almost half of coal production. A major geographic shift has been underway in the global coal market towards Asia. In 2000, about half of coal demand was in Europe and North America. By 2015, Asia accounted for almost three-quarters of coal demand, while coal consumption in Europe and North America had declined sharply below one quarter. This shift could accelerate in the coming years.

In the United States, coal consumption dropped by 15 per cent in 2015, precipitated by competition from cheap natural gas, cheaper renewable power - notably wind - and regulations to reduce air pollutants that led to coal plant retirements. This was the largest annual decline ever, reaching levels not seen in more than three decades. Looking ahead, the rate of decline is expected to fall to 1.6 per cent per year, much slower than 6.2 per cent decline over the past five years, as higher gas prices result in less coal-to-gas switching.

Coal demand is moving to Asia, where emerging economies with growing populations are seeking affordable and secure energy sources to power their economies. Because it is relatively affordable and widely available, coal remains the world's number one fuel for generating electricity, producing steel and making cement. It provides almost 30 per cent of the world's primary energy, declining to 27 per cent by 2021. As a data point, coal supplied 1,520 Mtoe of the 3,292 Mtoe of additional global primary energy supply from 2000 to 2012 or 46% of added energy.

Natural gas, wind and solar are expected to contribute significantly to energy basket over the next 25 years to 2040. But there is no single story about the future of global energy. In practice, government policies will determine where we go from here. The recent backtracking by the US government on its commitment to COP21 demonstrates how complex the terrain is. For the sake of the planet, we can only hope that governments will be more mindful of the long-term than the short-term, while creating their energy policy.



Source: IEA

Outlook for India

When the current government assumed office in 2014, they made some big bang announcements about significantly ramping up coal production in the country to meet our growing energy needs and also to reduce our trade deficit. Action followed the announcement and coal production rose from 462 million tons in 2014 to 554 million in 2017 at a compounded growth rate of 9.5%. This was almost double the long-term growth rate of coal production in the country.

However, factors like the financial health of State Electricity Boards, logistics bottlenecks, limited storage capacity at mines and power plant site, power plants designed on the basis of quality of imported coal, etc. have meant that the coal production has not grown as much the Government's projections. While some of these issues do not have a short-term remedy, some issues are getting the attention of policy makers. Given the complex issues involved, these will not allow for a instant fix that can contribute to a more robust demand for coal in the short-term.

However, factors like the financial health of State Electricity Boards, logistics bottlenecks, limited storage capacity at mines and power plant site, power plants designed on the basis of quality of imported coal, etc. have meant that the coal production has not grown as much the Government's projections. While some of these issues do not have a short-term remedy, some issues are getting the attention of policy makers. Given the complex issues involved, these will not allow for a instant fix that can contribute to a more robust demand for coal in the short-term.

So where are things headed in the medium- to long-term? The contribution of coal in the overall energy mix will go down, but in absolute terms, I expect coal production to grow, even though the rate of growth will perhaps be in the low- to mid-single digits. Here are some factors that I believe will keep India dependent on coal for the foreseeable future. Compared with global averages, we have low per capita energy consumption, massive investments have already been made in coal power assets (which contribute about 60 per cent of India's power generation and which typically have a useful life of about forty years), demand for essential commodities like steel and cement, both of which use coal in the production process, will rise significantly as we build the country's infrastructure and as the urbanisation trend gathers pace, we have vast coal deposits, which reduce our dependency on other nations and which continues to be a cheap source of energy, significant employment created by the steel, cement and power industries alongwith upstream and downstream industries (which has perhaps been a factor that has led to the US pulling out of COP21, at least for now), banks have lent significant money to coal and coal dependent sectors, etc.

What does this mean for Revathi?

In an environment where the world is cooperating as never before to bring down emissions of green house gases, the global energy narrative being dominated by the new wave of renewables, equity markets saying coal is as good as dead (US coal mining companies have lost over 90 per cent of their market capitalisation over the past few years), it is easy to write off coal and companies dependent on the coal economy.

However, there is an alternative narrative. As coal becomes a sunset industry, capital that typically chases earnings growth will get scarce for the coal industry. Existing players will reduce their exposure to verticals that depend on coal for producing earnings. This is already visible. Atlas Copco. which has been regarded as the most focused and perhaps the most efficient player in our industry recently announced that they are hiving off their Mining Division into a new company. The stated intent is to create two companies which will be more focused on each business - industrial and mining. However, they have not allowed the mining business to continue to use the Atlas Copco brand. This is unusual and therefore intriguing. Of course time will tell what the real intent is behind this strategic move.

The other industry trend that has been playing out over the past decade is that of consolidation. Several players like Joy Global and Bucyrus have been acquired by larger players like Komatsu and Caterpillar. When consolidation happens, usually the profit margins of the industry tend to get better. Larger players usually tend to go up the features and price curve over time. This is of course a conscious choice that they make to maintain their margins on an increasing cost base. However, this strategy also makes them uncompetitive on the no-frills range, which is our core market.

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I now turn to our company's performance. The highlight last year was in the Profit & Loss Statement, which swung back to profits after four years of strife. As a result of that performance, the big highlight this year was the restructuring of the balance sheet. We paid down ₹ 532 million or almost two thirds of our debt to bring it down to a normalised level of ₹ 309 million. We are now back to the debt levels that we had in FY06. Once we are able to conclude a few more strategic initiatives such as monetising the surplus land outside Chennai, these levels should fall further.

As a result of a strong performance, we were also able to bring down our cost of debt from c.14 per cent to sub 10 per cent, helped in no small measure by a declining interest rate environment. Given the size of our limits, it made no sense to have a relationship with seven banks. Therefore, as we were paying down debt, we selectively kept only those relationships that had been most supportive during the tough years and shifted our limits to them. This has meant that we are now giving them more business as our way of saying thank you for supporting us during difficult times.

Barring the interim strife years (FY12 to FY15), we have been clocking an EBIDTA of c. ₹ 200 million. However, since FY09, we have been paying almost half of that towards interest on loans. With decreasing loan balances and falling interest rates, the interest burden fell from an average of c.₹100 million to ₹ 72 million.

Adjusted for the extraordinary income we had in FY16 (from part sale of our Chembur investment), our year-on-year pre-tax profit fell 17 per cent in FY17 to ₹ 150 million. Going forward, our profitability should stay at similar levels, barring some major positive or negative event.

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I had written last year that we had initiated a major change initiative at Semac to integrate various offices into One Semac. I had indicated that such disruptive change will create some short-term pain. Given where things are at present, this pain is likely to continue for at least another year.

Capacity utilization in most industries has been at a level that allows for some headroom for expansion without incurring fresh capital expenditure. This saw capex growth slip to a 25-year low last year. By way of perspective the previous low was recorded at the turn of the century, when the dot com bubble had burst. Last year was worse than that. Stretched bank balance sheets have not helped matters either. As a result, businesses are either not investing in expanding capacity or are deferring these decisions.

Tough times are great in many ways. They help us cut costs we had taken on when business was doing well. More importantly, such times force you to focus harder on your value proposition vis-à-vis competition. It is sort of like a forest fire or a medical diagnosis. It is a mini crisis, which will clean up the jungle and force a lifestyle change for the better. That journey of becoming stronger is on.

We had originally hired five people at the Corporate level to bring in the transition. Of those, one fell so ill that he had to, sadly, stop working. Of the balance four, two continue with us, one was asked to step down and we replaced one. The person we had to replace was unfortunately the CEO. Our current CEO joined the business at the start of the current financial year. With this, I am hoping to correct the mistake I made the last time.

Our hit rate on senior hiring has been fifty per cent. Jack Welch admitted that when he was younger, he used to hire the right people only about 50 per cent of the time. While this gives me some solace, each hiring mistake, especially at senior levels has a massive impact on the business. It is estimated that financially, the cost of a mis-hire is 5-27x of the person's salary. This does even count the impact s/he has on the organization culture, etc. Over time, I have improved my batting average, but if there was one skill I would like to master, it would be hiring better. For once you hire the right person or team, they tend to surprise you on the positive side.

Due to the internal and external factors described above, our Revenues shrank by ₹ 15 crores. Though we cut costs in some places, we added costs in some other places, with the result that the entire reduction in the topline fell to the bottom. In absolute terms, we went from a pre-tax profit of Rs.10 crores last year to a loss of Rs.4 crores this year. Adjusted for taxes and minority interest, our profit shrank from ₹ 5 crores to a loss of ₹ 5 crores.

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As mentioned elsewhere in this report, some of our bankers stood by us when the going got tough. They believed in us and they trusted our ability to bounce back. My sincere thanks to them for reposing faith when plenty of others had started writing us off. I would equally like to thank all our shareholders for living with the trauma of paper losses for years. It has been a difficult journey for everyone. We will make sure it was worth it.

REPORT OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS REPORT - FOR FY 2016 - 17

Dear Shareholders,

Your Directors have pleasure in presenting the Fortieth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2017.

Financial Highlights

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

All figures in ₹ Lakhs

Particulars	31.03.2017	31.03.2016
Total Income	11966.28	14149.89
Total Expenditure	10469.30	12466.82
Profit before Tax	1496.98	1683.07
Add: Exceptional Items		933.73
Profit before Tax (after exceptional items)	1496.98	2616.80
Less: Tax expense	(58.92)	(282.47)
Profit after Tax	1438.06	2334.33

Operations / Performance review

Net Sales of your company decreased by 15% to ₹ 118.74 Crores in FY 17 from ₹ 140.28 Crores in FY 16. In FY 16, the company was fortunate to execute water well order from Central Government Water Board to the tune of ₹ 30 Crores which was absent in FY 17 and hence the shortfall in FY 17 despite business with Coal India remained steady.

While profitability margin percentage improved, PBT in absolute terms was lower by ₹ 2 Crores due to lower sales.

Change in the Nature of Business, if any

There was no change in the nature of business of the Company during the financial year ended 31st March, 2017

Management discussion and analysis, Structure and Developments, opportunities and Threats, outlook, risk and concern:

Overview of the Economy

India's economic growth is expected to remain flat at 7.1% in FY 18 as investment is still weak and Government spending might not be as high fiscal consolidation path.

As per World Economic Outlook, India's economy has grown at a strong pace in recent years owing to the implementation of critical structural reforms, favourable terms of trade, and lower external vulnerabilities.

Business Environment, Outlook & Prospects for FY 2017 - 18.

Coal production of Coal India Ltd.(CIL) for FY 17 was 554 million MT against target of 598 million MT, a drop of 7%.

In an unprecedented move, the Union government has reduced the production target for Coal India Ltd (CIL) from 660 million MT to 600 million MT in the current year due to tepid demand for the fuel from thermal power plants.

Central Government's focus on infrastructure growth and on coal sector with private sector participation, it is expected that demand for company's products should grow better in ensuing years.

Transfer to reserves

The Company has not transferred any amount to its reserves during the year under review. However, an amount of ₹ 1438.06 Lakhs of the current profit has been carried forward to the Surplus in the Profit and Loss account of the Company.

Dividend

In order to conserve resources the directors do not recommend any dividend for the year ended 31st March 2017.

Transfer of unclaimed dividend to Investor Education and Protection Fund

Since there was no unpaid/unclaimed Dividend, the provisions of Section 124 & 125 of the Companies Act, 2013 relating to transfer of Unclaimed dividend to Investor Education and Protection fund does not arise.

Share capital

The issued, subscribed and paid-up share capital of the Company as at 31.03.2017 stood at ₹ 3,06,69,430/- divided into 30,66,943 equity shares of ₹ 10/- each. 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, is furnished in Annexure A and is attached to this report.

Board meetings conducted during the period under review

During the year under review, 5 Meetings of the Board of Directors, 4 Meetings of the Audit Committee, 2 Meetings of the Nomination and Remuneration Committee, 4 Meetings of the Stakeholders Relationship Committee were held. 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 had been followed and there were no material departure from those standards;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the company for that period;

c) the directors had 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 had prepared the annual accounts on a going concern basis; and

e) the directors had 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 had devised proper system to ensure compliance with the provisions of all the applicable laws and such systems were 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 were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.

Declaration of independent directors

The independent directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as independent directors under the provisions of the Companies Act, 2013 and the relevant rules and SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015

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:

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. S.S. Kothari Mehta & Co., Statutory Auditors and Mr. M.D. Selvaraj, Proprietor of MDS & Associates, Secretarial Auditor in their report.

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

During the year under review the Company has not granted any loan or given any security or made any investment, pursuant to the provisions of Section 186 of the Companies Act, 2013. However, the details in respect of investments made by the Company in the earlier year are disclosed in the notes to the Financial Statements.

Particulars of contracts or arrangements with related parties

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

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

There have been no material changes and commitments affecting the financial position of the Company which has occurred between the financial year ended 31st March, 2017 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 Board formed a Corporate Social Responsibility (CSR) Committee comprising of the Directors 1. Mr.Abhishek Dalmia, 2. Mr.S.C.Katyal and 3. Mr. B.V.Ramanan. The Company's CSR objective is to promoting education, including special education and employment enhancing vocational skills to children, women and differently abled persons. The Company has developed Corporate Social Responsibility policy in line with the activities mentioned in Schedule VII of the Companies Act, 2013. However the company has not done CSR spending as the average net profits of the company made during the three immediately preceding years was negative. The annual report on CSR activities has been given in **Annexure D**

Annual evaluation of the Board on its own performance and of the individual directors and committees.

On the advice of the Board of Directors, the Nomination and Remuneration Committee of the Board of Directors of the Company formulated a criteria for evaluation of the performance of the Board of Directors & its committees, Independent Directors, Non-Independent Directors and the Whole-time Director/Executive Chairman of the Board. Based on that, performance evaluation has been undertaken. The Independent Directors of the Company have also convened a separate meeting for this purpose.

Directors & Key Managerial Personnel

Mr.Chaitanya Dalmia (holding DIN: 00028402), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Directors recommended his re-appointment.

Key Managerial Personnel of the Company as required pursuant to Section 2(51) and 203 of the Companies Act, 2013 are Mr.Abhishek Dalmia, Executive Chairman, Mr.S.Hariharan, Whole-time Director, Mr. Sunil Puri, Chief Executive Officer and Mr. M.N.Srinivasan, Company Secretary.

The Board of Directors has reappointed Mr. S. Hariharan (DIN: 06363724) as Whole-time Director of the Company from 01.08.2017 to 08.06.2018, the date of his retirement, on the terms and conditions as set out in the notice conveening the Annual General Meeting. Necessary resolutions in this regard has been proposed for the approval of the members at the ensuing Annual General Meeting.

Mr. V.V. Subramanian (DIN: 05232247) was appointed as Additional Director of the Company with effect from 29th May, 2017 and he shall hold office upto the date of this Annual General Meeting. Accordingly necessary resolution proposing the appointment of Mr. V.V. Subramanian as Director of the Company has been included in the Agenda of the Notice conveening the Annual General Meeting for the approval of the members.

Subsidiaries, Joint Ventures and Associate companies.

The company has two subsidiaries namely M/s. Semac Consultants Private Ltd - a material subsidiary within the definition of SEBI (Listing Obligations and Disclosure Requirements) Rules 2015 and M/s. Semac and Partners, LLC - step down subsidiary.

Further, the Company is a Subsidiary of M/s. Renaissance Advanced Consultancy Limited.

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 AOC - 1 and is attached a **Annexure E** 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 were 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 fixed deposit and hence there are no unclaimed deposits as on 31st March 2017.

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.

Adequacy of Internal Financial Controls with reference to the financial statements

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. Further, the Board annually reviews the effectiveness of the Company's internal control system. The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

Auditors

Statutory auditors

M/s. S.S. Kothari Mehta & Co (Firm Registration No. 000756N), Chartered Accountants, New Delhi were appointed as the Statutory Auditors of the company for a period of five years in the 38th Annual General Meeting held on 21st December 2015 Pursuant to the provisions of Section 139 of the Companies Act, 2013, the ratification of their appointment is to be done at the ensuing Annual General Meeting. The Company has obtained written confirmation from the Auditors to the effect that the ratification of their appointment if made would be in conformity with the provisions of Companies Act, 2013. Accordingly, the Members are requested to ratify the appointment of Statutory Auditors for the financial year 2017-18.

Necessary resolution for the appointment of Auditors has been included in the Notice of the Annual General Meeting for the approval of the Members.

Cost Auditors

Pursuant to the provision of Section 148 of the Companies Act, 2013 read with notifications/ circulars issued by the Ministry of Corporate Affairs from time to time and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 29.05.2017, appointed M/s. P.Mohan Kumar & Co., (Firm Registration No.18692), Cost Accountants, Coimbatore as Cost Auditors of the Company for the financial year 2017-18.

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 Auditor is annexed herewith as **Annexure F** 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 G** and is attached to this report.

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

The Company has been employing women employees in various cadres within the Office / factory premises. The Company has in place an Anti -harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no compliant received from any employee during the financial year 2016-17 and hence no complaint is outstanding as on 31.03.2017 for redressal.

Corporate Governance

A report on Corporate Governance is annexed and forms part of this report. The Company has complied with the conditions relating to Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Audit Committee

Audit Committee is in existence in accordance with the provisions of Section 177 of the Companies Act, 2013. Kindly refer to the Section on Corporate Governance, under the head, 'Audit Committee' for matters relating to the composition, meetings, and functions of the Committee. The Board accepted the Audit Committee recommendations during the year whenever required, hence no disclosure required under Section 177(8) of the Companies Act, 2013 with respect to rejection of any recommendations of Audit

Committee by the Board.

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 SEBI (Listing Obligations and Disclosure Requirements) Rules 2015, the Whole-time Director & the Chief Financial Officer and Chief Executive Officer have 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 : Coimbatore
Date : August 18, 2017

Abhishek Dalmia
Executive Chairman
DIN : 00011958

ANNEXURE A

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[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, MALUMACHAMPATTI POST, COIMBATORE - 641050. Ph. No. 0422-2610851. Fax No. 0422-6655199. EMAIL ID: srinivasan@revathi.in Website : www.revathi.in
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	S.K.D.C. CONSULTANTS LIMITED, Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore - 641006. Phone. No. : 0422-4958995, 2539835, 2539836. Fax No. : 0422-2539837. 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	100.00

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	Renaissance Advanced Consultancy Limited, B-45/47, 2nd Floor, Connaught Place, New Delhi -110001	U74140DL2014PLC271039	Holding Company	57.68%	2(46)
2	Semac Consultants Pvt.Ltd Pollachi Road, Malumachampatti post, Coimbatore-641050	U85110TZ1987PTC017564	Subsidiary Company	76.99%	2(87)(ii)
3	Semac & Partners L.L.C Muscat, Sultanate of Oman	N.A.	Step Down Subsidiary Company	Nil	2(87)(ii)

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 1-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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	40739	165	40904	1.33	32201	165	32366	1.06	(0.28)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	460285	73012	533297	17.39	512703	66496	579199	18.89	1.50
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	198470	-	198470	6.47	153933	-	153933	5.02	(1.45)
c) Others									
Directors & Their Relatives	28788	2	28790	0.94	13251	2	13253	0.43	(0.51)
Non Resident Indians	15593	132	15725	0.51	12531	132	12663	0.41	(0.10)
Clearing Members	4130	-	4130	0.14	23218	-	23218	0.76	0.62
Hindu Undivided Families	19574	-	19574	0.64	26258	-	26258	0.86	0.22
Sub-total (B)(2):-	767579	73311	840890	27.42	774095	66795	840890	27.42	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	767679	73311	840990	27.42	774195	66795	840990	27.42	-
C. Shares held by Custodian for GDRs&ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2993632	73311	3066943	100.00	3000148	66795	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	Renaissance Advanced Consultancy Limited	1768953	57.68	-	1768953	57.68	-	-
2	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 Increase / Decrease in Promoters Shareholding during the year At the end of the year	There has been no changes in Share holding of the Promoters during 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	56125	1.83	56125	1.83
	Transfer of shares on 22.07.2016	25	0.00	56150	1.83
	Transfer of shares on 29.07.2016	220	0.01	56370	1.84
	Transfer of shares on 12.08.2016	(56370)	(1.84)	-	-
	Transfer of shares on 12.08.2016	57000	1.86	57000	1.86
	Transfer of shares on 19.08.2016	25	0.00	57025	1.86
	Transfer of shares on 02.09.2016	25	0.00	57050	1.86
	Transfer of shares on 16.09.2016	200	0.01	57250	1.87
	Transfer of shares on 11.11.2016	250	0.01	57500	1.87
	Transfer of shares on 11.11.2016	(250)	(0.01)	57250	1.87
	Transfer of shares on 25.11.2016	200	0.01	57450	1.87
	Transfer of shares on 02.12.2016	169	0.01	57619	1.88
	Transfer of shares on 09.12.2016	173	0.01	57792	1.88
	Transfer of shares on 23.12.2016	542	0.02	58334	1.90
	Transfer of shares on 23.12.2016	(542)	(0.02)	57792	1.88
	At the end of the year	57792	1.88	57792	1.88
2	HITESH SATISHCHANDRA DOSHI				
	At the beginning of the year	25177	0.82	25177	0.82
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	25177	0.82	25177	0.82
3	SUDHIR CHUKKAPALLI				
	At the beginning of the year	21923	0.72	21923	0.72
	Transfer of shares on 13.01.2017	1941	0.06	23864	0.78
	At the end of the year	23864	0.78	23864	0.78

S. No.	Name of 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
4	VENKATA RAO CHUKKAPALLI				
	At the beginning of the year	13309	0.43	13309	0.43
	Transfer of shares on 18.11.2016	200	0.01	13509	044
	At the end of the year	13509	0.44	13509	0.44
5	FINQUEST SECURITIES PVT.LTD **				
	At the beginning of the year	-	-	-	-
	Transfer of shares on 22.04.2016	10	0.00	10	0.00
	Transfer of shares on 29.04.2016	(10)	(0.00)	-	-
	Transfer of shares on 22.07.2016	166	0.01	166	0.01
	Transfer of shares on 29.07.2016	(166)	(0.01)	-	-
	Transfer of shares on 27.01.2017	10	0.00	10	0.00
	Transfer of shares on 03.02.2017	(10)	(0.00)	-	-
	Transfer of shares on 31.03.2017	13349	0.44	13349	0.44
	At the end of the year	13349	0.44	13349	0.44
6	SHYAM PATTABIRAMAN				
	At the beginning of the year	12137	0.40	12137	0.40
	Transfer of shares on 05.08.2016	500	0.02	12637	0.41
	Transfer of shares on 12.08.2016	100	0.00	12737	0.42
	At the end of the year	12737	0.42	12737	0.42
7	ALOK LODHA**				
	At the beginning of the year	-	-	-	-
	Transfer of shares on 13.05.2016	9677	0.32	9677	0.32
	Transfer of shares on 20.05.2016	75	0.00	9752	0.32
	Transfer of shares on 27.05.2016	11	0.00	9763	0.32
	Transfer of shares on 03.06.2016	268	0.01	10031	0.33
	Transfer of shares on 12.08.2016	456	0.01	10487	0.34
	Transfer of shares on 19.08.2016	17	0.0	10504	0.34
	At the end of the year	10504	0.34	10504	0.34
8	STUTI ANILKUMAR BAGRI**				
	At the beginning of the year	-	-	-	-
	Transfer of shares on 05.08.2016	10350	0.34	10350	0.34
	At the end of the year	10350	0.34	10350	0.34
9	ISHITA BAGRI**				
	At the beginning of the year	-	-	-	-
	Transfer of shares on 05.08.2016	10000	0.33	10000	0.33
	At the end of the year	10000	0.33	10000	0.33
10	KALPANA KAUR BATRA				
	At the beginning of the year	11259	0.37	11259	0.37
	Transfer of shares on 22.04.2016	1	0.00	11260	0.37
	Transfer of shares on 05.08.2016	(1145)	(0.04)	10115	0.33
	Transfer of shares on 10.03.2017	(2000)	(0.07)	8115	0.26
	At the end of the year	8115	0.26	8115	0.26
11	INDRA KUMAR BAGRI ##				
	At the beginning of the year	36350	1.19	36350	1.19
	Transfer of shares on 05.08.2016	(36350)	(1.19)	-	-
	At the end of the year	-	-	-	-

S. No.	Name of 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
12	SHOBHA KATYAL ##				
	At the beginning of the year	11804	0.39	11804	0.39
	Transfer of shares on 08.04.2016	70	0.00	11874	0.39
	Transfer of shares on 06.05.2016	100	0.00	11974	0.39
	Transfer of shares on 17.02.2017	(3674)	(0.12)	8300	0.27
	Transfer of shares on 24.02.2017	(2413)	(0.08)	5887	0.19
	Transfer of shares on 03.03.2017	(1064)	(0.03)	4823	0.16
	Transfer of shares on 10.03.2017	(907)	(0.03)	3916	0.13
	Transfer of shares on 24.03.2017	(64)	(0.00)	3852	0.13
	At the end of the year	3852	0.13	3852	0.13
13	SHIVANI TEJAS TRIVEDI##				
	At the beginning of the year	11522	0.38	11522	0.38
	Transfer of shares on 02.09.2016	1827	0.06	13349	0.44
	Transfer of shares on 31.03.2017	(13349)	(0.44)	-	-
	At the end of the year	-	-	-	-

** Not in the list of Top 10 shareholders as on 31.03.2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2017.

Ceased to be in the list of Top 10 shareholders as on 31.03.2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2016.

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	13165	0.43	13165	0.43
	Transfer of shares on 15.04.2016	28	0.00	13193	0.43
	Transfer of shares on 22.04.2016	2	0.00	13195	0.43
	Transfer of shares on 17.02.2017	(3395)	(0.11)	9800	0.32
	Transfer of shares on 24.02.2017	(2710)	(0.09)	7090	0.23
	Transfer of shares on 03.03.2017	(1299)	(0.04)	5791	0.19
	Transfer of shares on 10.03.2017	(900)	(0.03)	4891	0.16
	Transfer of shares on 24.03.2017	(50)	(0.00)	4841	0.16
	At the end of the year	4841	0.16	4841	0.16
2	KISHORE NANIKSIDHWANI				
	At the beginning of the year	2502	0.08	2502	0.08
	Transfer of shares on 15.04.2016	200	0.01	2702	0.09
	Transfer of shares on 22.04.2016	7	0.00	2709	0.09
	Transfer of shares on 29.04.2016	179	0.00	2888	0.09
	Transfer of shares on 06.05.2016	197	0.01	3085	0.10
	Transfer of shares on 13.05.2016	156	0.01	3241	0.11
	At the end of the year	3241	0.11	3241	0.11

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
3	B V RAMANAN				
	At the beginning of the year	1050	0.03	1050	0.03
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1050	0.03	1050	0.03
4	S.HARIHARAN				
	At the beginning of the year	2	-	2	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	2	-	2	-
5	ABHISHEK DALMIA				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	DEEPALI DALMIA				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	CHAITANYA DALMIA				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
8	MUTHU POONGAVANAM				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
9	M.N.SRINIVASAN, Company Secretary				
	At the beginning of the year	2	-	2	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	2	-	2	-
10	SUNIL PURI, CEO				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	521,571	319,500	-	841,071
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,506	-	2,506
Total (i+ii+iii)	521,571	322,006	-	843,577
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	272,773	262,006	-	534,779
Net Change	(272,773)	(262.006)	-	(534,779)
Indebtedness at the end of the financial year				
i) Principal Amount	248,798	60,000	-	308,798
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		78	-	78
Total (i+ii+iii)	248,798	60,078	-	308,876

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr.Abhishek Dalmia, Executive Chairman	Mr. S. Hariharan Whole time Director & CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42,62,400	21,74,760	64,37,160
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	14,91,840	20,61,588	35,53,428
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	30,00,000	10,00,390	40,00,390
	- as % of profit			
	- others, specify...			
5	Others Contribution to PF, Super Annuation Fund, Gratuity Fund, Leave Salary etc.	17,45,808	9,70,346	27,16,154
	Total (A)	1,05,00,048	62,07,084	1,67,07,132
	Ceiling as per the Act	As per Schedule V of the Companies Act 2013		

B. Remuneration to other Directors

(Amount in 000's)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Deepali Dalmia	Chaitanya Dalmia	S C Katyal	B V Ramanan	Muthu Poongavanam	Kishore Nanik Sidhwani	
1	Independent Directors							
	Fee for attending board, committee meetings	-	-	250	150	200	250	850
	Commission			300		200	300	800
	Others							
	Fee for attending sub committee meetings	-	-	-	-	-	-	-
	Total (1)	-	-	550	150	400	550	1,650
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	200	150	-	-	-	-	350
	Commission	600	200	-	-	-	-	800
	Others	-	-	-	-	-	-	-
	Fee for attending sub committee meetings	-	-	-	-	-	-	-
	Consulting Fees	-	-	-	-	-	-	-
	Total (2)	800	350	-	-	-	-	1,150
	Total (B)=(1+2)	800	350	550	150	400	550	2,800
	Total Managerial Remuneration							19,507
	Overall Ceiling as per the Act	The maximum Sitting fee payable per Meeting to each Director is ₹ 1 lakh as per the Companies Act, 2013.						

* 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

(Amount in 000's)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CEO	Total
		M N Srinivasan	Sunil Puri	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1361	3856	5217
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	196	1508	1704
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	1000	1000
	- as % of profit	-	-	-
	others, specify…	-	-	-
5	Others, Contribution to funds	208	648	856
	Total	1,765	7,012	8,777

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 : Coimbatore
Date : August 18, 2017

Abhishek Dalmia
Executive Chairman
DIN 00011958

ANNEXURE B

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being 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.

DEFINITIONS:

"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" 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 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 of upto 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 Managing Director / Whole-time Directors:
   a) The Remuneration/ Commission etc. to be paid to 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 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 and 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 approspriate.

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.

By Order of the Board
For Revathi Equipment Limited

Place : Coimbatore
Date : August 18, 2017

Abhishek Dalmia
Executive Chairman
DIN 00011958

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:

Contract signed for commissioning of Dual Rotary Drills and Deep Hole Drills.

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

Good opportunity for our service team to get trained on product functionality and to prepare our offer with essential accessories for future requirement.

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

Research and Development (R&D) and benefits derived thereon

1) Specific areas in which R&D carried out by the Company.
   - Development of 6-1/2" (165mm) Jackless medium pressure DTH blast hole drill.
   - Development of common operator's FOPS cabin for 6" & 10" class blast hole drill.
   - Development of 6" DTH blast hole drill with customized compressor package
   - Development of latch and spring less barrel loader system for 6" class drill.
2) Benefits derived as a result of the above R&D
   - New product indigenously manufacturered.
   - Increase our market presence in mining and construction segment.
   - Standardisation and cost saving
   - New product development for private customer.
   - Better product quality and reliability
3) Future Plan of Action
   - Development of 6" Low pressure DTH blast hole drill for mining / construction segment.
   - Aesthetic improvements on 6", 10" & 12" blast hole drills
   - Development of 4-1/2" DTH low pressure drill with customized compressor package.
   - Development of 15" Rotary blast hole drill for coal mines
4) Expenditure incurred on Research & Development: (₹ in lakhs)

Expenditure on R&D	2016-17	2015-16
Capital	-	-
Revenue	377.17	154.18
Total	377.17	154.18
R&D Expenditure as a percentage of Turnover	3.18	1.09

Foreign Exchange earnings & outgo:

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

	2016-17	2015-16	(₹ in lakhs)
Foreign Exchange Earnings	57.67	51.30	
Foreign Exchange Outgo	1369.23	2800.10	

By Order of the Board
For Revathi Equipment Limited

Place : Coimbatore
Date : August 18, 2017

Abhishek Dalmia
Executive Chairman
DIN 00011958

ANNEXURE - D

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   The Company has been proactively engaged in Corporate Social Responsibility activities over the years. As required under the Companies Act, 2013, the Company has formulated a CSR Policy which is in line with the activities mentioned in Schedule VII of the Companies Act, 2013. The CSR policy of the Company is primarily directed towards promoting preventive health care and making available safe drinking water.

   The detailed policy on the Corporate Social Responsibility has been posted on the website of the Company and can be accessed at www.revathi.in

2. **Composition of CSR Committee**

   The CSR Committee of the Board of Directors has been constituted with the following directors as its members:

   - Mr. Abhishek Dalmia - Chairman
   - Mr. S.C.Katyal - Member
   - Mr. B.V.Ramanan - Member

3. **Average Net Profit of the Company for last three Financial Years:**

   Average net profit was negative.

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above)**

   Not applicable as the average net profit was negative.

5. **Details of CSR spent during the Financial Year 2016-17**

   a) Total amount to be spent for the financial year

   Rs.Nil

   b) Amount unspent, if any;

   Not applicable.

   c) Manner in which the amount spent during the financial year is detailed below: (₹ in lakhs)

S. No.	CSR Project or Activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount of outlay (budget) project or programs-wise	Amount spent on the project or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Over-heads:	Cumulative Expenditures up to the reporting period	Amount spent, direct or through implementing agencies
	Promoting education.	Education	Not done.	Nil	Not applicable	Not applicable	Not applicable

6. **Responsibility statement of the CSR Committee:**

   The CSR Committee confirms that the implementation and governance of CSR Programs have been elaborated in the Company's CSR policy. The CSR Committee further confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and policy of the Company.

Place : Coimbatore
Date : August 18,2017

S. Hariharan
Whole-time Director
DIN: 06363724

Abhishek Dalmia
Executive Chairman
DIN: 00011958

ANNEXURE - E

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	Rupees	Omani Riyal / Exchange rate - (1 OMR = ₹ 175.623)
4.	Share capital	1,82,08,920	662,800
5.	Reserves & Surplus	41,75,15,475	16,85,93,791
6.	Total assets	71,68,12,037	24,74,23,318
7.	Total Liabilities	71,68,12,037	24,74,23,318
8.	Investments	3,13,68,400	-
9.	Turnover	65,59,78,666	24,25,61,065
10.	Profit before taxation	(8,61,20,992)	4,30,13,661
11.	Provision for taxation	(1,01,40,028)	43,89,503
12.	Profit after taxation	(7,59,80,964)	3,86,24,158
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.

By Order of the Board
For Revathi Equipment Limited

Place : Coimbatore
Date : August 18, 2017

Abhishek Dalmia
Executive Chairman
DIN 00011958

ANNEXURE - F

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2017
[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, 2017 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, 2017 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Companies Act, 1956 and the rules made thereunder (to the extent applicable);

iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iv) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d) 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 following:

a) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);

b) Listing Agreement entered into by the Company with the BSE Limited and National Stock Exchange of India Limited;

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Standards etc., mentioned above.

I further report that, during the year under review, there were no actions/ events in pursuant of the following Rules/Regulations requiring compliance thereof by the Company:

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 (Share Based Employee Benefits) Regulations 2014;

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 (Buy back of Securities) Regulations, 1998;

I further report that based on the information provided by the Company, its officers and authorized representatives, there are no laws

specifically applicable to the Company.

I further report that having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labour and environmental laws as applicable.

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 auditor and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

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 Committees 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 period, there were no instances of:

- Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
- Redemption / buy-back of securities
- Major decision taken by the members in pursuant to Section 180 of the Companies Act, 2013.
- Merger / Amalgamation / Reconstruction etc.
- Foreign technical collaborations.

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

Place: Coimbatore
Date : August 18, 2017

This report is to be read with my 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 standards, laws, rules and regulation 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: Coimbatore
Date : August 18, 2017

Annexure G

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Mangerial Personnel) Rules,2014.

i) The ratio of the remuneration of each director to the median employee's remuneration for the financial year

Name	Category	Ratio
Mr.Abhishek Dalmia	Executive Chairman	38 : 1
Mrs.Deepali Dalmia	Director	3 : 1
Mr.Chaitanya Dalmia	Director	1 : 1
Mr.S.C.Katyal	Director	2 : 1
Mr.B.V.Ramanan	Director	0.5 : 1
Mr.Kishore Sidhwani	Director	2 : 1
Mr.M.Poongavanam	Director	1.5 : 1
Mr.S.Hariharan	Director	23 : 1

ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any,in the financial year

Name	Designation	%
Mr.Abhishek Dalmia	Executive Chairman	29
Mr.S.Hariharan	Whole-time Director	8
Mr.Sunil Puri	Chief Executive Officer	Not comparable as he was appointed in March 2016
Mr.M.N.Srinivasan	Company Secretary	24

iii) The percentage increase in the median remuneration of employees in the financial year : 18%

iv) The number of permanent employees on the rolls of company : 192

v) 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

Since the Company made good profits during the current financial year (2016-17), commission based on profit was paid to Managerial Personnel which is the main reason for increase in managerial remuneration

Particulars of employees under Rule, 5(2)

S. No	Name	Designation / Nature of Employment	Remuneration received/ receivable (Rs)	Qualification/ experience	Date of joining	Age	Last Employment	% of share holding	Whether related to director, if so name of such director
1	Mr.Abhisek Dalmia	Executive Chairman	10,500,048	B.Com (H) FCA, AICWA./ 25 years	01.03.2003	48	Utkal Investments Ltd New Delhi	Nil	Related to Mrs Deepali Dalmia & Mr. Chaitanya Dalmia
2	Mr.Sunil Puri	Chief Executive Officer	6,932,060	B.E(Mech)/ 31 years	07.03.2016	53	Sandvik Asia P Ltd, Pune	Nil	Nil
3	Mr.S.Hariharan	Whole-time Director	6,207,084	B.com.,AICWA./ 34 years	23.10.1992	59	SRF Ltd, Chennai	Nil	Nil
4	Mr. M. Udhaya kumar	AVP-Engineering	4,400,344	B.E(Mech)/ 38 years	09.01.1981	58	Nil	Nil	Nil
5	Mr. Ch. Rajesh kumar	DGM-Marketing	3,970,918	AMIE(Mining)/ 23 years	17.08.2015	48	Atlas Copco (India) Ltd, Pune	Nil	Nil
6	Mr. K.S. Harish Kumar.	Head NPD	3,477,507	B.E(Mech) / 21 years	23.04.2015	48	Caterpillar India P Ltd, Chennai	Nil	Nil
7	Mr.R.Ravindran	DGM-Product Support	2,597,356	B.E(EEE),M.B.A/ 28 years	20.06.1991	49	Nil	Nil	Nil
8	Mr. B. Bala krishnan	DGM - Manufacturing	2,580,559	B.E (Mech)/ 28 years	13.07.s2007	51	Leoni Wiring Systems P Ltd, East London, South Africa	Nil	Nil
9	Mr. P. Subramani	DGM-Systems	2,426,648	B.E (Mech),Dipin System Analysis & Data Processing, PGDCA/ 31 years	17.08.1993	56	Premier instruments and Controls Ltd, Coimbatore	Nil	Nil
10	Mr. N. Mohan kumar	DGM-QA	1,934,886	DME, B.E(MECH)/ 32 years	16.03.2011	52	Vulcan Industrial Engineering Company Ltd, Anand	Nil	Nil

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

By Order of the Board
For Revathi Equipment Limited

Abhishek Dalmia
Executive Chairman
DIN 00011958

Place : Coimbatore
Date : August 18, 2017

REPORT ON CORPORATE GOVERNANCE - Annexure to Directors' Report

[In compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Company's Philosophy on Corporate 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.

2. Board of Directors

i. Composition

The Board presently comprises of 9 Directors including 2 Executive and 7 Non-Executive Directors, of which 5 are Independent Directors and 1 Women Director. The Directors are professionals who 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 details of composition of Board, number of other directorships in other public companies, chairmanship and membership in committees of other public companies as held by the directors of the company, attendance of directors at board meetings and last annual general meetings are given below:

Name of the Directors	Category of Directorships	Attendance Particulars		No. of directorships held in public limited companies*	No. of Committee Positions held in other Companies #	
		Board meeting	Last AGM		Chairman	Member
Mr. Abhishek Dalmia (DIN: 00011958)	Executive Chairman / Non Independent	5	Yes	7	0	0
Mrs. Deepali Dalmia (DIN: 00017415)	Non Executive / Non Independent	4	No	1	0	0
Mr. Chaitanya Dalmia (DIN: 00028402)	Non Executive / Non Independent	3	No	3	0	0
Mr. S.C. Katyal (DIN: 00614377)	Non Executive / Independent	5	Yes	0	0	0
Mr. B.V. Ramanan (DIN: 00934602)	Non Executive / Independent	3	No	0	0	0
Mr. M. Poongavanam (DIN:01865262)	Non Executive / Independent	4	No	0	0	0
Mr. Kishore Sidhwani (DIN: 02428735)	Non Executive / Independent	5	Yes	0	0	0
Mr. S. Hariharan (DIN: 06363724)	Executive Director / Non Independent	5	Yes	0	0	0
Mr.V V Subramanian (DIN: 05232247) (Appointed on 29.05.2017)	Non Executive / Independent	0	No	0	0	0

* Excludes directorships in Foreign Companies, Private Companies and Section 8 Companies.

\# Only Audit Committee and Stakeholders Relationship committee are considered as per regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mr.Abhishek Dalmia, Executive Chairman, Mrs.Deepali Dalmia and Mr.Chaitanya Dalmia, Non Executive 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii. Board Meetings

The Board meets at least once in every quarter to review quarterly results and other items on agenda. Additional meetings are held when necessary. Board meetings were held during the year and the date on which the Board meetings were held are as follows:

Sl. No	Date of Board Meeting	No of Directors Attended
1	30.05.2016	7
2	04.08.2016	8
3	22.09.2016	4
4	07.11.2016	8
5	10.02.2017	7

iii. Shareholdings of Non-Executive Directors:

The number of equity shares of the company held by non-executive directors of the company are as under.

Sl. No	Name of Director	No. of Equity Shares held (as on March 31, 2017)
1	Mr.S.C.Katyal	4,841
2	Mr.B.V.Ramanan	1,050
3	Mr.Kishore Sidhwani	3,241

iv. Familiarization Program for Independent Directors:

The Company through its Managerial Personnel explained the strategy, operations and functions of the Company to familiarize the Independent Directors.

When new Independent Director joined the Board of the Company, he was invited to our factory at Coimbatore to show the facilities and a meeting was arranged with company managerial personnel to discuss the nature of the operation of the Company's business activities. Corporate functional heads made relevant business strategy presentations to him.

It provided an opportunity to the Independent Director to interact with the Senior Management of the Company and helped him to understand 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.

New Independent Director was provided with copy of latest Annual Report, the Revathi Code of Conduct for directors, employees, Code of Conduct for Prevention of Insider Trading etc.

The details of familiarization programmes imparted to independent directors are disclosed on the Company's website www.revathi.in

v. Separate Meeting of Independent Directors:

The Meeting of Independent Directors of the Company was held on 10th February 2017 and they inter-alia, reviewed the performance of the Non-independent Directors and the Board as a whole, reviewed the performance of the Chairman and Whole-time Director and assessed the quality, quantity and timeliness of flow of information between the Company and the Board. Three Independent Directors were present at the meeting.

vi. Performance Evaluation of non-executive and Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees of the Board. They also evaluated various aspects of the Board such as adequacy of the composition of the Board and its Committees, Board Diversity, execution and performance of specific duties, obligations and governance.

3. Audit Committee

i) Brief Description and Terms of Reference

The Audit Committee comprises of three Non-Executive Independent Directors and all such members of the Committee possess knowledge in the fields of accounts, finance and allied areas.

The role, powers and functions of the committee are as per Section 177 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference for the year under review, inter alia are as follows:

i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

ii) The recommendation for appointment, remuneration and terms of appointment of Auditors of the company;

iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

iv) Examination of the financial statement and the Auditors' report thereon.

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

vi) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management.

d. Significant adjustments made in the financial statements arising out of audit findings.

e. Compliance with listing and other legal requirements relating to financial statements.

f. Disclosure of any related party transactions.

g. Qualifications in the draft audit report.

vii) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

viii) Approval or any subsequent modification of transactions of the company with related parties.

ix) Scrutiny of inter-corporate loans and investments.

x) Valuation of undertakings or assets of the company, wherever it is necessary.

xi) Evaluation of internal financial controls and risk management systems.

xii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

xiii) Discussion with internal auditors of any significant findings and follow up there on.

xiv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

xv) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

xvi) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

xvii) To review the functioning of the Whistle Blower mechanism.

xviii) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

xix) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

xx) The following information is reviewed by the Audit Committee.

a. Management discussion and analysis of financial condition and results of operations;

b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c. Management letters / letters of internal control weaknesses issued by the statutory auditors;

d. Internal audit reports relating to internal control weaknesses; and

e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

ii. Composition of the committee, Meetings and attendance

During the year under review, the Committee met four times on 30th May 2016, 4thAugust 2016, 7th November 2016 and 10th February 2017. 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 held during the year	No. of Meetings attended
Mr. S.C. Katyal, Chairman	Non-Executive and Independent Director	4	4
Mr. B.V. Ramanan, Member	Non-Executive and Independent Director	4	3
Mr. M. Poongavanam, Member	Non-Executive and Independent Director	4	4

Company Secretary and Compliance Officer act as Secretary of the Audit Committee. The minutes of the Audit Committee meetings are circulated to the Board, where it is discussed and duly recorded. The Committee considered and reviewed the accounts for the year 2016 - 17, at their meeting held on 29th May 2017 before it was placed in the Board.

4. Nomination and Remuneration Committee:

i. Brief Description and Terms of Reference

The role, powers and functions of the nomination and remuneration Committee are as per Section 178 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.The terms of reference for the year under review, inter alia are as follows:

i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of directors, key managerial personnel and other employees.

ii. Formulation of criteria for evaluation of performance of independent directors and the board of directors.

iii. Identifying the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

iv. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of the performance evaluation of independent directors.

The Nomination and Remuneration policy is annexed to the Board's Report and can also be accessed on Company's website at www.revathi.in.

ii) Composition of the Committee, Meetings and Attendance:

During the year under review, the Committee met two times on 30th May 2016 and 10th February 2017. 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 meeting held during the year	No. of Meetings attended
Mr.S.C.Katyal (Chairman)	Non-Executive and Independent Director	2	2
Mr.B.V.Ramanan (Member)	Non-Executive and Independent Director	2	1
Mr.M.Poongavanam (Member)	Non-Executive and Independent Director	2	2
Mr.Chaitanya Dalmia (Member)	Non-Executive and Non-Independent Director	2	1

5. Remuneration of Directors

Details of remuneration paid to the directors for the year ended March 31, 2017 are as follows:

i. Executive Directors

Remuneration paid/payable to managerial personnel during the year is given below (Amount in Rupees)

Name	Service Contract	Salary	Perquisites and other benefits	Contribution to various Funds	Commission / Incentive	Total remuneration
Mr. Abhishek Dalmia	5 years with effect from 01.04.2016	45,02,160	14,91,840	15,06,048	30,00,000	1,05,00,048
Mr.S.Hariharan	5 years with effect from 01.08.2012	24,53,314	20,61,588	6,91,791	10,00,390	62,07,003

ii. Non-Executive Directors

Sitting fees for attending Board / Committee meetings paid and Commission payable to Non-Executive directors for financial year 2016-17 are given below

S. No.	Name of the Director	Sitting Fees (in Rupees)	Commission (in Rupees)
1	Mrs.Deepali Dalmia	2,00,000	6,00,000
2	Mr.Chaitanya Dalmia	1,50,000	2,00,000
3	Mr.S.C.Katyal	2,50,000	3,00,000
4	Mr.B.V.Ramanan	1,50,000	
5	Mr.M.Poongavanam	2,00,000	2,00,000
6	Mr.Kishore Sidhwani	2,50,000	3,00,000

There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.

iii. The criteria of making payments to Non - Executive Directors is appearing on the website of the company at www.revathi.in

iv. The Company does not have any Employee Stock Option Scheme.

6. Stakeholders Relationship Committee

i. Brief Description and Terms of Reference

The Stakeholders Relationship Committee is responsible for the satisfactory redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfer and transmission of shares and other miscellaneous complaints. In addition, the Committee looks into other issues including status of dematerialization / re-materialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

ii. Composition of the committee, Meetings and attendance

During the year under review, the Committee met four times on 30th May 2016, 4th August 2016, 7th November 2016 and 10th February 2017. 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 held during the year	No. of Meetings attended
Mr. S.C. Katyal, Chairman	Non-Executive and Independent Director	4	4
Mr. B.V. Ramanan, Member	Non-Executive and Independent Director	4	3
Mr. M. Poongavanam, Member	Non-Executive and Independent Director	4	4

iii. Name and Designation of Compliance Officer

Mr.M.N.Srinivasan the Company Secretary acts as the Compliance Officer. The minutes of the Stakeholders Relationship Committee were placed before the Board Meeting for due ratification and approval.

iv. Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

v. Unclaimed Suspense Account

Since there are no unclaimed shares, the Company has not opened unclaimed suspense account.

vi. Investors' complaints:

The Company attends to the investors' grievances and correspondences within a maximum period of 5 days from the date of receipt of the same. During the year 2016 - 17, the Company had received no complaints from the shareholders and there was no outstanding complaints as on 31.03.2017.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility Committee.

The terms of reference of this Committee, assigned by their Board encompasses:

a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII:

b. To recommend the amount of expenditure to be incurred on the activities referred to in clause A:

c. To monitor the CSR policy of the Company from time to time :

d. Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder or any other statutory laws of India:

The Committee comprises of three members viz Mr. Abhishek Dalmia, Mr. S. C. Katyal and Mr.B.V.Ramanan. During the year under review, the committee has not met at any time.

7. Management Discussion and Analysis Report:

The contents of the Management Discussion and Analysis Report have been included in the Directors' Report at the appropriate places and thus the said report forms part of the Annual Report.

8. General Body Meetings

Location and time where the last three Annual General Meetings were held and details of the special resolutions passed.

Year	Date	Time	Venue	Special Resolutions passed
2013-2014	29.09.2014	2.30 p.m.	Registered Office, Pollachi Road, Malumachampatti Post, Coimbatore - 641 050	• Appointment of Mr. B.D. Narang, Mr.S.C.Katyal and Mr.B.V.Ramanan as Independent Directors of the Company.
				• Amendement of Article 132 & 144 of the Articles of Association. • Borrowing power u/s. 180(1)(c), Consent to create mortgage, charge etc. u/s 180(1)(a) • Payment of Special Allowance to Mr. S. Hariharan, Whole Time Director & CFO • Waiver from recovery of excess remuneration of ₹ 406,087 paid to Mr.Abhishek Dalmia, Executive Chairman.
2014-2015	21.12.2015	2.30 p.m.	Registered Office, Pollachi Road, Malumachampatti Post, Coimbatore - 641 050	• Waiver from recovery of excess remuneration of ₹ 406,087 paid to Mr.Abhishek Dalmia, Executive Chairman. • Re-appointment of Mr. Abhishek Dalmia (holding DIN 00011958) as the Executive Chairman
2015-2016	21.09.2016	5.45 p.m	A.C. Hall, The Indian Chamber of Commerce and Industry Coimbatore, Chamber Towers, 8/732, Avinashi Road Coimbatore - 641 018	• Approval of payment of commission to Non-Executive Directors. • Payment of commission to Mr. Abishek Dalmia, ((holding DIN 00011958) Executive Chairman

EGM AND POSTAL BALLOT:

During the year no EGM was held. No resolutions were put through postal ballot last year. No Special resolution requiring postal ballot is being proposed.

9. Means of Communication

i. The quarterly / half yearly unaudited financial and the annual audited financial results are normally published in Business Standard and Malai Malar (Vernacular paper). The financial results are also placed on the Company's website - www.revathi.in.

ii. The copies of the results are forwarded to concerned stock exchanges immediately after they are approved by the Board for publication in their website. The company has a dedicated help desk with mail id www.revathi.in for providing necessary information to investors.

iii. There were no specific presentations made to Institutional Investors or to the analysts during the year.

10. General shareholder information

i. 40th Annual General Meeting

Date : 25.09.2017

Time : 2.00 PM

Venue : The Indian Chamber of Commerce and Industry, Coimbatore

ii. Financial Calendar

Financial Year: 1st April 2017 to 31st March 2018

Period of reporting	Proposed Board meeting dates
Qtr ending 30th June 2017	1st week of September 2017
Qtr ending 30th September 2017	1st week of December 2017
Qtr ending 31st December 2017	1st week of February 2018
Year ending 31st March 2018	Last week of May 2018

Date of Book closure From 19.09.2017 to 25.09.2017 (Both days inclusive)

iii. Dividend payment date: The Directors have not recommended any Dividend for the year ended 31st March, 2017.

iv. Listing on Stock Exchanges

The shares are listed in

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

v. 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 ₹.10/- each)	:	INE617A01013

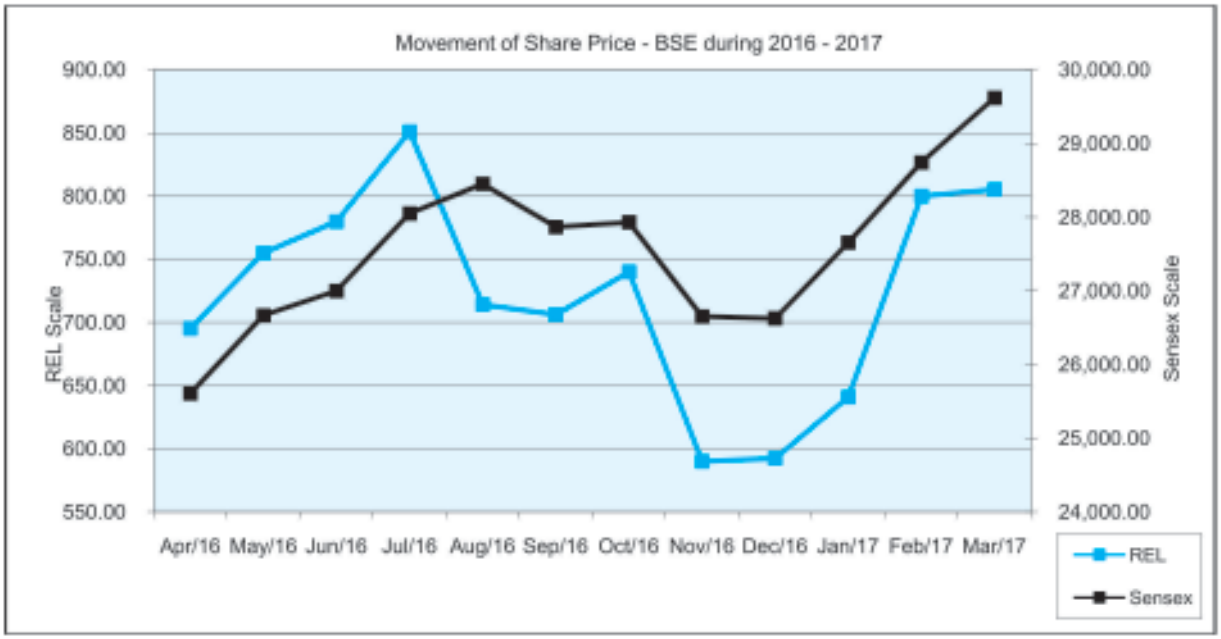
The Company has paid the Listing Fees for the financial year 2017-18 to the above Stock Exchanges.

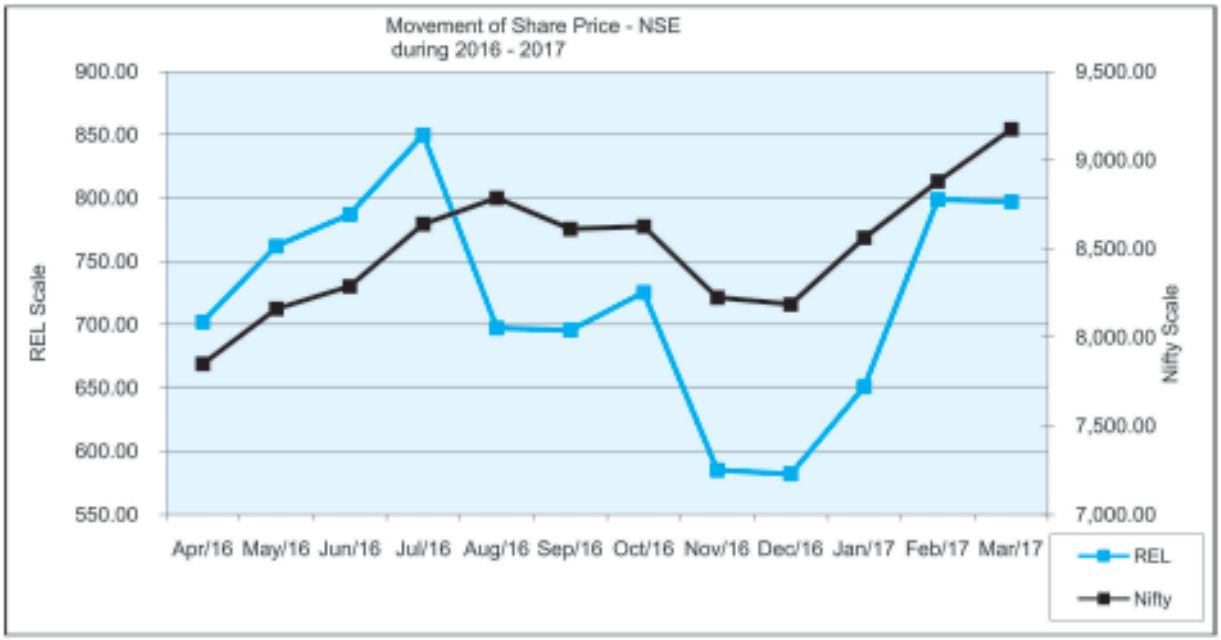
vi. Share Price Movements (Monthly High & Low) :

The high and low prices during each month in the last financial year on BSE & NSE Limited are given below:

Period	BSE Limited		NSE Limited	
	High ₹	Low ₹	High ₹	Low ₹
April 2016	750.00	610.00	745.00	612.00
May 2016	778.00	665.00	785.00	622.00
June 2016	888.95	711.00	889.85	692.00
July 2016	876.00	743.45	875.00	751.20
August 2016	868.00	650.00	866.00	636.25
September 2016	776.00	651.05	767.00	663.05
October 2016	762.00	680.05	770.00	689.00
November 2016	798.90	540.00	769.75	550.00
December 2016	615.00	552.40	628.95	550.05
January 2017	715.00	562.50	720.00	550.20
February 2017	878.00	626.00	877.70	631.55
March 2017	859.95	748.00	849.80	755.30

Performance in comparison to broad-based indices such as BSE sensex and NSE sensex.





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

S.K.D.C Consultants Ltd.,
Kanapathy Towers,
3rd Floor, 1391/A-1, Sathy Road,
Ganapathy, Coimbatore - 641 006
Tel : 0422-4958995, 2539835, 2539836
Fax : 0422-2539837
E-mail : info@skdc-consultants.com

viii. Reconciliation of Share Capital Audit

A qualified Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation of Share Capital Audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL & CDSL.

ix. Share Transfer System

The Company's shares 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 15 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.

Legal proceeding / disputes on share transfer against the company : Nil

Shares under lock - in : Nil

x. Shareholding Pattern

Category	(₹ 10/- each)	
	No. of Shares	% to total
Promoters	22,25,953	72.58
Financial institutions/banks	100	0.00
Directors and relatives	13,253	0.43
Bodies Corporate	32,366	1.06
Non -Resident Indians	12,663	0.41
Clearing members	23,218	0.76
HUF	26,258	0.86
Public	7,33,132	23.90
TOTAL	30,66,943	100.00

xi. Distribution of Shareholding

Range of Shareholding	No. of Shareholders	% of Share holding	No.of Shares	% of Share holding
01 - 100	3474	75.95	124078	4.05
101 - 200	472	10.32	78567	2.56
201 - 500	386	8.44	129174	4.21
501 - 1000	130	2.84	97032	3.16
1001 - 5000	95	2.08	196864	6.42
5001 - 10000	7	0.15	53078	1.73
10001 and above	10	0.22	2388150	77.87
Total	4574	100.00	3066943	100.00

Number of Shareholders as on March 31, 2017 : 4,574

xii Dematerialization 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 2016-17, 6516 (0.21%) shares were dematerialized. As on 31st March, 2017, total shares in demat form is 3000148 shares and 66795 shares in physical form. This represents 97.82% shares of the company are in demat form and 2.18% shares are in physical form. The shares are compulsorily tradable in demat form with effect from 26.6.2000 for all investors.

xiii. Outstanding GDRs / ADRs / Warrants /any Convertible Instruments / conversion date and their likely impact on equity:

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

xiv. Commodity price risk or foreign exchange risk and hedging activities :

The Company has not engaged in commodity hedging activities.

Forex exposure is being reviewed by the Board in every quarter. Forex exposure is being adequately covered as per the advice of consultant.

xv. Plant Location:

Pollachi Road, Malumachampatti Post, Coimbatore - 641 050

xvi. Address for Correspondence / Contact address for Shareholder : S.K.D.C. Consultants Ltd.,
Kanapathy Towers
3rd Floor, 1391/A-1, Sathy Road,
Ganapathy, Coimbatore - 641 006.
Tel : 0422-4958995, 2539835, 2539836
Fax : 0422-2539837
E-mail : info@skdc-consultants.com

xvi. For annual report, transfer of physical / demat shares, dividend on shares, change of address & other query relating to shares of the Company and investors correspondence, may be addressed to

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

10. Disclosures

i. Disclosures on materially significant related party transactions

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc., which may have potential conflict with the interest of the Company at large. The details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All the related party transactions are presented to the Audit Committee and the Board. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transaction.

The Related Party Transaction Policy as approved by the Board is uploaded on the Company's website viz. www.revathi.in.

ii. Details of non compliance by the Company, penalties, strictures imposed on the company by stock exchange 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 mandatory requirements of Corporate Governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties have been levied or strictures have been passed by SEBI, Stock Exchange or any other statutory authority on matters relating to capital markets during the last three years.

iii. **Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee**

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

Your Company hereby affirms that no complaints were received during the year under review.

iv. **Details of compliance with mandatory requirements and adoption of the non mandatory requirements**

The Company has complied with all the mandatory requirements of corporate governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has adopted the following non-mandatory requirements.

i. Reporting of internal Auditors to Audit Committee as recommended in terms of Regulation 27(1) read with part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015,

v. **Policy for determining material subsidiaries and Policy on Related Party Transactions**

Policy for determining material subsidiaries and Policy on dealing with Related Party Transactions has been disclosed on the website of the Company at www.revathi.in.

Material Unlisted Subsidiary -

During the year, the Company has one material unlisted subsidiary company namely Semac Consultants Private Limited, which is subject to special governance norms in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has complied with the Corporate Governance requirements in respect of this subsidiary company as required under Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Policy for determining material subsidiaries and Policy on dealing with Related Party Transactions has been disclosed on the website of the Company at www.revathi.in Moreover, minutes of meetings of the Board of Directors of the subsidiary company are being placed before the Board of Directors of the Company for their review and noting.

vi. **Commodity price risk and commodity hedging activities**

The Company has not engaged in commodity hedging activities.

Forex exposure is being reviewed by the Board in every quarter. Forex exposure is being adequately covered as per the advice of consultant.

vii. **Accounting Treatment**

In the preparation of the financial statements, the Company has followed the accounting standards referred to in Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

viii. **Risk Management**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

11. . There has been no instance of non-compliance of any requirement of Corporate Governance Report as stated above in sub-paras 2 to 10 above.

12. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Certificate from CEO/CFO

The CEO and CFO certification on the financial statements for the year has been submitted to the Board of Directors, in its meeting held on 29th May 2017 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Code of Conduct and prevention of insider trading

The Board of Directors have laid down a code of conduct for all Board members and senior management of the Company. The same has been posted on the website of the Company. All Board members and senior management personnel have affirmed their

compliance with the code of conduct for the year under review. The Company's Whole-time Director's declaration to this effect forms part of this report.

The Company has framed a Code of Conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. 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.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

DECLARATION

I hereby affirm and state that all board members and senior management personnel of the company have given a declaration in accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and I hereby affirm compliance with the said code of conduct for the financial year 2016-17.

By Order of the Board

Place :
Date :

S. HARIHARAN
Whole-time Director
(DIN: 06363724)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Revathi Equipment Limited

We have examined the compliance of conditions of Corporate Governance by Revathi Equipment Limited ("the company") for the year ended March 31, 2017, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for Compliance with the Conditions of Regulations

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination 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.

Auditors' Responsibility

We conducted our examination in accordance with the Guidance Note on Reports of Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audit and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

Opinion

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 Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S. S. Kothari Mehta & Co
Chartered Accountants
Firm's ICAI Registration No.: 000756N

Sunil Wahal
Partner
Membership No: 087294

Place :New Delhi
Date : August 18, 2017

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 comprises the balance sheet as at 31st March 2017, the statement of profit and loss, the 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 the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 March 31, 2017, and its profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section

133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 as amended;

e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on the audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the management- Refer Note 17(b) to the standalone financial statements.

For S. S. KOTHARI MEHTA & CO
Chartered Accountants
Firm's ICAI Registration No.: 000756N

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : May 29, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REVATHI EQUIPMENT LIMITED DATED 29TH MAY, 2017

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section

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

(b) The fixed assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the fixed assets has been physically verified by the management during the year and discrepancies noticed on such verification has duly been adjusted in the financial statements.

(c) The title deed of immovable properties are held in the name of the company.

ii) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iv) The Company has not granted any loans, secured or unsecured, to companies, firms and limited liability partnership or other parties covered in the registered maintained under section 189 of the Act. Accordingly, clauses 3 (iii) (a) to (c) of the Order are not applicable.

(v) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186, with respect to the loans and investments made.

(vi) In our opinion and according to explanation given to us, as the Company has not accepted deposits, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable.

(vi) We have broadly reviewed the books of account relating to materials, labor and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and as per the books and records examined by us, there are no dues of Custom Duty, Income Tax, Excise Duty, Sales Tax and Cess which have not been deposited on account of any dispute.

viii) According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayments of its dues to banks and financial institution. The Company has not taken any loans from Governments or debenture holders.

ix) In our opinion and on the basis of information and explanations given to us, the company has not raised any monies by way of initial public offer or further public offer or term loan during the financial year, hence the related reporting requirement of the Order are not applicable.

x) In our opinion and on the basis of information and explanations given to us, no cases of fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) According to the information and explanations given to us, the managerial remuneration has been paid and provided in accordance with the requisite approvals as mandated by the provisions of section 197 read with Schedule V to the Act.

xii) As the Company is not a Nidhi Company, hence clause (xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Act, as applicable and the details have been disclosed in these financial statements as required by the applicable accounting standards.

xiv) As the Company has not made any preferential allotment and private placement of shares or fully & partly convertible debentures during the year under review, the requirement of section 42 of the Act are not applicable.

xv) In our opinion and on the basis of information and explanations given to us, the Company has not entered into non-cash transactions with directors and persons connected with him. Hence, the provisions of section 192 of Act are not applicable.

xvi) In our opinion and on the basis of information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S. S. Kothari Mehta & Co
Chartered Accountants
Firm's ICAI Registration No.: 000756N

Sunil Wahal
Partner
Membership No: 087294

Place : New Delhi
Date : May 29, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REVATHI EQUIPMENT LIMITED DATED 29TH MAY, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of Revathi Equipment Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the

accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

For S. S. Kothari Mehta & Co
Chartered Accountants
Firm's ICAI Registration No.: 000756N

Sunil Wahal
Partner
Membership No: 087294

Place : New Delhi
Date : May 29, 2017

REVATHI EQUIPMENT LIMITED

Balance Sheet as at 31st March, 2017

Particulars	Note	As at 31st March 2017 ₹ 000's	As at 31st March 2016 ₹ 000's
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	30,669	30,669
Reserves and surplus	4	1,522,304	1,378,498
Total shareholders funds		1,552,973	1,409,167
Non-current liabilities			
Deferred tax liabilities (net)	12	7,291	608
Long-term provisions	5	8,144	8,838
Total non-current liabilities		15,435	9,446
Current liabilities			
Short-term borrowings	6	308,798	841,071
Trade payables	7		
Total outstanding dues of micro & small enterprises		11,488	10,474
Total outstanding dues of other than micro & small enterprises		139,404	130,561
Other current liabilities	8	58,558	75,384
Short-term provisions	9	27,166	11,556
Total current liabilities		545,414	1,069,046
		2,113,822	2,487,659
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		185,912	177,813
Intangible assets		1,299	499
		187,211	178,312
Non-current investments	11	1,043,536	1,043,536
Deferred tax assets (net)	12	–	–
Long-term loans and advances	13	95,692	62,489
Other non-current assets	14	3,719	25,098
Total non-current assets		1,330,158	1,309,435
Current assets			
Inventories	15	151,959	221,022
Trade receivables	16	515,443	881,260
Cash and cash equivalents	17	90,151	53,180
Short-term loans and advances	18	26,080	21,913
Other current assets	19	31	849
Total current assets		783,664	1,178,224
		2,113,822	2,487,659
Significant Accounting policies	2		
Other notes to accounts	29-47		

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Reg. No. : 000756N

Sunil Wahal
Partner
Membership No: 087294

Place : New Delhi
Date : May 29, 2017

For and on behalf of the Board of Directors of Revathi Equipment Limited

Abhishek Dalmia
Executive Chairman
DIN : 00011958

S. Hariharan
Whole-time Director
DIN : 06363724

M.N. Srinivasan
Company Secretary

Place : Mumbai
Date : May 29, 2017

REVATHI EQUIPMENT LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

CONTINUING OPERATIONS	Note No.	For the year ended 31st March 2017 ₹ 000's	For the year ended 31st March 2016 ₹ 000's
Revenue			
Revenue from operations	20	1,187,447	1,402,834
Other income	21	9,181	12,155
Total revenue		1,196,628	1,414,989
Expenses			
Cost of materials consumed	22	430,304	602,351
Purchases of stock in trade		157,289	132,636
Processing charges and purchase of materials through sub-contractors		36,596	29,910
Decrease in inventories of finished goods, work in progress and stock-in- trade	23	41,454	73,365
Employee benefits expenses	24	129,699	111,270
Finance cost	25	72,221	99,811
Depreciation and amortization expenses	10	5,239	4,533
Other expenses	26	174,128	192,806
Total expenses		1,046,930	1,246,682
Profit before exceptional and extraordinary items and tax		149,698	168,307
Exceptional item	27	–	93,373
Profit before tax		149,698	261,680
Tax expense	28		
Current tax		31,948	25,253
MAT credit entitlement		(31,948)	-
Deferred tax		6,683	2,994
Tax expense relating to prior years		(791)	-
Total tax expense		5,892	28,247
Net Profit for the year from continuing operations		143,806	233,433
Earnings per share (Face value ₹ 10/- per share)	36		
Basic		46.89	76.11
Diluted		46.89	76.11
Significant Accounting policies	2		
Other notes to accounts	29-47		

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Revathi Equipment Limited

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Reg. No. : 000756N

Abhishek Dalmia
Executive Chairman
DIN : 00011958

S. Hariharan
Whole-time Director
DIN : 06363724

Sunil Wahal
Partner
Membership No: 087294

M.N. Srinivasan
Company Secretary

Place : New Delhi
Date : May 29, 2017

Place : Mumbai
Date : May 29, 2017

REVATHI EQUIPMENT LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH 2017

	For the year ended 31st March 2017 ₹ 000's	For the year ended 31st March 2016 ₹ 000's
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	149,698	261,680
Adjustment for exceptional items		
Profit on sale of investment	–	(136,266)
Adjustments to reconcile net profits to net cash provided by operating activities		
Depreciation	5,239	4,533
Bad debts and advances written off	3,994	17,884
Interest and dividend income	(6,594)	(5,447)
Provisions/ liabilities no longer required written back	1,835	1,672
Interest on borrowings	72,221	94,867
(Profit)/ loss on sale of fixed assets	354	(314)
	226,747	238,609
Changes in working capital:		
Decrease in inventories	69,063	133,334
Decrease /(increase) in trade and other receivables	361,823	(525,942)
(Increase)/ decrease in loans and advances	(4,167)	49,221
Increase/ (decrease) in current liabilities and provisions	8,540	(73,766)
(Increase)/ decrease in long term loans and advances	396	-
Cash generated from operations	662,402	(178,544)
Direct taxes paid (net of refund)	(32,808)	(55,307)
Net cash provided by/ used in operating activities	629,594	(233,851)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of fixed assets	8	513
Purchase of fixed assets	(14,500)	(3,647)
Sale of investments	–	170,000
Deposits with more than 12 months maturity	21,379	12,352
Interest and dividend received	7,412	5,532
Net cash provided by/ used in investing activities	14,299	184,750
C) CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/ Proceeds from of long term borrowings	–	–
(Repayment)/ Proceeds from of short term borrowings	(532,273)	165,688
Interest paid	(74,649)	(98,093)
Net cash used in/ provided by financing activities	(606,922)	67,595
NET INCREASE IN CASH AND CASH EQUIVALENTS	36,971	18,494
CASH AND CASH EQUIVALENTS		
Beginning of the year	53,180	34,686
End of the year	90,151	53,180

For and on behalf of the Board of Directors of Revathi Equipment Limited

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Reg. No. : 000756N

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Executive Chairman
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Place : New Delhi
Date : May 29, 2017

Place : Mumbai
Date : May 29, 2017

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. Corporate Information

Revathi Equipment Limited ("the Company") was incorporated as a private company and was registered under the Companies Act 1956 on May 13, 1977. The Company was subsequently converted to a public company on November 4, 1977, and is currently listed on Bombay stock exchange and National Stock exchange. The Company is primarily engaged in the manufacturing and sales of drilling rigs and spares thereof.

These financial statements are presented in Indian Rupees (₹).

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India. The company has prepared these financial statements to comply in all material respects with the accounting Standards specified under Section 133 of Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting standards) amendments Rules 2016, as amended. These accounts have been prepared on accrual basis and under historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.3 Fixed assets

Tangible assets

Fixed assets except freehold land buildings, are stated at historical cost less accumulated depreciation and impairment loss if any. Historical cost comprises the purchase price (net of cenvat / duty credits wherever applicable) and all direct costs attributable to bringing the asset to its working condition for intended use. Subsequent expenditure related to an item of fixed assets is added to the booked value only if it increases the future benefit from the existing assets beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintained and cost of replacing parts, are charged to statement of profit & loss for the period during which such expenses are incurred. Freehold land and buildings were revalued on June 30, 1985 and are stated at their revalued value.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following Initial recognition, assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

2.4 Depreciation / amortisation

Tangible assets

Depreciation on fixed assets is provided on straight line mehod on the basis of useful life of assets at the rates prescribed in Schedule II to the Companies Act, 2013. All assets costing ₹ 5,000 or below are fully depreciated in the year of addition.

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.

Intangible assets

Intangible assets- computer software are amortized over a period over the period of 3 to 5 years on a straight-line basis & technical knowhow are amortised over the period of three years on straight-line basis.

2.5 Impairment

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

2.6 Borrowing cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial

period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

2.7 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost individually. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments in case of long term investments.

2.8 Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on a first in first out basis.

Work in progress, Finished goods and traded goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on First in First out basis.

Net realisable 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.

2.9 Revenue recognition

(a) 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.

(b) Interest income is recognized on time basis and is determined by the amount outstanding and rate applicable.

(c) Dividend income is recognized as and when right to receive payment is established.

(d) Rental income / lease rentals are recognized on accrual basis in accordance with the terms of agreements.

(e) Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.

2.10 Product warranty cost

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

2.11 Foreign exchange 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 or 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.

2.12 Employee benefits

(a) Short-term employee benefits

The employee benefits payable only within 12 months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, leave travel allowance, short-term compensated absences, etc., and the expected cost of bonus are recognized in the period in which the employee renders the related services.

(b) Post employment benefits

Defined contribution plan : The Company has contributed to state governed Provident Fund Scheme, and Employee Pension Scheme which are Defined Contribution Plans. Contribution paid or payable under the Schemes is recognized during the period in which employee renders the related service.

Defined benefit plan : The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the 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 up the final obligation. The Company has an Employee Gratuity Fund managed by Life Insurance Corporation. The provision made during the year is charged to Statement of Profit and Loss.

(c) Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefits, recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. Estimated liability on account of these benefits is actuarially determined based on the projected unit credit method using the yield on government bonds, as on the date of the balance sheet, as the discounting rate. Actuarial gains and losses are charged to the statement of profit and loss.

2.13 Taxation

Income tax expense comprises current tax, deferred tax charge or credit. Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions under of the Income tax Act, 1961. "The deferred tax charge or credit and the corresponding deferred tax liability and assets are recognised using the tax rates that have been enacted or substantively enacted on the balance sheet date. Deferred tax assets are recognised only to the extent where

there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date to reassess their realisability. Deferred tax consequences of timing differences that originate in the tax holiday period and reverse after the tax holiday period are recognised in the period in which the timing differences originate.

2.14 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

2.15 Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.16 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.17 Segment reporting

(a) Identification of segments:

The company's operating business are organized and managed separately according to the nature of products manufactured and services provided , with each segment representing a strategic business unit that offers different products.

(b) Allocation of common costs:

Common allocable costs are allocated to each segment on reasonable basis.

(c) Unallocated Items:

Unallocable assets & liabilities represent the assets & liabilities not allocable to any segment as identified as per the Accounting Standard.

(d) Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(e) Inter-segment revenue:

The company generally accounts for intersegment sales and transfer at cost plus appropriate margin.

2.18 Leases

Where the company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

2.19 Research and Development Expenditure

a. Capital expenditure incurred is either in fixed assts or capital work in progress as the case may be. Expenditure forming part of fixed assets is depreciated at the respective applicable rates. Amounts appearing in work in progress are transferred to specific assets when they are available for use.

b. All capital expenditure which are revenue in nature is charged off to the statement of profit and loss under respectrive heads of accounts to which it pertains.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

3) SHARE CAPITAL

	As at 31st March 2017 Number	Amount ₹ 000's	As at 31st March 2016 Number	Amount ₹ 000's
AUTHORISED SHARES :				
Equity shares of ₹ 10/- each	3,500,000	35,000	3,500,000	35,000
	3,500,000	35,000	3,500,000	35,000
Issued, subscribed and fully paid up shares				
Equity shares of ₹ 10/- each	3,066,943	30,669	3,066,943	30,669
	3,066,943	30,669	3,066,943	30,669

a. **Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Equity Shares				
At the beginning of the year	3,066,943	30,669	3,066,943	30,669
Add : Issued during the year	–	–	–	–
At the end of the year	3,066,943	30,669	3,066,943	30,669

b. **Equity shares held by the Holding Company**

Renaissance Advanced Consultancy Limited	1,768,953	58	1,768,953	58
At the end of the year	1,768,953	58	1,768,953	58

c. Rights, preferences and restrictions attached to equity shares

The Company has only one type of equity share having par value of ₹ 10/- each per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share except, in respect of any shares on which any calls or other sums payable have not been paid.

The Company pays and declares dividends in Indian Rupees. Whenever dividend is proposed by the Board of Directors, the same is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend, if any.

The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. During the year ended 31st March 2017, the amount of dividend per share recognised as distribution to equity shareholders was NIL (Previous Year NIL).

d. **Particulars of shareholders holding more than 5% shares of a class of shares**

	Number	% Holding	Number	%Holding
Equity shares of ₹ 10 each fully paid				
Renaissance Advanced Consultancy Limited	1,768,953	57.68%	1,768,953	57.68%
Renaissance Stock Ltd (Wholly owned subsidiary of Avalokiteshwar Valinv Limited)	457,000	14.90%	457,000	14.90%

e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date : Nil

4) RESERVES AND SURPLUS

	As at 31st March 2017 ₹ 000's	As at 31st March 2016 ₹ 000's
a. **Capital reserve**	149	149
b. **Capital redemption reserve**	3,111	3,111
c. **Revaluation reserve**		
Opening balance	265	266
Less: transfer to general reserve on account of depreciation difference with respect to revalued amount and original cost of fixed assets. (Note-10(a))	–	(1)
Closing balance	265	265

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31st March 2017 ₹ 000's	As at 31st March 2016 ₹ 000's
d. General reserve		
Opening balance	456,899	456,898
Add : Transfer from revaluation reserve on account of depreciation difference with respect to on revalued amount and original cost of fixed assets.	–	1
Closing balance	456,899	456,899
e. Surplus in Statement of Profit and Loss		
Opening balance	918,074	684,641
Add: Net profit for the year	143,806	233,433
Closing balance	1,061,880	918,074
Closing balance of reserves & surplus	1,522,304	1,378,498

5) LONG TERM PROVISIONS

Provision for employees benefits		
Provision for leave encashment & sick leave	8,144	8,838
	8,144	8,838

6) SHORT TERM BORROWINGS

Secured		
Working capital borrowing from banks (repayable on demand)	248,798	521,571
Unsecured		
Loan from related parties	60,000	319,500
Total	308,798	841,071

Primary Security

First pari-passu charge on entire current assets of the company.

Collateral Security

Second charge on fixed assets of the company.

b) Loan from related party refers to inter corporate deposits from Semac Consultants Private Limited . The rate of interest is 14% p.a.The loan is repayable within one year as per the stipulated terms. Inter-corporate deposits taken from Renaissance Advanced Consultancy Limited has been fully repaid during the current financial year.

7) TRADE PAYABLES

Total outstanding dues of micro & small enterprises	11,488	10,474
Total outstanding dues of other than micro & small enterprises	139,404	130,561
	150,892	141,035

a) Disclosure of trade payables 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:

	2016-17	2015-16
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	11,488	10,474
(ii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	–	–

	As at 31st March 2017 ₹ 000's	As at 31st March 2016 ₹ 000's
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	–	–
(v) The amount of further interest remaining due and payable even in the succeeding years, - until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	–	–

8) OTHER CURRENT LIABILITIES

Interest accrued but not due on borrowings (payable to related party)	78	2,506
Advances from customers	5,187	9,945
Employee related dues	16,223	17,862
Statutory liabilities	12,975	13,843
Security deposit from stockist & others	20	3,480
Other payable	24,075	27,748
	58,558	75,384

9) SHORT TERM PROVISIONS

Provision for warranties claims (refer note-9(a))	23,522	9,863
Provision for employees benefits		
Provision for leave encashment & sick leave	3,155	1,693
Provision for gratuity	489	-
	27,166	11,556

a) Disclosure as required in terms of Accounting Standard -29 "Provisions, contingent liabilities and contingent assets".

	2016-17	2015-16
Opening balance	9,863	5,739
Provided during the year	25,073	15,854
Utilization during the year	(11,414)	(11,730)
Closing balance	23,522	9,863

Timing of outflow /uncertainties

Outflow of expenses incurred / crystallisation of dues depends upon claim to be made by customers & others.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

10. Fixed assets

(i) Tangible assets

(Rs. in thousands)

	Leasehold 000's	Freehold Land 000's	Buildings 000's	Plant & Machinery 000's	Production Tooling 000's	Data Processing Equipment 000's	Furniture & Fixtures 000's	Office equipment 000's	Vehicles 000's	Total 000's
Gross block										
Balance as at April 1, 2015	70,512	941	123,061	69,057	13,820	18,124	5,377	6,717	10,355	317,964
Additions	-	-	-	-	-	250	-	66	3,332	3,648
Disposals	-	-	-	-	-	(1,777)	-	(134)	(2,458)	(4,369)
Balance as at March 31, 2016	70,512	941	123,061	69,057	13,820	16,597	5,377	6,649	11,229	317,243
Balance as at April 1, 2016	70,512	941	123,061	69,057	13,820	16,597	5,377	6,649	11,229	317,243
Additions	-	-	1,342	3,568	233	1,014	1,910	2,076	3,074	13,217
Disposals	-	-	-	-	-	(2,429)	(162)	(106)	-	(2,697)
Balance as at March 31, 2017	**70,512**	**941**	**124,403**	**72,625**	**14,053**	**15,182**	**7,125**	**8,619**	**14,303**	**327,763**
Depreciation										
Balance as at April 1, 2015	5,497	-	35,739	47,062	13,631	16,408	5,092	5,926	10,016	139,371
Depreciation for the year	-	-	915	2,305	15	552	60	218	165	4,230
Accumulated depreciation on disposals	-	-	-	-	-	(1,777)	-	(109)	(2,284)	(4,170)
Balance as at March 31, 2016	5,497	-	36,654	49,367	13,646	15,183	5,152	6,035	7,897	139,431
Balance as at April 1, 2016	5,497	-	36,654	49,367	13,646	15,183	5,152	6,035	7,897	139,431
Depreciation for the year	-	-	930	2,266	133	582	106	282	813	5,112
Accumulated depreciation on disposals	-	-	-	-	-	(2,425)	(162)	(105)	-	(2,692)
Balance as at March 31, 2017	**5,497**	**-**	**37,584**	**51,633**	**13,779**	**13,340**	**5,096**	**6,212**	**8,710**	**141,851**
Net block										
As at March 31, 2016	65,015	941	86,407	19,690	174	1,414	225	614	3,332	177,812
As at March 31, 2017	**65,015**	**941**	**86,819**	**20,992**	**274**	**1,842**	**2,029**	**2,407**	**5,593**	**185,912**

(ii) Intangible assets

	Technical Knowhow 000's	Computer software 000's	Total 000's
Gross block			
Balance as at April 1, 2015	502	9,690	10,192
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2016	502	9,690	10,192
Balance as at April 1, 2016	502	9,690	10,192
Additions	-	1,283	1,283
Disposals	(502)	-	(502)
Balance as at March 31, 2017	**-**	**10,973**	**10,973**
Depreciation			
Balance as at April 1, 2015	199	9,244	9,443
Depreciation for the year	-	303	303
Accumulated depreciation on disposals	-	-	-
Balance as at March 31, 2016	199	9,547	9,746
Balance as at April 1, 2016	199	9,547	9,746
Depreciation for the year	-	127	127
Accumulated depreciation on disposals	(199)	-	(199)
Balance as at March 31, 2017	**-**	**9,674**	**9,674**
Net block			
As at March 31, 2016	303	143	446
As at March 31, 2017	**-**	**1299**	**1299**

(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 ₹ 4,239, under the following asset heads.

Freehold land	265
Buildings	3,974
	4,239

(b) Fixed assets Includes following assets pertaining to Construction Equipment Division (CED) held for disposal which have been carried at lower of fair value or carrying value as on 31st March 2017.Therefore the company has not charged the depreciation on the these fixed assets.

Land and building ₹ 1,38,707 (P.Y. ₹ 1,38,707), plant & machinery ₹ 13,069 (P.Y. ₹ 13,069), production tooling ₹ 117 (P.Y. ₹ 117), data processing equipment ₹ 702 (P.Y. ₹ 702), office equipment ₹ 419 (2015: ₹ 419), furniture & fittings ₹ 125 (2015: 125) and vehicles ₹ Nil (P.Y: ₹ 175) - aggregating to ₹ 153,139 (P.Y. : ₹ 153,139)

11) NON CURRENT INVESTMENT	As at 31st March 2017 ₹ 000's	As at 31st March 2016 ₹ 000's
Non trade investment, at cost		
Unquoted		
Subsidiary company		
Semac Consultants Pvt. Ltd	877,271	877,271
14,01,858 (P.Y. 14,01,858) shares of ₹10/- each		
Associate		
Preferred Stock in Satellier Holdings Inc.,USA	48,750	48,750
88,96,797 (P.Y. 88,96,797) Shares		
Less :- Provision for diminution in value (note 44)	(48,750)	(48,750)
Investments in association of person (AOP)		
Capital contribution in Panch Tatva Realty (Refer note 11(a))	166,265	166,265
	1,043,536	1,043,536

a) The company along with Tridhaatu Realty Infra Private Ltd (Tridhaatu) formed as Association of Persons (AOP) namely Panchtatva Realty for constructing a real estate complexes in Chembur, Mumbai and made an investment of Rs. 20 crores in the AOP. Out of its entitlement of 64,000 square feet, the company sold 10,795 square feet to the AOP member- Tridhatu vide deed of modification dated 17th December 2015. The company's entitlement is limited to above mentioned built up area only and no other economic benefits and hence not construed as Joint Venture. Income arising out of the sale of such shares had been disclosed as extra ordiniary item in pevious financial year (Refer Note 27).

12) DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities :		
Related to fixed assets	11,654	9,391
Payment of gratuity	–	485
Total deferred tax liabilities	11,654	9,876
Deferred tax asset		
Provision for leave encashment & sick leave	(3,911)	(3,645)
Provision for doubtful debts	(283)	(5,623)
Payment of gratuity	(169)	–
Total deferred tax asset	(4,363)	(9,268)
Net deferred tax liability	7,291	608

13) LONG TERM LOANS AND ADVANCES		
Unsecured -considered good		
Security deposits	10,391	10,787
MAT credit entitlement	76,114	44,165
Advance payment of tax (net of provision ₹ 87,795 (Previous year ₹ 55,847))	9,187	7,537
	95,692	62,489

a) The Company is 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, ₹ 76,114 thousand (Previous Year ₹ 44,165 thousand) 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.

	As at 31st March 2017 ₹ 000's	As at 31st March 2016 ₹ 000's
14) OTHER NON CURRENT ASSETS		
Margin money with bank (refer note 17(a)) (including accrued interest amounting to ₹ 293 thousands)	3,719	25,098
	3,719	25,098
15) INVENTORIES		
Valued at lower of cost and net realizable value		
Raw materials #	80,517	108,126
Work-in-progress	30,160	68,443
Merchanting goods	41,282	44,453
	151,959	221,022
# Includes Raw materials in transit Rs. 4,631 thousand (Previous year Rs. 17,968 thousand)		
16) TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding six months from the due date for payment		
Considered good	47,947	29,524
Doubtful	817	16,248
Less : Allowance for bad and doubtful debts	(817)	(16,248)
Others (Considered good)	467,496	851,736
	515,443	881,260
17) CASH AND BANK BALANCES		
Cash and cash equivalent		
Cash on hand	313	819
Deposit with bank with less than or equal to three months maturity	300	300
Balances with banks	6,294	7,187
Fixed deposit account		
Margin money (refer note 17(a)) (Including accrued interest amounting to ₹ 5,501 thousand)	83,244	44,874
	90,151	53,180

a. Margin money deposit is under lien with banks against bank guarantee and letter of credit

18) SHORT TERM LOANS AND ADVANCES		
Unsecured-considered good		
Advance to suppliers	8,610	3,997
Balance with excise & sales tax authorities	11,371	6,838
Security deposits	105	120
Prepaid expenses	4,063	6,568
Gratuity prepayment	-	1,400
Loans & advances to employees	1,622	2,463
Capital Advance	11	284
Other advances	298	243
	26,080	21,913
19) OTHER CURRENT ASSETS		
Unsecured-considered good		
Interest receivable on housing loan to employees	31	492
Accrued income	–	357
	31	849

	For the year ended 31st March 2017 ₹ 000's	For the year ended 31st March 2016 ₹ 000's
20) REVENUE FROM OPERATIONS		
Sale of product	1,291,794	1,488,797
Less : Excise duty	(134,481)	(110,634)
	1,157,313	1,378,163
Sale of services	31,903	24,752
Less : Service tax	(3,494)	(2,562)
	28,409	22,190
Other operating revenue	1,725	2,481
	1,187,447	1,402,834
21) OTHER INCOME		
Interest income on fixed deposits and others	5,817	5,295
Interest income on income tax refund	777	152
Provision/liabilities no longer required written back	1,835	1,672
Profit on sale of fixed assets-net	-	314
Lease rental income	752	475
Exchange difference (net)	-	4,247
	9,181	12,155
22) COST OF MATERIAL CONSUMED		
Under carriage assemblies	42,070	25,375
Compressors and accessories	26,280	26,147
Electrical components	105,252	76,578
Hydraulic components	123,140	273,021
Pipes and valves	40,623	43,551
Gear/chain assemblies	56,001	61,526
Others	36,938	96,153
	430,304	602,351
% of Imported / Indigenous		
Raw Material		
Imported (value)	154,668	312,960
(%)	36%	52%
Indigenous (value)	275,636	289,391
(%)	64%	48%
Stores & Spares		
Indigenous (value)		
(%)	100%	100%
23) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
Closing Stock		
Work in progress	30,160	68,443
Merchanting goods	41,282	44,453
Less: Opening Stock		
Work in progress	68,443	122,461
Merchanting goods	44,453	63,800
Net (increase) / decrease in the inventory	41,454	73,365

		For the year ended 31st March 2017 ₹ 000's	For the year ended 31st March 2016 ₹ 000's
24) EMPLOYEE BENEFIT EXPENSES			
Salaries & wages		110,610	93,284
Contribution to provident and other funds		12,119	11,396
Employees welfare expenses & other benefits		6,970	6,590
		129,699	111,270
25) FINANCE COSTS			
Interest expense		68,321	94,867
Other borrowing costs		3,900	4,944
Total		72,221	99,811
26) OTHER EXPENSES			
Consumption of stores and spare parts		4,222	3,633
Power & fuel		5,774	5,415
Repairs to buildings		3,912	3,074
Repairs to machinery		1,293	334
Repairs to others		3,339	2,572
Rent		3,022	4,474
Insurance		1,090	2,192
Rates & taxes		5,994	11,006
Travelling expenses		29,830	28,471
Freight, clearing and packing		8,183	10,031
Legal and professional charges		10,146	10,218
Loss on sale of fixed assets - net		354	–
Directors' sitting fees		1,200	1,360
Directors' commission		1,600	1,400
Selling commission		29,950	55,475
Exchange Loss (net)		1,280	–
Bad debts and advances written off	20,242		17,884
Less: Provision already made	(16,248)	3,994	–
Product development expenses		18,873	332
Bank charges		9,413	5,319
Service charges		5,254	9,370
Liquidated damages		13,546	8,619
Miscellaneous expenses		11,859	11,627
		174,128	192,806
27) EXCEPTIONAL ITEMS			
Profit on sale of share in Joint venture		–	136,266
Loss / provision against unuseable and surplus inventory (note 37(b))		–	(42,893)
		–	93,373
28) TAX EXPENSES			
Current tax		31,948	55,847
MAT		(31,948)	(30,594)
Deffered tax		6,683	2,994
Tax expense relating to prior years		(791)	–
		5,892	28,247
29) CONTINGENT LIABILITIES			
Customers claims for damages		3,678	3,678
Sales tax / VAT & Service tax demands		940	-
		4,618	3,678

	For the year ended 31st March 2017 ₹ 000's	For the year ended 31st March 2016 ₹ 000's

30) BANK GUARANTEES

Based on contractual agreements with customers the company has issued bank guarantees aggregating ₹ 120,337 thousand (PY ₹ 196,079 thousand). The management believes that none of the bank guarantees will be cashed by any of the customers.

31) COMMITMENTS

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	–	–
(b) Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	–	–
	–	–

32) VALUE OF IMPORTS CALCULATED ON C.I.F BASIS (on accrual basis)

Raw materials & components	76,641	263,754
Spares	58,871	7,846
	135,512	271,600

33) EXPENDITURE IN FOREIGN CURRENCY (accrual basis)

Commission, consultancy, travelling and others	1,411	8,410
	1,411	8,410

34) EARNINGS IN FOREIGN CURRENCY

Export of goods calculated on FOB basis	5,767	5,130
	5,767	5,130

35) PAYMENT TO AUDITORS

Statutory auditor	425	400
Other services	385	330
Reimbursement of expenses	225	225
	1,035	955

36) EARNING PER SHARE

Net Profit attributable to equity shareholders for calculation of basic and diluted EPS (₹)	143,806	233,433
Weighted average number of equity shares outstanding during the period for calculation of diluted EPS (No.)	3,066,943	3,066,943
Basic EPS (₹)	46.89	76.11
Diluted EPS (₹)	46.89	76.11

37) Related Party Disclosures

a. Name of the related parties and relationship as per Accounting Standard 18

Relationship	Name of parties where relation exist (FY 2016-2017)	Name of parties where relation exist (FY 2015-2016)
(A) Key management personnel	Mr. Abhishek Dalmia (Executive Chairman)	Mr. Abhishek Dalmia (Executive Chairman)
	Mr. S. Hariharan (Whole Time Director) Mr. Sunil Puri - CEO	Mr. S. Hariharan (Whole Time Director) Mr. Sunil Puri - CEO (from 7th march 2016)
	Mr.M.N.Srinivasan (Company Secretary)	Mr.M.N.Srinivasan (Company Secretary)
(B) Relatives of Key Managerial Personnel	Ms. Deepali Dalmia Mr. Chaitanya Dalmia	Ms. Deepali Dalmia Mr. Chaitanya Dalmia
(C) Joint venture		Panch Tatva Realty-AOP (Upto 17th Decemeber 2015)
(D) Holding company	Renaissance Advanced Consultancy Ltd	Renaissance Advanced Consultancy Ltd
(E) Subsidiary company	Semac Consultants Private Limited	Semac Consultants Private Limited
(F) Fellow Subsidiary company	Renaissance stocks limited	Renaissance stocks limited

(G)	Step down Subsidiary	Semac & Partners LLC	Semac & Partners LLC

	For the year ended 31st March 2017 ₹ 000's	For the year ended 31st March 2016 ₹ 000's
b. Related party transactions		
Interest income		
Panch Tatva Realty	–	–
Interest Paid on Inter Corporate Deposits		
Semac Consultants Private Limited	10,970	15,672
Renaissance Advanced Consultancy Limited	20,021	11,503
Inter Corporate Deposits received		
Renaissance Advanced Consultancy Limited	–	239,500
Inter Corporate Deposits repaid		
Semac Consultants Private Limited	20,000	50,000
Renaissance Advanced Consultancy Limited	239,500	–
Managerial remuneration		
Mr. Abhishek Dalmia	10,500	8,134
Mr. S. Hariharan	6,207	5,752
Mr. Sunil Puri - CEO	7,012	358
Mr. M.N.Srinivasan-Company Secretary	1,765	1,425
Board Sitting Fees		
Ms.Deepali Dalmia	200	60
Mr.Chaitanya Dalmia	150	80
Commission		
Ms. Deepali Dalmia	600	500
Mr. Chaitanya Dalmia	200	200
c. Outstanding balances as at year end		
Loans & Interest from related parties		
Semac Consultants Private Limited	60,000	82,506
Renaissance Advanced Consultancy Limited	41	239,500
Commission Payable as at year end		
Ms. Deepali Dalmia	600	500
Mr. Chaitanya Dalmia	200	200

38) Disclosure as required under Clause 32 of listing agreement

There is no reportable amount of Loans and advances (excluding advance towards equity) in the nature of loans given to Subsidiaries, Joint Ventures and Associates.

39) Derivative instruments and unhedged foreign currency exposures

	Amount in foreign currency	₹	Amount in foreign currency	₹
(i) Derivative instruments:				
Forward contract outstanding as at balance sheet date	–	–	–	–
(ii) The year-end foreign currency exposures that have not been hedged by a derivative instrument are given below	–	–	–	–
(a) Amounts receivable in foreign currency on account of the following				
Trade receivables	US $ 13986	908	US $ 88127	5,844
(b) Amounts payable in foreign currency on account of the following				
- Import of goods and services (net of advances)	US $ 322520	20,935	US $ 464098	30,779
	Euro 57788	4,005	Euro 30453	2,285
	GBP –		GBP 1967	187

40 Employee benefits

Defined Benefit Plan (Gratuity Funded and Leave Encashment Non-funded) - As per Actuarial Valuation on 31.03.2017

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with an insurance company in the form of a qualifying insurance policy.

Earned leave not availed during the year can be accumulated with subsequent year upto maximum 90 days. The earned leave accumulated beyond 90 days can be encashed at any point of time.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

(₹ in 000's)

A. Expenses recognised in the statement of profit and loss	Gratuity (Funded)		Leave Encashment (Non funded)	
	2016-17	2015-16	2016-17	2015-16
Current service cost	1,490	1,423	717	573
Interest cost	1,718	1,432	426	405
Expected return on plan assets	(1,858)	(1,806)	-	-
Net actuarial [(gain) / loss]	689	2,046	576	289
Total expenses	2,039	3,095	1,719	1,267
Actual return on planned Asset	1,912	1,995	-	-

B. Net asset / (liability) recognised in the balance sheet	Gratuity (funded)			
	2016-17	2015-16	2016-17	2015-16
Present value of obligation as at year end	25,070	22,371	6,328	19,481
Fair value of plan assets as at year end	24,582	23,771	-	22,788
Funded status - surplus /(deficit)	489	(1,400)	6,328	3,307
Net asset / (liability) as at year end	489	(1,400)	6,328	3,307

C. Change in the present value of the defined benefit obligation	2016-17	2015-16	2016-17	2015-16
Opening defined benefit obligation	22,371	19,014	6,169	5,486
Interest cost	1,718	1,423	426	573
Current service cost	1,490	1,432	717	405
Benefit paid	(1,252)	(1,788)	(1,560)	(584)
Actuarial (gains)/losses on obligation	743	2,289	576	289
Closing defined benefit obligation	25,070	22,370	6,328	6,169

D. Change in the fair value of plan assets are as follows:-	2016-17	2015-16	2016-17	2015-16
Opening fair value of plan assets	23,771	23,440	-	-
Contribution by employer	150	70	1,560	584
Expected return	1,858	1,806	-	-
Benefit paid	(1,252)	(1,788)	(1,560)	(584)
Actuarial gains/(losses) on obligation	54	243	-	-

The principal assumptions used in determining gratuity & leave encashment for the Company's plans are shown below:-	2016-17	2015-16	2016-17	2015-16
Discount rate	7.00%	7.90%	7.00%	7.90%
Normal retirement age	58/60 years		58/60 years	
Expected rate of return on assets	7.00%	8.00%	7.00%	8.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate			
Salary escalation	6.00%	8.00%	6.00%	8.00%

Amounts for the current and previous four periods in respect of Gratuity are as follows:- (₹ in 000's)

Particulars	Gratuity (funded)			
	2016-17	2015-16	2014-15	2013-14
Defined benefit obligation	25,070	22,371	19,015	19,481
Plan assets	24,582	23,771	23,438	22,788
Surplus / (deficit)	(489)	1,400	4,425	3,307
Experience adjustment on plan assets	(2,460)	(1,414)	2,795	(718)
Experience adjustment on plan liabilities	54	243	5	(20)

a) The expected return on plan assets has been determined considering several applicable factors mainly the composition of plan assets held, associated risks of assets management, historical results of returns and policies for plan assets.

b) The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotions and other relevant factors such as supply and demand factors in the employment market.

c) Based on the Guidance Note from the Institute of Actuaries of India, the Company's Actuary has reliably measured the provident fund liability in respect of Provident Fund (Trust) and there is no shortfall.

d) **Defined Contribution Plan**

Employer's contribution to Provident Fund and Other Funds aggregating to ₹ 10230 thousand (Previous year ₹ 7704 thousand) has been included under Note 22 - Employee benefit expense.

41 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)

	2016-17			
	Revenue	Asset	Liabilities	Capital Expenditure
Within India (*)	1,181,680	2,112,914	535,909	13,217
Outside India	5,767	908	24,940	– -
	2015-16			
Within India (*)	1,397,703	2,481,207	1,039,233	3,648
Outside India	5,130	5,844	33,251	–

42 Construction Equipment Division

Considering the market condition of construction equipment business (CED), two years back, the manufacturing facilities at Chennai were downsized and shifted both manufacturing and service resources located at Chennai to Coimbatore in previous years. Fixed assets pertaining to said division at Chennai having written down value of ₹ 154 thousands as on 31st March, 2017 (Previous year ₹ 154 thousands) comprising of lease hold land, building, plant and machinery, office equipment etc as disclosed in note 10 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.

In view of above, certain inventories becoming non usable and surplus had been written off and provision against remaining items against expected loss in value thereof as per the Management's estimate had been made in previous years.

43 Discontinuing Operations

The directors of the company at its meeting held on 9th June 2013 decided to discontinue the operations of Construction Equipment Division w.e.f. 31st March 2015. The carrying amounts of assets and liabilities of discontinuing operations are as follows:

(₹ in 000's)

	2016-17 ₹ 000's	2015-16 ₹ 000's
Total assets	153,154	161,452
Total liabilities	(1,878)	(1,830)
Net assets	151,276	159,622
The net cash flows attributable to discontinuing operations are as follows:		
Operating	(2,636)	(11,512)
Investing	-	-
Financing	-	-
Net cash inflows/(Outflows)	(2,636)	(11,512)
The amount of revenue and expenses in respect of discontinuing operations are as follows:		
Net sales	4,099	7,654
Other income	-	325
Total expenses	(6,735)	19,491
Finance cost	-	-
Profit before tax	(2,636)	(11,512)
Tax expenses	–	–
Loss after tax	(5,272)	(11,512)
One time expenses (Exceptional items)	–	42,893

44 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. 48,750 thousand in the said company had been done in the year 2013-14. There is no change in the status thereof in this year.

45 In the opinion of the Board and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.

46 Discloure as per notifcation No. CSR 308(E) dt: 30.03.2017 issued by the Minsitry of corporate affairs. (in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	136,000	582,469	718,469
Add: Permitted receipts	-	631,936	631,936
Less: Permitted payments	-	(761,555)	(761,555)
Less: Amount deposited in banks	(136,000)	-	(136,000)
Closing cash in hand as on 30.12.2016	-	452,850	452,850

47 Expenditure incurred on research and development.

(₹ in 000's)

Expenses	2016-17	2015-16
Salary & wages	15,220	13,190
Consumables stores	40	7
Power	73	137
Repair & maintenance	1,001	737
Insurance	8	8
Travel & conveyance	1,664	505
Legal & professional expenses	200	159
Stationery expenses	483	350
Postage & telephone expenses	94	53
Books and periodicals	61	91
Product development expenses	18,873	181
	37,717	15,418

48. In the opinion of the management there is no reduction in value of any assets, hence no provision is required in terms of Accounting Standard AS 28 "Impairment of Assets" except as stated in financial statements'.

49. There are no present obligation requiring provisions in accordance with the guiding principles as enunciated in Accounting Standard AS-29 'Provisions, Contingent Liabilities & Contingent Assets except as stated in the financials

50. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached **For and on behalf of the Board of Directors of Revathi Equipment Limited**

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Reg. No. : 000756N

Abhishek Dalmia
Executive Chairman
DIN : 00011958

S. Hariharan
Whole-time Director
DIN : 06363724

Sunil Wahal
Partner
Membership No: 087294

M.N. Srinivasan
Company Secretary

Place : New Delhi
Date : May 29, 2017

Place : Mumbai
Date : May 29, 2017

Independent Auditors' Report

TO THE MEMBERS OF REVATHI EQUIPMENT LIMITED
REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated 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"), comprising of the consolidated balance sheet as at March 31, 2017, 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 explanatory information (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 requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 the Companies (Accounts) Rules, 2014 and the companies (Accounting standard) Amendment Rules, 2016 as amended.

The respective Board of Directors of the companies included in the Group and of its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its subsidiaries 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 the 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 have 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 issued by Institute of Chartered Accountants of India, as 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 auditor's 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 financial 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 consolidated state of affairs of the group and its subsidiaries as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of one step down subsidiary incorporated outside India, whose financial statements reflect total assets of Rs. 256,541.86 (in thousands) as at 31st March, 2017, total revenues of Rs. 251,301.61 (in thousands) and net cash inflows amounting to Rs. 38,690.27 (in thousands) for the year ended on that date, as considered in the consolidated financial statements. These financial statement have been audited by other auditor whose report have been furnished to us by the Management. In respect of this subsidiary company, the management has provided us converged financial statement as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Accounting standard) Amendment Rules, 2016 as amended. Management has confirmed that they have not found any material differences in conversion of its financial statement from IFRS to IGAAP. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, is based solely on financial statement provided by the management and reports of the other auditor.

Further we also did not audit the financial statement of Dubai branch of subsidiary company whose financial statement reflects the total assets of Rs. 8,580.39 (in thousands) as at March 31, 2017, total revenues of Rs.20,130.79 (in thousands) and net cash inflows amounting to Rs 599.36 (in thousands) for the year ended on that date. These financial statements are audited by other auditors duly qualified to act as auditors in the country of incorporation of the said branch whose report have been furnished to us by the Management and our audit report in so far as it relates to the such branch is based solely on the reports of the other auditor.

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 financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) 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 books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 as amended;

e) On the basis of the written representations received from the directors of the holding company as on March 31, 2017 taken on record by the Board of Directors of the holding company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the holding company & its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report; and

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

   i. The consolidated financial statement disclose the impact of pending litigations on its consolidated financial position of the group - Refer Note 33 to the financial statements;

   ii. The group did not have any material foreseeable losses on long-term contracts including derivative contracts; and

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The financial statement of the company has provided requisite disclosures in Note 48 to these financial statements as to the holdings of Specified Bank Notes on 8th November, 2016 to 30th December, 2016 as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the management. This requirement is not applicable on one subsidiary company which is registered outside India.

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm's ICAI Registration No. 000756N

Sunil Wahal
Partner
Membership No: 087294

Place: New Delhi
Dated: May 29, 2017

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statement to the members of Revathi Equipment Limited dated May 29, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

Our reporting on the internal financial controls over financial reporting is not applicable in respect of one step down subsidiary incorporated outside India.

In conjunction with our audit of the consolidated financial statement of Revathi Equipment Limited as of and for the year ended March 31, 2017 We have audited the internal financial controls over financial reporting of Revathi Equipment Limited (hereinafter referred to as the "Holding Company") and its one subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), incorporated in India, as of the date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and one subsidiary company, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm's ICAI Registration No.000756N

Sunil Wahal
Partner
Membership No: 087294

Place: New Delhi
Dated: May 29, 2017

REVATHI EQUIPMENT LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

Particulars	Note	As at 31st March, 2017 ₹ 000's	As at 31st March, 2016 ₹ 000's
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	30,669	30,669
Reserves and surplus	5	1,567,957	1,471,647
Total shareholders funds		1,598,626	1,502,316
Minority interest		175,589	192,500
Non-current liabilities			
Long term borrowings	6	698	920
Other Long Term Liabilities	7	5,792	–
Long-term provisions	8	51,781	47,197
Total non current liablities		58,270	48,117
Current liabilities			
Short-term borrowings	9	268,808	801,197
Trade payables	10		
Total outstanding dues of micro & small enterprises		11,488	10,474
Total outstanding dues of other than micro & small enterprises		258,400	216,722
Other current liabilities	11	140,162	169,192
Short-term provisions	12	49,702	37,123
Total current liabilities		728,561	1,234,707
		2,561,046	2,977,639
ASSETS			
Non-current assets			
Goodwill		448,625	448,625
Fixed assets	13		
Tangible assets		208,489	198,541
Intangible assets		5,434	6,922
		662,548	205,463
Non-current investments	14	196,971	166,971
Deferred tax assets (net)	15	34,061	19,892
Long-term loans and advances	16	172,554	134,579
Other non-current assets	17	8,462	82,515
Total non-current assets		1,074,596	609,420
Current assets			
Current investments	18	–	20,000
Inventories	19	151,959	221,022
Trade receivables	20	844,694	1,297,530
Cash and bank balances	21	342,116	219,420
Short-term loans and advances	22	108,348	123,142
Other current assets	23	39,332	38,481
Total current assets		1,486,449	1,919,594
		2,561,046	2,977,639
Significant Accounting Policies	2		

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Revathi Equipment Limited

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Regn. No. 000756N

Abhishek Dalmia
Executive Chairman
DIN: 00011958

S. Hariharan
Whole-time Director
DIN: 06363724

Sunil Wahal
Partner
Membership No.: 087294

M.N. Srinivasan
Company Secretary

Place : New Delhi
Date : May 29, 2017

Place : Chennai
Date : May 29, 2017

REVATHI EQUIPMENT LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

Particulars	Note	For the year ended 31st March 2017 ₹ 000's	For the year ended 31st March 2016 ₹ 000's
Revenue			
Revenue from operations	24	2,084,545	2,454,664
Other income	25	49,080	36,262
Total revenue		2,133,625	2,490,926
Expenses			
Cost of materials consumed	26	430,304	602,351
Cost of services	27	217,113	236,494
Purchases of stock in trade		157,289	132,636
Processing charges and purchase of materials through sub-contractors		36,596	29,910
Decrease in inventories of finished goods, work in progress and stock-in-trade	28	41,454	73,365
Professional charges paid		129,910	64,084
Employee benefits expense	29	595,538	595,294
Finance cost	30	62,760	92,930
Depreciation and amortization expense	12	16,684	22,680
Other expenses	31	339,387	370,046
		2,027,035	2,219,791
Profit before exceptional items and tax		106,590	271,136
Exceptional item	32	-	93,373
Profit before tax		106,590	364,509
Tax expense	33	142	64,224
Net profit for the year before minority interest		106,448	300,284
Less: Minority interest		1,812	27,794
Net profit after taxes, minority interest and share of profit / (loss) of associates		104,636	272,490
Earnings per share (Face value ₹ 10/- per share)	39		
(1) Basic		34.12	88.85
(2) Diluted		34.12	88.85
Significant accounting policies	2		

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Regn. No. 000756N

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : May 29, 2017

For and on behalf of the Board of Directors of Revathi Equipment Limited

Abhishek Dalmia
Executive Chairman
DIN: 00011958

S. Hariharan
Whole-time Director
DIN: 06363724

M.N. Srinivasan
Company Secretary

Place : Mumbai
Date : May 29, 2017

REVATHI EQUIPMENT LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

	For the year ended 31st March 2017 ₹ 000's	For the year ended 31st March 2016 ₹ 000's
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	106,590	364,508
Adjustment for exceptional items		
Profit on sale of investment	(1,222)	(136,266)
Adjustments to reconcile net profits to net cash provided by operating activities		
Depreciation	16,684	22,680
(Profit)/ Loss on sale of fixed assets	(552)	(654)
Provisions/ Liabilities no longer required written back	(20,173)	(6,251)
Provision for Employee Benefits	4,584	–
Interest, dividend and other income	(19,205)	(32,169)
Interest on borrowings	62,760	93,187
Provision for Bad and Doubtful Debts	27,191	(5,655)
Bad debts and advances written off	–	44,759
Bad debts recovered	(85)	–
	176,572	344,139
Changes in current assets and liabilities:		
(Increase)/ decrease in inventories	69,063	133,334
(Increase)/ decrease in trade and other receivables	425,730	(661,096)
(Increase)/ decrease in loans and advances	14,794	131,727
(Increase)/ decrease in other current assets	(851)	
(Decrease)/ increase in current liabilities and provisions	38,036	3,572
Movement in Non-Current Liabilities		
(Decrease)/ increase in Other Long Term Liabilities	5,792	–
Movement in Non-Current Assets		
(Increase)/ decrease in Long-term loans and advances	1,357	–
Cash generated from operations	730,493	(48,325)
Direct taxes paid (net of refund)	(53,678)	(91,284)
Net cash provided by operating activities	676,815	(139,609)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(26,750)	(15,473)
Sale of fixed assets	1,945	950
Purchase of investment	(30,000)	(47,997)
Sale/Redemption of Investments (net)	21,222	208,568
Interest and dividend received	19,205	31,239
Deposits with more than 12 months maturity	74,053	(52,498)
Net cash provided by investing activities	59,675	124,790
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(repayment) of long term borrowings	(222)	–
Proceeds from/(repayment) of short term borrowings	(532,389)	200,174
(Decrease)/Increase in Capital	–	–
Interest Paid	(62,760)	(90,244)
Appropriation and adjustments to balances of surplus and minority interest	–	(1,359)
Net cash provided by/(used in) financing activities	(595,371)	108,570
Net increase in cash and cash equivalents	141,119	93,751
Cash and cash equivalents		
Beginning of the year	219,420	122,624
Exchange Difference on Translation of Foreign Subsidiary	(18,423)	3,044
End of the year	342,116	219,420

As per our report of even date

For and on behalf of the Board of Directors of Revathi Equipment Limited

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Regn. No. 000756N

Abhishek Dalmia
Executive Chairman
DIN: 00011958

S. Hariharan
Whole-time Director
DIN: 06363724

Sunil Wahal
Partner
Membership No.: 087294

M.N. Srinivasan
Company Secretary

Place : New Delhi
Date : May 29, 2017.

Place : Mumbai
Date : May 29, 2017.

NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

1) CORPORATE INFORMATION

Revathi Equipment Limited ("the company") was incorporated as a private company is registered under the Companies Act 1956 on May 13, 1977. The company was subsequently converted to a public company registered on November 4, 1977, and is currently listed on Bombay stock exchange and National Stock exchange. The company is preliminary engaged in the manufacturing and sales of drilling rigs and spares thereof.

2) BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation

I. The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with Accounting Standard (AS-21) on "Consolidated Financial Statements". The basis of preparation of the Consolidated Financial Statements is as follows:

(i) The financial statements of the Company and its subsidiaries 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) The difference between the cost of investment in the subsidiary the net assets at the time of acquisition of shares in the subsidiary 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 as on the reporting date immediately preceding the date on which the holding-subsidiary relationship came into existence.

(iii) 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	
		2016-17	2015-16
Semac Consultants Pvt Ltd	India	76.99%	76.99%
Semac & Partners LLC	Muscat - Sultanate of Oman	65%	65%

III. 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.

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 and subsidiary 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 has 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. 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. 20 crore towards its share of contribution in the capital of AOP 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.

f. The Company has entered into a Memorandum of Understanding (MOU) on 17th December 2015 with the joint venture partner to sell 10795 sq ft out of the Company's entitlement of constructed area as stated above. As per the Memorandum of Understanding (MOU) on 17th December 2015 the company's entitlement is limited to above mentioned built up area only and no other economic benefits and hence not construed as Joint Venture. Income arising out of of the sale of such share has been disclosed as extra ordinary item in previous financial year.

g. 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 thousands in the said company had been done in the year 2013-14. There is no change in the status thereof in this year.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India. The company has prepared these financial statements to comply in all material respects with the accounting Standards specified under Section 133 of Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting standards) amendments Rules 2016, as amended. These accounts have been prepared on accrual basis and under historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

3.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Contingencies are recorded when it is probable that a liability will be incurred and the amount can reasonably be estimated.

3.3 Fixed assets & Deprecation

Tangible fixed assets

Fixed assets except freehold land buildings, are stated at historical cost less accumulated depreciation and impairment loss if any. Historical cost comprises the purchase price (net of cenvat / duty credits wherever applicable) and all direct costs attributable to bringing the asset to its working condition for intended use. Subsequent expenditure related to an item of fixed assets is added to the booked value only if it increases the future benefit from the existing assets beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintainence and cost of replacing parts, are charged to Statement of Profit & Loss for the period during which such expenses are incurred. Freehold land and buildings were revalued on June 30, 1985 and are stated at their revalued value.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible fixed assets

Capital expenditure on purchase and development of identifiable non-monetary assets without physical substance is recognized as intangible assets in accordance with principles given under AS-26 – Intangible assets. These are grouped and separately shown under the schedule of fixed assets. These are amortized over their respective expected useful lives.

3.4 Depreciation / amortisation

Tangible fixed assets

Depreciation on fixed assets is provided on straight line method on the basis of useful life of assets at the rates prescribed in Schedule II to the Companies Act, 2013. All assets costing ₹ 5,000 or below are fully depreciated in the year of addition.

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.

Intangible fixed assets

Intangible assets- Computer software are amortized over the period of 3 to 5 years on a straight-line basis & technical knowhow are amortised over the period of three years on straight line basis.

3.5 Impairment

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

3.6 Borrowing cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

3.7 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost individually. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments in case of long term investments.

3.8 Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on a first in first out basis.

Work in progress, finished goods and traded goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on first in first out basis.

Net realisable 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.

3.9 Revenue recognition

(a) 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.

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

Revenue for construction job and services is account for on complettion of the work as per agreed terms.

(c) Interest income is recognized on time basis and is determined by the amount outstanding and rate applicable.

(d) Dividend income is recognized as and when right to receive payment is established.

(e) Rental income / lease rentals are recognized on accrual basis in accordance with the terms of agreements.

(f) Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.

3.10 Product warranty cost

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

3.11 Foreign exchange 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 statements of profit and loss under the respective heads of account.

In respect of the overseas branch, all transactions are translated using the average rates. 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 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 consolidated is recognised in the foreign currency translation reserve.

3.12 Employee benefits

(a) Short-term employee benefits

The employee benefits payable only within 12 months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, leave travel allowance, short-term compensated absences, etc., and the expected cost of bonus are recognized in the period in which the employee renders the related services.

(b) Post employment benefits

Defined contribution plan : The Company has contributed to state governed Provident Fund Scheme, and Employee Pension Scheme which are Defined Contribution Plans. Contribution paid or payable under the Schemes is recognized during the period in which employee renders the related service.

Defined benefit plan : The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the 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 up the final obligation. The Company has an Employee Gratuity Fund managed by Life Insurance Corporation. The provision made during the year is charged to statement of profit and loss.

(c) Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefits, recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. Estimated liability on account of these benefits is actuarially determined based on the projected unit credit method using the yield on government bonds, as on the date of the balance sheet, as the discounting rate. Actuarial gains and losses are charged to the statement of profit and loss.

3.13 Taxation

Income tax expense comprises current tax, deferred tax charge or credit. Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions under of the Income tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liability and assets are recognised using the tax rates that have been enacted or substantively enacted on the Balance Sheet date. Deferred tax assets are recognised only to the extent where there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date to reassess their realisability.

Deferred tax consequences of timing differences that originate in the tax holiday period and reverse after the tax holiday period are recognised in the period in which the timing differences originate.

3.14 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled

to participate in dividends relative to a fully paid equity share during the reporting period. The weighted. average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

3.15 Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.Product warranty costs are accrued in the year of sale for the drill equipment, based on past experience.

3.16 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

3.17 Segment reporting

(a) Identification of segments:

The company's operating business are organized and managed separately according to the nature of products manufactured and services provided , with each segment representing a strategic business unit that offers different products.

(b) Allocation of common costs:

Common allocable costs are allocated to each segment on reasonable basis.

(c) Unallocated Items:

Unallocable assets & liabilities represent the assets & liabilities not allocable to any segment as identified as per the Accounting Standard.

(d) Segment Policies:

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(e) Inter-Segment Revenue

The company generally accounts for intersegment sales and transfer at cost plus appropriate margin.

3.18 Leases

Where the company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

3.19 Research and Development Expenditure

1. Capital expenditure incurred is either included in fixed assets or capital work in progress as the case may be. Expenditure forming part of fixed assets is depreciated at the respective applicable rates. Amounts appearing in work in progress are transferred to specific assets when they are available for use.
2. All other expenditure which are revenue in nature is charged off to the statement of profit and loss under respective heads of accounts to which it pertains.

4) SHARE CAPITAL	As at 31st March 2017 Number	Amount ₹ 000's	As at 31st March 2016 Number	Amount ₹ 000's
AUTHORISED SHARES :				
Equity shares of ₹ 10/- each	3,500,000	35,000	3,500,000	35,000
	3,500,000	35,000	3,500,000	35,000
Issued, subscribed and fully paid up shares				
Equity shares of ₹ 10/- each	3,066,943	30,669	3,066,943	30,669
	3,066,943	30,669	3,066,943	30,669

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares				
At the beginning of the year	3,066,943	30,669	3,066,943	30,669
Add : Issued during the year	–	–	–	–
Outstanding at the end of the year	3,066,943	30,669	3,066,943	30,669

b. Equity Shares held by the Holding Company

Renaissance Advanced Consultancy Limited	1768953	57.68	1768953	57.68
At the end of the year	1,768,953		1,768,953	

c. Rights, preferences and restrictions attached to equity shares

The Company has only one type of equity share having par value of ₹ 10/- each per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share except, in respect of any shares on which any calls or other sums payable have not been paid.

The Company pays and declares dividends in Indian Rupees. Whenever dividend is proposed by the Board of Directors, the same is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend, if any.

The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended 31st March 2017, the amount of dividend per share recognised as distribution to equity shareholders was NIL (Previous Year NIL).

d. Particulars of shareholders holding more than 5% shares of a class of shares

	Number	% Holding	Number	%Holding
Equity shares of ₹ 10 each fully paid				
Renaissance Advanced consultancy Limited	1,768,953	57.68%	1,768,953	57.68%
Renaissance Stock Ltd (Wholly owned subsidiary of Avalokiteshvar Valinv Limited)	457,000	14.90%	457,000	14.90%

e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date : Nil

	As at 31st March, 2017 ₹ 000's	As at 31st March, 2016 ₹ 000's
	As at 31st March 2017 ₹ 000's	As at 31st March 2016 ₹ 000's
5) RESERVES AND SURPLUS		
a. **Capital reserve**	149	149
b. **Capital redemption reserve**	3,111	3,111
c. **Revaluation reserve**		
Opening balance	265	266
Less: Transfer to General Reserve on account of depreciation difference with respect to revalued amount of original cost of fixed assets. (Note-12(b))	–	(1)
Closing balance	265	266
d. Consolidation Adjustment Reserve	16,561	16,561
e. Foreign Currency Translation Reserve (FCTR)	16,697	16,697
Add/(less): Changes during the year	88	-
	16,785	16,697
f. **Legal/Statutory Reserve**		
Balance at the beginning of the year	6,926	6,926
Add/(Less): Transferred from/to Statement of Profit & Loss	–	–
Balance at the end of the year	6,926	6,926
g. **General reserve**		
Opening Balance	551,324	551,323
Add : Transfer from revaluation reserve on account of depreciation difference with respect to on revalued amount and original cost of fixed assets.	–	1
Closing balance	551,324	551,324
h. **Surplus in statement of profit and loss**		
Opening balance	868,233	595,823
Add: Net profit/(loss) for the year	104,636	272,490
Less :- Profit of Panch Tatva Reality	–	(81)
Less: Tax Adjustments	(33)	–
Closing balance	972,835	868,233
Add: Adjustment on account of Elimination of Joint Venture	–	8,380
	1,567,957	1,471,647

	Non Current Portion		Current Portion	
	As at 31st March, 2017 ₹ 000's	As at 31st March, 2016 ₹ 000's	As at 31st March 2017 ₹ 000's	As at 31st March, 2016 ₹ 000's
6) LONG TERM BORROWINGS (SECURED)				
Term loan from ICICI Bank (Refer footnote (a))	698	920	236	209
Vehicle term loan from Bank (Refer footnote (b))	-	-	28	137
Vehicle term loan from Others (Refer footnote (c)	-	-	-	-
	698	920	264	346
Less: Amount disclosed under the head "Other current liability"			264	346
Total long term borrowings	698	920	–	–

	As at 31st March, 2017 ₹ 000's	As at 31st March, 2016 ₹ 000's

a) Term loan from ICICI bank, taken @ 14.5% is secured by Mortgage of flat at Sikanderabad and is repayable in equated monthly instalments (EMI) of ₹ 29,676 each (starting from November 2005 for a period of 177 months)

b) Vehicle Loan from corporation bank, taken @ 10.75% interest is secured by hypothecation of vehicle is payable in EMI of ₹ 9,787 (starting from July 2014 for a period of 36 months).

c) Vehicle Loan from Sriram Finance, taken @ 12% interest was secured by hypothecation of vehicle & is payable in EMI of ₹ 12,467 (starting from April 2014 for a period of 36 months) has been duly repaid in March 2017.

7) OTHER LONG TERM LIABILITIES

Retention money payable (non-current)	5792	1488
	5792	1,488

8) LONG TERM PROVISIONS

Provision for employees benefits		
Provision for gratuity	40,115	35,828
Provision for leave encashment & sick leave	11,666	11,369
	51,781	47,197

9) SHORT TERM BORROWINGS

Secured		
Working capital borrowing from banks (repayable on demand)	268,808	521,571
Total secured borrowings	268,808	521,571
Unsecured		
Loan from related parties (Refer note b below)	–	239,626
Loan from body corporate (Refer note c below)	–	40,000
	–	279,626
Total unsecured borrowings	–	279,626
Total short term borrowings	268,808	801,197

a. The Company has availed cash credit facility from consortium of banks. The details of securities are as follows:

Revathi (Holding)

Primary

First pari-passu charge on entire current assets of the company.

Collateral Security

Second charge on fixed assets of the company.

SEMAC (Subsidiary)

The borrowing is secured by First Pari Pasu charge on the current assets of the company along with Lakshmi Vilas Bank and FDR for ₹ 4 Crore has been marked as lien in favour of Yes Bank Ltd.

b. Inter-corporate deposits taken from Renaissance Advanced Consultancy Limited has been fully repaid during the current financial year.

c. The above loan was taken from Hari Investment Pvt Ltd carrying interest @ 12% p.a. The loan has been repaid in April 2016.

10) TRADE PAYABLES

Total outstanding dues of micro & small enterprises	11,488	10,474
Total outstanding dues of other than micro & small enterprises	258,400	216,722
	269,888	227,196

a) Disclosure of Trade payables 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.

	As at 31st March, 2017 ₹ 000's	As at 31st March, 2016 ₹ 000's

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

	2016-17	2015-16
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	11,488	10,474
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	–	–
The amount of interest accrued and remaining unpaid at the end of each accountng year; and	–	–
The amount of further interest remaining due and payable even in the succeeding years,- until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	–	–

11) OTHER CURRENT LIABILITIES

Current maturities of long term debt		
Term loan from ICICI Bank	236	209
Vehicle loan from Bank	28	243
	264	452
Amount due to related party	37	–
Advances from customers and clients	8,011	18,754
Employee related dues	62,854	83,422
Statutory liabilities	24,373	18,832
Security deposit from stockist & other	20	3,480
Other payable	44,604	44,252
	140,162	169,192

12) SHORT TERM PROVISIONS

Provision for privilege leave encashment and sick leave	4,014	2342
Provision for gratuity	5,376	6,520
Provision for income tax	4,390	5,998
Provision for warranties claims (Refer note (a) below)	23,522	9,863
Provision for contingencies (Refer note (b) below)	12,400	12,400
	49,702	37,123

a. Disclosure as required in terms of Accounting Standard -29 "Provisions, contingent liabilities and contingent assets".

Opening Balance	9,863	5,739
Provided during the year	25,073	15,854
Utilization during the year	(11,414)	(11,730)
Closing balance	23,522	9,863

Timing of outflow /uncertainties

Outflow of expenses incurred /crystallisation of dues depends upon claim to be made by customers & others

b. Claim made by a client which is under dispute.

NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

13. Fixed assets

(i) Tangible assets (₹ in 000's)

Description of Asset	Opening Block				Depreciation					Net Block
	Cost as on 01-04-2016	Addition during the year	Sales/ Adjustment during the year & FCTR	Cost as on 31-03-2017	As on 1.4.2016	Addition During the year	Sales/ Adjustment during the year & FCTR	As on 31.3.2017	As on 31.3.2017	As on 31.3.2016
Tangible Assets										
Leasehold	70,512	-	-	70,512	5,497	-	-	5,497	65,015	65,015
Freehold Land	941	-	-	941	-	-	-	-	941	941
Buildings	130,784	1,342	-	132,126	40,142	1,206	-	41,348	90,778	90,642
Plant & Machinery	78,402	3,568	-	81,970	57,670	2,274	(39)	59,906	22,064	20,731
Production Tooling	13,820	233	-	14,053	13,646	133	-	13,779	274	174
Data Processing Equipment	16,597	1,014	(2,429)	15,182	15,183	582	(2,425)	13,340	1,842	1,414
Computers (End-user Devices)	56,822	2,187	(103)	58,906	55,186	319	(233)	55,271	3,635	1,636
Computers (Servers & Networks)	1,089	116	-	1,205	730	342	-	1,072	133	359
Office Equipments	28,119	2,870	-334.47	30,655	25,390	1,407	(252)	26,544	4,110	2,730
General Furniture & Fittings	29,572	3,101	-245.21	32,428	24,723	1,398	(229)	25,892	6,536	4,849
Motor Vehicle	52,878	8,997	-3,842.32	58,033	43,240	5,949	(4,099)	45,090	12,942	9,638
Lease Hold Improvements	2,646	-	-	2,646	2,578	14	-	2,592	55	68
Electrical Installation	2,679	-	(101)	2,578	2,335	79	-	2,413	164	344
Total Tangible Assets (A)	484,861	23,427	(7,055)	501,234	286,320	13,702	(7,278)	292,744	208,489	198,541
Intangible Assets										
Technical Know How	502	-	(502)	-	199	-	(199)	-	-	303
Software	61,125	3,323	(1,565)	62,883	54,560	2,982	(93)	57,450	5,434	6,565
Total Intangible Assets (B)	61,627	3,323	(2,067)	62,883	54,759	2,982	(292)	57,450	5,434	6,868
Total (A+B)	**546,489**	**26,750**	**(9,121)**	**564,117**	**341,080**	**16,684**	**(7,570)**	**350,194**	**213,923**	**205,409**
Previous Year	**534,069**	**16,005**	**(1,632)**	**548,442**	**321,532**	**24,332**	**(2,886)**	**342,978**	**205,464**	**353,965**

a. **Semac (Subsidiary)**

(i) Opening Gross Block & Accumulated Depreciation of assets have been regrouped as per requirement of Schedule - II of the Companies Act 2013.

(ii) Foreign Currency Translation Reserve on account of exchange difference arising due to different conversion rate taken for the opening balance and addition/ deletion considered on average exchange rates.

b. **Revathi (Holding)**

(i) 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

(ii) Fixed assets Includes following assets pertaining to Construction Equipment Division (CED) held for disposal which have been carried at lower of fair value or carrying value as on 31st March 2017.Therefore the company has not charged the depreciation on the these fixed assets.

Land and Building ₹ 138707 (P.Y. ₹ 138707), Plant & Machinery ₹ 13069 (P.Y. ₹ 13069), Production Tooling ₹ 117 (P.Y. ₹ 117), Data Processing Equipment ₹ 702 (P.Y. ₹ 702), Office equipment ₹ 419 (2015: ₹ 419), Furniture & Fittings ₹ 125 (2015: ₹ 125) and Vehicles ₹ Nil (2015: ₹ 175) - Aggregating to ₹ 153,139 (P.Y. : ₹ 153,139)

	As at 31st March, 2017 ₹ 000's	As at 31st March, 2016 ₹ 000's
14) NON CURRENT INVESTMENTS (At cost)		
Investment in Equity Instruments		
Non Trade unquoted		
Associates		
Preferred Stock in Satellier Holdings Inc.,USA 88,96,797 (P.Y. - 88,96,797) Shares	48,750	48,750
Less :- Provision for diminution in value (note 46)	(48,750)	(48,750)
Investments in Association of Person (AOP)		
Capital contribution in Panch Tatva Realty (Refer note a below)	166,265	166,265
Shares in Joint Venture		
98 (previous year 98) paid-up shares of Qatari Riyal 1000/- each fully paid-Up in Semac Qatar WLL, Doha	1,172	1,172
Less: Provision for Diminution (Refer note no 41)	(1,172)	(1,172)
Share in Other Bodies Corporate		
128 (previous year 128) Paid-Up Equity Shares of ₹ 25/- each fully paid up in Shamrao Vittal Co-op. Bank Ltd. (Non Quoted)	3	3
74,050 (previous year 74,050) Paid up Equity shares of ₹ 10/- each fully paid up in AEC Infotech Pvt. Ltd. (Non Quoted)	666	666
Non Trade quoted		
Share in Other Bodies Corporate		
3,600 Fully Paid up Equity Shares of ₹ 10/- each in Lakeland Hotels Ltd. (Quoted)	36	36
Investments in Debentures		
300 Units (previous year Nil) fully paid up debentures of ₹ 1,00,000 each	30,000	-
	196,971	166,971
Aggregate amount of quoted Investments	30,036	36
Market value of quoted Investments	29,889	35,640
Aggregate amount of unquoted Investments	216,856	216,856
Provision for diminution in investment	(49,922)	(49,922)

a. The holding company along with Tridhaatu Realty Infra Private Ltd (Tridhaatu) formed an Association of Persons (AOP) namely Panchtatva Realty for constructing a real estate complex in Chembur, Mumbai and made an investment of ₹ 200000 thousands in the AOP. Out of its entitlement of 64,000 square feet, the company sold 10,795 square feet to the AOP member- Tridhatu vide deed of modification dated 17th December 2015. The company's entitlement is limited to above mentioned built up area only and no other economic benefits and hence not construed as Joint Venture. Income arising out of the sale of such shares had been disclosed as extra ordiniary item in previous financial year (Refer Note 32).

15) DEFERRED TAX ASSETS (NET)		
Deferred tax liabilities		
Difference in carrying value of fixed asset	11,654	3,887
Payment of gratuity	-	485
Total deferred tax liabilities	11,654	4,372
Deferred tax asset		
Expenses allowable on payment basis	16,714	(14,267)
Carry forward of unabsorbed depreciation and losses (Refer note b below)	22,782	-
Provision for leave encashment & sick leave	3,911	(3,645)
Payment of gratuity	169	-
Provision for doubtful debts	2,139	(6,352)
Total deferred tax asset	45,715	(24,264)
Net deferred tax assets/(liability)	34,061	(19,892)

a) Provision created for advances given to Semac Qatar WLL (Joint Venture), has not been considered for deferred tax computation.

b) Based on the contribution on unexecuted projects in hand management has created the deferred tax assets on unabsorbed depreciation and loss which has been relied on.

		As at 31st March, 2017 ₹ 000's	As at 31st March, 2016 ₹ 000's
14) LONG TERM LOANS AND ADVANCES			
Unsecured -considered good			
Security deposits		15,343	16,700
MAT credit entitlement		76,114	44,165
Advance Payment of Tax (net of provision 1,08,935 (P.Y. 1,81,274))		81,097	73,714
Long term loans and advances to related party	19,628.54		–
Less : Provision for the above advances	19,628.54	-	–
		172,554	134,579

a. The Company is 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, ₹ 76,114 thousand (Previous Year ₹ 44,165 thousand) 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.

17) OTHER NON CURRENT ASSETS		
Deposits with banks	3,718	57,417
(Lien in the favour of guarantees given to customers)		
Deposits with Government Authorities	1,025	–
Margin money with bank (refer note 20(a)) (including accrued interest 293 thousands)	3,719	25,098
	8,462	82,515
18) CURRENT INVESTMENTS		
In mutual funds :		
(Unquoted)		
522,879.53 units in HDFC Liquid Fund - Growth	–	20,000
	–	20,000
19) INVENTORIES		
Valued at lower of cost and net realizable value		
Raw materials #	80,517	108,126
Work-in-progress	30,160	68,443
Merchanting goods	41,282	44,453
	151,959	221,022

Includes raw materials in transit ₹ 4,631 thousands (Previous year ₹ 17,968 thousands)

20) TRADE RECEIVABLES		
Unsecured, Considered good unless otherwise stated		
Outstanding for a period exceeding six months from the due date for payment		
Considered good	203,719	373,540
Doubtful	15,299	18,352
Others (considered good)	640,975	923,990
Less : Allowance for bad and doubtful debts	(15,299)	(18,352)
	844,694	1,297,530
a. Amount receivable from customers is considered due on raising of Invoice.		
b. Debts due by a limited liability company in which a director is a member	269	3,251

	As at 31st March, 2017 ₹ 000's	As at 31st March, 2016 ₹ 000's
21) CASH & BANK BALANCES		
Cash & cash equivalent		
Cash on hand	2,238	1,594
Deposit with bank with less than or equal to three months maturity	300	300
Balances with banks		
-in current accounts	185,645	145,643
-in deposit accounts	70,689	27,008
Fixed deposit account		
Margin money (refer note 19(a))	83,244	44,875
(Including accrued interest amounting to ₹ 5,501.78 thousands)		
	342,116	219,420
Note: In Deposit accounts		
-Bank (Others)	11	15,758
-In deposit accounts with maturity of less than 12 months (under lien)	61,109	2,750
-In deposit accounts with maturity of more than 12 months(under lien)	9,569	8,500
	70,689	27,008

a. Margin money deposit is under lien with banks against bank guarantee and letter of credit.

22) SHORT TERM LOANS AND ADVANCES		
Advance to suppliers	24,929	9,436
Balance with excise & sales tax authorities	25,712	6,838
Security deposits	1,251	5,971
Prepaid expenses	20,053	13,973
Gratuity prepayment	–	1,400
Earnest money deposit	2,081	–
Loans & advances to related parties	30,050	48,098
Loans & advances to employees	1,909	3,866
Capital advances	11	284
Other advances	2,352	8,275
Loan to others	–	25,000
	108,348	123,142

a. Loan has been given to Vasundhara International, a sole proprietary concern on 1st October, 2014 for general corporate purposes for a period of two years at interest of 14% per annum and the same has been fully recovered during November, 2016.

b. Balance with statutory authorities of subsidiary company are under reconciliation.

21) OTHER CURRENT ASSETS		
Unsecured -considered good		
Interest receivable on housing loan to employees	31	492
Accrued income	–	357
Interest accrued on deposits with banks	2,584	3,748
Unbilled revenue	36,717	33,884
	39,332	38,481

	For the Year ended 31st March, 2017 000's	For the Year ended 31st March, 2016 000's
24) REVENUE FROM OPERATIONS		
Sale of product	1,291,794	1,488,797
Less : Excise duty	(134,481)	(110,634)
	1,157,313	1,378,163
Sale of services/engineering consultancy and project management charges	632,612	739,493
Work contract services	287,343	334,527
	919,955	1,074,020
Other operating revnue (including reimbursement expenses)	7,277	2,481
	2,084,545	2,454,664
25) OTHER INCOME		
Interest income on fixed deposits and others	18,360	22,274
Provision/liabilities no longer required written back	20,173	3,591
Profit on sale of fixed assets-net	906	848
Miscellaneous Income	1,364	271
Bad debts recovered	85	9
Tender document charges received	3,580	4,546
Profit on sale/redemption of current Investments	1,222	-
Lease rental income	752	475
Exchange difference (net)	2,638	4,247
	49,080	36,262
26) COST OF MATERIAL CONSUMED		
Under carriage assemblies	42,070	25,375
Compressors and accessories	26,280	26,147
Electrical components	105,252	76,578
Hydraulic components	123,140	273,021
Pipes and valves	40,623	43,551
Gear/chain assemblies	56,001	61,526
Others	36,938	96,153
	430,304	602,351
% of Imported / Indigenous Raw Material		
Imported (value)	154,668	312,960
(%)	35.94%	51.96%
Indigenous (value)	275,636	289,391
(%)	64.06%	48.04%
Stores & Spares		
Indigenous (value)	4222	3,634
(%)	100%	100%
27) COST OF SERVICE		
Works Contract Expenses	217,113	235,447
Purchase of Materials	–	1,047
	217,113	236,494

	For the Year ended 31st March, 2016 ₹ 000's	For the Year ended 31st March, 2015 ₹ 000's
28) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Closing Stock		
Work in progress	30,160	68,443
Merchanting goods	41,282	44,453
Opening Stock		
Work in progress	68,443	122,461
Merchanting goods	44,453	63,800
Net decrease in the inventory	41,454	73,365
29) EMPLOYEE BENEFIT EXPENSE		
Salaries & wages	533,234	542,734
Contribution to provident and other funds	45,581	32,665
Site expenses and allowances	–	5,912
Employees welfare expenses & other benefits	16,723	13,983
	595,538	595,294
30) FINANCE COSTS		
Interest expenses	57,751	84,489
Interest paid on delay in payment of statutory dues	1,109	3,497
Other borrowing costs	3,900	4,944
	62,760	92,930
31) OTHER EXPENSES		
Consumption of stores and spare parts	4,222	3,633
Power & fuel	10,862	10,507
Repairs to buildings	3,912	3,636
Repairs to machinery	1,293	334
Repairs to others	12,303	11,883
Rent	27,136	27,986
Insurance	7,047	14,749
Rates & taxes	19,900	13,978
Travelling expenses	59,081	63,718
Freight, clearing and packing	8,183	10,031
Legal and professional charges	11,284	10,218
Loss on sale of fixed assets	354	-
Printing and stationery	4,772	5,447
Postage & telephone	7,063	6,562
Provision for bad debts	–	5,655
Directors' sitting fees	1,200	1,360
Directors' commission	1,600	1,400
Selling commission	29,950	55,475
Vehicle maintenance	5,749	6,854
Bad debts and advances written off	27,191	44,759
Corporate social responsibility	1,422	2,130
Training & seminar	566	9,513
Product development expenses	18,873	–
Provision for diminution (joint venture)	19,643	1,172
Donation	2,512	–
Bank charges	12,324	8,767
Service charges	5,254	9,370
Liquidated damages	13,546	8,619
Foreign exchange difference	1,280	1,011
Miscellaneous expenses	20,865	31,281
	339,387	370,046

	For the Year ended 31st March, 2017 ₹ 000's	For the Year ended 31st March, 2016 ₹ 000's
32) EXCEPTIONAL ITEMS		
Profit on sale of share in Joint venture	–	136,266
Loss/provision against unuseable and surplus inventory	–	(42,893)
	–	93,373
33) TAX EXPENSE		
Current tax	3,599	93,117
MAT	–	(28,880)
Deffered tax	(14,171)	(13)
Tax relating to earlier years	10,714	-
	142	64,224
34) CONTINGENT LIABILITIES		
Customers claims for damages	3,678	3,678
Service tax matters	1,989	2,777
Default in payment of TDS as appearing on Income tax website	1,550	-
	7,217	6,455

35) BANK GUARANTEES

Based on contractual agreements with customers the company has issued bank guarantees aggregating ₹ 221,895 thousands (PY ₹ 247,771 thousands). The management believes that none of the bank guarantees will be cashed by any of the customers.

36) COMMITMENTS

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	–	–
(b) Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	–	–

37) The company has taken office premises on operating lease and rent amounting to ₹ 27,136 thousands (Previous Year ₹ 27,986 thousands) and the same has been debited to statement of Profit and Loss. These leasing arrangements are not non-cancellable, range between 3 to 5 years and are usually renewable by mutual consent on mutually agreeable terms.

38 Payment to auditors		
Statutory audit	1,361	1,075
Other services	505	470
Reimbursement of expenses	375	375
	2,241	1,920
39) Earning per share		
Net profit attributable to equity shareholders for calculation of basic and diluted EPS (₹)	104,636	272,490
Weighted average number of equity shares outstanding during the period for calculation of basic EPS (No.)	3,066,943	3,066,943
Weighted average number of equity shares outstanding during the period for calculation of diluted EPS (No.)	3,066,943	3,066,943
Basic EPS (₹)	34.12	88.85
Diluted EPS (₹)	34.12	88.85

	For the Year ended 31st March, 2017 ₹ 000's	For the Year ended 31st March, 2016 ₹ 000's

40) Related party disclosures

a. Name of the related parties and relationship as per Accounting Standard 18

Relationship	Name of parties-relation exist (FY 2016-2017)	Name of parties where relation exist (FY 2015-2016)
(A) Key management personnel	Mr. Abhishek Dalmia (Executive Chairman)	Mr. Abhishek Dalmia (Executive Chairman)
	Mr. S. Hariharan (Whole Time Director)	Mr. S. Hariharan (Whole Time Director)
	Mr. Sunil Puri - CEO	Mr. Sunil Puri - CEO (from 7th March 2016)
	Mr.M.N.Srinivasan (Company Secretary)	Mr.M.N.Srinivasan (Company Secretary)
	Mr. Ramesh Pangasa (till 29th April, 2016)	Mr. Ramesh Pangasa
	Mr. Vikas Jain (Chief Financial Officer & Company Secretary) w.e.f. 18th Nov 2016	Mr. Vikas Jain (Chief Financial Officer) w.e.f. 8th April 2015
	Mr. Rohit Sharda (Chief Executive Officer) till 31st January 2017	Mr. Rohit Sharda (Chief Executive Officer) w.e.f. 16th February 2015
	Mr. Chaitnya Dalmia (Director)	Mr. Chaitnya Dalmia (Director)
(B) Relatives of Key management personnel	Smt. V. Pangasa (Wife of Mr. Ramesh Pangasa) till 29th April 2016	Smt. V. Pangasa (Wife of Mr. Ramesh Pangasa)
	Mr. Nitin Pangasa (Son of Mr. Ramesh Pangasa) till 29th April 2016	Mr. Nitin Pangasa (Son of Mr. Ramesh Pangasa)
	Ms. Deepali Dalmia	Ms. Deepali Dalmia
(C) Joint venture	Semac Qatar W.L.L.	Panch Tatva Realty-AOP (Upto 17th Decemeber 2015)
	–	Semac Qatar W.L.L.
(D) Holding company	Renaissance Advanced Consultancy Ltd	Avalokiteshvar Valinv Limited Renaissance Advanced Consultancy Ltd
(E) Enterprise control by director of subsidiary	Semac Construction Technologies India LLP, formerly known as Renaissance Construction Technologies India LLP (RCTILLP)	Renaissance Construction Technologies India LLP (RCTILLP) Hilltop Metals Limited
(F) Fellow Subsidiary company	Renaissance stocks limited	Renaissance stocks limited

b. **Related party transactions**

	For the year ended 31st March 2017 ₹ 000's	For the year ended 31st March 2016 ₹ 000's
Inetrest Paid on Inter Corporate Deposits		
Renaissance Advanced Consultancy Limited	20,021	11,503
Inter Corporate Deposits received		
Renaissance Advanced Consultancy Limited	–	239,500
Inter Corporate Deposits repaid		
Renaissance Advanced Consultancy Limited	239,500	–
Advance given:		

	For the Year ended 31st March, 2017 ₹ 000's	For the Year ended 31st March, 2016 ₹ 000's
Renaissance Construction Technologies India LLP (RCTILLP)	–	2,132
Advance refunded:		
Renaissance Construction Technologies India LLP (RCTILLP)	–	1,866
Professional and project management charges:		
Semac Construction Technologies India LLP	3,150	234
Hilltop Metals Limited	–	2,040
Professional fees and reimbursement paid		
Semac Construction Technologies India LLP	16,186	–
Managerial remuneration		
Mr. Abhishek Dalmia	10,500	8,134
Mr. S. Hariharan	6,207	5,752
Mr. Sunil Puri - CEO	7,012	358
Mr.M.N.Srinivasan- Company Secretary	1,765	1,425
Mr. Ramesh Pangasa	450	6,032
Mr. Nitin Pangasa (Son of Mr. Ramesh Pangasa)	201	2,322
Smt. V. Pangasa (Wife of Mr. Ramesh Pangasa)	40	480
Mr. Vikas Jain - CFO	5,375	5,088
Mr. Rohit Sharda - CEO (Semac consultants Private Limited)	7,860	9,000
Board Sitting Fees		
Ms. Deepali Dalmia	200	60
Mr. Chaitanya Dalmia	150	80
Commission Paid		
Ms. Deepali Dalmia	600	500
Mr. Chaitanya Dalmia	200	200
c. Outstanding balances as at year end		
Loans & Interest from related parties		
Renaissance Advanced consultancy limited	–	239,500
Commission Payable		
Ms. Deepali Dalmia	600	500
Mr. Chaitanya Dalmia	200	200
Debtors/(Creditors)		
Semac Construction Technologies India LLP (SCTILLP)	(2,139)	234
d. Transactions with Joint Venture		
Consultancy Income	108,667	–
Expenses paid and claimed	-	81,182
Interest on loan	499,738	451,617
Other advances	-	895,687
Balances as on March 31, 2017	in ₹	in ₹
Long term loans	19,628,537	25,815,507
Less: Provision (Refer note 41)	(19,628,537)	–
	–	25,815,507
Short term loans	6,521,730	
Trade receivables	268,790	125,721
Less: Provision (Refer note 41)	(268,790)	–
	–	125,721
Investments	1,171,688	1,171,688
Less: Provision	(1,171,688)	(1,171,688)

Note : The above related party information is as identified by the management and relied upon by the auditors.

41) Information on Joint Ventures (Disclosure as required under Clause 32 of listing agreement)

Due to the ongoing legal proceeding with the above joint venture, the company has created the provison for the above loans and receivables in accordance with AS-29 "Provisions, Contingent Liabilities and Contingent Assets".(Refer note 39 above)

Name of Joint Venture	Country of Incorporation	2016-17	2015-16
Panch Tatva Realty - Association of Persons (ceased on 17/12/2015)	India	-	54%
Semac Qatar W.L.L. - Limited Liability Company	Qatar	49%	49%

42) Derivative instruments and unhedged foreign currency exposures

	For the year ended 31st March 2017		For the year ended 31st March 2016	
	Amount in foreign currency	₹ in 000's	Amount in foreign currency	₹ in 000's
(a) Amounts receivable in foreign currency on account of the following				
Trade receivables	US $ 751675	48,711	US $ 88127	5,844
(b) Amounts payable in foreign currency on account of the following				
- Import of goods and services (net of advances)	US $ 430651	27,943	US $ 464098	30,779
	Euro 162788	10,574	Euro 2,80,708.09	21,010
	GBP –		GBP 1967	187

Note: The above transactions do not include transactions of subsidiary company incorporated outside India and Dubai branch office.

There is no hedge foreign currency exposure as at balance sheet date

43) Construction Equipment Division

a. Considering the market condition of construction equipment business (CED), the manufacturing facilities at Chennai were downsized and shifted both manufacturing and service resources located at Chennai to Coimbatore in previous years. Fixed assets pertaining to said division at Chennai having written down value of ₹ 154 millions as on 31st March, 2017 (Previous year ₹154 millions) comprising of lease hold land, building, plant and machinery, office equipment etc as disclosed in note 10 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 previous years.

44) Discontinuing Operations

The directors of the company at its meeting held on 9th June 2013 has decided to discontinue the operations of Construction Equipment Division w.e.f. 31st March 2015. The carrying amounts of assets and liabilities of discontinuing operations are as follows:

	2016-17 ₹ 000's	2015-16 ₹ 000's
Total assets	153,154	161,452
Total liabilities	1,878	1,830
Net assets	151,276	159,622
The net cash flows attributable to discontinuing operations are as follows:		
Operating	(2,636)	(11,512)
Investing	–,	–
Financing	–	–
Net cash inflows/(Outflows)	(2,636)	(11,512)
The amount of revenue and expenses in respect of discontinuing operations are as follows:		
Net sales	4,099	7,654
Other income	–	325
Total expenses	(6,735)	19,491
Finance cost	–	-
Profit before tax	(2,636)	(11,512)
Tax expenses	–	-
Profit after tax	(5,272)	(11,512)
One time expenses (exceptional items)	–	42,893

45 Research and Development Expenditure (amount in 000's)	2016-17	2015-16
Salary & wages	15,220	13,190
Consumables stores	40	7
Power	73	137
Repair & maintenance	1,001	737
Insurance	8	8
Travel & conveyance	1,664	505
Legal & professional expenses	200	159
Stationery expenses	483	350
Postage & telephone expenses	94	53
Books and periodicals	61	91
Product development expenses	18,873	181
	37,717	13,190

46) 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 ₹ 48750 thousands in the said company had been done in the year 2013-14. There is no change in the status thereof in this year.

47) There are no present obligations requiring provision in accordance with guiding principles as enunciated in the Accounting Standard (AS – 29) as notified by Companies (Accounting Standards) Rules, 2006, (as amended) as it is not probable that an outflow of the resources embodying economic benefits will be required except as stated in the financials.

48) Employee benefits

Defined benefit plan (gratuity funded and leave encashment non-funded) - as per actuarial valuation on 31.03.2017

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded with an insurance company in the form of a qualifying insurance policy.

Earned leave not availed during the year can be accumulated with subsequent year upto maximum 90 days. The earned leave accumulated beyond 90 days can be encashed at any point of time.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

A. Expenses recognised in the statement of profit and loss	Gratuity (Funded)		Leave Encashment (Non funded)	
	2016-17	2015-16	2016-17	2015-16
Current service cost	8,122	6,306	13,668	1,878
Interest cost	4,752	4,306	667	405
Expected return on plan assets	(2,348)	(2,352)	-	-
Net actuarial [(gain) / loss]	(2,168)	820	(2,224)	289
Past Service Cost (Vested Benefits)	963	1,556	89	1,875
Total expenses	9,321	10,635	12,200	4,446
B. Change in the present value of the defined benefit obligation				
Opening defined benefit obligation	69,684	54,860	10,139	5,486
Interest cost	4,752	4,297	667	573
Current service cost	8,122	6,315	13,668	1,710
Past Service Cost (Vested Benefits)	963	1,556	89	1,875
Benefit paid	(7,641)	(5,816)	(11,630)	(584)
Actuarial (gains)/losses on obligation	(2,111)	1,061	(2,224)	289
Closing defined benefit obligation	73,768	62,273	10,709	9,348
C. Change in the fair value of plan assets are as follows:-				
Opening fair value of plan assets	29,219	29,479	-	-
Contribution by employer	2,846	2,962	1,891	584
Expected return	2,348	2,352	-	-
Benefit paid	(6,196)	(5,816)	(1,891)	(584)
Actuarial gains/(losses) on obligation	57	242	-	-
Closing fair value of plan assets	28,274	29,219	-	-
The principal assumptions used in determining gratuity & leave encashment for the Company's plans are shown below:-				
Discount rate	6.8%-7.0%	7.6%-7.9%	6.87%-7.0%	7.6%-7.9%
Normal retirement age	58/60 years	58/60 years	58/60 years	58/60 years
Expected rate of return on assets	7%	8-9%	8-9%	10%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate			
Salary escalation	6.00-10.00%	8.00%	6.00-8.00%	8.00%

Amounts for the current and previous four periods in respect of Gratuity are as follows:-

Particulars	Gratuity (funded)			
	2016-17	2015-16	2014-15	2013-14
Defined benefit obligation	73,768	25,550	54,860	54,021
Plan assets	28,278	23,771	29,480	28,950
Surplus / (deficit)	(45,491)	(1,779)	(25,738)	(25,071)
Experience adjustment on plan assets	(2,457)	(1,414)	(1,155)	(718)
Experience adjustment on plan liabilities	225	243	395	(62)

a) The expected return on plan assets has been determined considering several applicable factors mainly the composition of plan assets held, associated risks of assets management, historical results of returns and policies for plan assets.

b) The estimates of future salary increase considered in actuarial valuation take into account inflation, seniority, promotions and other relevant factors such as supply and demand factors in the employment market.

c) Based on the Guidance Note from the Institute of Actuaries of India, the Company's Actuary has reliably measured the provident fund liability in respect of Provident Fund (Trust) and there is no shortfall.

d) **Defined Contribution Plan**

Employer's contribution to Provident Fund and Other Funds aggregating to ₹ 25,929 thousands (Previous year ₹28,972 thousands).

49. 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 (Business Segment)

(i) Segment Revenue:

	Particulars	2016-17	201516
a)	Manufacturing of Equipments	13,219	15,135
b)	Engineering Design Services	8,971	10,518
	Total	22,190	25,653
	Less: Inter Segment Revenue	–	–
	Total income from operations (Gross)	22,190	25,653
	Less: excise duty/ service tax	(1,345)	(1,106)
	Total income from operations (net)	20,845	24,547
2	Segment Results		
	Profit (+)/Loss(-) before tax, interest and exceptional items from each segment		
a)	Manufacturing of Equipments	2,109	2,662
b)	Engineering Design Services	(416)	979
	Total	1,693	3,641
	Add: Exceptional Item		934
	Less: Interest	628	929
	Other Un-allocable Expenditure net off unallocable Income	–	–
	Total Profit Before Tax	1,066	3,645
3	Segment Assets -		
a)	Manufacturing of Equipments	12,293	16,098
b)	Engineering Design Services	9,432	10,017
	Total segment assets	21,725	26,116
	Less: Inter segment assets	600	825
	Add: Unallocable assets	4,486	4,486
	Total assets	25,610	29,777
	Segment Liabilities -		
a)	Manufacturing of Equipments	5,536	10,779
b)	Engineering Design Services	2,933	2,874
	Total Segment Liabilities	8,469	13,653
	Less: Inter segment liabilities	600	825
	Add: Unallocable liabilities	–	–
	Total Liabilities	7,868	12,828

B. SECONDARY SEGMENT (Geographical segment)

Particulars	2016-17 Revenue	Assets	Liabilities	Capital Expenditure
Within India*	17,93,959	23,09,119	7,29,302	18,584
Outside India	2,90,585	2,51,927	57,529	6,883
Particulars	**2015-16 Revenue**	**Assets**	**Liabilities**	**Capital Expenditure**
Within India (*)	**2,170,897**	**3,244,486**	1,802,512	9,753
Outside India	**283,766**	**244,304**	271,711	7,886

50) Discloure as per notifcation No. CSR 308(E) dt: 30.03.2017 issued by the Ministry of Corporate Affairs.

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	3,41,000	616803	957803
Add: Permitted receipts	-	1446849	1446849
Less: Permitted payments	-	(1547237)	(1547237)
Less: Amount deposited in banks	(3,41,000)	-	(341000)
Closing cash in hand as on 30.12.2016	-	516,415	516415

The above information is as given by the management and has been relied upon by the auditors.

51 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.

52 In the opinion of the Board and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.

53. Corporate Social Responsibility

(a) Gross amount required to be spent by the company during the year ₹ 14,21,818 thousands (Previous Year ₹ 21,30,415 thousands)

(b) Amount spent during the year on :

	CSR Activities	In cash	Yet to be paid	Total
(i)	Construction/acquisition of any assets	–	–	–
		–	–	-
(ii)	On purpose other than (i) above	1,421,818	–	1,421,818
		(2,130,415)	–	(2,130,415)

(Figures in brackets pertain to Previous Year)

54. In the opinion of the management there is no reduction in value of any assets, hence no provision is required in terms of Accounting Standard AS 28 "Impairment of Assets" except as stated in financial statements.

55. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

For and on behalf of the Board of Directors of Revathi Equipment Limited

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Regn. No. 000756N

Abhishek Dalmia
Executive Chairman
DIN: 00011958

S. Hariharan
Whole-time Director
DIN: 06363724

Sunil Wahal
Partner
Membership No.: 087294

M.N. Srinivasan
Company Secretary

Place : New Delhi
Date : May 29, 2017.

Place : Chennai
Date : May 29, 2017.

NOTES

NOTES

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