
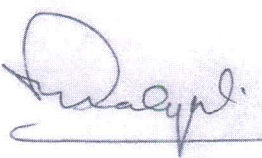
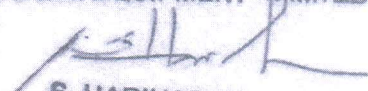


**FORM B****Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company:	Revathi Equipment Ltd
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit qualification	<p>Qualified opinion with respect to following:</p> <p>(a) Payment of managerial remuneration amounting to Rs4.06.lacs (including Rs 4.06 lacs for the year) is subject to approval of Central Government; (Note N</p> <p>(b) In absence of any valuation for certain fixed assets pertaining to Constructi Equipment Division held for disposal (note 10) and its impact on financial stat is presently not ascertainable</p>
4.	Frequency of qualification	NIL
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Note number 22 and Note number 10 of annual financial statements</p> <p><u>Management response in the directors report</u></p> <p>a) Payment of managerial remuneration amounting to Rs 4.06.lacs (including Rs 4.06 lacs for the year) is subject to approval of Central Government; (Note N</p> <p>Steps are being taken to get approval from Central Government in this regard.</p> <p>(b) In absence of any valuation for certain fixed assets pertaining to Cons Equipment Division held for disposal (note 10) and its impact on financial sta is presently not ascertainable</p> <p>Valuation for the assets will be made at the time of disposal of assets.</p>
6.	Additional comments from the board/audit committee chair:	NIL
7.	<p>To be signed by-</p> <ul style="list-style-type: none"> <li>CEO/Managing Director/Whole time Director &amp; CFO</li> <li>Auditor of the company</li> <li>Audit Committee Chairman</li> </ul>	<p>S. Hariharan</p> <p>For Lodha &amp; Co, Chartered Accountants,    (R.P.Singh, Membership No.052438)  Partner</p> <p>S.C.Katyal</p> <p></p> <p><b>For REVATHI EQUIPMENT LIMITED</b>    <b>S. HARIHARAN</b>  Wholetime Director</p>

## REVATHI EQUIPMENT LIMITED

CIN: L29120TZ1977PLC000780

Registered Office: Pollachi Road, Malumachampatti P O., Coimbatore- 641 050

E-mail: [srinivasan@revathi.in](mailto:srinivasan@revathi.in) Website: [www.revathi.in](http://www.revathi.in)

Phone No.: 0422 - 66551111 Fax: 0422 - 6655199

### NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Seventh Annual General Meeting of the Members of the Company will be held on Monday, the 29th day of September, 2014 at 2.30 P.M. at the Registered Office of the Company at Pollachi Road, Malumachampatti PO, Coimbatore 641050 to transact the following businesses:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and 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 appoint a Director in the place of Mr.P.M.Rajanarayanan (holding DIN 00016667), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### **SPECIAL BUSINESS :**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (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. B D NARANG** (holding DIN 00038052), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who in accordance with the provisions of the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 29th September 2014 to hold office for five consecutive years for a term up to 28th September 2019, not liable to retire by rotation.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (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. S C KATYAL** (holding DIN 00614377), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who in accordance with the provisions of the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 29th September 2014 to hold office for five consecutive years for a term up to 28th September 2019, not liable to retire by rotation.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (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. B V RAMANAN** (holding DIN 00934602), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who in accordance with the provisions of the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 29th September 2014 to hold office for five consecutive years for a term up to 28th September 2019, not liable to retire by rotation.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and the Articles of Association of the Company, **Mrs. DEEPALI DALMIA** (holding DIN 00017415) who was appointed by the Board of Directors as an Additional Director of the Company at their meeting held on 8th August

2014 and who holds office up to the date of this Annual General Meeting of the Company as per the provisions of Section 161(1) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director be and is hereby appointed as Director of the Company, who shall, while holding such office as the Director, be liable to retire by rotation.

9. To consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution:**

**RESOLVED THAT** subject to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, Articles 132 & 144 of Articles of Association of the Company be and is hereby amended in the following manner;

The existing Articles 132 & 144 be deleted and the following new Articles 132 & 144 shall be substituted thereof

"132. At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Executive Chairman and the Independent Directors appointed pursuant to the provisions of Section 149 of the Companies Act, 2013 shall not be subject to retirement under this clause.

144. 1) A Managing Director or Whole-time Director(s) shall while he continues to hold that office be subject to retirement by rotation, in accordance with Article 133. If he ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director or Whole-time Director(s).

2) A provision of the Act or these articles requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer."

10. To consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution:**

**"RESOLVED THAT** in supersession of the Ordinary Resolution adopted at the 8th Annual General Meeting held on 15.11.1985 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 read with the relevant Rules thereof, consent and approval of the Company be and is hereby accorded to the Board of Directors to borrow from time to time in one or more tranches, for the purpose of the Company's business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies to be borrowed together with that already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) and remaining outstanding will exceed the aggregate of the paid-up share capital and free reserves, provided that the total amount upto which monies may be borrowed by the Board of Directors (apart from temporary loans obtained from the company's bankers) shall not exceed Rs.150 Crores (Rupees One Hundred and Fifty Crores only).

11. To consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution:**

**RESOLVED THAT** in supersession of the earlier resolutions and pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules thereof the members of the Company hereby accord their consent to the Board of Directors, including any committee thereof for the time being exercising the powers conferred on them by this resolution, to mortgage or to create charge, mortgage and/or hypothecate the whole of or substantially the whole of the undertakings of the Company at such time and on such terms and conditions as the Board may deem fit, in the best interest of the Company.

**RESOLVED FURTHER THAT** the Board shall have the power to mortgage or otherwise offer as collateral, substantial property, assets, and/or undertakings of the Company (both present and future) in certain events, to banks/financial institutions, other lending agencies, and/or trustees for the holders of debentures/bonds/other instruments, to secure any rupee loans or foreign currency loans.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to finalize the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.

12. To consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution:**

**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the consent of the company be and is hereby accorded for the payment of Rs. 4,66,667 as special allowance (in addition to the existing remuneration) to Mr.S.Hariharan, Whole time Director & CFO of the Company in the financial year 2013-14 as duly approved by the Nomination and Remuneration Committee and the Board of Directors on 08.08.2014.

13. To consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution:**

**RESOLVED THAT** pursuant to Sections 198, 269, 309(5B) and other applicable provisions of the Companies Act, 1956 read with Schedule XIII, and subject to the approval of the Central Government the consent of the Company be and is hereby



accorded for waiver from recovery of excess amount of remuneration of Rs. 406,087 already paid to Mr. Abhishek Dalmia, Executive Chairman for the financial year 2013-14, which is in excess of the limits prescribed in Section B of Part-II of the Schedule XIII of the Companies Act, 1956.

**FURTHER RESOLVED THAT** the Board of directors of the Company be and are hereby authorised to do all such deeds, acts and things as may be considered necessary, proper or expedient in order to give effect to the above resolution.

## **STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 5**

Mr. B D NARANG is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 29th September, 2008. The qualification and expertise of Mr. B D NARANG has been detailed in the annexure attached.

Mr. B D NARANG is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. Under the provisions of the Companies Act, 2013, an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. B D NARANG being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years with effect from 29th September 2014. A notice has been received from a member proposing Mr. B D NARANG as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. B D NARANG 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. B D NARANG 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 considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. B D NARANG as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. B D NARANG as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. B D NARANG, being an 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. 5.

### **Item No. 6**

Mr. S C KATYAL is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 24th June, 1983. The qualification and expertise of Mr. S C KATYAL has been detailed in the annexure attached.

Mr. S C KATYAL is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. Under the provisions of the Companies Act, 2013, an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. S C KATYAL being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years with effect from 29th September 2014. A notice has been received from a member proposing Mr. S C KATYAL as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. S C KATYAL 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. S C KATYAL 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 considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. S C KATYAL as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. S C KATYAL as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. S C KATYAL, being an 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. 6.

### **Item No. 7**

Mr. B V RAMANAN is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 20th January 2010. The qualification and expertise of Mr. B V RAMANAN has been detailed in the annexure attached.

Mr. B V RAMANAN is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. Under the provisions of the Companies Act, 2013, an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mr. B V RAMANAN being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years with effect from 29th September 2014. A notice has been received from a member proposing Mr. B V RAMANAN as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr.B V RAMANAN 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.B V RAMANAN 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 considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr.B V RAMANAN as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr.B V RAMANAN as an Independent Director, for the approval by the shareholders of the Company.

Except Mr.B V RAMANAN, being an 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. 7.

#### **Item No. 8**

Mrs. DEEPALI DALMIA has been appointed as an additional Director by the Board of Directors of the Company pursuant to section 161 of the Companies Act, 2013 with effect from 8th August 2014 and holds the office up to the conclusion of the ensuing Annual General Meeting. The Company has received a notice under section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidature of Mrs.DEEPALI DALMIA for the office of Director.

As per the provisions of Section 149(1) of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Company should have at least one woman director. Keeping in view of these legal requirements, the Board of Directors have proposed that Mrs. DEEPALI DALMIA be appointed as a Director of the Company.

The Board of Directors recommend the resolution in Item No. 8 of the Notice for the approval of the members.

Except Mrs. DEEPALI DALMIA, being an appointee and Mr.Abhishek Dalmia, Executive Chairman as relative of the appointee director, 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. 8.

#### **Item No. 9**

The Board of Directors at their meeting held on 8th August 2014 has recommended altering Articles 132 & 144 of the Articles of Association of the Company. The present article 132 of the Articles of Association of the Company states that the office of the Debenture Director and Special Director appointed as per Article 116 and 117 shall not while holding such office be liable to retirement by rotation. The Board considers it desirable that the office of the Executive Chairman and the Independent Directors are to be excluded in the determination of retirement of directors by rotation. Hence, the necessary provision has been included.

The present article 144 of the Articles of Association of the Company does not provide for any provision to enable the Managing Director or Whole-time Director(s) of the Company to retire by rotation at the Annual General Meetings. Hence the Article has to be altered in line with the Companies Act, 2013 to make the office of Managing / Whole time Directors office liable to retire by rotation.

Further, the Board considers it desirable that a provision be included in the Articles of Association to enable a person to act both as Director and as, or in place of, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer of the Company.

Therefore, the Board of Directors in order to comply with the provisions of Section 152(6) of the Companies Act, 2013 recommends amendment to the Articles of Association by deleting the existing Article 144 and substituting with the new Article 144, to make the office of Managing Director or Whole time Director(s), while holding such office as liable to retirement by rotation at the general meetings.

The Resolution at Item No. 9 of the Notice is set out as a Special Resolution for approval by the members in terms of Section 14 of the Companies Act, 2013. The Board of Directors recommend the resolution for approval of the Members.

A copy of the Articles of Association of the Company together with the proposed amendments will be available for inspection by the members during the office hours on any working day.

Except Mr.S.Hariharan, Whole-time Director & CFO, 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. 9.

#### **Item No. 10 & 11**

Pursuant to the notification issued by the Ministry of Corporate Affairs on September 12, 2013, Section 180(1)(a) and 180 (1)(c) of the Companies Act, 2013 have come into force with effect from September 12, 2013. Accordingly the limits approved by the members of the Company under Section 293(1)(a) and 293(1)(d) of the Companies Act, 1956 is valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013. In order to comply with the provisions of Companies Act, 2013, approval of the Members is sought by way of Special Resolution under Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, to borrow monies in excess of Paid-up Capital of the Company and its free reserves and to create security by way of creating mortgage, hypothecation and / or charge on movable / immovable properties of the Company.

The Board recommends the Special Resolution as set out in Item No.10 & 11 of the Notice for approval of the Members.

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. 10 & 11.

#### **Item No. 12**

The Board of Directors at their meeting held on 8th August 2014 on the recommendation of Nomination and Remuneration Committee, had approved the payment of Rs. 4,66,667 as special allowance to Mr.S. Hariharan, Whole time Director & CFO in the financial year 2013-14 in addition to the present remuneration.

All other existing terms of remuneration payable to Mr.S. Hariharan, Whole time Director & CFO for the reminder of the current term of appointment as approved by the Members shall remain unchanged.

The variation in remuneration payable to Mr.S. Hariharan, Whole time Director & CFO of the Company are pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any and are subject to the approval of the Members in the General Meeting.

The Board of Directors recommend the resolution in Item No. 12 of the Notice for the approval of Members.

Except Mr.S.Hariharan, being a recipient 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. 12.

#### **Item No. 13**

The Company has no profit(s) as arrived under Section 349 and 350 of the Companies Act, 1956 for the year 2013-14 to effect payment of minimum remuneration as per Part II of Schedule XIII under category B. As per Part II of Schedule XIII under category B, Mr.Abhishek Dalmia, Executive Chairman was eligible to draw a total annual remuneration of Rs.36,00,000. However, during the year 2013-14, he drew Rs 40,06,087 by way of remuneration as approved by Members on August 29, 2011. Accordingly, an amount of Rs. 4,06,087 was paid in excess of the limit(s) specified in Schedule XIII of the Act. The nomination and remuneration committee and Board of Directors have recommended waiver from recovery of excess remuneration paid to him. Hence necessary resolution for waiver from recovery of excess remuneration paid to Mr.Abhishek Dalmia is set out in item No. 13 of the Agenda.

Necessary application will be made to the Central Government for waiver from recovery of excess remuneration paid to Mr.Abhishek Dalmia after obtaining consent of the Members.

The Board of Directors recommend the resolution in Item No. 13 of the Notice for the approval of the members.

Except Mr. Abhishek Dalmia, being a recipient, Mr.Chaitanya Dalmia & Mrs.Deepali Dalmia Directors as relative of the Executive Chairman, 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. 13.

#### **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.**

- 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.
- Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
- Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting are furnished and forms part of the Notice. The Directors have furnished the requisite consents/declarations for their appointment / re-appointment.
- The register of members and share transfer books of the company will remain closed from 22nd September 2014 to 29th September 2014 (both days inclusive).
- 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 (RTA) 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/RTA.

7. Members desirous of receiving 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 can be made available at the meeting.
8. 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.
9. Members holding shares in Physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with Physical shares.
10. 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 SKDC Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641006.
11. 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.SKDC Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641006.
12. Electronic copy of the Annual Report for 2014, the Notice of the 37th Annual General Meeting of the Company and instructions for e-voting, along with the Attendance Slip, Proxy Form and Postal Ballot Form in lieu of e-voting 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 2014 is being sent in the permitted mode.

### 13. Voting through electronic means:

- I. Pursuant to Clause 35B of the Listing Agreement with the Stock Exchange and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 37th 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) :

In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this notice, a postal ballot Form is annexed. A member desiring to exercise vote by postal ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to Mr.M.D.Selvaraj, Scrutinizer, MDS Associates, "Surya", 35 Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028 so as to reach him on or before 25th September, 2014 by 5.00 P.M. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received. Kindly note that members can opt for only one mode of voting i.e., either by postal ballot or through e-voting. If members are opting for e-voting then do not vote by postal ballot or vice versa.

However, in case of members casting their vote by postal ballot and e-voting, then voting done through e-voting shall prevail and voting done by Postal Ballot will be treated as invalid.

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

(A) In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) 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.Next enter the Image Verification as displayed and Click on Login.
- (iv) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for any company, then your existing password is to be used.
- (v) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	<ul style="list-style-type: none"> <li>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their names and the last 8 digits of the Demat Account / Folio Number in the PAN field</li> <li>In case the folio 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 Srinivasan with folio number 200, then enter SR00000200 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. If the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field

# Please enter the DOB or Dividend Bank Details in order to login.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members holding shares in physical form will then reach directly the "Revathi Equipment Limited" 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.

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

(ix) Click on the relevant EVSN - Revathi Equipment Limited on which you choose to vote.

(x) 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.

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

(xii) 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.

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

(xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xv) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy:

i) Please follow all steps from sl. no. (i) to sl. no. (xv) above to cast vote.

ii) The voting period begins on 23rd September 2014 at 9.00 AM and ends on 25th September 2014 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 22nd August 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- iii) 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(C) In case of members desiring to exercise vote by Postal Ballot:

A Member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed business reply envelope properly sealed. Members are requested to read the instructions contained on the reverse of the Postal Ballot Form and follow the same.

- II. 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 (record date) of 22nd August, 2014.
- III. 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.
- IV. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes 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 favor or against, if any, forthwith to the Chairman of the meeting.
- V. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.revathi.in](http://www.revathi.in) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the Company's shares are listed.

The notice of the Annual General Meeting and this communication are also available on the website of the Company [www.revathi.in](http://www.revathi.in).

AS THE COMPANY HAS PROVIDED E-VOTING / POSTAL BALLOT VOTING IN TERMS OF CLAUSE 35 B OF THE LISTING AGREEMENT, MEMBERS MAY PLEASE NOTE THAT THERE WILL BE ONLY ONE MODE OF VOTING EITHER THROUGH E-VOTING OR BY POST. THE SCRUTINIZER WILL COLLATE THE VOTES DOWNLOADED FROM THE E-VOTING SYSTEM AND VOTES RECEIVED THROUGH POSTAL BALLOT TO DECLARE THE FINAL RESULT FOR EACH OF THE RESOLUTIONS FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING.

For and on behalf of the Board

Place: Chennai  
Date: 8th August 2014

**M N SRINIVASAN**  
Company Secretary

**Statement of Information relevant to Mr Abhishek Dalmia as under Section B of Part II of Schedule XIII of the Companies Act, 1956**

**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 Rupees in lakhs

Particulars	2013-14	2012-13
Sales & other Income	7976	11360
Profit / (Loss) Before Tax	(1408)	(298)
Profit / (Loss) After Tax	(2119)	(312)
Paid up Equity Capital	307	307
Reserves & Surplus	(11611)	13731
Basic Earning per Share	(69.10)	(10.18)

5. Export performance and Net foreign exchange collaborations  
The Company's export income was Rs. 455 lakhs in 2013-14.  
Foreign investments or collaborations, if any  
*Not applicable*

## **II INFORMATION ABOUT THE APPOINTEE**

1. Background details  
*Mr. Abhishek Dalmia aged 45 years and was the Executive Chairman of the Company from April 1, 2011. He has expertise in identifying low risk and reasonably rewarding opportunities in the area of investment.*
2. Past remuneration  
*The remuneration including perquisites paid to Mr. Abhishek Dalmia for the Year 2013-14 is Rs. 45,39,725.*
3. Recognition or awards  
Nil
4. Job profile and his suitability  
*Mr. Abhishek Dalmia as Executive Chairman of the Company shall have all powers and duties as the Board may determine from time to time. He has been associated with the Company for the past 11 years.*
5. Remuneration proposed  
*Details of proposed remuneration have been disclosed in Item No.13.*
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. Abhishek Dalmia, 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 Executive Chairman does not have any pecuniary relationship with the company. He is not related to any director of the Company except Mr. Chaitanya Dalmia & Mrs. Deepali Dalmia, Directors being his relatives.*

## **III. OTHER INFORMATION:**

1. Reasons for loss or inadequate profits  
*Due to recession and financial hardships, the profits are inadequate.*
2. Steps taken or proposed to be taken for improvement.  
*During the year under review, the Company has received good enquiries from various customers. The Company has taken various effective cost control measures which would result in better profitability in the ensuing years.*
3. Expected increase in productivity and profits in measurable terms.  
*Barring unforeseen circumstances, the Company's operation should give normal returns in the financial year 2014-15.*

## **IV DISCLOSURES:**

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

- (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*

Details of Directors seeking Appointment / Re-appointment (in pursuance of Clause 49(IV) (G) of the Listing Agreement)

Name	Mr. Chaitanya Dalmia	Mrs. Deepali Dalmia
Date of Birth	20.07.1975	29.10.1970
Year of induction to the Board	2002	2014
Qualification	MBA, B.Com. (H)	B.A. History (Hons)
Experience / Expertise	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 understanding of the equity markets.  His expertise lies in investing in the secondary markets and corporate finance.	
Shareholding	Nil Shares	Nil Shares
Directorships - Name of Company	1. Avalokiteshvar Valinv Ltd. 2. Renaissance Asset Management Company Pvt. Limited, 3. National General Industries Ltd. 4. Renaissance Stocks Ltd. 5. Asra Plantations Pvt.Ltd. 6. Priyadharshany Agri Farms Pvt.Ltd. 7. Sohna Agri Farms Pvt.Ltd 8. Sunglow Agriculture Farms Pvt.Ltd. 9. Semac Consultants P.Ltd.	1. Renaissance Asset Management Company Pvt. Limited, 2. Asra Plantations Pvt.Ltd. 3. Priyadharshany Agri Farms Pvt.Ltd. 4. Sohna Agri Farms Pvt.Ltd 5. Sunglow Agriculture Farms Pvt.Ltd.
Other Committee Membership	Audit Committee, Nomination Committee, Shareholders Grievance Committee of Avalokiteshvar Valinv Ltd. and Renaissance Asset Management Company Pvt. Limited.	
Name	Mr. B D Narang	Mr. B V Ramanan
Date of Birth	12.04.1945	03.03.1960
Year of induction to the Board	2008	2010
Qualification	M Sc (Agri Econ)	B.Tech., M.S., (Chemical Engineering)
Experience / Expertise	He was Chairman & Managing Director of Oriental Bank of Commerce (OBC), having served from 17.07.2000 to 30.04.2005. Before joining OBC, he had held different senior position in Punjab and Sind Bank Ltd, Union Bank of India and IBU Hong Kong. He attended many international programmes and conventions conducted by Standard Chartered Bank in New York and Los Angeles and 3rd International Financial Fraud Convention at London. He also presented papers at EU India Construction Business Forum at Brussels, Belgium. He marketed Resurgent India Bond in UK.	<b>1984-85 - Project Manager, Chemfab Group:</b> He was instrumental in setting up the first Membrane Cell Caustic Soda manufacturing plant in India at Pondicherry. Also set up a Potassium and Sodium Chlorate plant in Pondicherry. <b>1986-87:</b> As part of Chemfab Group, he was involved with the Government of India in preparing the preliminary work for building a facility to produce Cryogenic Fuel for Rockets and Military applications.

	<p>He was Chairman of the committee on Banking Procedures set up by Indian Banks' Association for the years 1997-98 and also a member of management committee of the association from 15.03.2001. He was appointed Chairman of Governing Council of National Institute of Banking Studies and Corporate Management and Chairman of IBA's Advisory Committee on NPA Management, CDR Mechanism, DRT, ARC etc. He had the privilege of accompanying Trade Delegation to Russia led by the then Hon'ble Prime Minister of India, in November 2003. He was a recipient of Business Standard "Banker of the Year Award for 2004".</p> <p>During his tenure, OBC became the first public sector bank with Zero Net NPA. The bank ranked amongst "Best Under a Billion, 200 Best Small Companies for 2003" by Forbes Global out of 19000 companies from Asia and Europe. OBC was rated as "Best Bank" by Business India Group for the year 2003. Book value of share OBC went up to Rs.74.18 as on 31.03.2004. Business per employee at Rs. 4.16 Crore was one of the highest among the public sector banks. Cost to income ratio at 29.6% was lowest among the public sector banks. Merger of Global Trust Bank with OBC took place.</p> <p>Since retirement, he has been a member of Member Expert group formed for examining problem of distressed farmers, (nominated by Reserve Bank India) and of Member Committee to oversee the working of National Education &amp; Investor Fund (nominated by Ministry of Corporate Affairs). He is also a Technical Expert (Special invitee) for co-Option in the Audit Board for performance Audit/Reviews in respect of Housing Finance PSUs &amp; HUDCO.</p>	<p><b>1988 Onwards:</b></p> <p>Chairman &amp; Managing Director of Livia Polymer Bottles Pvt. Ltd., Mandaiyur Salai, Mandaiyur, Pudukkottai District, Tamil Nadu.</p> <p>Having been one of the pioneers in manufacturing and technology of PET bottles and containers in India, Livia Polymer today is one of the largest PET bottles manufacturing companies in the country. Capability to manufacture PP bottles has been added in recent years. The product of Livia Polymer go under the brand names LivPET and LivPOP. The Company celebrated its Silver Jubilee recently.</p> <p><b>Accolades :</b></p> <p><b>Education:</b></p> <p>In recognition of his outstanding professional contributions, the National Institute of Technology, Tiruchirapalli conferred on him "Distinguished Alumnus Award" for Excellence in Entrepreneurial Venture.</p> <p><b>Community Service :</b></p> <p>His earnest involvement on the social side brought him "Leadership Trophy" as the Best National President of Round Table at the World Council of Service Clubs Conference in Adelaide, Australia and, "Distinguished Service Award" and "Southern Star Award" for his outstanding contribution to the Round Table Movement, beyond the call of duty.</p> <p>The above apart, he held positions as Chairman, Confederation of Indian Industry, Trichy Zone and Member of Board Governors, National Institute of Technology, Trichy.</p>
Shareholding	Nil Shares	200 shares
Directorships - Name of Company	<ol style="list-style-type: none"> <li>1. Dish T.V.India Ltd.</li> <li>2. Jubilee Hill Landmark Projects Pvt. Ltd.</li> <li>3. Shivam autotech Ltd.</li> <li>4. Va Tech Wabag Ltd.</li> <li>5. Karvy Stock Broking Ltd.</li> <li>6. Lakshmi Precision Screws Ltd.</li> <li>7. Karvi Financial Services Ltd.</li> <li>8. Semac Consultants P.Ltd.</li> <li>9. Arvind Techno Engineers P.Ltd.</li> <li>10. Multiples Equity Fund Trustee Pvt. Ltd.</li> <li>11. Shri Venimadhav Portfolio Pvt. Ltd.</li> <li>12. Analytical Investors Consultancy Services Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Livia Polymer Bottles Pvt. Ltd.,</li> <li>2. Semac Consultants P.Ltd</li> </ol>
Other Committee Membership	Audit Committee, Remuneration Committee, of Dish TV India Limited, Shivam Autotech Limited, VA Tech Wabag Limited, Karvy Stock Broking Limited, Lakshmi Precision Screws Limited, Karvy Financial Services Limited.	



Name	Mr.S C Katyal	Mr. P M Rajanarayanan
Date of Birth	01.07.1942	14.04.1949
Year of induction to the Board	1983	2012
Qualification	B.A.(Economics), ACS, AICWA and ACIS	B.E.
Experience / Expertise	<p>He majored in Economics and after a year at Delhi School of Economics, he acquired professional qualifications in Finance.</p> <p>He started his career at Bhilai Steel Plant and then honed his skills in systems, procedures, analysis, project management and financial reporting at Escorts, Good year and Union Carbide.</p> <p>He joined Chicago Pneumatic India Ltd (CP) in mid 1973 and handled progressively increasing and varied responsibilities in financial fields and then in operations and marketing. He joined the Board as Executive Director in 1988 and then took over as Managing Director in January 1995. CP was a multi location, multi product company producing a large variety of compressors and pneumatic tools at its three plants through a large network of sales offices. CP became a reliable and cost effective source to meet 100% requirements for construction tools of CP (USA) backed with well developed product development and engineering resources.</p> <p>CP was merged with Atlas Copco (both group companies) in January 2001 and as Joint Managing Director, he was primarily responsible for restructuring of operations involving consolidation of capacities with closure of two plants and exit of around 600 employees, sale of properties, plant and machinery, sale of controlling interest in companies providing substantial enduring benefits to the corporation.</p> <p>He superannuated in January 2003 and now provides management consultancy. He has been associated with Revathi, right from its formation in 1977 and has been on the Board since 1983.</p>	<p>He is a Mechanical Engineering Graduate with forty years of experience in marketing of construction and mining equipment. He was with Greaves Cotton &amp; Co Ltd for ten years before joining Revathi Equipment Ltd as Marketing Manager in 1982. He was a key member of the management team for nearly three decades. He had exposure to domestic and global markets for mining equipment, particularly drills.</p> <p>He was appointed Managing Director in February 2003 and retired in March 2010. He continues to be associated with the company.</p> <p>His expertise is in identifying new products and marketing construction and mining equipment.</p>
Shareholding	10,058 shares	Nil Shares
Directorships - Name of Company	1. Monarch Catalyst Private Ltd. 2. Shogun Organics Ltd.	Nil
Other Committee Membership		

**FORM NO. MGT - 11**  
**Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies  
(Management and Administration) Rules, 2014]

**REVATHI EQUIPMENT LIMITED**

**CIN: L29120TZ1977PLC000780**

Registered Office: Pollachi Road, Malumachampatti P.O., Coimbatore - 641 050

Phone: 0422 - 6655111 Fax: 0422 - 2610427

Email: srinivasan@revathi.in Website: www.revathi.in

**37th ANNUAL GENERAL MEETING (29th September, 2014)**

Name of the Member (s) :	
Registered address :	
Email ID :	
Folio No. / Client ID :	DP ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint:

1. Name :	
Address :	
E-mail ID :	
Signature :	or failing him

2. Name :	
Address :	
E-mail ID :	
Signature :	or failing him

3. Name :	
Address :	
E-mail ID :	
Signature :	or failing him

as my / our proxy to attend and vote (on poll) for me / us and on my / our behalf at the 37th Annual General Meeting of the company to be held on Monday the 29th day of September, 2014 at 2.30 P.M. at Pollachi Road, Malumichampatti P.O., Coimbatore - 641050 and at any adjournment thereof in respect of such resolutions as are indicated below:



S.No.	Resolution	Optional	
		For	Against
<b>ORDINARY BUSINESS</b>			
1	To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and Auditors thereon		
2	To appoint a Director in the place of Mr.Chaitanya Dalmia (holding DIN 000028402), who retires by rotation and being eligible, offers himself for re-appointment		
3	To appoint a Director in the place of Mr.P.M.Rajanarayanan (holding DIN 00016667), who retires by rotation and being eligible, offers himself for re-appointment		
4	To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration		
<b>SPECIAL BUSINESS</b>			
5	Appointment of Mr.B.D.Narang as an Independent Director		
6	Appointment of Mr.S.C.Katyal as an Independent Director		
7	Appointment of Mr.B.V.Ramanan as an Independent Director		
8	Appointment of Mrs. Deepali Dalmia as Director of the Company		
9	Alteration of Articles of Association		
10	Amend the borrowing powers of the Board of Directors of the company under Section 180(1)(c) of the Companies Act, 2013		
11	Authorising the Board of Directors to mortgage or otherwise dispose of or to create or modify charge, hypothecate the whole of or substantially the whole of the undertaking of the company		
12	Payment of Special Allowance to Mr.S.Hariharan, Whole-time Director & CFO of the Company		
13	Approval for the waiver of excess remuneration to Mr.Abhishek Dalmia, Executive Chairman of the Company		

Signed this ..... day of ..... 2014.

Signature of Shareholder .....

Signature of Proxy holder(s) .....

Please  
affix  
revenue  
stamp

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statements and Notes please refer to the Notice of the 37th Annual General Meeting.
3. It is optional to put '?' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.

**REVATHI EQUIPMENT LIMITED**

**CIN: L29120TZ1977PLC000780**

Registered Office: Pollachi Road, Malumachampatti P.O., Coimbatore - 641 050

Phone: 0422 - 6655111 Fax: 0422 - 2610427

Email: srinivasan@revathi.in Website: www.revathi.in

**ATTENDANCE SLIP**

**37th Annual General Meeting**

DP ID	Folio No.
Client ID	No. of Shares
Name of Member	
Name of Proxy	

I hereby record my presence at the 37th Annual General Meeting of the Company held on Monday, 29th September, 2014 at 2.30 P.M. at Pollachi Road, Malumachampatti P.O., Coimbatore - 641050.

Member's / Proxy's Signature





**REVATHI EQUIPMENT LIMITED**

**CIN: L29120TZ1977PLC000780**

Registered Office: Pollachi Road, Malumachampatti P.O., Coimbatore - 641 050

Phone: 0422 - 6655111 Fax: 0422 - 2610427

Email: srinivasan@revathi.in Website: www.revathi.in

**POSTAL BALLOT FORM (in lieu of e-voting)**

(Kindly read the instructions printed overleaf before filling the form)

Registered Folio No. / DP ID /Client ID No. * *(Applicable to Investors holding shares in dematerialized form)
Name(s) and Registered Address of the sole/first named Shareholder/ Beneficial Owner, including Joint holder(s), if any (in block letters)
Number of shares held

I/We, hereby exercise my / our vote in respect of the Resolution(s) to be passed through Postal Ballot for the business stated in the AGM Notice dated 8th August, 2014 of the Company by conveying my / our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below

S.No.	Resolutions	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
	<b>ORDINARY BUSINESS</b>			
1	Adoption of Annual Financial Statements as on 31st March 2014 (Ordinary Resolution)			
2	Appointment of a Director in the place of Mr.Chaitanya Dalmia (holding DIN 000028402), who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution)			
3	Appointment of a Director in the place of Mr.P.M.Rajanarayanan (holding DIN 00016667), who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution)			
4	Appointment of Lodha & Co., Kolkatta, Chartered Accountants as Statutory Auditors for a period of one year from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fixing their remuneration (Ordinary Resolution)			
	<b>SPECIAL BUSINESS</b>			
5	Appointment of Mr.B.D.Narang as an Independent Director (Special Resolution)			
6	Appointment of Mr.S.C.Katyal as an Independent Director (Special Resolution)			
7	Appointment of Mr.B.V.Ramanan as an Independent Director (Special Resolution)			
8	Appointment of Mrs. Deepali Dalmia as Director of the Company (Ordinary Resolution)			

S.No.	Resolutions	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
9	Alteration of Articles of Association (Special Resolution)			
10	Authorisation to borrow upto a limit of Rs. 150 Crores pursuant to Section 180(1)(c) of the Companies Act, 2013 (Special Resolution)			
11	Authorisation to create charge on the assets of the company pursuant to Section 180(1)(a) of the Companies Act, 2013 (Special Resolution)			
12	Payment of Special Allowance to Mr.S.Hariharan, Whole-time Director & CFO of the Company (Special Resolution)			
13	Approval for the waiver from recovery of excess remuneration to Mr.Abhishek Dalmia, Executive Chairman of the Company (Special Resolution)			

Place:

Date: Signature of Shareholder:

NOTE: Last date for receipt of Postal Ballot forms by Scrutinizer is 25th September, 2014

#### INSTRUCTIONS:

- In terms of Clause 35B of the Listing Agreement, those members, who do not have access to e-voting facility provided by the Company for the AGM may send their assent or dissent in writing on the Postal Ballot Form. Accordingly, this Postal Ballot Form is being provided as per Clause 35B of the Listing Agreement.
- A member desiring to exercise his/her vote by Postal Ballot Form should complete this Postal Ballot Form, sign and send to the Scrutiniser as per instruction 5 below at the address Sri. M.D. Selvaraj, Practising Company Secretary, MDS & Associates, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028.
- The postal ballot form should be completed and signed by the members. In the case of joint shareholding, this form should be completed and signed by the first named member and in his absence, by the next named member(s). Unsigned postal ballot forms will be rejected. The signature on the postal ballot form must tally with the specimen signature registered with the Company.
- Where the Postal ballot form has been signed by an Authorised Representative of a body corporate, a certified copy of the relevant authorizations to vote on the postal ballot should accompany the postal ballot form. A member may sign the form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the postal ballot form.
- Duly Completed postal ballot forms should reach the Scrutiniser not later than 5.00 P.M. on 25th September, 2014. Any postal ballot form received after this time and date will be treated as if the reply from the member has not been received.
- A member may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutiniser not later than the time and date specified at Item No.5 above.
- Voting rights will be reckoned on the paid up value of shares registered in the name of the member on 22nd August, 2014 which is the cutoff Date fixed for this purpose.
- Members are requested not to send any other paper along with the Postal Ballot Form and any extra paper found in such envelope would be destroyed by the Scrutinizer.
- There will be only one postal ballot form for every folio irrespective of the number of joint member(s)
- A member need not use all the votes nor does he need to cast all the votes in the same way.
- The Scrutinizer's decision on the validity of a postal ballot will be final and binding.
- Incomplete, unsigned or incorrect postal ballot forms will be rejected.
- The date of AGM will be the deemed date of passing resolution(s) through e-voting/postal ballot.
- The right of vote under e-voting and postal ballot shall not be exercised by a proxy.



**37<sup>th</sup> Annual Report 2013-14**

### 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.

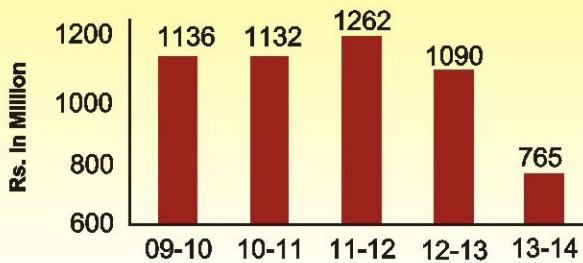
Here's the sort of business we are looking for:

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.

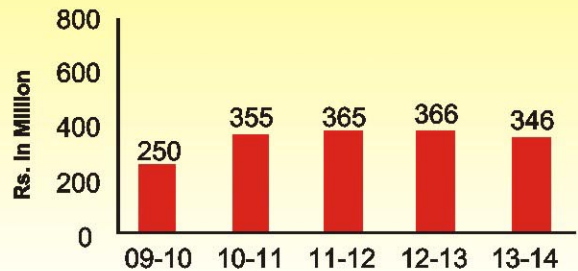
We will not engage in unfriendly takeovers. We can promise complete confidentiality and a very fast answer as to whether we are interested. We prefer to buy for cash, but will consider issuing stock when we receive as much in intrinsic business value as we give.

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.

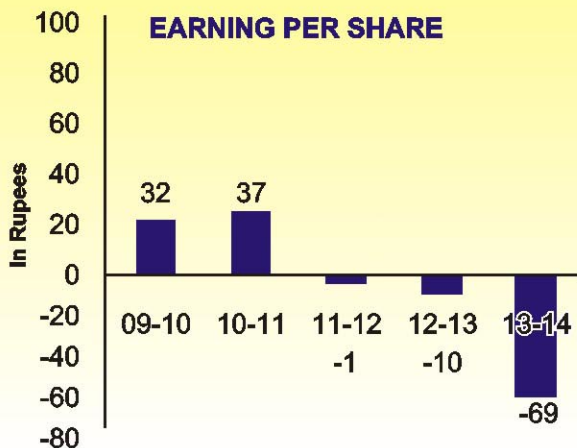
#### SALES



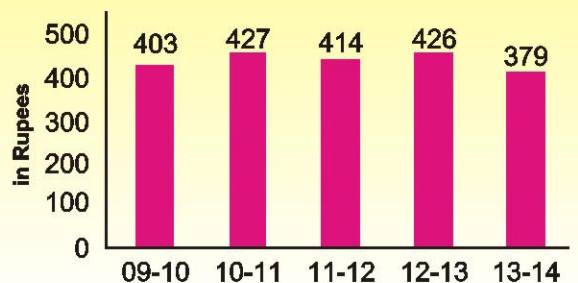
#### GROSS FIXED ASSETS



#### EARNING PER SHARE



#### BOOK VALUE PER SHARE





## Revathi Equipment Limited

### CORPORATE DATA

#### BOARD OF DIRECTORS

ABHISHEK DALMIA

Executive Chairman

CHAITANYA DALMIA

DEEPAI DALMIA (From August 08, 2014)

B.V. RAMANAN

B.D. NARANG

S.C. KATYAL

P.M. RAJANARAYANAN

S. HARIHARAN

Whole-time Director

#### SHARE TRANSFER AGENTS

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

#### COMPANY SECRETARY

M.N. SRINIVASAN

#### BANKERS

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

#### AUDITORS

LODHA & Co.,  
KOLKATA

#### REGISTERED OFFICE

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

#### MANAGEMENT TEAM

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

### Revathi's Corporate performance vs the Nifty

Year	Annual percentage change in		Relative results (1) - (2)
	Per share book value of Revathi (1)	Nifty 50 with dividend included (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%
Average Annual Gain (FY03 - FY14)	8.6%	17.8%	-9.2%
Overall gain (FY 03 - FY 14)	169.4%	611.2%	-441.8%

#### 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 owing a representative stock index would produce reasonably satisfactory results over a period of time, it follows that, for long-term investors, gaining small advantages over that index must prove rewarding.

Our decrease in consolidated net worth during FY14 was Rs.140 million, which decreased the per share book value by 10.9%. Over the last twelve years (that is, since the present owners took over) per share book value, has grown from Rs.151 to Rs.379 (Rs.463 after ignoring the effect of goodwill write-offs), which, after factoring in dividend paid during this period, works out to a rate of 8.6% (10.2%) compounded annually.

\*\*\*\*\*

Economic activity overall almost ground to a halt owing to a combination of low business confidence arising out of bureaucratic paralysis and government apathy. This manifested in project delays arising out of delays in land acquisition and securing environment clearances. Expansion projects conceived just a year ago by even bellwether FMCG companies were put on hold. This hurt all kinds of industries including metals, power, etc. and of course the capital goods and the architecture and engineering design (AE) industries, both of whose fortunes are closely tied to the capex cycle. The stock market indices pertaining to these sectors reveal the state of these industries since 2008, when the global economy went into a slumber.

Index	On 1/4/08	On 31/3/14	CAGR	Absolute performance FY14 over FY08
S&P BSE Metals	13,517	10,100	-4.7%	-25.3%
S&P BSE Power	3,153	1,725	-9.6%	-45.3%
S&P BSE Capital Goods	14,009	11,973	-2.6%	-14.5%
S&P BSE Realty	7,501	1,483	-23.7%	-80.2%

The silver lining is that the country elected a decisive leader in May this year. That should mean that FY14 was the nadir and two powerful forces would work to make things better in the period starting FY15. One of course is decisive leadership at the national level and the second is turning of the business cycle.

Encouraging signs are beginning to surface. But given the deep hole that the country has dug for itself over the past five years, it will perhaps take another twelve to eighteen months of concerted effort to start seeing an economic revival. Unfortunately, there is no silver bullet that can cure India's ills overnight. Having said that, it does seem that the worst is now behind us.

\*\*\*\*\*

The Drilling Solutions business recorded its worst performance in terms of operating profitability since the present management took over. It felt like our ship was tossed about mercilessly in the stormy waters of the turbulent ocean we were trying to navigate. We derived some sense of security by looking around us to find that our ship had plenty of company. The big daddy of the mining world, Caterpillar saw its global revenues drop 16% over previous year. Atlas Copco, which is regarded as perhaps the most focused player in our industry, saw its worldwide Revenues drop by 7%. Sandvik's Revenues fell 18% and Joy Global's 12%.

Closer home, we rely heavily on coal and iron ore producers in the country. Our major customers put a cap on capital spending hoping to increase production through higher productivity of the existing equipment. Leading steel producers put their expansion plans on hold until they had better visibility about how the future might unfold.

We had been working on some important tenders for several years. The expectation was that we will see closure of these tenders early in the year to be able to despatch the equipment during the year.

Unfortunately, this was also not to be. Had some of these tenders materialized, it would have offset some of the loss of business from our regular customers.

We find that customers are now taking fifty per cent to a hundred per cent more time to take capex decisions than they used to earlier. This has elongated the already long decision cycle. What little business is out there, is taking much longer to close. This is as clear a reflection of the state of business confidence as one will see.

Last year I had written about the inability of customers in parts of Africa to arrange a satisfactory line of credit. We spent another whole year in trying to secure our credit, but could not close it. South East Asia continued to be slow.

The net result of these varied factors was that order booking was at its lowest in many years. I had written many years ago that in our industry, a capex decision can get delayed, but rarely gets cancelled. So we live in hope that the almost visible turn in the business cycle will melt the state of suspended animation we have been witnessing over the past few years and things will start moving again.

\*\*\*\*\*

I have been writing about the nature of the Concreting Solutions business for the past few years. We have worked hard at trying to become a serious player in the industry. It has been a very tough ride so far. I had written about how the market leader with almost a two-thirds market share, with Sales exceeding Rs.7.5 billion earns low single digit net margins.

After continuing with an organization structure (and therefore fixed costs) built on the assumption of the market turning supportive, we decided to revisit our decision. One of the outcomes was that we decided to shift manufacturing back to the mother plant at Coimbatore. This will shrink our fixed costs materially and therefore help become more competitive.

While I have started seeing light at the end of the tunnel in terms of a pick up in infrastructure projects, I do not expect the concreting equipment market to get better for another year at least. It will easily take that long for the overcapacity to wind itself down. It could easily be two years as well.

Since we have scaled back our presence in this industry, this will be the last report from me on this segment until this segment becomes a meaningful contributor to our overall results, both in terms of Revenues and Profits.

\*\*\*\*\*

Here I would like to give a brief commentary about our balance sheet. If we add up all the investments we made into the Concreting Solutions business and the operating losses we incurred over the years, it would add up to the current debt on our balance sheet.

This year we started the process of restructuring our balance sheet to bring it back to the health it used to have till 2008. Towards this end, we got a part refund of the loan advanced to Panch Tatva Realty during the year. We also initiated the sale of the land we have at Gummidipondi, which we had acquired for the Concreting Business. We expect to bring our debt down from its peak of Rs.1 billion in FY09 to about half that by the end of the next financial year.

Hindsight is always 20/20 vision. We have been having internal discussions about selling off assets to restructure the balance sheet. However, it is never easy to sell off assets, which were created painstakingly. It is even harder to scale down a business, when the team has put in heart and soul to create something out of nothing.

We waited as long as we could, hoping that the operating performance will become strong enough to help restructure the balance sheet. Now that we have principally decided to restructure the balance sheet through asset sales, we will work to find the right price to offload some of our non-core assets.

\*\*\*\*\*

The current year results were also affected by two one-time charges. We wrote down the inventory of our Concreting Solutions business by 30 million to bring it in line with what we presently deem as its realizable value. We also wrote off our investment of Rs.49 million in Satellier Inc. The Satellier investment was made expecting to leverage their international client base for Semac. However, the company never really recovered from the shock it got in the 2008-2010 period. Despite bringing in three different CEOs after our investment in 2010, the business never regained its vitality and had to be eventually shut down. Just one more example of the maxim, turnarounds seldom turn. I should have heeded Mr. Buffett's advice before I pulled the trigger on this one.

\*\*\*\*\*

If I were to summarise the year, I would say this was the year when we started the process of nursing the company back to health. We did a lot of work on restructuring our Concreting Solutions business. We also did a lot of work on taking a hard look at our overheads. We started the process of liquidating some of our non-core assets to reduce the debt burden on the balance sheet. All these actions should lead to our standalone results bouncing back strongly after three tough years.

\*\*\*\*\*

Semac Consultants performance continues to get better. This year, like last year, was a year of fine-tuning business processes and keeping a tight watch on our cost structure. As a result, we were able to improve our profit after minority interest by about forty per cent, despite no growth in Revenues.

As the market turns, it will become tougher to keep costs under the same strict control that we have been able to do over the past two years. The other real risk that we face is that as more business opportunities come up, competitors will try hard to poach people from one of the market leaders. And that includes us.

Though there were no immediate threats, the Board felt that our company should not expose itself to the liability of torts, which is a potential threat in the business of Renaissance Construction Technologies. Accordingly, we retired as partners from this business at the end of the third quarter. In some ways, it was a good thing since the business performance dropped significantly from the previous year. Profits shrank to about forty per cent of FY13 levels.

\*\*\*\*\*

The real estate project in Mumbai continues to run behind schedule. As opposed to coming to an end towards end of FY15, it could go well into FY16. As mentioned in past letters, while this does have an impact on cashflow, it does not have any impact on the project IRR. As Chembur becomes better connected to South Mumbai, the existing airport and the city of Navi Mumbai, this entire micro market will likely get rerated as the market picks up.

\*\*\*\*\*

I would like to thank our bankers for being very understanding and standing by our side during these tough times. Normally, one hears of bankers being fair weather friends - they are most eager to lend to businesses that have no need for money. In our case, I have to say that though the business at its core is strong and though our track record is impeccable, the balance sheet has been strained for a few years now. And yet, our bankers have been very supportive. I am confident that we will justify their trust. I am also sure that their patience will not be forgotten as we get back to delivering strong performance.

I would also like to assure our shareholders that we will bring back the company you had invested in. The journey has started and you will start seeing positive results soon. I know these have been testing times but they are slowly but surely coming to an end. I look forward with confidence to cheerier times ahead.



**REPORT OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS REPORT****For the year ended 31st March 2014**

Your Directors have pleasure in presenting the Thirty seventh Annual Report together with the audited accounts of your Company for the year ended March 31, 2014

**Financial Results**

All figures in Rs. Million

Particulars	<b>FY 14</b>	FY 13
Total Income	<b>797</b>	1136
Total Expenditure	<b>938</b>	1165
Profit before tax	<b>(141)</b>	(30)
Less: Exceptional items	<b>(79)</b>	—
Profit / (Loss) before tax	<b>(220)</b>	(30)
Less: Tax expense	<b>8</b>	(1)
Profit / (Loss) after tax	<b>(212)</b>	(31)

**Appropriation made as under:**

Transfer to General Reserve	—	—
Surplus / deficit carried to Balance Sheet	<b>(212)</b>	(31)

**Dividend**

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

**Performance Review**

Net sales of the company were lower at Rs. 765 million as compared to previous year figure of Rs. 1090 million. While the construction equipment business continued to be sluggish, in respect of drilling equipment business, impasse in capital investment and decision making in mining sector resulted in lower sales.

EBIDTA (Loss) for the year was Rs 10 Million as compared to profit of Rs 100 Million in the previous year, mainly due to lower sales volume.

Interest and depreciation charge for the year was more or less at last year levels.

**Overview of the Economy**

Indian economy continued to be sluggish for the second year in succession. GDP growth at 4.7% in FY 14 and 4.5% in FY 13 were the lowest in the last decade.

Manufacturing and mining sector shrunk in FY 14 and lacklustre infrastructure activity dampened construction growth. In fact mining posed negative growth for last two years in succession. Production of coal grew by a meager of 0.8%.

With stable new Government in power at centre, the period of business pessimism on account of paralysis in decision making at political and bureaucratic level is ending. The Coal sector suffered badly with much less than expected release of orders for capital equipment because of inordinate delays in finalizing tenders. Coal for power plants remained scarce and many power projects were either underutilized or could not be commissioned. Drill plant remained heavily underutilized resulting in poor results. We have restructured our cost base.

Construction industry has been badly hit by non clearance of projects despite the fact that this industry is the largest employer in India after agriculture. This impacted very badly our construction equipments resulting in cost restructuring of the business. The business has been downsized and losses on restructuring have been booked this year.

**Business Environment & Prospects for FY 2014-15**

Production of coal is expected to grow at 9.7%. With clearance of large number of infrastructure projects, the demand for our products is expected to improve. Coal production and imports have both picked up. Coal India has planned 20 more new mines while other macro indicators and particularly the business confidence has reflected improved levels. This new Government has been focusing on infrastructure as a sector of choice to put the economy back on growth trajectory. Infrastructure sector is witnessing a resurgence in sentiment and there is renewed interest both by domestic and international players. This augurs well for our products.

With the focus on infrastructure, particularly, coal mining, capex spending by PSUs will accelerate the demand for company's products. More participation by private sector in mining is also expected in this fiscal which will boost the demand for mining equipments.

We expect good order flow from water prospecting sector

Expected improvement in order flows, cost rationalization measures implemented across the organization, restructuring of construction equipment business are expected to yield better results.

### Subsidiary Companies

#### Semac Consultants Pvt Ltd (Semac)

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

Revenue of Semac was at Rs 755 million in FY14 as against Rs 760 million in FY13. The subsidiary made profit before tax (PBT) of Rs 156 million in FY14 against the PBT of Rs. 117 million in FY13 as a result of better customer selection / profile and cost improvement efforts. With expected improvement in building activities, we expect to improve performance this year.

#### Renaissance Construction Technologies India LLP

Your company retired from the Renaissance Construction Technologies India LLP with effect from 31st December 2013.

### Consolidated Financial Statements

Your directors have pleasure in attaching the consolidated financial statements by consolidating accounts of Revathi Equipment Ltd., Renaissance Construction Technologies India LLP, Semac Consultants Pvt. Ltd. (subsidiary company) and Panchtatva Realty (a Joint Venture in which the company has 54% stake) under applicable accounting Standards of the Institute of Chartered Accountants of India.

On consolidated basis, the total revenue for FY14 was Rs.1757 Million (FY13 Rs.2199 Million) and PBT (Loss) was Rs 51 Million for FY14 against Profit of Rs 123 Million in FY 13.

### Fixed Deposits

The company has not accepted any deposits from public during the year and accordingly there are no unclaimed deposits as at 31/03/2014.

### 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.

### Risks and Concerns

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

Inflation and rising interest costs continue to cause worry.

### Cautionary Note

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

### Internal Control

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

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

### Board constitution

The Company, pursuant to the provisions of section 149(4) of the Companies Act, 2013 and of amended clause 49 of the Listing Agreements entered into with Stock Exchanges, is appointing Mr. S.C Katyal, Mr. B.D.Narang and Mr. B.V.Ramanan as Independent Directors of the Company at the ensuing Annual General Meeting (AGM).

In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the notice of the ensuing AGM of the Company.

Directors Mr.P.M.Rajanarayanan and Mr.Chaitanya Dalmia retire by rotation and being eligible have offered themselves for re-appointment.

As per the provisions of Section 149(1) of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Company should have at least one woman director. Accordingly, Mrs. Deepali Dalmia was appointed as additional Director of the Company at the meeting of Board of Directors held on 08th August 2014 and the proposal for her appointment as director is being placed at the ensuing AGM of the company.

### **Conservation of Energy**

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

### **Technology Absorption**

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

### **Foreign exchange earnings and outgo**

The Company earned foreign exchange of Rs. 45 million and the foreign exchange outgo during the year amounts to Rs 85 million.

### **Personnel/Industrial relations**

Industrial relations were satisfactory during the year.

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

### **Directors' responsibility statement**

The Board of Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis.

### **Auditors**

M/s Lodha & Co., Chartered Accountants, Kolkata due to retire at the end of the Annual General Meeting, being eligible, offer themselves for reappointment.

### **Auditors qualifications in Independent Auditors REPORT**

Following two qualifications were noticed in Independent Auditors Report and the board recorded its reply as given below:

- (a) Payment of managerial remuneration amounting to Rs 4.06 lacs is subject to approval of Central Government;  
Steps are being taken to get approval from Central Government in this regard.
- (b) In absence of any valuation for certain fixed assets pertaining to Construction Equipment Division held for disposal and its impact on financial statements is presently not ascertainable;  
Valuation for the assets will be made at the time of disposal of assets.

### **Appreciation**

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

For and on behalf of the Board of Directors

Place : Chennai  
Date : August 8, 2014

**Abhishek Dalmia**  
Executive Chairman

**ANNEXURE**

Form for disclosure of particulars with respect to Absorption

**Research and Development (R&D)**

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

**Technology absorption, adaptation and Innovation**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation : Agreements signed for Co-development and Marketing of Dual Rotary drills and Deep Hole Drills
2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc. : Development Range Enhancement for Water exploratory drilling.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), the following information may be furnished.
  - a) Technology imported : Dual Rotary drills
  - b) Year of import : FY 2013-14
  - c) Has Technology been fully absorbed? : In progress
  - d) if not fully absorbed, areas where this has not taken place, reasons therefore, and future plans of action : Not applicable

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2013-14

### Company's Philosophy on Code of Governance

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

### Board of Directors

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

The Board met seven times during the financial year on 09th May 2013, 12th July 2013, 7th August 2013, 26th September 2013, 04th November 2013, 26th November 2013 and 13th February 2014. The composition and attendance of Directors at the Board Meetings and the Annual General Meeting held during the year is as under:-

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

\$ Audit Committee, Shareholder's Grievance Committee have been considered for committee membership.

Mr.Abhishek Dalmia and Mr.Chaitanya Dalmia are related amongst themselves.

### Criteria for independence of a director

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

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

- 2% of the Profit before tax excluding extra - ordinary items  
or  
1% of the Net Invoiced Sales of the Company which ever is higher in a financial year.
- He is not related to promoters or management at the board level or at one level below the board;
- He has not been an executive of the company in the immediately preceding three financial years;
- He is not a partner or an executive or was not a partner or an executive during the preceding three years from December 31, 2005 of any of the following:  
the statutory audit firm or the internal audit firm that is associated with the company, and the legal firm(s) and consulting firm(s) that have the financial transactions with the company exceeding the following limit:  
2% of the Profit before tax excluding extra - ordinary items  
or  
1% of the Net Invoiced Sales of the Company which ever is higher in a financial year.
- He is not a material supplier, service provider or customer or lessor or lessee of the company whose financial transaction(s) value with the company shall not be more than the following:  
2% of the Profit before tax excluding extra - ordinary items  
or  
1% of the Net Invoiced Sales of the Company which ever is higher in a financial year.
- He is not a substantial shareholder of the company, i.e. owning two percent or more in the paid up share capital of the company.



**Committees of the board****Audit Committee**

The Audit Committee has been constituted as per guidelines set out in the Listing Agreements with the Stock Exchanges.

**Terms of reference:**

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

**Powers of Audit Committee**

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

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

**Role of Audit Committee**

The role of the audit committee shall include the following:

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

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

**Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

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

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

During the year under review, the Committee met 5 times on 9th May 2013, 7th August 2013, 26th September 2013, 04th November 2013 and 13th February 2014. The Composition of the Audit Committee and the attendance of each member of the Committee is given below:

Name of the Members	Chairman/Member	No. of Meetings attended
Mr. S.C. Katyal	Chairman	5
Mr. B.D. Narang	Member	2
Mr. B.V. Ramanan	Member	3

The Company Secretary acts as the Secretary to the Committee. The minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note of. The Audit Committee considered and reviewed the accounts for the year 2013-14 before it was placed before the Board.

#### Remuneration Committee

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

The following Directors are the members of the Remuneration Committee:

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

During the year under review, the committee met on 8th May 2013.

The remuneration paid/ payable to the Executive Directors of the Company for the year ended 31st March 2014, are as under:-

Name of Directors	Gross Remuneration paid / payable in FY' 14	Service Contract
Mr. Abhishek Dalmia (Executive Chairman)	Rs. 45.39 Lakhs	5 Years with effect from 01.04.2011
Mr.S.Hariharan (Whole-time Director)	Rs. 48.31 Lakhs	5 Years with effect from 01.08.2012

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

The details of the remuneration paid during the year 31st March 2014 to the non-executive directors are as under:

Name of the Directors	Sitting Fees (in Rupees)
Mr. Chaitanya Dalmia	20,000
Mr. S.C. Katyal	3,60,000
Mr. B D Narang	1,40,000
Mr.B.V. Ramanan	2,00,000
Mr.P.M. Rajanarayanan	60,000

The Company currently does not have any Stock Option Scheme

Statement showing number of Equity Shares held by the Non-Executive Directors as on March 31, 2014

Name of the Directors	No of Shares held. (as on 31.03.2014)
Mr.Chaitanya Dalmia	NIL
Mr. S.C.Katyal	10058
Mr. B D Narang	NIL
Mr. B.V.Ramanan	200
Mr.S.Hariharan	1

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

**Share Holders' Committee**

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

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

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

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

The Share Transfers/ transmissions approved by the committee are placed at the board meetings from time to time. During the year ended 31st March 2014, five meetings of the Committee were held.

The total number of complaints received and replied to the satisfaction of shareholders during the year ended on 31st March 2014 were nil. There was no outstanding complaints as on 31st March 2014.

**Management Discussion And Analysis Report**

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

**General Body Meetings**

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

Year	Location	Date and time	Special Resolutions passed
2012-13	Hotel Park Plaza Coimbatore 116/2, Avanashi Road, Mylampatti Chinniyampalayam P.O. Coimbatore	26.08.2013 01.00 PM	Waiver from recovery of excess remuneration paid to Mr.Abhishek Dalmia, Executive Chairman.
2011-12	Registered office, Pollachi Road, Malumachampatti (PO), Coimbatore.	28.09.2012 12.30 AM	Consent for payment of excess remuneration to Managing Director. Appointment of Whole-time Director. Appointment of Sole selling agents.
2010-11	Registered office, Pollachi Road, Malumachampatti (PO), Coimbatore.	29.08.2011 10 AM	Appoinment of Executive Chairman Consent for payment of excess remuneration and special allowance to Managing Director.

**Whether any Special resolution was passed through postal ballot in FY 2014 : Nil**

**Procedure for postal ballot**

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

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

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

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

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

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

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

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

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

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

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

**Code of Conduct**

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

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

**Code for prevention of Insider Trading**

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

**Means of Communication**

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

Official news releases are made whenever it is considered necessary.

**General Shareholder Information**

37th Annual General Meeting

Date and Time : 29th September 2014 at 2.30 p.m.

Venue : At the registered office of the company, Pollachi Road, Malumachampatti, Coimbatore 641 050

**Financial Calendar**

**Financial Year: 2014-15:**

Period of reporting	Proposed Board meeting dates
Qtr ending 30 <sup>th</sup> June 2014	Last week of July 2014
Qtr ending 30 <sup>th</sup> September 2014	Third week of October 2014
Qtr ending 31 <sup>st</sup> December 2014	Last week of January 2015
Year ending 31 <sup>st</sup> March 2015	Last week of April 2015

Date of Book closure	From 22nd September 2014 to 29th September 2014 (Both days inclusive)
Dividend payment date	Not applicable as no dividend has been declared

**Listing of shares on Stock Exchanges**

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

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

**Note:**

Annual listing fees for the year 2014-15 were paid to Bombay Stock Exchange Limited & National Stock Exchange of India Limited.

### Stock Market Data

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

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

For the Period : April 2013 to March 2014.

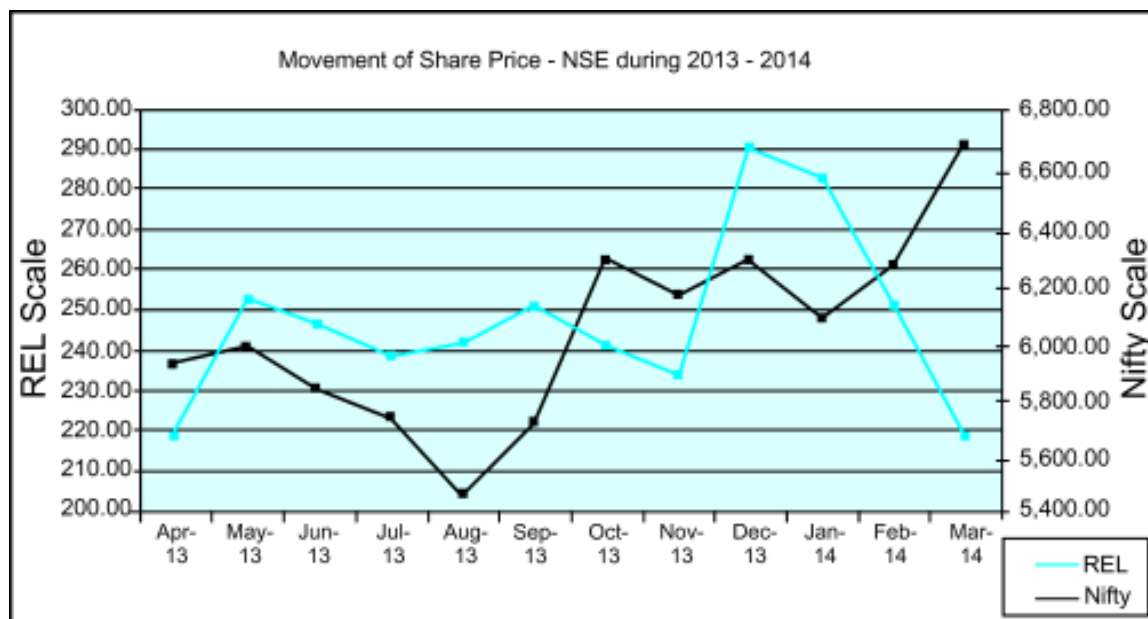
National Stock Exchange				BSE			
	Highest Rs.	Lowest Rs.	Volume Nos.		Highest Rs.	Lowest Rs.	Volume Nos.
April, 2013	235.00	202.00	799	April, 2013	255.00	200.10	1,878
May	249.45	202.00	2,010	May	300.00	211.00	3,468
June	242.00	176.00	364	June	285.00	215.00	1,147
July	220.50	200.00	1,333	July	236.80	212.95	2,370
August	210.00	172.50	490	August	211.00	193.10	2,146
September	199.00	185.20	1,489	September	200.00	180.65	1,906
October	193.85	176.00	682	October	199.50	180.65	1,980
November	188.00	171.00	326	November	196.85	180.10	2,135
December	192.00	183.00	682	December	199.40	186.00	2,639
January 2014	201.00	167.50	2,941	January 2014	208.50	173.00	6,059
February	188.00	160.00	2,738	February	199.00	162.00	3,211
March, 2014	212.00	167.00	12,664	March, 2014	222.00	162.00	9,912
Total			26,518	Total			38,851

% of volume traded to average number of shares outstanding

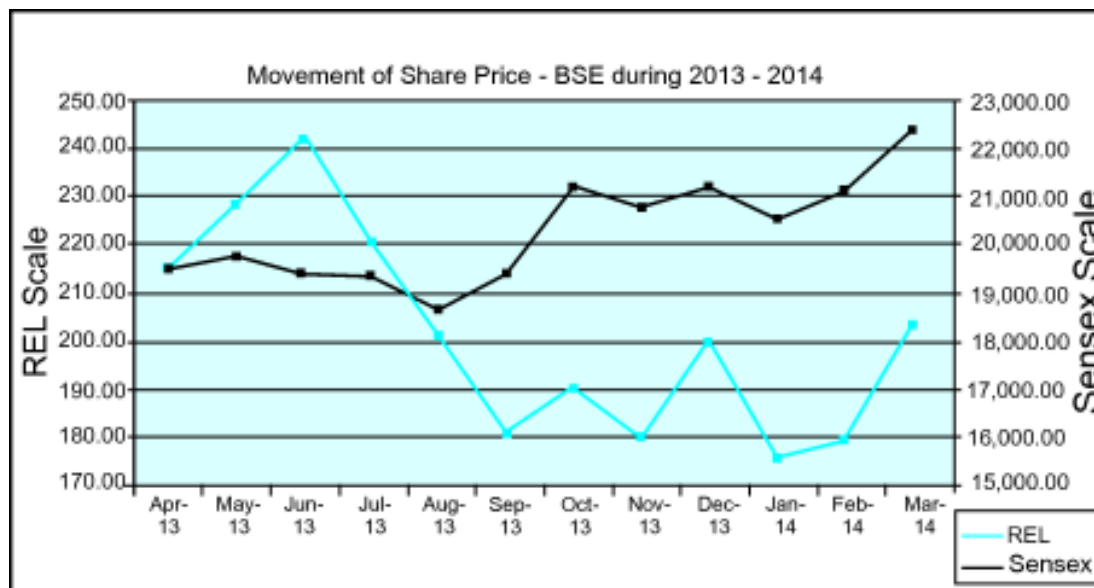
0.86

% of volume traded to average number of shares outstanding

1.27







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

**Office Address :**

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

**Compliance Officer's Details**

M.N. Srinivasan  
Company Secretary  
Revathi Equipment Ltd  
Pollachi Road, Malumachampatti P O  
Coimbatore - 641050  
e-mail : srinivasan@revathi.in  
Phone : 0422-6655100, 6655111  
Fax : 0422-2610427

**Share Transfer System**

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

The total number of shares transferred (physically) during the year 2013-14 was 1383 (previous year 3332).

**Categories of Shareholders as on 31st March 2014**

Category	2013-14		
	No. of Share holders	Voting Strength %	No. of Shares held
Individuals	4,591	24.714	757,964
Bodies Corporate	153	74.162	2,274,510
Insurance Co's	-	-	-
Directors & Relatives	2	0.643	19,731
NRI	60	0.477	14,638
Banks	1	0.003	100
OCB	-	-	-
Mutual Fund	-	-	-
FII	-	-	-
<b>Total</b>	<b>4,807</b>	<b>100.000</b>	<b>3,066,943</b>

**Distribution of Shareholding as on 31st March 2014**

2013-14				
No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares	% of Share holding
01 - 100	3,634	75.60	137,113	4.47
101 - 200	533	11.09	88,812	2.90
201 - 500	408	8.49	136,921	4.46
501 - 1000	132	2.75	97,453	3.18
1001 - 5000	83	1.73	163,128	5.32
5001 - 10000	8	0.17	62,740	2.05
10001 and above	9	0.19	2,380,776	77.63
<b>Total</b>	<b>4,807</b>	<b>100.00</b>	<b>3,066,943</b>	<b>100.00</b>

**Dematerialisation of Shares and liquidity**

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

During the financial year 2013-14, 8282 (0.27%) shares were dematted. As on 31st March, 2014, total shares in demat form is 2,988,658 shares and 78285 shares in physical form. This represents 97.4% shares of the company are in demat form and 2.6% shares are in physical form. The shares are compulsorily tradable in demat form with effect from 26.6.2000 for all investors.

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

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

<b>Plant locations</b>	<b>:</b>	<b>Drilling Equipment Division</b>	<b>Construction Equipment Division</b>
		Pollachi Road	D-12, SIPCOT Industrial Complex
		Malumachampatti Post	Gummidipoondi - 601 201.
		Coimbatore – 641 050.	

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

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

I hereby declare that

- the board of directors has laid down a code of conduct for all board and senior management personnel.
- the code of conduct has been posted on the web site of the company namely [www.revathi.in](http://www.revathi.in).
- all the board of directors of company and senior management personnel have affirmed compliance with the said code of conduct for the year ended March 31, 2014.

Place : Chennai

Date : 8th August, 2014

**S. HARIHARAN**

Whole-time Director

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

To the members of  
Revathi Equipment Limited:

1. We have examined the compliance of the conditions of Corporate Governance by Revathi Equipment Limited, for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us and the representations made by the Directors and the management, we certify that the company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further report that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For LODHA & CO**

Chartered Accountants

Firm ICAI Registration No.: 301051E

Place : Kolkata

Date : August 8, 2014

**R.P. Singh**

Partner

Membership No.: 052438

**INDEPENDENT AUDITORS' REPORT**

**To the members of  
REVATHI EQUIPMENT LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Revathi Equipment Limited (the Company), which comprises of the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss, the Cash Flow Statement, significant accounting policies and other notes for the year ended on that date.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

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

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

**Basis for Qualified Opinion**

- (a) Payment of managerial remuneration amounting to Rs 4.06 lacs is subject to approval of Central Government; (Note 22)
- (b) In absence of any valuation for certain fixed assets pertaining to Construction Equipment Division held for disposal (note 33(a)) and its impact on financial statements is presently not ascertainable.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the Basis for Qualified Opinion paragraph effects whereof cannot be ascertained and commented upon, the financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014; and
- (ii) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date.
- (iii) In the case of cash flow statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

Attention is invited to Note 31 regarding retirement from the partnership of Renaissance Construction Technologies India LLP (LLP) together with it's rationale, effect recorded and reflected in the financial statements. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report Order, 2004) (the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Act and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we enclose in the Annexure a statement on the matters specified in the said order.
- 2. As required by section 227(3) of the Act, we report that:
  - 2.1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

- 2.2. In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books;
- 2.3. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement referred to in this report are in agreement with the books of account;
- 2.4. In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- 2.5. On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that, none of the directors is disqualified as on 31st March 2014 from being appointed as directors in terms of Section 274 (1) (g) of the Act.

**For LODHA & CO**  
Chartered Accountants  
Firm Registration No.: 301051E  
**R.P. Singh**  
Partner  
Membership No.: 52438

Place : Kolkata  
Date : May 30, 2014

**ANNEXURE (referred to in paragraph 1 of our report of even date).**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) We are informed that the Company has carried out physical verification of its fixed assets during the year by the Company and no material discrepancies were noted on such verification.
- (c) During the year, the Company has not disposed off substantial part of its fixed assets, which could affect the going concern status of the company.
- (ii) (a) As explained to us, the stocks of finished goods, spare parts and raw materials (including components) have been physically verified by the management;
- (b) In our opinion and according to information and explanation given to us the procedures of physical verification of inventory followed by the management are generally reasonable and adequate considering the items of the inventory, volume thereof, size of the Company and the nature of its business;
- (c) In our opinion, the Company has maintained proper records of its inventory and the discrepancies between the physical stock and book records were not material.
- (iii) (a) According to information and explanations given to us the company had not granted and taken any loans, secured and unsecured, from/to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, Para 4(iii) (b), 4(iii) (c) , 4(iii)(d), 4(iii)(e), 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) Having regard to the explanation given that comparative quotations are not available in respect of items of branded/special nature purchased during the year, in our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods and services. Further during the course of our audit we have neither come across nor have we been informed of any instances of major weaknesses in the aforesaid internal control procedures and continuing failure on the part of the management to take corrective course of action in this regard.
- (v) (a) To the best of our knowledge and belief and according to information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act 1956 have been entered in the register required to be maintained under that section; and
- (b) Transactions of purchase of services etc. made in pursuance of such contracts or arrangements exceeding value in rupees five lacs, namely consultancy and taking premises on rent are proprietary/technical and of special nature and therefore comparable quotations thereof are not available and as such reasonableness with respect to prevailing market price as such is not ascertainable.
- (vi) The Company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the internal audit carried out during the year by a firm of Chartered Accountants appointed by the management is adequate in respect of the area covered during the year.
- (viii) On the basis of the records produced, we are of the opinion that prima facie the cost records and accounts prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 have been maintained. However, we have not carried out any detailed examination of such records with a view to determine whether they are accurate or complete.



- (ix) (a) According to information and explanations given to us and as per the records of the Company examined by us, in our opinion the Company is regular in depositing with the appropriate authorities undisputed material statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess as applicable to it; and
- (b) According to information and explanations given to us and as per the records of the Company examined by us as at 31st March, 2014, there are no amount outstanding in respect of sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute other than income tax dues, in respect of which amount involved and forum at which dispute is pending are as follows:

Statute	Nature of Tax	Forum where dispute is pending	Amount (Rs. in ('000))	Period to which amount relates
The Income Tax Act, 1961	Income Tax	CIT (Appeals)	1708	Assessment year 2010-11

- (x) The Company has no accumulated losses as on 31st March 2014 and it has incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- (xii) According to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the said order are not applicable to the company.
- (xiv) The Company is not dealing / trading in securities.
- (xv) According to information and explanations given to us, the Company had given guarantees for loan taken by a subsidiary company from banks. Considering the long term involvement in the said company, such guarantee is not prima facie prejudicial to the interest of the Company
- (xvi) According to information and explanations given to us, no fresh term loan has been taken during the year.
- (xvii) According to information and explanations given to us and on overall examination of the balance sheet of the Company, we report that funds to the extent of Rs. 910.75 lacs raised on short term basis have been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year.
- (xix) The Company did not have any outstanding debentures during the year. Accordingly, the provision of clause 4(xix) of the order is not applicable to the Company.
- (xx) The Company has not raised any money through a public issue during the year. Accordingly, provision of clause 4(xx) of the Order is not applicable to the company.
- (xxi) During the course of our examination of the books of accounts carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such case by the management.

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

**R. P. Singh**  
Partner  
Membership No: 52438

Place : Kolkata  
Date : May 30, 2014

**REVATHI EQUIPMENT LIMITED****Balance Sheet as at 31st March, 2014****(All amounts in thousands of Indian Rupees)**

Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
(a) Share capital	2	30,669	30,669
(b) Reserves and surplus	3	1,161,107	1,373,134
Non-current liabilities			
(a) Long-term borrowings	4	—	1,594
(b) Deferred tax liabilities (Net)	5		3,933
(c) Long-term provisions	5A	6,848	6,597
Current liabilities			
(a) Short-term borrowings	6	748,602	802,477
(b) Trade payables	7	172,016	235,451
(c) Other current liabilities	8	79,938	54,173
(d) Short term provisions	9	12,503	18,210
<b>TOTAL</b>		<b>2,211,683</b>	<b>2,526,238</b>
<b>ASSETS</b>			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	188,280	210,355
(ii) Intangible assets	10	1,092	1,710
(b) Non-current investments	11	1,077,271	1,120,096
(c) Deferred Tax Assets (Net)	5	3,851	
(d) Long-term loans and advances	12	11,916	38,667
(e) Other Non-Current Assets	13	7,289	35
Current assets			
(a) Inventories	14	375,288	487,806
(b) Trade receivables	15	367,074	414,921
(c) Cash and cash equivalents	16	31,431	54,573
(d) Short-term loans and advances	17	148,191	198,075
<b>TOTAL</b>		<b>2,211,683</b>	<b>2,526,238</b>
Significant Accounting policies	1		

Significant Accounting policies and accompanying notes are all integral part of the financial statements

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

**For and on behalf of the Board****For Lodha & Co**  
Chartered Accountants**S.C. Katyal**  
Director**S. Hariharan**  
Whole-time Director**R.P. Singh**  
Partner  
Membership No:052438**M.N. Srinivasan**  
Company SecretaryPlace : Kolkata  
Date : May 30, 2014Coimbatore  
May 30, 2014

**REVATHI EQUIPMENT LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014****(All amounts in thousands of Indian Rupees)**

Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Revenue from operations	18	764,975	1,090,419
Other Income	19	32,596	45,601
Total Revenue		<u>797,571</u>	<u>1,136,020</u>
<b>Expenses</b>			
Cost of Materials Consumed	20	278,584	509,947
Purchases of Stock in Trade	20A	143,104	142,760
Processing charges and purchase of materials through sub-contractors		22,089	41,309
Changes in inventories of finished goods, work in progress and Stock-in- trade	21	64,012	25,129
Employee benefits expense	22	104,747	109,288
Finance Costs	23	112,714	115,571
Depreciation and amortization expense	10	17,744	19,318
Other expenses	24	195,408	202,460
<b>Total Expenses</b>		<u>938,402</u>	<u>1,165,782</u>
Profit/(Loss) before exceptional items and tax		(140,831)	(29,762)
Exceptional items	25	78,880	—
Profit/(Loss) before tax		(219,711)	(29,762)
Tax expense	26	(7,783)	1,457
<b>Profit/(Loss) for the year</b>		<u>(211,928)</u>	<u>(31,219)</u>
Earnings per equity share:	32		
(1) Basic		(69.10)	(10.18)
(2) Diluted		(69.10)	(10.18)
Significant Accounting policies	1		

Significant Accounting policies and accompanying notes are all integral part of the financial statements

This is the Statement of Profit &amp; Loss Account referred to in our Report of even date.

**For and on behalf of the Board****For Lodha & Co**  
Chartered Accountants**S.C. Katyal**  
Director**S. Hariharan**  
Whole-time Director**R.P. Singh**  
Partner  
Membership No:052438**M.N. Srinivasan**  
Company SecretaryPlace : Kolkata  
Date : May 30, 2014Coimbatore  
May 30, 2014

**REVATHI EQUIPMENT LIMITED**
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2014**

(All amounts in thousands of Indian Rupees)

	2013-14	2012-13
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	(219,711)	(29,762)
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	17,744	19,318
Bad Debts and advance written - off	14,434	4,463
Provision for Doubtful Debts	16,249	—
Share of Profit from RCTIL LLP (Refer Note )	(11,512)	(20,674)
Interest and dividend income	(13,927)	(12,061)
(Profit)/Loss on sale of investments	48,750	(2,885)
Provisions/Liabilities no longer required written back	(5,551)	—
Interest on borrowings	111,780	113,109
(Profit) / Loss on sale of fixed assets	6,536	(5,945)
	(35,208)	65,563
Changes in current assets and liabilities:		
(Increase)/Decrease in inventories	112,518	59,453
(Increase)/decrease in trade and other receivables	27,674	148,370
(Decrease)/increase in current liabilities and provisions	(38,998)	(80,169)
<b>Cash generated from Operations</b>	65,986	193,217
Direct taxes paid (Net of Refund)	—	17,777
<b>Net cash provided by/(used in) operating activities</b>	65,986	210,994
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of fixed assets	765	7,871
Proceeds from RCTIL LLP	15,000	—
Proceeds from Panchatatva	76,500	—
Purchase of fixed assets	(2,452)	(6,817)
Purchase of investments	(15,925)	—
Sale of investment	—	8,880
Disinvestment from RCTIL LLP	10,000	—
Deposit with more than 12 months maturity	(7,254)	—
Interest and dividend received	1,487	1,624
<b>Net cash provided by/(used in) investing activities</b>	78,121	11,558
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from / (repayment) of long term borrowings	(1,594)	(71,956)
Proceeds from / (repayment) of short term borrowings	(53,875)	(45,982)
Interest paid	(111,780)	(113,109)
<b>Net cash provided by/(used in) financing activities</b>	(167,249)	(231,047)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(23,142)	(8,495)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of the year	54,573	63,068
End of the year	31,431	54,573

The accompanying notes are an integral part of this statement.

1) The above Cash Flow Statement has been compiled/prepared based on the audited accounts of the Company under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.

2) Cash and Bank balance includes Rs.11,494 (previous year Rs. 32,826) which are under lien or are not freely available.

3) Previous year's figures have been rearranged, where necessary.

As per our report of even date

For and on behalf of the Board

**For Lodha & Co**  
Chartered Accountants

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

Place : Kolkata  
Date : May 30, 2014

**S.C. Katyal**  
Director  
**M.N. Srinivasan**  
Company Secretary

Coimbatore  
May 30, 2014

**S. Hariharan**  
Whole-time Director

**REVATHI EQUIPMENT LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****(All amounts in thousands of Indian Rupees)****SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of preparation of Financial Statements**

The accounts have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 1956 and Accounting Standards notified vide Companies (Accounting Standards) Rules, 2006 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. Accounting policies unless specifically stated to be otherwise, are consistent and in consonance with generally accepted accounting principles.

**(b) Use of Estimates**

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

**(c) Fixed Assets and Depreciation**

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

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

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

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

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

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

**(d) Impairment of Fixed Assets**

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

**(e) Investments**

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



**(f) Inventories**

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

**(g) Revenues and Other Income**

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

**(h) Product warranty costs**

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

**(i) Foreign currency transactions**

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

**(j) Employee benefits**

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

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

Defined contributions plans:

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

Defined benefits plans:

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

**(k) Borrowing Cost**

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

**(l) Income taxes**

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

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

**(m) Provision, Contingent Liabilities and Contingent Assets**

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

## 2) SHARE CAPITAL

As at 31 March 2014

As at 31 March 2013

### AUTHORISED :

3,500,000 Equity Shares of Rs. 10/- each	35,000	35,000
(Previous year 3,500,000 Equity Shares of Rs. 10/- each)		

### ISSUED, SUBSCRIBED AND PAID UP

3,066,943 Equity Shares of Rs. 10/- each	30,669	30,669
(Previous year 3,066,943 Equity Shares of Rs. 10/- each)		
	30,669	30,669

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

### b) Terms and rights attached to equity shares:

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

## 3) RESERVES AND SURPLUS

Capital reserve	149	149
Capital redemption reserve	3,111	3,111
Revaluation reserve		
Opening Balance	1,541	1,640
Less: Transfer to Statement of Profit & Loss	(99)	(99)
Balance at the end of the year	1,442	1,541
General Reserve from LLP (Note 31)	12,028	12,028
Less: Transferred to General Reserve	(12,028)	-
	-	12,028
General reserve	446,052	446,052
Add: General Reserve from LLP (Note 31)	12,028	-
	458,080	446,052

Surplus		
Opening Balance	910,253	941,472
Add: Profit/ (Loss) for the year transferred from Statement of Profit & Loss	(211,928)	(31,219)
Balance at the end of the year	698,325	910,253
	1,161,107	1,373,134

## 4) LONG TERM BORROWINGS (SECURED)

Vehicle Loan from Banks	-	1,594
	-	1,594

a) Vehicle Loan is secured by hypothecation of vehicles. Current maturities of above loan have been shown under note 8.

## 5) DEFERRED TAX LIABILITIES (NET)

### Deferred Tax Liabilities :

Depreciation Difference	3,183	5,765
Payment of Gratuity Fund	1,073	-

### Deferred Tax Assets :

Provision for Leave	(2,835)	(1,832)
Provision for Doubtful debt	(5,272)	-
	(3,851)	3,933

As at 31 March 2014

As at 31 March 2013

#### 5A) LONG TERM PROVISIONS

Provision for Privilege Leave Encashment & Sick Leave	6,848	6,597
	<u>6,848</u>	<u>6,597</u>

#### 6) SHORT TERM BORROWINGS

Cash Credit (Secured)	748,602	802,477
	<u>748,602</u>	<u>802,477</u>

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

#### 7) TRADE PAYABLES

-Due to Micro, Small and Medium Enterprises	2,191	7,786
-Others	163,640	205,865
-Acceptances	6,185	21,800
	<u>172,016</u>	<u>235,451</u>

- a) Acceptance represents outstanding vendors' bills discounted from the bank under MSME Receivable Finance Scheme.
- b) Disclosure of sundry creditors under current liabilities is based on the information available with the company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the balance sheet date.
- c) Based on the above the relevant disclosures under section 22 of the Act are of as follows:

	2013-14	2012-13
a) Principal amount outstanding at the end of the year	2,191	7,786
b) Interest amount due at the end of the year	Nil	Nil
c) Interest paid to suppliers	Nil	Nil

#### 8) OTHER CURRENT LIABILITIES

Current maturities of Vehicle Loan	986	729
Unclaimed dividends *	104	104
Advances from customers	35,046	6,882
Employee Related Dues	9,605	11,858
Statutory Liabilities	4,209	949
Amount payable to subsidiary	195	195
Amount payable to Related party (note 28 and 31)	1,423	—
Security Deposit from Stockist	3,000	—
Accrued Expenses & Other Liabilities	25,370	33,456
	<u>79,938</u>	<u>54,173</u>

\*Paid on 20.5.2014

#### 9) SHORT TERM PROVISIONS

Provision for Warranties Claims	10,614	16,166
Provision for Privilege Leave Encashment & Sick Leave	1,889	2,044
	<u>12,503</u>	<u>18,210</u>

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

	2013-14	2012-13
Opening Balance	16,166	15,707
Provided during the year	3,380	8,677
Utilization during the year	(8,931)	(8,218)
Closing Balance	<u>10,615</u>	<u>16,166</u>

## 10. FIXED ASSETS

	Balance at the beginning of year	Additions / charge	Deletions	Balance at the end of year
<b>Gross Block</b>				
<b>Tangible Assets</b>				
Freehold/Leasehold land	71,453	—	—	71,453
Buildings	122,750	311	—	123,061
Plant and machinery*	80,774	1,033	13,032	68,775
Production tooling	13,944	—	49	13,895
Data processing equipment	19,412	112	1,075	18,449
Furniture and fittings	5,831	—	—	5,831
Office equipment	12,254	228	390	12,092
Vehicles	12,931	57	1,040	11,948
	339,349	1,741	15,586	325,504
<b>Intangible Assets</b>				
Technical knowhow	10,282	502	—	10,784
Computer software	16,572	209	7,213	9,568
	26,854	711	7,213	20,352
	366,203	2,452	22,799	345,856
Previous year	365,358	6,817	5,972	366,203
Accumulated depreciation				
<b>Tangible Assets</b>				
Freehold /Leasehold land	4,541	956	—	5,497
Buildings	28,045	4,136**	—	32,181
Plant and machinery	45,695	5,611	6,212	45,094
Production tooling	13,230	358	—	13,588
Data processing equipment	15,091	1,662	1,069	15,684
Furniture and fittings	4,493	596	—	5,089
Office equipment	8,333	1,486	270	9,549
Vehicles	9,566	1,710	734	10,542
	128,994	16,515	8,285	137,224
<b>Intangible Assets</b>				
Technical knowhow	10,281	200	—	10,481
Computer software	14,863	1,128	7,212	8,779
	25,144	1,328	7,212	19,260
	154,138	17,843	15,497	156,484
Previous year	138,763	19,421	4,046	154,138
<b>Net Block</b>				
<b>Tangible Assets</b>				
Freehold /Leasehold land	66,912			65,956
Buildings	94,705			90,880
Plant and machinery	35,079			23,681
Production tooling	714			307
Data processing equipment	4,321			2,765
Furniture and fittings	1,338			742
Office equipment	3,921			2,543
Vehicles	3,365			1,406
	210,355			188,280
<b>Intangible Assets</b>				
Technical knowhow	1			303
Computer software	1,709			789
	1,710			1,092
	212,065			189,372
Previous year				212,065

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

b. \*\* Includes depreciation of Rs. 99 (2013 - Rs. 99) transferred from revaluation reserve.

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

Freehold land	265
Buildings	3,974
	4,239

As at 31 March 2014

As at 31 March 2013

(d) Includes following assets pertaining to Construction Equipement Division (CED) held for disposal (Note 33): "Land and Building Rs. 138707, Plant & Machinery Rs. 14970, Production Tooling Rs. 117, Data Processing Equipment Rs. 705, Office equipment Rs. 1722, Furniture & Fittings Rs. 227 and Vehicles Rs. 345 - Aggregating to Rs.156,793

e) Capital Commitments	As at 31.3.2014	As at 31.3.2013
On Account of Tangible assets	—	417
	—	417

#### 11) NON CURRENT INVESTMENTS (NON TRADE)

Investment in Equity Instruments (unquoted)

##### (a) Subsidiary Companies:

1,401,860.(2013-1,291,383)Equity Shares of Rs.10/-each in Semac Consultants Pvt.Ltd	877,271	861,346
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##### (b) Associates:

8,896,797(2013-8,896,797) Preferred Stock in Satellier Holdings Inc.,USA	48,750	48,750
Less: Provision for diminution in value (Note 25 and 34)	(48,750)	—

(c ) Capital Contribution in RCTIL LLP (Note 31)	—	10,000
--	---	--------

##### (d) Joint Venture

Capital contribution in Panch Tatva Realty (Note 11 'e')	200,000	200,000
	<u>1,077,271</u>	<u>1,120,096</u>

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 200000 towards its share of contribution in the capital of AOP (note 11(d)) for undertaking a real estate project as joint venture (JV) for construction of residential and commercial complexes in Chembur, Mumbai. Pursuant to an 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 commercial complexes it will be entitled to obtain minimum of 50000 sq ft of constructed area against the investment made in AOP.

f) Further, Rs 120600 has been given as loan to AOP and amount outstanding and interest receivable thereagainst amounting to Rs. 44100 and Rs. 24484 respectively have been shown under "Short Term Loan and Advances" (note 17).

#### 12) LONG TERM LOANS AND ADVANCES

(Unsecured -considered good unless otherwise stated)

Capital Advance	—	1,365
Loan given to Related Party (Note 11(f))	—	12,600
Loan to Employees	618	694
Deposits	11,298	11,964
Other receivables	—	12,044
	<u>11,916</u>	<u>38,667</u>

#### 13) OTHER NON CURRENT ASSETS (NON TRADE)

Deposits with Bank with original maturity of more than 12 months\*

* Includes Margin Money deposit (under lien) of Rs. 7254.	7,289	35
	<u>7,289</u>	<u>35</u>

#### 14) INVENTORIES

(Inventories are stated at the lower of cost and net realisable value)

Raw Materials ( including goods-in-transit)	178,487	226,993
Work in Progress	99,455	141,187
Merchanting goods ( including goods-in-transit)	97,346	119,626
	<u>375,288</u>	<u>487,806</u>

#### 15) TRADE RECEIVABLES

(Unsecured -considered good unless otherwise stated)

Outstanding for a period exceeding six months		
– Considered good	53,777	71,943
– Considered Doubtful	16,248	—
Other debts		
– Considered good	313,297	342,978
Less: Provision for Doubtful debt	(16,248)	—
	<u>367,074</u>	<u>414,921</u>

As at 31 March 2014

As at 31 March 2013

#### 16) CASH AND CASH EQUIVALENTS

Cash on hand	412	652
Balances with Banks:		
- Current Accounts	19,421	20,991
- Dividend Accounts (Restricted)	104	104
- Margin Money Deposit with banks ( Under Lien) with original maturity of more than three months	11,494	32,826
	<u>31,431</u>	<u>54,573</u>

#### 17) SHORT TERM LOANS AND ADVANCES

(Unsecured -considered good unless otherwise stated)

Balances with Government authorities	6,069	11,705
Loan Given to Related Party (Note 11(f) & 28)	44,100	108,000
Advance to Suppliers	24,380	29,396
Recoverable from employees	2,122	5,290
Deposits	1,292	915
Receivables from Related Party (Note 11 (f) & 28)	24,484	2,065
MAT Credit Entitlement (Note 17(b))	12,476	12,476
Advance Payment of Tax (net of provision)	24,804	21,901
Other Loans and advances	8,464	6,327
	<u>148,191</u>	<u>198,075</u>

#### a) Disclosure under clause 32 of the Listing Agreement

Loans and Advances to Employees	Max.Amt.outstanding during 2013-14	Max.Amt.outstanding during 2012-13	Outstanding as on 31.03.2014	Outstanding as on 31.03.2013
Housing Loan to employees (Interest @ 5%)	688	945	410	945
Other loans and advances (Interest free)	730	612	618	612

- b) During the earlier year, the Company was liable to pay Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961 (the Act). Accordingly, as advised in guidance note on "Accounting for credit available in respect of minimum alternate tax under the Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India, Rs 12476 ('000) being the credit available have been carried forward as MAT credit Entitlement to be set off against the future tax liabilities in terms of the relevant provisions of the Act. In view of the Management, the Company's taxable profit in future will be sufficient to offset the entitlement so recognized in the accounts.

For the year ended  
31st March 2014

For the year ended  
31st March 2013

#### 18) REVENUE FROM OPERATIONS

Sale of product	704,407	1,016,683
Less : Excise Duty	(45,765)	(80,626)
	<u>658,642</u>	<u>936,057</u>
Sale of Services	109,616	153,918
Less: Service tax	(6,098)	(5,486)
	<u>103,518</u>	<u>148,432</u>
Other Operating Revenue	2,815	5,930
Net Sales	<u>764,975</u>	<u>1,090,419</u>

#### a) Earnings in foreign exchange

FOB value of exports	<u>45,450</u>	<u>46,907</u>
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**For the year ended  
31st March 2014**

**For the year ended  
31st March 2013**

**19) OTHER INCOME**

Share of Profit from RCTIL LLP (Refer Note 31)	11,512	20,674
Profit/Loss on sale of current investments-net	—	2,885
Interest on investments and deposits	13,927	12,061
Provision/liabilities no longer required written back	5,551	-
Profit/(Loss) on sale of fixed assets-net	—	3,060
Miscellaneous Income	1,606	6,921
	<u>32,596</u>	<u>45,601</u>

**20) COST OF MATERIAL CONSUMED**

Raw Material and components consumed*		
Opening Stock of Raw Material	226,993	261,317
Add: Purchases	230,078	475,623
Less: Closing Stock	(178,487)	(226,993)
	<u>278,584</u>	<u>509,947</u>

\*Net of Rs. 6,924 (2013-Rs.9,887) for sales returns and includes Rs.8,931 (2013-Rs.19,847) for Warranty supplies

**a) RAW MATERIAL CONSUMED**

Items		
Under Carriage assemblies	10,966	20,110
Compressors and accessories	7,206	13,655
Electrical components	37,033	66,095
Hydraulic components	41,392	77,778
Pipes and valves	13,001	29,407
Gear/chain assemblies	20,736	27,118
Others (individually less than 10 per cent of total consumption)	148,250	275,784
	<u>278,584</u>	<u>509,947</u>

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

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

	<b>For the Year ended 31st March, 2014</b>		<b>For the Year ended 31st March, 2013</b>	
Consumption of raw material and components				
Imported	45,375	16.29%	89,338	17.52%
Indigenous	233,209	83.71%	420,609	82.48%
	<u>278,584</u>	<u>100%</u>	<u>509,947</u>	<u>100%</u>
Consumption of stores and spares				
Indigenous	3,618	100%	7,345	100%
	<u>3,618</u>	<u>100%</u>	<u>7,345</u>	<u>100%</u>

**c) C.I.F. VALUE OF IMPORTS**

Raw Materials, components and traded goods	81,166	104,556
	<u>81,166</u>	<u>104,556</u>

For the year ended  
31st March 2014

For the year ended  
31st March 2013

## 20A PURCHASES OF STOCK IN TRADE

Purchase of Merchanting Components	143,104	142,760
a) PURCHASE OF MERCHANTING GOODS		
Items		
Compressors	3,107	3,463
Others	139,997	139,297
	143,104	142,760

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

### Opening Stock

Work in Progress	141,187	169,143
Merchanting Goods	119,626	116,799

### Closing Stock

Work in Progress	99,455	141,187
Merchanting Goods	97,346	119,626
	64,012	25,129

## 22) EMPLOYEE BENEFIT EXPENSE

Salaries & wages	85,975	88,453
Contribution to Provident and other Funds	8,688	9,184
Staff Welfare expense	10,084	11,651
	104,747	109,288

- a) Remuneration amounting to Rs. 4,540 and Rs. 4,832 for the year ended 31st March 2014 (Rs. 4,540 and Rs. 2,687 for the year ended 31st March 2013) payable/paid to the Executive Chairman and Whole-time Director respectively. Excess remuneration of Rs.406 (PY. Rs. 406) paid to Executive Chairman is subject to approval from Central Government. Steps are being taken to get such approval.

## 23) FINANCE COSTS

Interest Expense	111,780	113,109
Other borrowing costs	934	2,462
	112,714	115,571

## 24) OTHER EXPENSES

Consumption of stores, spares, small tools, jigs and fixtures	3,618	7,345
Power and fuel	4,511	5,972
Rent	5,421	5,487
Repairs and maintenance:		
Buildings	8,484	9,273
Plant and machinery	475	688
Others	4,160	4,417
Insurance	1,996	2,532
Rates and taxes	4,786	6,978
Travelling and conveyance	38,746	44,444
Freight, clearing and packing	11,647	14,711
Legal and professional charges	8,321	11,095
Loss on sale of fixed assets-net	6,536	-
Directors' sitting fees	820	1,240
Selling commission	15,291	23,919
Exchange loss(net)	555	2,182
Bad debts and advances written-off (net of recoveries Rs.Nil(2013- Rs.68)	14,434	4,463
Provision for Doubtful Debts	16,249	-
Provision for warranty	-	459
Bank Charges	6,917	7,150
Service Charges	23,427	26,886
Miscellaneous expenses	19,014	23,219
	195,408	202,460

**For the year ended  
31st March 2014**

**For the year ended  
31st March 2013**

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

Auditor	275	275
For other services	275	370
For reimbursement of expenses	303	275
	<u>853</u>	<u>920</u>

b) Expenditure in foreign currency

Technical know-how	—	1,342
Selling commission	1,243	—
Travel	2,756	4,918
	<u>3,999</u>	<u>6,260</u>

**25) EXCEPTIONAL ITEMS**

"Exceptional Items include:"

– Provision for diminution in carrying value of the long term investment in Associate, Satellier Holdings Inc, USA, (Note 34).""	48750	—
– Loss against non usable and surplus inventory (Note 33 b)	30130	—
	<u>78,880</u>	<u>—</u>

**26) PROVISION FOR TAXES**

Deferred tax	(7,783)	1,457
	<u>(7,783)</u>	<u>1,457</u>

**27) CONTINGENT LIABILITIES AND COMMITMENTS**

(to the extent not provided for)

Customer claims for damages	3,678	3,678
Income Tax demand pending in appeal	1,088	—
Corporate guarantee given on behalf of a subsidiary	45,000	45,000
	<u>49,766</u>	<u>48,678</u>

**27) Related Party Disclosures :**

1. Enterprises where control exists:

Avalokiteshvar Valinv Ltd (AVL) - Holding Company  
Renaissance Construction Technologies India LLP upto 31.12.2013 (RCTILLP)  
Semac Consultants Pvt.Ltd (Subsidiary)

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

(i) Key Management Personnel:

Mr. Abhishek Dalmia      Executive Chairman  
Mr. S. Hariharan      Whole-time Director

(ii) Enterprise control by Director

Renaissance Construction Technologies India LLP (with effect from 1st January 2014) (RCTILLP)

3. Associate

Satellier Holdings Inc., USA  
Panch Tatva Realty - AOP

## 4. Disclosure of transactions between the related parties & the status of balances as on 31st March, 2014

(Rs. in 000's)

Particulars	Holdings	Subsidiary/ RCTI LLP	2013-14 Satellier Holdings Inc., USA	Panchatava - AOP	Key Management Personnel
<b>Income:</b>					
Share of Profit in RCTILLP		11,512			
Interest Income				12,440	
<b>Expenses:</b>					
Remuneration - Mr. Abhishek Dalmia					4,540
Remuneration - Mr. S. Hariharan					4,832
Reimbursement of Expenses		9			
Refund of Capital Contribution		10,000			
Amount received on account of current account		5,000			
Balances as on 31st March, 2014					
(a) Payable to RCTILLP			1,423		
(b) Payables to Subsidiary			195		
(c) Loan and Interest Receivable				68,584	

### 2012-2013

<b>Income:</b>					
Share of Profit in RCTILLP		20,674			
Interest Income					
<b>Expenses:</b>					
Remuneration to Key Management Personnel					9,180
Expenses	960	286			
Loss on sale of Shares	28	28			
Reimbursement of Expenses		5			-
Sale of Investments	5	5			
Balances as on 31st March, 2013					
(a) Current Account with RCTI LLP		2065			
(b) Payables to Subsidiary		196			
5) Provision for Diminution in value of long term investment has been made (Refer note no 25 and 34)			48750		

## 29) DISCLOSURE UNDER ACCOUNTING STANDARD -15

### Employee Benefits

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

#### Defined Contribution Scheme:

Contribution to Defined Contribution Plan recognised for the year are as under  
 Employer's Contribution to Provident Fund - 5,226 (2013-5,713)  
 Employer's Contribution to Superannuation Fund -2,659 (2013-2,784)

**Defined Benefit Scheme:**

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

<b>(a) Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuation as on 31 March, 2014</b>				
<b>Expenses recognised during the year ended March 31, 2014, (included in Schedule 18 of Profit and Loss Account)</b>	<b>Gratuity (Funded)</b>	<b>Leave Encashment (Non-Funded)</b>	<b>Gratuity (Funded)</b>	<b>Leave Encashment (Non-Funded)</b>
	<b>31.3.2014</b>	<b>31.3.2014</b>	<b>31.3.2013</b>	<b>31.3.2013</b>
1. Current Service Cost	1,518	656	1,679	731
2. Interest Cost	1,629	414	1,424	424
3. Expected return on plan assets	(1,967)	—	(1,732)	—
4. Actuarial Losses / (Gains)	(932)	(344)	(2,871)	121
<b>Total Expenses</b>	<b>248</b>	<b>726</b>	<b>(1,500)</b>	<b>1,276</b>
<b>Change in the obligation during the year ended March 31, 2014</b>				
1. Present value of Defined Benefit Obligation at the beginning of the year	19,320	5,648	18,643	5,718
2. Current Service Cost	1,518	656	1,679	731
3. Interest Cost	1,629	414	1,424	424
4. Benefit Paid	(2,034)	(933)	(1,697)	(1,345)
5. Actuarial (Gains) / Losses	(952)	(344)	(729)	121
<b>Present value of Defined Benefit Obligation at the end of the year</b>	<b>19,481</b>	<b>5,441</b>	<b>19,320</b>	<b>5,649</b>
<b>Change in Assets during the year ended March 31, 2014</b>				
1. Plan Assets at the beginning of the year	22,875	—	19,490	—
2. Contribution by Employer	—	933	1,208	1,345
3. Expected return on plan assets	1,967	—	1,732	—
4. Benefit Paid	(2,034)	(933)	(1,697)	(1,345)
5. Actuarial Gains / (Losses)	(20)	—	2,141	—
<b>Plan Assets at the end of the year</b>	<b>22,788</b>	<b>—</b>	<b>22,874</b>	<b>—</b>
<b>Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2014</b>				
1. Net Asset / (Liability) at beginning of the year	3,555	(5,648)	847	(5,718)
2. Employer Expenses	(248)	(726)	1,501	(1,276)
3. Employer Contributions	—	933	1,208	1,345
4. Net Asset / (Liability) at the end of the year	3,307	(5,441)	3,556	(5,649)
<b>Actuarial Assumptions</b>				
1. Discount Rate	8.90%	8.90%	8.00%	8.00%
2. Expected Rate of Return on Plan Assets	9.00%	—	9.00%	—

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

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

Particulars	Gratuity (Funded)				
	2013-14	2012-13	2011-12	2010-11	2009-10
Present Value of Defined Benefit Obligation	19,481	19,320	18,644	18,218	22,624
Fair Value of Plan Assets	22,788	22,875	19,490	18,185	24,363
Surplus / (Deficit)	3,307	3,555	847	(34)	1,739
Experience Adjustments on Plan Liabilities - (Loss) / Gain	(718)	992	(616)	(169)	279
Experience Adjustments on Plan Assets - (Loss) / Gain	(20)	2,141	46	(1,702)	131

### 30) SEGMENT REPORTING

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

#### A. PRIMARY SEGMENT

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

#### B. SECONDARY SEGMENT (Geographical segment)

	2013-14			
	Revenue	Asset	Liabilities	Capital Expenditure
Within India (*)	614,956	2,196,571	1,019,907	17,843
Outside India	43,686	15,112	—	—

	2012-13			
	Revenue	Asset	Liabilities	Capital Expenditure
Within India (*)	889,151	2,515,046	1,122,435	6,817
Outside India	46,906	11,192	—	—

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

- 31) The Company in terms of the Board resolution dated.26.11.2013 has retired from the partnership of Renaissance Construction Technologies India LLP (LLP) with effect from 31st December 2013 and one of the director alongwith his relative has joined as a partner in the said firm. Consequently, profit for the period from 1st April 2013 to 31st December 2013 (period) has been included in Note 19 "Other Income" and the opening balance of "General Reserve from LLP" as accumulated in the firm and belonging to the Company (note 3) has been transferred and added to general reserve of the Company. The capital contribution in the said LLP has been returned back to the Company (note 11(c)) and has been adjusted from the investment in this respect.

### 32) EARNINGS PER SHARE

	Year ended 31.3.2014	Year ended 31.3.2013
Net Profit/(Loss) attributable to equity shareholders (Rs.)	(211,928)	(31,219)
Weighted average number of equity shares issued	3,066,943	3,066,943
Basic and diluted earnings per share (Rs.) (Face value Rs 10 per share)	(69.10)	(10.18)

- 33) a) "Considering the current market condition of construction equipment business (CED), it has been decided to restructure the manufacturing facilities at Chennai and downsize and shift both manufacturing and service resources located at Chennai to Coimbatore and the same is currently under implementation. Fixed assets pertaining to said division at Chennai having written down value of Rs 156,793 as on 31st March 2014 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 management, no material loss on overall basis in this respect is expected to arise on disposal of these assets. ""
- b) In view of above, certain inventories becoming non usable and surplus have been written off and sold during the year. Loss of Rs. 30,130 (net of sale proceeds of Rs 9,378 thereagainst) has been disclosed under exceptional items.
- 34) The affairs of Satellier Holding Inc, USA, one of the associate of the company has been dissolved and certificate of dissolution has been issued by the appropriate authority. There being no likelihood of any amount being recoverable towards investment in equity and as such full provision against Investment of Rs. 48750 in the said company has been done in these accounts.
- 35) Certain debit and credit balances including accounts receivables, trade payables and loans & advances are subject to confirmation and reconciliation arising therefrom.



### 36) Information on Joint Ventures

#### a) Joint Venture

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

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

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

Particulars	Financial Year 2013-14
I. Assets	
Fixed Assets (Net Block)	140,770
Current Assets, Loans and Advances:	
- Cash and Bank Balances	1,992
- Inventory	253,265
- Loans and Advances	36,942
II. Liabilities	
Loan Funds	111,267
Current Liabilities and Provisions:	
- Liabilities	177,214
III. Income	
Other Income	238
IV. Expenditure	
Selling, Administrative and Other General Expenses	9
Finance Charges	12

37) Previous year figures includes full year operation of CED division restructured and downsized (note 33(a)) during the year and therefore, are not comparable with the current years' figures. Previous year figures have been regrouped/ reclassified to conform with current year presentation, wherever considered necessary.

**For Lodha & Co**  
Chartered Accountants

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

Place : Kolkata  
Date : May 30, 2014

**S.C. Katyal**  
Director

**M.N. Srinivasan**  
Company Secretary

Coimbatore  
May 30, 2014

**S. Hariharan**  
Whole-time Director

**Disclosure of information relating to subsidiary company**

The Company has one subsidiary namely Semac Consultants P. Ltd.

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

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

Pursuant to the provision of Section 212(B) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. A statement containing brief financial details of the Company's subsidiary for the financial year ended March 31, 2014 are given below. The annual accounts of this subsidiary and the related detailed information will be made available to any member of the Company / its subsidiary seeking such information at any point of time and are also available for inspection by any member of the Company / its subsidiary at the registered office of the Company. The Company shall furnish a copy of details of annual accounts of subsidiary to any member on demand.

Indian Rupees 000s

Sl No.	Particulars	Semac Consultants P Ltd
1	Share Capital	18,208
2	Reserves & Surplus	444,015
3	Total Assets	519,881
4	Total Liabilities	519,881
5	Details of Investments	114,297*
7	Turnover	547,055
8	Profit	121,490
9	Provision for taxation	39,645
10	Proposed dividend	Nil

\*Excluding investment in subsidiary

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

Name of the Subsidiary Company		<b>Semac Consultants Private Ltd.</b>
Financial year ending of the subsidiary		<b>March 31, 2014</b>
Extent of holding company's interest in the subsidiary at the end of the financial year (Number of shares held and percentage)		<b>Holding 1,401,860 equity shares of Rs 10 each. Percentage of holdings – 76.9%</b>
Net aggregate amount of Profit/ (Loss) of the Subsidiary not dealt within the Holding Company's accounts	For the current financial year of the Subsidiary	<b>Rs.121,490,252</b>
	For the previous financial year of the Subsidiary	<b>Rs.(78,796,437)</b>
Net aggregate amount of Subsidiary's Profit/ (Loss) dealt within the holding Company's accounts	For the current financial year of the Subsidiary	<b>NIL</b>
	For the previous financial year of the Subsidiary	<b>NIL</b>

**S.C. Katyal**  
Director

**S. Hariharan**  
Whole-time Director

**M.N. Srinivasan**  
Company Secretary

Place : Chennai  
Date : May 30, 2014

**Independent Auditors' Report****TO THE BOARD OF DIRECTORS OF REVATHI EQUIPMENT LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF REVATHI EQUIPMENT LIMITED, ITS SUBSIDIARY AND JOINT VENTURE****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Revathi Equipment Limited ("the Company") and its subsidiary and Joint Venture (the Company and its subsidiary and joint venture hereinafter collectively referred to as 'the Group') which comprises of the Consolidated Balance Sheet as at 31st March 2014, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement, significant accounting policies and other notes for the year ended on that date.

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

Management is responsible for the preparation of these consolidated financial statements 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 Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Basis for Qualified Opinion**

- (a) Managerial remuneration as given in note 25(a) and note 25(b) are subject to approval of Central Government;
- (b) In absence of any valuation for certain fixed assets pertaining to Construction Equipment Division held for disposal (note 35(a) and its impact on financial statements is presently not ascertainable.
- (c) As given in note 19(b) interest recoverable against loans given to Joint Venture (JV) has not been accounted for by JV on accrual basis. Accordingly, total assets and reserves are higher and loss for the year is lower to the extent of Rs. 119.97 lacs.
- (d) Other than as given in para (c) above, material impacts, if any, of the varying accounting policies with respect to employee benefits and depreciation followed by the overseas branch, subsidiary company and joint ventures on the consolidated Financial Statements have not been ascertained and given effect to for the purpose of consolidation (Note 1(B) and Note 1(I)(1.3)).
- (e) As stated in Note 1A(IV) of the Consolidated Financial Statements, the financial statements of Semac & Partners LLC (SPLLC) (subsidiary), Semac Qatar W.L.L.(SQWLL) ( joint venture) and Panch Tatva Realty (PTR) (Joint venture) for the year ended 31st March, 2014 has been prepared by the management and have not been subjected to audits by their auditors. The financial statements of these entities do not include cash flow statements and thereby the said statement has been derived by the management on overall basis based on consolidated balances. The financial statements of SPLLC, SQWLL and PTR reflect total assets of Rs.1569 lacs, Rs.213 lacs and Rs.4330 lacs respectively as at 31st March 2014 and total revenue of Rs.1252 lacs, Rs.749 lakhs and Rs. Nil, respectively for the year ended as on that date.
- (f) As stated in note 3(b), details with respect to differences in opening balance and appropriation in respect of the subsidiary company aggregating to Rs.136.09 lacs. Pending this, these have been adjusted against balance of surplus and minority interest as stated in said note and consequential impact thereof presently not being ascertainable, as such can not be commented upon by us.
- (g) Revenue shortfall with respect to the amount recoverable against debtors' balances of Rs. 358.77 lacs lying overdue as given in note 17(a) is presently not ascertainable.

- (h) Status of Rs 551.42 lacs included under other loans & advances being differential with respect to share of net assets of joint venture in AOP and contribution made by the Company is determinable in future therefore recovery/adjustment thereagainst in terms of arrangement with JV partner and possible impact thereof as such cannot be commented upon by us.(Note 19(c))
- (i) Subject to our comments in Paras "b" to "h" above, we report that Consolidated Financial Statements have been prepared by the company in the accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standard 27 "Financial Reporting of Interests in Joint Venture", on the basis of separate audited financial statements of the company and its subsidiary and joint venture included in Consolidated Financial Statements.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effect for the matters described in para "h" and "i" and possible effect of other paras of Basis of Qualified opinion impact whereof cannot be ascertained and commented upon, the 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:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2014 ;
- (ii) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (iii) in the case of Consolidated Cash Flow Statement, of the cash flows for the Group or the year ended on that date.

**Emphasis of Matter**

- (a) Attention is invited to Note 1(F) regarding retirement from the partnership of Renaissance Construction Technologies India LLP (LLP) together with it's rationale, effect recorded and reflected in the financial statements. Our opinion is not qualified in respect of this matter.
- (b) Accounting for revenues in respect of Engineering Consultancy and Project Management Charges as per note 1.8 of Note 1(I) of consolidated financial statements has been made based on agreed terms of billing generally as stated after receiving confirmation of the completion of work by the customers. These being technical matters and in absence of any independent mechanism for arriving at the specified milestones, reliance have been placed on the management's estimation in this respect. Our opinion is not qualified in respect of this matter.

**Other Matters**

We did not audit the financial statements of Semac & Partners LLC (SPLLC)(subsidiary), Semac Qatar W.L.L.(SQWLL) ( joint venture) and Panch Tatva Realty (PTR) (Joint venture), whose financial statements reflect total assets of Rs.1569 lakhs, Rs.104 lakhs and Rs.4330 lakhs respectively as at 31st March 2014 and total revenue of Rs.1962 lakhs, Rs.367 lakhs and Rs.2.38 lakhs respectively for the year ended as on that date. The financial statements of these entities were not audited by their auditors and our opinion, in so far it relates to the amounts included in this respect of the said entities, is based solely on the management accounts.

**For Lodha & Co.**

Chartered Accountants

Firm's ICAI Registration No.301051E

**R P Singh**

Partner

Membership No: 052438

Place: Kolkata

Dated: May 30, 2014

**REVATHI EQUIPMENT LIMITED**
**CONSOLIDATED BALANCE SHEET — MARCH 31, 2014**
**(All amounts in thousands of Indian Rupees)**

Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
(a) Share capital	2	30,669	30,669
(b) Reserves and surplus	3	1,133,709	1,276,723
Minority Interest	3(b)	152,729	154,292
Non-current liabilities			
(a) Long-term borrowings	4	88,273	3,826
(b) Long-term provisions	5	42,513	39,538
Current liabilities			
(a) Short-term borrowings	6	773,226	806,251
(b) Trade payables	7	184,033	263,728
(c) Other current liabilities	8	376,948	182,328
(d) Short term provisions	9	25,585	24,155
<b>TOTAL</b>		<b>2,807,685</b>	<b>2,781,510</b>
<b>ASSETS</b>			
Non-current assets			
Goodwill	36	448,625	465,320
(a) Fixed assets			
(i) Tangible assets	10	375,500	262,730
(ii) Intangible assets	10	8,784	10,950
(iii) Capital work in progress			-
(b) Non-current investments	11	705	43,191
(c) Deferred tax assets (net)	12	17,032	6,729
(d) Long-term loans and advances	13	18,312	245,191
(e) Other Non Current Assets	14	13,971	
Current assets			
(a) Current investments	15	111,757	-
(b) Inventories	16	628,553	487,806
(c) Trade receivables	17	702,239	738,029
(d) Cash and cash equivalents	18	94,326	120,410
(e) Short-term loans and advances	19	369,866	400,113
(f) Other current assets	20	18,016	1,042
<b>TOTAL</b>		<b>2,807,685</b>	<b>2,781,510</b>
Significant Accounting Policies	1		

Significant Accounting policies (Note 1) and other accompanying notes form an integral part of these consolidated financial statements  
This is the Consolidated Balance Sheet referred to in our Report of even date.

**For and on behalf of the Board**
**For Lodha & Co**  
Chartered Accountants

**S.C. Katyal**  
Director

**S. Hariharan**  
Whole-time Director

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

**M.N. Srinivasan**  
Company Secretary

Place : Kolkata  
Date : May 30, 2014

Chennai  
May 30, 2014

**REVATHI EQUIPMENT LIMITED****CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014****(All amounts in thousands of Indian Rupees)**

Particulars	Note No.	As at 31 March 2014	As at 31st March 2013
Revenue from operations	21	1,757,670	2,199,162
Other Income	22	50,441	46,592
Total Revenue		1,808,111	2,245,754
Expenses			
Cost of Materials Consumed	23	278,584	510,406
Purchases of Stock in Trade		143,104	142,760
Processing charges and purchase of materials through sub-contractors		22,089	41,309
Professional Charges		30,563	
Changes in inventories of finished goods, work in progress and Stock-in- trade	24	64,012	25,129
Employee benefits expense	25	610,784	590,807
Finance Costs	26	116,908	118,300
Depreciation and amortization expense	10	36,827	38,361
Less: Transferred from Revaluation Reserve		(99)	(99)
Other expenses	27	478,073	643,431
Total Expenses		1,780,845	2,110,405
Profit / (loss) before exceptional items		27,266	135,349
Exceptional Items	28	78,880	12,400
Profit / (loss) before tax		(51,613)	122,949
Tax expense:	29	40,610	53,836
Profit / (Loss) for the year before Share of Profit / (Loss) of associates and Minority Interest		(92,223)	69,113
Share of Profit / (Loss) of associates		—	(3,489)
Minority Interest		(33,782)	(30,611)
Net Profit / (Loss) after taxes, minority interest and share of Profit / (Loss) of associates		(126,005)	35,013
Earnings per equity share:	31		
— Basic and Diluted		(41.08)	11.42
Significant Accounting Policies	1		

Significant Accounting policies (Note 1) and other accompanying notes form an integral part of these consolidated financial statements  
This is the consolidated statement of Profit and Loss referred to in our Report of even date.

**For and on behalf of the Board**

**For Lodha & Co**  
Chartered Accountants

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

Place : Kolkata  
Date : May 30, 2014

**S.C. Katyal**  
Director

**M.N. Srinivasan**  
Company Secretary

Chennai  
May 30, 2014

**S. Hariharan**  
Whole-time Director



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

(All amounts in thousands of Indian Rupees)

	2013-14	2012-13
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax after exceptional items	(51,613)	122,949
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	36,728	38,262
Bad debt and advances written off	16,539	11,885
Provision for doubtful debts	27,243	12,181
Provision no longer required written back	(5,586)	(14,089)
Interest income	(27,501)	(14,013)
Dividend income	—	—
(Profit)/Loss on sale of fixed assets	2,552	(3,041)
Foreign exchange (gain) loss, net	1,045	1,862
Interest on borrowings	116,908	118,300
Release of earlier year losses on disposal of Associate	(6,271)	—
Provision for diminution in carrying value of the long term investment in Associate	48,750	—
<b>Operating cash flow before working capital changes</b>	<b>158,793</b>	<b>271,412</b>
<b>Changes in working Capital:</b>		
(Increase)/Decrease in inventories	(140,747)	(487,806)
(Increase)/decrease in trade and other receivables	166,312	(1,190,075)
(Decrease)/increase in current liabilities and provisions	124,418	509,275
Cash generated from Operations	308,776	(897,194)
Direct taxes paid (Net of Refund)	30,864	(248,919)
<b>Net cash provided by/(used in) operating activities (A)</b>	<b>339,640</b>	<b>(1,146,113)</b>
<b>(B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase)/Sale of Fixed Assets	(149,983)	(17,546)
Sale / (Purchase) of investments	(124,934)	8,814
Interest and dividend received	9,733	3,187
Purchase of Investment in Subsidiary	(15,925)	—
<b>Net cash provided by/(used in) investing activities (B)</b>	<b>(281,110)</b>	<b>(5,545)</b>
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from / (repayment) of borrowings	51,921	811,860
Interest paid	(116,908)	(118,300)
Appropriation and adjustments to balances of surplus and minority interest (Note 3 below)	(14,184)	—
<b>Net cash provided by/(used in) financing activities (C)</b>	<b>(79,171)</b>	<b>693,560</b>
<b>(D) NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(20,641)</b>	<b>(458,098)</b>
<b>(E) CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>	<b>120,410</b>	<b>115,550</b>
Exchange Difference on Translation of Foreign Subsidiary	(5,443)	—
<b>(F) CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	<b>94,326</b>	<b>120,410</b>

- 1) The above Cash Flow Statement has been compiled/prepared based on the audited accounts of the Company under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.
- 2) Cash and Bank balance includes Rs. 32826 ( previous year Rs 33,137) which are under lien or are not freely available.
- 3) Adjusted as per note 3(a) and 3(b), pending necessary details in this respect.
- 4) Previous year's figures have been rearranged, where necessary.

For Lodha & Co  
Chartered Accountants

S.C. Katyal  
Director

S. Hariharan  
Whole-time Director

R.P. Singh  
Partner  
Membership No.:052438

M.N. Srinivasan  
Company Secretary

Place : Kolkata  
Date : May 30, 2014

Chennai  
May 30, 2014

**NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014****1) BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES****A. Principles of Consolidation**

- I. The Consolidated Financial Statements of Revathi Equipment Limited ("the Company") and its Subsidiary Company and its Joint Venture have been prepared in accordance with Accounting Standard (AS 21) on "Consolidated Financial Statements" and Accounting Standard (AS 27) on "Financial Reporting of Interests in Joint Ventures" notified by Companies (Accounting Standards) Rules, 2006. The basis of preparation of the Consolidated Financial Statements is as follows:
- The financial statements of the Company and its subsidiary and its Joint Venture 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".
  - Investments in joint venture have been accounted for by using the "proportionate consolidation method" in accordance with the Accounting Standard (AS-27) - "Financial Reporting of Interests in Joint Ventures".
  - The difference between the cost of investment in the subsidiary and joint venture over the net assets at the time of acquisition of shares in the subsidiary and the joint venture is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. Such goodwill/capital reserve has been consolidated based on the audited financial statement of the subsidiary and joint venture as on the reporting date immediately preceding the date on which the holding-subsidiary and joint venture relationship came into existence.
  - 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.
  - The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of profit and loss being the profit and loss on disposal of investment in subsidiary.
- 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	
		2013-14	2012-13
Renaissance Construction Technologies India Ltd (RCTL) (Refer Note 1 (F))	India	–	100%
Semac Consultants Pvt Ltd	India	76.99%	70.92%
Semac & Partners LLC	Muscat - Sultanate of Oman	65%	65%

- III. The interest in joint venture is given below:

Name of Joint Venture	Country of Incorporation	% Voting Power	
		2013-14	2012-13
Semac Qatar W.L.L - Limited Liability Company	Qatar	49%	49%
Panch Tatva Realty - Association of Person	India	54%	54%

- IV. In the absence of audited financial statements of Semac & Partner LLC (Muscat), Seamc Qatar WLL (Qatar) and Panch Tatva Realty, financial statements of these have been consolidated based on unaudited financial results for the period from 1st April, 2013 to 31st March, 2014 as submitted by the management .
- V. 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.
- VI. (a) In absence of audited accounts on the date of acquisition of shares, goodwill/capital reserve has been computed based on the latest audited/unaudited accounts after adjusting profit for the period till the date of acquisition on proportionate basis.
- (b) During the year the company has acquired 110477 number of equity shares of the subsidiary for a consolidation of Rs.15925. The capital reserve of Rs.16695 arising on consolidation has been adjusted against the balance of goodwill brought forward from earlier year.
- B. The Group has adopted Accounting Standard 15 (AS 15) (revised 2005) on 'Employee Benefits'. These consolidated financial statements include the obligations as per requirement of this standard except for the overseas branch, subsidiary and joint venture incorporated outside India who have determined the valuation / provision for employee benefits as per requirements of their respective countries. In the opinion of the management, the impact of this deviation is not considered material.
- C. Semac Muscat has transferred retained earnings to the Share Capital 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 scrips in this respect, the same has not been recorded as investment and the difference has been taken to "Consolidation Adjustment Reserve".

- D. The Subsidiary at Muscat and Joint Venture at Qatar have transferred certain portion of its' net income to Legal/Statutory Reserve. These reserves are not available for distribution except in the circumstances stipulated and the same has been disclosed as Legal/Satutory Reserve.
- E. In respect of the joint venture (JV), the financial statements have been prepared on a going concern basis. However, the JV's accumulated losses as at 31st March, 2013 has exceeded 50% of its capital. The validity of going concern assumption depends upon achieving profitable operations in the future and the continued financial support of all the JV partners. The Company along with other JV partners confirmed their willingness to provide necessary financial support as would be necessary for the said JV to meet its obligations to continue its future operations.
- F. The Company in terms of the Board resolution dated 26.11.2013 has retired from the partnership of Renaissance Construction Technologies India LLP (RCTILLP) with effect from 31st December 2013. Consequently, results of the operation of said LLP for the period from 1st April 2013 to 31st December 2014 (period) has been considered for consolidation. The opening balance of surplus (note 3) has been transferred and added to the general reserve of the Company.
- G. "The Company alongwith another company 'Tridhaatu Realty and Infra Pvt Ltd' has formed an Association of Person (AOP) Panch Tatva Realty and has made an investment of Rs 200000 towards its share of contribution in the capital of AOP for undertaking a real estate project as joint venture (JV) for construction of residential and commercial complexes in Chembur, Mumbai. Pursuant to an 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 commercial complexes it will be entitled to obtain minimum of 50000 sq ft of constructed area against the investment made in AOP." "Considering the progress of the real estate project undertaken by AOP, the balances of assets and liabilities and operations of the joint venture have been consolidated during the year under proportionate consolidation method."
- H. The affairs of Satellier Holding Inc, USA, one of the associate of the company has been dissolved during the year and certificate of dissolution has been issued by the appropriate authority. There being no likelihood of any amount being recoverable towards investments in equity, full provision against such Investment of Rs. 48750 in the said company has been made in these accounts. Hence, the said associate has not been considered for consolidation under equity method of accounting as per AS 23 on "Accounting for Investments in Associates in Consolidated Financial Statement" (AS 23).

## **I. SIGNIFICANT ACCOUNTING POLICIES**

### **1.1 Basis of Preparation of Financial Statements**

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

### **1.2 Use of Estimates**

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

### **1.3 Fixed Assets and Depreciation**

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

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

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

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

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

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

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

#### **1.4 Impairment**

Fixed Assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognised whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is greater of assets' net selling price or it's value in use. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased.

#### **1.5 Inventories**

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

#### **1.6 Investments**

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

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

#### **1.7 Employee Benefits**

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

Defined contributions plan:

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

Defined benefits plan:

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

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

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

#### **1.8 Revenue recognition**

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

Services income is recognised upon rendering of the services.

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

Income 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 collectibility, revenue recognition is postponed till resolution thereof.

#### **1.9 Product warranty costs**

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

#### **1.10 Income Tax**

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

### 1.11 Foreign currency transactions

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

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

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

### 1.12 Provisions, Contingent Liabilities and Contingent Assets

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

### 1.13 Borrowing Cost

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

	As at 31st March, 2014	As at 31st March, 2013
<b>2) SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
3,500,000 Equity Shares of Rs. 10/- each (Previous year 3,500,000 Equity Shares of Rs. 10/- each)	35,000	35,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
3,066,943 Equity Shares of Rs. 10/- each (Previous year 3,066,943 Equity Shares of Rs. 10/- each)	30,669	30,669
	30,669	30,669
<b>a) Shareholders holding more than 5% shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Avalokiteshvar Valinv Ltd (AVL) (Formerly known as Utkal Investments Ltd) (Holding Company)	1,428,860	1,428,860
Renaissance Stock Ltd (Wholly owned subsidiary of AVL)	457,000	457,000
Renaissance Asset Management Company P.Ltd (Associate of AVL)	340,093	340,093
<b>b) "Terms and rights attached to equity shares: "The Company has one class of equity shares having par value of Rs 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation the equity shareholders are eligible to receive the remaining assets after discharging all liabilities of the Company, in proportion to their shareholding."</b>		
<b>3) RESERVES AND SURPLUS</b>		
Capital reserve	149	149
Capital redemption reserve	3,111	3,111
<b>Revaluation reserve</b>		
Opening Balance	1,541	1,640
Less: Transfer to Statement of Profit & Loss	(99)	(99)
Balance at the end of the year	1,442	1,541
Consolidation Adjustment Reserve	5,828	5,828
General reserve	540,477	540,477
Add: General Reserve from LLP	12,028	—
	552,505	—

	As at 31st March, 2014	As at 31st March, 2013
Foreign Currency Translation Reserve	(4,749)	694
Legal / Statutory Reserve		
Opening Balance	7,134	7,134
Add: Profit/ (Loss) for the year transferred from Statement of Profit & Loss	596	-
Balance at the end of the year (including share of Joint Venture- Rs. (8.03) (Previous Year Rs. (5.88))	7,730	7,134
Surplus		
Opening Balance	717,789	682,776
Add: Profit / (Loss) for the year transferred from Consolidated Statement of Profit & Loss (including share of profit in Joint Venture- Rs. 2691 (Previous Year Rs. (5,982))	(126,005)	35,013
Less : Transferred to General reserve on disposal of RCTILLP (note 1F)	(12,028)	-
Less : Adjustment on consolidation		-
- Joint Venture (note 3(a))	(582)	
- Subsidiary (note 3(b))	(10,885)	
Less: Transfer to Legal Reserve	(596)	-
Balance at the end of the year (including share of Joint Venture- Rs. (10,193) (Previous Year Rs. (12,883.53))	567,693	717,789
	1,133,709	1,276,723
a) "Share of post acquisition losses recognised for on consolidation of joint venture as per note 1(G)"		
b) Pending necessary details, Rs. 5,441 being difference in the opening balance of surplus and Rs. 5,444 appropriated in this year from surplus as per the unaudited shown in the accounts of subsidiary at Muscat have been shown as adjustment from surplus and Rs.2,724 relatable to minority has been adjusted against balances of the same. Effect in this respect will be ascertained and recognised on compilation of the details on account of such differences.		
<b>4) LONG TERM BORROWINGS (SECURED)</b>		
ICICI Bank loan	1,423	1,476
Vehicle Loan	207	2,350
	1,630	3,826
Share of Joint Venture	86,643	-
	88,273	3,826
a) Loan taken from ICICI Bank is secured by Mortgage of flat at Sikandurabad and is repayable in equated monthly instalments (EMI) of Rs. 38.6 each (starting from August 2005 for a period of 10 years) and Rs. 29.7 each (starting from November, 2005 for a period of 10 years).		
b) Vehicle Loan is secured against hypothecation of Vehicle and is repayable in equated monthly instalments of Rs. 34.19 each (starting from February, 2012 for a period of 3 years), Rs. 12.8 each (starting from August, 2011 for a period of 3 years) and Rs.12.47 each (starting from April 2014 for a period of 3 years)		
c) Current maturities of above loans have been shown under note 8		
<b>5) LONG TERM PROVISIONS</b>		
Provision for Employee Benefits		
Provision for Privilege Leave Encashment & Sick Leave	6,848	6,597
Provision for Gratuity	33,444	31,281
	40,292	37,878
Share of Joint Venture	2,221	1,660
	42,513	39,538
<b>6) SHORT TERM BORROWINGS</b>		
Cash Credit (Secured)	748,602	806,251
	748,602	806,251
Share of Joint Venture	24,624	-
	773,226	806,251
a. Cash credit Loan under multiple banking arrangement has been secured by way of pari-passu charge on entire current assets of the company and second charge on fixed assets of the company.		



	As at 31st March, 2014	As at 31st March, 2013
<b>7) TRADE PAYABLES</b>		
- Due to Micro, Small and Medium Enterprises	2,191	7,786
- Others	169,328	233,904
- Acceptances	6,185	21,800
	<u>177,704</u>	<u>263,490</u>
Share of Joint Venture	6,329	238
	<u>184,033</u>	<u>263,728</u>
a) Acceptance represents outstanding vendors Bills discounted from the bank under MSME Receivable Finance Scheme.		
b) Disclosure of sundry creditors under current liabilities is based on the information available with the company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the balance sheet date. Based on the above the relevant disclosures under section 22 of the Act are as follows:		
	2013-14	2012-13
a) Principal amount outstanding at the end of the year	2,191	7,786
b) Interest amount due at the end of the year	Nil	Nil
c) Interest paid to suppliers	Nil	Nil
<b>8) OTHER CURRENT LIABILITIES</b>		
Current maturities of		
- ICICI Bank Loan (note 4(a))	590	616
- Vehicle Loan (note 4(b))	1,692	1,168
Unclaimed dividends *	104	104
Advances from customers	35,046	6,882
Amount due to related parties (note 33)	10,103	8,179
Employee Related Dues	33,926	37,264
Statutory Liabilities	31,918	30,309
Amount payable to subsidiary	-	-
Security Deposit from Stockist	3,000	-
Accrued Expenses & Other Liabilities	71,084	86,928
	<u>187,463</u>	<u>171,450</u>
Share of Joint Venture	189,485	10,878
	<u>376,948</u>	<u>182,328</u>
* Paid on 20.5.2014		
a) Other liabilities include Rs 12,400 regarding claim made by a client which is under dispute.		
<b>9) SHORT TERM PROVISIONS</b>		
Provision for Warranties Claims	10,614	16,166
<b>Provision for Employee Benefits</b>		
Provision for Privilege Leave Encashment & Sick Leave	3,026	2,656
Provision for Incentive	6,045	-
Provision for Bonus	464	
Provision for Gratuity	4,285	3,769
	<u>24,434</u>	<u>22,591</u>
Share of Joint Venture	1,151	1,564
	<u>25,585</u>	<u>24,155</u>
a) Disclosures as required in terms of Accounting Standard 29 " Provisions, Contingent Liabilities and Contingent Assets".		
Opening Balance	16,166	15,707
Provided during the year (*)	3,380	8,677
Amounts used during the year	(8,931)	(8,218)
Closing Balance	10,615	16,166
(*) remains adjusted with cost of material		

**NOTES TO THE COSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**
**10. FIXED ASSETS** (All amounts in thousands of Indian Rupees)

Gross Block	Balance at the beginning of year	Additions/ Charge	Deletions / Adjustments	FCTR	Balance at the End of year
<b>Gross Block</b>					
<b>Tangible Assets</b>					
Freehold/Leasehold land	71,452	-	-	-	71,452
Buildings	140,341	311	9,875	-	130,777
Plant and machinery (*)	83,944	1,033	13,032	(1,051)	70,894
Production tooling	13,944	-	49	-	13,895
Data processing equipment	72,297	3,402	3,110	(67)	72,522
Furniture and fittings	24,711	2,887	673	98	27,023
Leasehold Improvements	6,932	253	122	-	7,063
Office equipment	38,657	5,622	3,148	426	41,556
Vehicles	40,462	8,463	3,203	1,570	47,291
Share in joint venture	2,116	140,818	-	185	143,120
	494,855	162,789	33,212	1,161	625,593
<b>Intangible Assets</b>					
Technical knowhow	10,282	502	-	-	10,784
Computer software	52,912	2,023	7,213	1,280	48,975
	63,194	2,525	7,213	1,280	59,759
<b>Total</b>	<b>558,049</b>	<b>165,313</b>	<b>40,425</b>	<b>2,441</b>	<b>685,352</b>

Accumulated depreciation	Balance at the beginning of year	Additions/ Charge	Deletions	FCTR	Balance at the End of year
<b>Tangible Assets</b>					
Freehold/Leasehold land	4,541	956	-	-	5,497
Buildings	32,899	4,440	2,422	-	34,917
Plant and machinery (*)	48,243	5,642	6,212	(655)	47,018
Production tooling	13,230	358	-	-	13,588
Data processing equipment	62,093	4,039	1,638	756	65,250
Furniture and fittings	14,785	2,582	133	68	17,302
Leasehold Improvements	4,785	408	5	-	5,187
Office equipment	23,211	3,980	1,478	75	25,788
Vehicles	27,290	8,267	2,546	1,009	34,019
Share in joint venture	1,050	375	-	102	1,527
	232,126	31,047	14,434	1,354	250,093
<b>Intangible Assets</b>					
Technical knowhow	10,281	200	-	-	10,481
Computer software	41,963	5,580	7,223	175	40,494
	52,244	5,780	7,223	175	50,975
<b>Total</b>	<b>284,370</b>	<b>36,827</b>	<b>21,657</b>	<b>1,529</b>	<b>301,068</b>
Previous year	<b>272,166</b>	<b>38,361</b>	<b>7,394</b>	<b>(18,763)</b>	<b>284,370</b>

Net Block	Balance at the beginning of year	Balance at the End of year
<b>Tangible Assets</b>		
Freehold/Leasehold land	66,911	65,955
Buildings	107,442	95,860
Plant and machinery (*)	35,701	23,876
Production tooling	714	307
Data processing equipment	10,204	7,272
Furniture and fittings	9,926	9,721
Leasehold Improvements	2,147	1,875
Office equipment	15,446	15,769
Vehicles	13,172	13,272
Share in joint venture	1,066	141,593
	<u>262,730</u>	<u>375,500</u>
<b>Intangible Assets</b>		
Technical knowhow	1	303
Computer software	10,949	8,481
	<u>10,950</u>	<u>8,784</u>
Total	<u>273,679</u>	<u>384,284</u>
Previous year	286,725	273,679

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

b. \*\* Includes depreciation of Rs. 99 (2011 - Rs. 99) transferred from revaluation reserve.

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

Freehold land	265
Buildings	3,974
	<u>4,239</u>

d. Includes Adjustment due to disposal of subsidiary RCTIL

e. Includes following assets pertaining to Construction Equipment Division (CED) held for disposal (Note 35):

Land and Building Rs. 138707, Plant & Machinery Rs. 14970, Production Tooling Rs.117, Data Processing Equipment Rs.705, Office equipment Rs. 1722, Furniture and Fittings Rs. 227 and Vehicles Rs.345 - Aggregating to Rs.156,793

	As at 31.3.2014	As at 31.3.2013
On account of Tangible assets	<u>—</u>	<u>417</u>
	<u>—</u>	<u>417</u>

**As at**  
**31st March, 2014**      **As at**  
**31st March, 2013**

## 11) NON CURRENT INVESTMENTS (NON TRADE)

(At cost unless otherwise stated)

Investment in Equity Instruments (unquoted)

(a) Shares in Associates:

8,896,797 (2014-8,896,797) Preferred Stock in Satellic Holdings Inc.,USA

Less: Provision for diminution in value (Note 1(H))

**48,750**  
**(48,750)**      42,487

(b) Share in Other Bodies Corporate

128 Fully Paid-Up Equity Shares of Rs. 25/- each in Shamrao Vittal Co-op. Bank Ltd.

66,040 Fully Paid up Equity shares of Rs. 10/- each in AEC Infotech Pvt. Ltd.

(Non Trade- Quoted)

**3**  
**666**      3  
666

(c) Share in Other Bodies Corporate

3,600 Fully Paid up Equity Shares of Rs. 10/- each in Lakeland Hotels Ltd.

**36**  
**705**      36  
43,191

Aggregate amount of Quoted Investments

Market Value of Quoted Investments

Aggregate amount of Unquoted Investments

**36**  
**56**  
**669**      36  
41  
43,155

As at  
31st March, 2014

As at  
31st March, 2013

## 12) DEFERRED TAX ASSETS (NET)

Deferred Tax Assets :		
Provision for Leave Encashment & Gratuity	12,042	10,407
Provision for doubtful debts	10,051	3,643
Deferred Tax Liabilities :		
Depreciation Difference	(3,988)	(7,321)
Payment of Gratuity Fund	(1,073)	-
	<u>17,032</u>	<u>6,729</u>

## 13) LONG TERM LOANS AND ADVANCES

(Unsecured -considered good unless otherwise stated)

Capital Advance	-	201,365
Loan Given	-	12,600
Loan to Employees	618	694
Deposits	17,590	18,393
Other receivables	-	12,044
	<u>18,208</u>	<u>245,096</u>
Share of Joint Venture	104	95
	<u>18,312</u>	<u>245,191</u>

## 14) OTHER NON CURRENT ASSETS

Deposits with Banks\* (Under Lien Rs. 6,682)\*\*

Deposits with Bank with original maturity of more than 12 months\*

\* Includes Margin Money deposit (under lien) of Rs. 7254 (P.Y : Rs nil)

\*\* Includes accrued interest on deposit Rs. 794

Deposits with Banks* (Under Lien Rs. 6,682)**	6,682	-
Deposits with Bank with original maturity of more than 12 months*	7,289	-
* Includes Margin Money deposit (under lien) of Rs. 7254 (P.Y : Rs nil)	-	-
	<u>13,971</u>	<u>-</u>

## 15) CURRENT INVESTMENTS (NON TRADE)

Investments in Mutual Funds (Quoted)

4,486,627 units of HDFC Liquid Fund-Growth

4,486,627 units of HDFC Liquid Fund-Growth	111,757	-
	<u>111,757</u>	<u>-</u>

## 16) INVENTORIES

(Inventories are stated at the lower of cost and net realisable value)

Raw Materials (including goods-in-transit)	178,487	226,993
Work in Progress	99,455	141,187
Merchanting goods (including goods-in-transit)	97,346	119,626
	<u>375,288</u>	<u>487,806</u>
Share of Joint Venture	253,265	-
	<u>628,553</u>	<u>487,806</u>

## 17) TRADE RECEIVABLES

(Unsecured -considered good unless otherwise stated)

Outstanding for a period exceeding six months

- Considered good

- Considered doubtful

Other debts

- Considered good

Less: Provision for doubtful debts

- Considered good	196,062	182,727
- Considered doubtful	30,976	17,469
Other debts		
- Considered good	504,597	545,568
Less: Provision for doubtful debts	(38,669)	(17,469)
	<u>692,966</u>	<u>728,295</u>
Share of Joint Venture	9,273	9,734
	<u>702,239</u>	<u>738,029</u>

As at  
31st March, 2014

As at  
31st March, 2013

- a) Sundry debtors includes Rs. 35,877 which are overdue for payments. In view of the steps being taken for recovery, these have been considered to be good and recoverable.
- b) Amount receivable from customers is considered due on raising of invoice.

## 18) CASH AND CASH EQUIVALENTS

Cash on hand	895	987
Balances with Banks:		
- Current Accounts	62,934	64,169
- Dividend Accounts (Restricted)	104	7,700
- Deposit Accounts ( under lien- Rs. 149) *( previous year Rs. 7,595)	149	14,294
- Deposit Accounts with more than twelve months maturity (Under Lien Rs. 1,260)**	16,693	
- Margin Money Deposit with banks ( Under Lien) with original maturity of more than three months	11,494	32,826
	92,269	119,976
Share of Joint Venture	2,057	433
	94,326	120,410

\* Includes accrued interest on deposit Rs. 1.71

\*\* Includes accrued interest on deposit Rs. 223

## 19) SHORT TERM LOANS AND ADVANCES

(Unsecured -considered good unless otherwise stated)

Balances with Government authorities	6,069	18,475
Loan Given to Related Party (note 33)	44,100	108,000
Advance to Suppliers	25,547	30,775
Recoverable from employees	3,919	5,290
Deposits	6,348	6,506
Prepaid Expenses	7,077	-
Advances (Net) / Recoverable from Related Parties (note 33)	48,939	11,773
MAT Credit Entitlement	12,476	12,476
Advance payment of Taxes		
Advance Payment of Tax (net )	129,860	190,347
Advance payment of Fringe Benefit Tax (net )	781	-
Other Loans and advances	65,657	15,976
	350,773	399,618
Share of Joint Venture	19,093	495
	369,866	400,113

- a) Advances to related parties include Rs.12,737 outstanding from Renaissance Construction Technologies India LLP, a LLP where one of the director is a partner, pursuant to arrangement made in earlier years. Steps have been taken to regularise these, keeping in view the provisions of the Companies Act, 2013
- b) Recoverable from related parties include Rs. 24,484 being interest on loan not recorded by AOP.
- c) Other Loans & Advances include Rs. 55,142 being differential with respect to net assets consolidated and contribution thereagainst by the Company. The amount is adjustable against Company's share of assets and recoveries therefrom in terms of arrangement with JV partner.
- d) During the earlier year, the Company was liable to pay Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961 (the Act). Accordingly, as advised in guidance note on "Accounting for credit available in respect of minimum alternate tax under the Income Tax Act, 1961" issued by the Institute of Chartered Accountants of India, Rs 12,476 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, 2014	As at 31st March, 2013
<b>20) OTHER CURRENT ASSETS</b> (Unsecured -considered good unless otherwise stated)		
Interest Accrued on Deposits	—	1,042
	<u>—</u>	<u>1,042</u>
Share of Joint Venture	<u>18,016</u>	<u>—</u>
	<u>18,016</u>	<u>1,042</u>
	<b>For the Year ended 31st March, 2014</b>	<b>For the Year ended 31st March, 2013</b>
<b>21) REVENUE FROM OPERATIONS</b>		
Sale of product	810,898	1,243,746
Less : Excise Duty	<u>(45,765)</u>	<u>(80,626)</u>
	<u>765,133</u>	<u>1,163,120</u>
Sale of Services /Engineering Consultancy and Project Management Charges	1,035,146	1,068,922
Less: Service tax	<u>(82,126)</u>	<u>(80,948)</u>
	<u>953,020</u>	<u>987,974</u>
Other Operating Revenue	2,815	5,930
Share of Joint Venture	<u>36,702</u>	<u>42,137</u>
Net Sales	<u>1,757,670</u>	<u>2,199,162</u>
<b>22) OTHER INCOME</b>		
Release of earlier year losses with respect to Associate (Note 1(H))	6,271	—
Profit on sale of current investments	—	2,885
Interest on investments and deposits	14,187	12,346
Provision/Liabilities no longer required written back	5,586	14,089
Other Interest income	10,266	1,668
Profit on sale of fixed assets	4,084	3,041
Foreign Exchange Difference (Net)	—	320
Interest from Bank	2,654	—
Interest on Advances	394	—
Tender document charges received	4,541	—
Miscellaneous Income	<u>1,606</u>	<u>11,866</u>
	<u>49,589</u>	<u>46,214</u>
Share of Joint Venture	<u>852</u>	<u>378</u>
	<u>50,441</u>	<u>46,592</u>
<b>23) COST OF MATERIAL CONSUMED</b>		
Raw Material and components consumed*		
Opening Stock of Raw Material	226,993	261,317
Add: Purchases	230,078	476,082
Less: Closing Stock	<u>(178,487)</u>	<u>(226,993)</u>
	<u>278,584</u>	<u>510,406</u>
Share of Joint Venture	<u>—</u>	<u>—</u>
	<u>278,584</u>	<u>510,406</u>

\*Net of Rs. 6,924 (2013-Rs.9,887) for sales returns and includes Rs.8,931 (2013-Rs.19,847) for Warranty supplies



As at 31st March, 2014      As at 31st March, 2013

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

Opening Stock		
Work in Progress	141,187	169,143
Merchanting Goods	119,626	116,799
Closing Stock		
Work in Progress	99,455	141,187
Merchanting Goods	97,346	119,626
	<u>64,012</u>	<u>25,129</u>

## 25) EMPLOYEE BENEFIT EXPENSE

Salaries & wages	521,804	512,045
Contribution to Provident and other Funds	28,128	31,730
Staff Welfare expense	34,636	23,163
	<u>584,568</u>	<u>566,938</u>
Share of Joint Venture	26,216	23,869
	<u>610,784</u>	<u>590,807</u>

- a) Remuneration amounting to Rs 4,540 and Rs.4,832.for the year ended 31st March 2014 (Rs 4,540.and Rs 2,687.for the year ended 31st March 2013) payable/paid to the Executive Chairman and Whole-time Director respectively. Excess remuneration of Rs.406 (PY. Rs 406) paid to Executive Chairman is subject to approval from Central Government. Steps are being taken to get such approval.
- b) Managerial remuneration of the subsidiary company has been considered at Rs. 6,000 as against Rs 8,822 since differential amount has been foregone by Managing Director, for which necessary approval from Central Government is yet to be obtained.

## 26) FINANCE COSTS

Interest	116,896	114,777
Other borrowing costs	12	3,524
	<u>116,908</u>	<u>118,300</u>

## 27) OTHER EXPENSES

Consumption of stores, spares, small tools, jigs and fixtures	3,618	7,345
Supply and Erection Charges	—	72,679
Purchase of Materials and other expenses at site	41,987	115,680
Labour Charges	17,746	21,129
Power and fuel	9,790	11,867
Rent	28,986	30,165
Repairs and maintenance	—	—
Buildings	8,619	9,535
Plant and machinery	475	688
Others	10,053	21,238
Insurance	6,902	7,993
Rates and taxes	6,981	9,648
Travelling and conveyance	63,558	73,774
Freight, clearing and packing	11,647	18,025
Legal and professional charges	8,321	88,812
Directors' sitting fees	820	1,240
Selling expenses and commission	15,291	26,629
Exchange loss(net)	1,045	2,182
Bad debts and advances written-off	16,539	11,885
Provision for Bad Debts	27,243	12,181
Bank Charges	7,199	10,387
Loss on sale of fixed assets	6,635	—
Service charges	23,427	—
Miscellaneous expenses	154,898	79,835
	<u>471,780</u>	<u>632,915</u>
Share of Joint Venture	6,293	10,517
	<u>478,073</u>	<u>643,431</u>

As at  
31st March, 2014

As at  
31st March, 2013

## 28) EXCEPTIONAL ITEMS

(a) Exceptional Items include:

- Provision for diminution in carrying value of the long term investment in Associate, Satellier Holdings Inc, USA, (Note 1H.).	48,750	—
- Loss against non usable and surplus inventory (Note 35 (b))	30,130	—
	<u>78,880</u>	<u>—</u>

(b) Certain claim raised by a customer was under arbitration in the earlier year. Accordingly Rs.1,24,00 payable in this respect on settlement of award was recognised as exceptional items during FY2012-13.

## 29) PROVISION FOR TAXES

Current tax	40,610	46,096
Deferred tax	—	7,740
	<u>40,610</u>	<u>53,836</u>
Share of Joint Venture	—	—
	<u>40,610</u>	<u>53,836</u>

## 30) CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

Customer claims for damages	3,678	3,678
Service Tax	2,777	6,502
Claim from Income Tax Dept	—	28,754
Corporate guarantee given on behalf of the Subsidiary	45,000	45,000
	<u>51,455</u>	<u>83,934</u>

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

Particulars	2013-14	2012-13
Net Profit attributable to share holders (Rs.)	(126,005)	35,013
Weighted Average Number of Equity Shares issued	3066943	3066943
Basic and Diluted Earnings Per Share of Rs.10/- each (Rs.)	(41.08)	11.42

## 32) The subsidiary has taken office premises on operating lease and rent amounting to Rs. 15,800 (Previous Year Rs. 25,937) and the same has been debited to Profit and Loss Account. The future minimum lease payments is as under:

Particulars	2013-14	2012-13
Not later than one year	13,383	9,500
Later than one year and not later than five years	64,834	34,701
Later than five years	—	—

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

## 33) RELATED PARTY DISCLOSURES

1. Enterprises where control exists:

Avalokiteshvar Valinv Ltd (AVL) (Formerly known as Utkal Investments Limited)- Holding Company

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

(i) Key Management Personnel & their relatives :

a) Key Management Personnel

Mr. Abhishek Dalmia (Executive Chairman)

Mr. S. Hariharan (Whole-time Director)

Mr. Ramesh Pangasa (Managing Director of Subsidiary)

b) Relative of Key Management Personnel

Smt. V. Pangasa (Wife of Mr. Ramesh Pangasa)

Mr. Nitin Pangasa (Son of Mr. Ramesh Pangasa)

- (ii) Enterprise control by Director  
Renaissance Construction Technologies India LLP (with effect from 1st January 2014) (RCTILLP)
3. Joint Venture  
Semac Qatar W.L.L  
Panch Tatva Realty - AOP
4. Associate  
Satellier Holdings Inc, USA
5. Disclosure of transactions between the related parties & the status of balances as on 31st March 2014

2013-2014					
Particulars	Holding	RCTILLP	"Joint Venture "Semac Qatar W.L.L"	"Joint Venture "Panch Tatva Realty"	Key Management personnel and their relatives
<b>Income:</b>					
Interest Income				12,440	
<b>Expense:</b>					
Remuneration:					
- Mr. Ramesh Pangasa					6,000
- Mr. Nitin Pangasa					1,789
- Mr. Abhishek Dalmia					4,540
- Mr. S. Hariharan					4,832
Rent - Smt. V. Pangasa					480
Consultancy Fees			400		
Advances given (Net)		3590	(550)		
<b>Amount received on account of control account</b>					
<b>Balances as on 31st March, 2014:</b>					
(a) Payable to RCTILLP		1,423			—
(b) Loan/ Interest Receivable				68,584	
(c) Advance given (Net)		12,737	141		
(d) Payable - Remuneration					8500
(e) Payable - Rent					180

2012-2013			
Particulars	Holding	"Joint Venture "Semac Qatar W.L.L"	Key Management personnel and their relatives
<b>Expense:</b>			
Remuneration:			16,620
Rent expense	960		
Unsecured Loans and advances given		1,258	
<b>Balances as on 31st March, 2013:</b>			
(a) Payable-remuneration/Consultancy fee/Rent			8,179
(b) Unsecured Loan given outstanding		11,773	

6. Provision for Diminution in value of long term investment has been made (Refer note no 1H and 28)

**Note:**

- (i) In respect of the above parties, there is no provision for doubtful debts as on 31.03.2014 and no amount has been written off or written back during the year in respect of debts due from/to them.
- (ii) The above related party information is as identified by the management and relied upon by the auditors.

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

A. Primary Segment (Business Segment)

(i) Segment Revenue:

Particulars	2013-14	2012-13
Construction and Mining	764,975	1,090,419
Engineering Design Services	992,696	760,895
Real Estate	—	—
	<u>1,757,671</u>	<u>1,851,314</u>

(ii) Segment Results

Particulars	2013-14	2012-13
Construction and Mining	(59,893)	362,326
Engineering Design Services	154,458	238,030
Real Estate	(9)	—
Unallocable	49,620	(346,706)
	<u>144,175</u>	<u>253,649</u>
Less: Interest	(116,908)	(118,300)
Profit / (Loss) before exceptional items	27,267	135,349
Exceptional Items	78,880	12,400
Profit before taxes	(51,613)	122,949
Provision for taxes	40,610	(53,836)
	<u>(92,223)</u>	<u>69,113</u>
Profit / (Loss) after taxes and before adjustment for share of profit in associate and minority interest	(92,223)	69,113
Less: Minority Interest	33,782	(30,611)
Add: Share of Profit / (Loss) in Associates	—	(3,489)
Profit / (Loss) after taxes and adjustment for share of profit in associate and minority interest	<u>(126,005)</u>	<u>35,013</u>

(iii) Segment Assets and Liabilities

Particulars	2013-14		2012-13	
	Assets	Liabilities	Assets	Liabilities
Construction and Mining	1,024,697	1,017,990	1,405,581	345,014
Engineering Design Services	480,408	173,706	350,135	109,212
Real Estate	432,969	288,481	—	—
Unallocable	869,612	10,401	1,025,794	865,600
	<u>2,807,685</u>	<u>1,490,578</u>	<u>2,781,510</u>	<u>1,319,826</u>

(iv) Capital Expenditure and Depreciation

Particulars	2013-14		2012-13	
	Capital Expenditure	Depreciation	Capital Expenditure	Depreciation
Construction and Mining	2,452	17,744	6,817	19,421
Engineering Design Services	22,091	18,984	13,308	12,567
Real Estate	140,770	—	—	—
Unallocable	—	—	7,105	6,274
	<u>165,313</u>	<u>36,728</u>	<u>27,230</u>	<u>38,262</u>

## B. Secondary Segment (Geographical Segment)

Particulars	2012-13			
	Revenue	Assets	Liabilities	Capital Expenditure
Within India	2,036,399	2,651,440	1,264,301	22,803
Outside India	209,355	130,069	55,524	4,426

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

## C. Segment Information

- (a) Segments have been identified in line with the Accounting Standard AS- 17 taking into account the organization structure as well as the difference in risk and return.
- (b) The Company has disclosed Business Segment as the primary segment. These have been identified on the basis of the products of the company. Accordingly, the company has identified 'Construction & Mining', and "Engineering Design Services" as the operating segments.

### (c) Compositions of Business Segment

Segment Name	Company	Description
Construction & Mining	Revathi Equipment Limited	
	Renaissance Construction Technologies India LLP	Subsidiary
	w.e.f 31.03.2013 till 31.12.2013	
Engineering Design Services	Semac Consultants (P) Limited	Subsidiary
	Semac Qatar	Subsidiary
	Semac Muscat	Joint Venture
	Panch Tatva Realty - AOP	Joint Venture
Real Estate		

- (d) The segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and administrative expenses allocated on a reasonable basis as estimated by the management.
- (e) As part of secondary reporting revenues are attributed to geographic areas and therefore the analysis of geographical segment is demarcated into India and outside India operations.
- 35) a) Considering the current market condition of construction equipment business (CED) of the Company, it has been decided to restructure the manufacturing facilities at Chennai and downsize and shift both manufacturing and service resources located at Chennai to Coimbatore and the same is currently under implementation. Fixed assets pertaining to said division at Chennai having written down value of Rs. 156,793 as on 31st March 2014 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 management, no material loss on overall basis in this respect is expected to arise on disposal of these assets.
- (b) In view of above, certain inventories becoming non usable and surplus have been written off and sold during the year. Loss of Rs. 30,130 (net of sale proceeds of Rs. 9,378 thereagainst) has been disclosed under exceptional items.
- 36) 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.

## 37) Information on Joint Ventures

### Joint Venture

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

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

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

Particulars	Financial Year	
	2013-14	2012-13
<b>I. Assets</b>		
(i) Fixed Assets (Net Block)	141,595	1,068
(ii) Current Assets, Loans and Advances		
Sundry Debtors	9,273	9,734
Cash and Bank Balances	2,058	433
Inventory	253,265	
Loans and Advances	37,214	590
<b>II. Liabilities</b>		
(i) Loan Funds	111,267	
(ii) Current Liabilities and Provisions:		
Liabilities	196,533	22,154
Provisions	3,373	3,224
<b>III. Income</b>		
(i) Professional Fees	36,702	42,137
(ii) Other Income	238	378
<b>IV. Expenditure</b>		
(i) Operational expenses	1,133	1,794
(ii) Employee expenses	26,216	23,869
(iii) Selling, Administrative and Other General Expenses	6,292	10,501
(iv) Finance Charges	16	16
(v) Depreciation	375	353
(vi) Provision for taxation	Nil	Nil

38) Previous year's figures include full year operation of CED division restructured and downsized as given in note 35(a) and figures of RCTILLP where the company has retired as a partner with effect from 31st March 2013 (note 1F). Further, figures of current year includes amount of Panch Tatva Realty - joint venture consolidated during the year. Consequently, previous year's figures are not comparable with the current year's figures. Previous year figures have been regrouped/ reclassified to conform with current year classification, wherever considered.

**For Lodha & Co**  
Chartered Accountants

**S.C. Katyal**  
Director

**S. Hariharan**  
Whole-time Director

**R.P. Singh**  
Partner

**M.N. Srinivasan**  
Company Secretary

Place : Kolkata  
Date : May 30, 2014

Chennai  
May 30, 2014





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