

05<sup>th</sup> September 2022

Listing Department BSE Limited 25 <sup>th</sup> Floor, PJ Towers, Dalal Street, Mumbai – 400 001. <b>Scrip Code: 505368</b>	Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra, East Mumbai – 400 051. <b>Scrip Code: REVATHI</b>
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Dear Sir / Madam,

**Sub: Submission of Annual Report for the financial year 2021 - 22.**

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the soft copy of the Annual Report of the Company for the financial year 2021 -22.

The Notice of the 45<sup>th</sup> Annual General Meeting of the Members along with the Annual Report for the financial year 2021-22 and Attendance Slip Cum Proxy Form of the Company is being sent to all members whose names appeared in the Register of Members / Register of Beneficial owners as on close of the business hours of 26<sup>th</sup> August, 2022 maintained by the Depository Participants (DPs) /Company/ Registrar and Share Transfer Agent.

A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 20th September, 2022 shall be entitled to avail the facility of remote e-voting or to vote during the AGM.

Kindly take the same on your records.

Thanking You,

**For Revathi Equipment Limited**

**Nishant Ramakrishnan**

**Company Secretary and Compliance Officer**

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**Revathi Equipment Limited**

331, Pollachi Road, Coimbatore - 641 050. India. Phone : 0422 - 2610851, 0422 - 6655100, Fax :  
0422 - 6655199 CIN No.: L29120TZ1977PLC000780 E-mail: [finance@revathi.in](mailto:finance@revathi.in) Website:

[www.revathi.in](http://www.revathi.in)

**REVATHI EQUIPMENT LIMITED**

CIN : L29120TZ1977PLC000780

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

E-mail: compliance.officer@revathi.in Website: www.revathi.in

Phone No.: 0422 - 6655111 Fax: 0422 - 6655199

**NOTICE TO MEMBERS**

NOTICE is hereby given that the 45th Annual General Meeting of the Shareholders of the Company will be held on Tuesday, 27th September, 2022 at 2:00 PM Indian Standard Time (IST) at Pollachi Road, Malumachampatti Post, Coimbatore – 641 050, the Registered Office of the Company to transact the following business(es):

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company, both Standalone and Consolidated, for the financial year ended 31st March 2022, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint Mrs. Deepali Dalmia (DIN: 00017415), who retires by rotation as the Director of the Company at this Annual General Meeting and being eligible, offers himself for re-appointment.

**Special Business:**

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

**RESOLVED THAT** pursuant to Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions, if any, of the Companies Act, 2013 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the approval of the Audit Committee and on the recommendation of the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to enter into agreement/ contract/ business transactions with Semac Consultants Private Limited, subsidiary company, being a related party of the Company for an amount not exceeding Rs. 100 Crores (Rupees One Hundred Crores only) per financial year from 1st April 2022 till the Annual General Meeting to be held in the year 2023 as per the details more particularly described in the statement pursuant to Section 102 of the Companies Act, 2013, annexed to this notice, notwithstanding the fact that such transactions either taken individually or together with previous transactions during the financial year may exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements or such other materiality threshold as may be specified under applicable laws/ regulations from time to time.

**RESOLVED FURTHER THAT** Board of Directors (including its Committee thereof) be and are hereby severally authorised to do all such acts, deeds, matters and things, to finalise the terms and conditions of -the transactions with the aforesaid party, and to execute or authorize any person to execute all such documents, instruments and writings as may be considered necessary, relevant, usual, customary, proper and/or expedient for giving effect to this resolution.

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

**RESOLVED THAT** pursuant to Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. P. Mohankumar & Co, Cost Accountants (Firm Registration Number: 100490) who have been appointed by the Board of Directors as Cost Auditors to

conduct the audit of the cost records of the Company for the financial year ending on March 31, 2023, on remuneration of Rs. 1,00,000/- (Rupees One Lakhs only) plus Goods and Services Tax excluding out of pocket expenses incurred by him in connection with the Audit and applicable taxes, be and is hereby ratified.

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

**RESOLVED THAT** pursuant to Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors at their respective meetings held on 13th August 2022, the consent of the Company be and is hereby accorded for payment of commission to the Non-Executive Directors of the Company of a sum not exceeding 1% of the Net Profits of the Company computed in the manner as specified under Section 198 of the Companies Act, 2013, to be paid and distributed amongst the non-Executive Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors (including any Committees thereof) of the Company, for a term of three (3) financial years commencing from 1st April, 2022.

**RESOLVED FURTHER THAT** the commission payable to the Non-Executive Directors of the Company as mentioned above shall be in addition to the sitting fees payable for attending the meetings of the Board of Directors, Committees thereof and meeting of Independent Directors.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient, to give effect to the above Resolution without being required to seek any further consent or approval of the Members and the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution

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

**RESOLVED THAT** pursuant to Section 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (the 'Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to the Nomination and Remuneration Policy and the provisions of the Articles of Association of the Company and in modification of the Special Resolution passed at the Annual General Meeting held on 25th September 2020, the approval of the members be and is hereby accorded for the payment of the revised remuneration to Mr. Abhishek Dalmia (DIN: 00011958) Chairman and Managing Director of the Company, as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors at their respective meetings held on 13th August 2022, as per the details more particularly described in the statement pursuant to Section 102 of the Companies Act, 2013, annexed to this notice.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper and expedient to give effect to the above resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO. 3**

Pursuant to proviso to Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a transaction with a related party shall be considered "material", if the transactions entered into individually or taken together with previous transactions during a Financial Year with such related party exceeds Rs. 1000 Crores or 10% of the total consolidated turnover of the Company as per the last audited financial statements, whichever is lower.

The Company extends/avails support and services from/to Semac Consultants Private Limited, subsidiary company, in relation to the business enhancement, on arms' length basis. The transactions proposed to be entered by the Company with Semac Consultants Private Limited may exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements and are proposed to be undertaken on an arms' length basis and in the ordinary course of business.

As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Members. The Audit Committee have approved the transactions with the above-mentioned related parties at their meeting held on 13th August 2022.

Pursuant to the amendment to Regulation 23 of the Listing Regulations, and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated 30th March 2022 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated 8th April 2022, all related party transactions which exceeds 10% of the Annual Turnover needs to be approved by the shareholders by way of a Resolution and such approval shall be valid upto the date of next Annual General Meeting.

Accordingly, the approval of the Members is now being sought for the transactions proposed to be entered into with the above-mentioned related party as per the details given below.

The details of the transactions with above-mentioned related parties as required pursuant to SEBI Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2021/662 dated 22nd November 2021 is given below:

Name of the related party	Semac Consultants Private Limited
Type, material terms and particulars of the proposed transaction	Availing/ Rendering of services. The transactions are in ordinary course of business and on arm's length basis
Relationship with the listed entity, including nature of its concern or interest (financial or otherwise)	Subsidiary Company
Tenure of the proposed transaction	Per financial year from 1st April 2022 till the Annual General Meeting to be held in the year 2023
Value of the proposed transaction	Rs. 100 Crores per financial year
The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year that is represented by the value of the proposed transaction	55.25% based on audited financials for the year ended 31st March 2022.
Justification as to why the RPT is in the interest of the listed entity	As detailed above

A copy of the valuation or other external party report, if any such report has been relied upon - The Company has not relied upon any such document

Any other information that may be relevant – NIL

The proposed transaction does not involve any loans, inter-corporate deposits, advances or investments and hence disclosure of details pertaining to the same does not arise.

The Board of Directors recommend the resolution(s) as set out in Item No. 3 of the Notice for the approval of the Members who are not related parties of the Company.

The Members may please note that in terms of the provisions of the Listing Regulations, no related party(ies) as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall vote to approve the resolutions under Item No. 3 of this notice.

None of the Directors, Key Managerial Personnel or their relatives other than Mr. Abhishek Dalmia, Chairman and Managing Director and Smt. Deepali Dalmia, Director are concerned or interested in the resolution set out in Item No. 3 of the Notice.

#### ITEM NO. 4

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s.P.Mohankumar & Co, Cost Accountants (Firm Registration Number: 100490) as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2022-2023, and approved the remuneration payable to him subject to ratification by the members. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor must be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing ordinary resolution as set out in Item No.4 of the notice for ratification of remuneration payable to the Cost Auditor for conducting the cost audit of the Company for the financial year ending on March 31, 2023. The Board recommends the Ordinary Resolution as set out in Item No.4 of the notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Ordinary Resolution as set out at Item No.4 of the Notice.

#### ITEM NO. 5

The Company's Non-Executive Directors are leading professionals with high level of expertise and rich experience in functional areas such as business strategy, financial governance, corporate governance, research & innovation amongst others. With the complexity of managing business increasing by the day, the Non-Executive Directors are nowadays required to devote considerable time and effort towards the business activities of the Company. The Company's Non-Executive Directors have been shaping and steering the long-term strategy and making invaluable contributions towards the Company's group level strategy, monitoring of risk management and compliances.

Considering the above, the Board of Directors at its meeting held on 13th August 2022, on the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee and subject to the approval of the members of the Company by means of passing special resolution, have approved the payment of Commission to Non-Executive Directors of the Company, at the rate of 1% of the net profits to be distributed amongst the Non-Executive Directors of the Company or some or any of them in such amounts or proportions

and in such manner and in all respects as may be decided by the Board of Directors (including any Committees thereof) of the Company, for a term of three (3) Financial Years commencing from 1st April, 2022. The commission payable to the non-Executive Directors of the Company as mentioned above shall be in addition to the sitting fees payable for attending the meetings of the Board of Directors, Committees thereof and meeting of Independent Directors.

Pursuant to Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Members is required to be obtained for payment of commission to the non-Executive Directors of the Company. Hence, the necessary Special Resolution has been set out under Item No. 5 of the Notice and being placed before the members for approval.

The disclosures as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 are furnished and form a part of his Notice.

All the Directors and Key Managerial Personnel other than Company Secretary & Chief Financial Officer of the Company and their relatives are concerned or interested, financial or otherwise, in the Resolution set out at Item No.5.

#### **ITEM NO. 6**

Mr. Abhishek Dalmia (DIN: 00011958) was re-appointed as the Chairman and Managing Director for a period of 5 years with effect from 1st April, 2021, on the terms and conditions as approved by the members of the Company, by means of passing a special resolution, at the Annual General Meeting held on 25th September 2020.

Members are informed that Mr. Abhishek Dalmia (DIN: 00011958) has been appointed as the Managing Director of Semac Consultants Private Limited (CIN: U85110TZ1987 PTC017564) with remuneration, with effect from 13th August 2022. Pursuant to Schedule V of the Companies Act, 2013, a managerial person shall draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person. Further, pursuant to the first proviso under Section II of Part II of Schedule V of the Companies Act, 2013, the payment of remuneration in excess of the limits prescribed under Section II, as applicable, to managerial personnel shall require the approval of the members by means of passing a special resolution.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors, at their meeting held on 13th August, 2022, has approved and recommended to revise the remuneration structure of Mr. Abhishek Dalmia (DIN: 00011958), Chairman and Managing Director as following, with an intent to effectively remunerate him within the permissible limits and to fix a maximum ceiling limit for the overall remuneration drawn by him in the capacity as Managing Director in the Company and from Semac Consultants Private Limited (CIN: U85110TZ1987PTC017564) as Managing Director in any financial year during his current tenure.

a. Salary / perquisites	<p>A total remuneration comprising of salary, allowances, perquisites etc. payable by the company not exceeding Rs. 1,00,00,000/- (Rupees One Crore per annum).</p> <p>Provided that the aggregate annual remuneration payable to Mr. Abhishek Dalmia (DIN: 00011958) by M/s. Semac Consultants Private Limited (CIN: U85110TZ1987PTC017564) together with the aggregate annual remuneration mentioned herein shall not exceed, in any financial year, an overall ceiling limit of Rs. 2,50,00,000/- (Rupees Two Crore Fifty lakhs per annum) per annum in accordance with Schedule V of the Companies Act 2013.</p>
b. Other Benefits	<p>Contribution to Provident Fund (PF) and Superannuation Fund as applicable to other managers of the company.</p> <p>He shall be entitled for Gratuity at the rate of one month salary for each completed year of service effective from the date of his appointment.</p> <p>Provision of car for use on Company's business and telephone at residence, including long distance calls shall not be considered as perquisites.</p> <p>The Chairman and Managing Director shall be entitled to reimbursement of travelling expenses and entertainment expenses actually incurred in the course of the Company's business.</p> <p>One month leave per year on full pay (salary plus perquisites) with liberty to accumulate such leave upto 50% of entitlement and encashment of unavailed leave at the end of tenure. In addition, the Chairman and Managing Director shall be entitled to such casual leave and sick leave as is applicable to other managers of the company.</p> <p>Contribution to PF, Superannuation, Gratuity, leave encashment, provision for car, shall not be considered as perquisites in the computation of ceiling on perquisites.</p>
c. Period of Remuneration	<p>The overall limits of remuneration to be paid to Mr. Abhishek Dalmia as Managing Director for a period from 1st April 2022 till the end of tenure of payment of remuneration in the Company and from 13th August 2022 in the Subsidiary Company, Semac Consultants Private Limited.</p>

The salary and perquisites mentioned above shall be the minimum remuneration payable to the Chairman and Managing Director in the absence of inadequacy of profits in the financial year.

Pursuant to Section(s) 196(4), 197 and 203 read with Schedule V of the Companies Act, 2013, the Special Resolution for payment of the revised remuneration to the Managing Director, as set out under Item No. 6 of the Notice, is placed before the members for approval. Your Directors recommends the passing of this Special Resolution.

The general information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) and the disclosure as required in accordance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the ICSI has been annexed and forms part of this notice.

Members are informed that the payment of the revised remuneration to Mr. Abhishek Dalmia (DIN: 00011958), Chairman and Managing Director, as set out under Item No. 6 of the Notice, are in conformity with Schedule V of the Companies Act, 2013.



None of the Directors, Key Managerial Personnel or their relatives other than Mr. Abhishek Dalmia, Chairman and Managing Director and Smt. Deepali Dalmia, Director are concerned or interested in the resolution set out in Item No. 6 of the Notice.

By Order of the Board  
For Revathi Equipment Limited

Place: Coimbatore

Date: 13th August 2022

Nishant Ramakrishnan  
Company Secretary & Compliance Officer

General information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) relating to the Special Resolution under Item No. 6:

A.General information			
Nature of industry	Engineering Industry		
Date or expected date of commencement of commercial production	The Company was incorporated on 14th September, 1962 and commenced commercial production subsequently in the same year.		
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
Financial performance based on given indicators	Rs in lakhs		
	<b>Particulars</b>	<b>2021-2022</b>	<b>2020-2021</b>
	Sales & other income	10,597.88	8,626.15
	Profit/ (Loss) before tax	1,670.64	1,643.14
	Profit/ (Loss) after tax	1,124.67	1,166.80
	Paid-up equity capital	306.69	306.69
	Reserves and Surplus	19,103.74	17,962.37
	Basic Earnings Per Share	36.67	38.04
Foreign investments or collaborations, if any	Nil		
<b>B. Information about the appointee:</b>			
Background details	Mr. Abhishek Dalmia aged 53 years is the Chairman and Managing Director of the Company. He has expertise in identifying low risk and reasonably rewarding opportunities in the area of investment.		
Past remuneration	The total remuneration paid to Mr. Abhishek Dalmia for the year 2021-22 is Rs. 82.82 Lakhs.		
Recognition or awards	Nil		



Job profile and his suitability	Mr. Abhishek Dalmia as Chairman and Managing Director of the Company shall have all powers and duties as the Board may determine from time to time subject to the provisions of the Companies Act, 2013 and SEBI Regulations. He has been associated with the Company for the past 20 years and he is instrumental to the growth of the Company.
Remuneration proposed	Details of proposed remuneration have been disclosed in Item No. 6 of the Notice. The approval is sought since Mr. Abhishek Dalmia is appointed as Managing Director in two companies and pursuant to Schedule V of the Companies Act, 2013 the total remuneration drawn by the Managerial person shall not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person.
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 profile of Mr. Abhishek Dalmia, responsibility shouldered by him as well his contribution to the growth of the Company and Subsidiary Company, the industry standard and the size of the Company, the remuneration paid is commensurate with the remuneration packages paid to Managerial Personnel in similar other companies.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Abhishek Dalmia as Chairman and Managing Director of the Company and is also the promoter of the Company. Besides the remuneration being received, he does not have any pecuniary relationship with the company. He is not related to any director of the Company except Mrs. Deepali Dalmia
<b>C. Other information</b>	
Reasons of loss or inadequate profits	Not applicable as the Company has earned a profit during the year.
Steps taken or proposed to be taken for improvement	The Company is continuously taking various cost control measures which would result in increased profitability in the ensuing years.
Expected increase in productivity and profits in measurable terms	The expected increase in productivity and profits in measurable terms at this stage is difficult to ascertain by the Company.

<b>D. Disclosures</b>	
The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the Financial statement:	The same is mentioned in the Corporate Governance report which forms a part of Annual Report.
a. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	
b. Details of fixed component and performance linked incentives along with the performance criteria	
c. Service contracts, notice period, severance fees	
d. 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	

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

<b>Name</b>	<b>Mr. B.V. Ramanan</b>	<b>Mr. Abhishek Dalmia</b>	<b>Mrs. Deepali Dalmia</b>	<b>Mr. B.V. Ramanan</b>
<b>DIN</b>	00934602	00013687	00017415	00934602
<b>Date of Birth/Nationality</b>	03.03.1960 / Indian	06.05.1969/ Indian	29.10.1970/ Indian	03.03.1960 / Indian
<b>Date of appointment on the Board</b>	04.10.2010	17.08.2002	08.08.2014	04.10.2010
<b>Inter-se relationship with other directors</b>	Mr.B.V.Ramanan is not related to any of the Directors on the Board of the Company	Mr.Abhishek Dalmia is related to Mrs. Deepali Dalmia, Director of the Company	Mrs. Deepali Dalmia, Director is related to Mr.Abhishek Dalmia, Chairman & Managing Director of the Company	Mr.B.V.Ramanan is not related to any of the Directors on the Board of the Company
<b>Qualification</b>	B.Tech., M.S., (Chemical Engineering)	B.Com (H), FCA, AICWA	B A History (Hons)	B.Tech., M.S., (Chemical Engineering)
<b>Experience/Expertise in functional areas</b>	More than 3 decades in Engineering & Mining industry and he held positions as Chairman, Confederation of Indian Industry, Trichy Zone and Member of Board Governors, National Institute of Technology, Trichy. 1984-85 - Project Manager, Chemfab Group: 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. 1986-87: 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.	He graduated from Shri Ram College of Commerce in 1989 in Delhi University, completed his articles from Price Waterhouse and got an all-India rank in the Intermediate as well as Final Chartered Accountancy examinations in 1992. He became a member of Institute of Cost & Works Accountants of India in 1990. After spending about five years working in various family businesses, he became an investor. Started with secondary market equities and graduated into private equity after spending about ten years in business. Being a part of one of the oldest business families in India, his approach to investing is more in the Berkshire Hathaway mould, where he tends to hold his investments permanently, with some exceptions. He considers himself as value investor.	Mrs. Deepali Dalmia is a Business Strategist. She has been associated with the Company for 8 years.	1984-85 - Project Manager, Chemfab Group: 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. 1986-87: 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.

Name	Mrs. Deepali Dalmia	Mr. Abhishek Dalmia	Mr. B.V. Ramanan
		<p>He has been deeply influenced by the writings and work of Warren Buffett, Charlie Munger and Ben Graham. It is his endeavor to compound capital at high rates for long periods of time. After acquiring majority stakes in a few companies and minority in a few, he has been shepherding those investments.</p> <p>Revathi Equipment and Semac Consultants were amongst the investments made by him.</p> <p>He provides strategic direction to the investee companies. He also guides the senior management teams of these companies on various aspects of the business. His expertise is identifying low-risk and reasonable rewarding opportunities in the area of investment.</p>	<p>1988 Onwards: Chairman &amp; Managing Director of Livia Polymer Bottles Pvt. Ltd., Mandaiyur Salai, Mandaiyur, Pudukkottai District, Tamil Nadu.</p>
No. of shares held	NIL	NIL	NIL
Board position held	Director	Chairman and Managing Director	Independent Director
Terms and conditions of re-appointment / revision of remuneration	Retire by rotation	Payment of revised remuneration as set out in Item No, 6 of the Notice	Payment of commission as set out in Item No, 5 of the Notice
Remuneration sought to be paid	Sitting fees	As set out in Item No. 6 of the Notice	As set out in Item No, 5 of the Notice
Remuneration last drawn	Sitting fees of Rs. 2 Lakhs and Commission of Rs. 8 Lakhs	The total remuneration paid to Mr. Abhishek Dalmia for the year 2021-22 is Rs. 82.82 Lakhs.	Sitting fees of Rs. 2.8 Lakhs
Number of Board meetings attended during the year	4 (Four)	4 (Four)	4 (Four)
Directorships held in other companies	1. Priyadarshany Agri Farms Private Limited 2. Renaissance Stocks Limited	1. Rajratan Global Wire Limited 2. Ashiana Housing Limited	1. Livia Polymer Products Private Limited 2. Semac Consultants Private Limited

Name	Mrs. Deepali Dalmia	Mr. Abhishek Dalmia	Mr. B.V. Ramanan
	3. SWBI Design Informatics Private Limited 4. Renaissance Advanced Consultancy Limited 5. Renaissance Consultancy Services Limited 6. Renaissance Corporate Consultants Limited 7. Semac Consultants Private Limited	3. Priyadarshany Agri Farms Private Limited 4. Alpha Alternatives Holdings Private Limited 5. Renaissance Stocks Limited 6. SWBI Design Informatics Private Limited 7. Hari Investments Private Limited 8. Renaissance Advanced Consultancy Limited 9. Aditya Infotech Limited 10. Renaissance Consultancy Services Limited 11. Renaissance Corporate Consultants Limited 12. Semac Consultants Private Limited	
Membership in other Committees	Nil	1. Renaissance Advanced Consultancy Limited: <ul style="list-style-type: none"> <li>• Shareholder Grievance Committee – Member</li> <li>• Stakeholder Relationship Committee – Member</li> <li>• Corporate Social Responsibility Committee – Member</li> </ul> 2. Ashiana Housing Limited: <ul style="list-style-type: none"> <li>• Nomination and Remuneration Committee – Member</li> </ul> 3. Semac Consultants Private Limited: <ul style="list-style-type: none"> <li>• Corporate Social Responsibility Committee – Member</li> </ul>	Nil
Names of listed entities in which the person has resigned in the past three years	Nil	Nil	Nil

<b>Name</b>	<b>Mr. P. Gandhimathinathan</b>	<b>Mr. V.V. Subramanian</b>	<b>Mr. S. Sundarasamy</b>
<b>DIN</b>	00013687	05232247	08829760
<b>Date of Birth/Nationality</b>	31.05.1963/ Indian	19.07.1955/ Indian	15/02/1964/ Indian
<b>Date of appointment on the Board</b>	18.06.2021	29.05.2017	12.11.2021
<b>Inter-se relationship with other directors</b>	Mr. P. Gandhimathinathan is not related to any of the Directors on the Board of the Company	Mr. V.V. Subramanian is not related to any of the Directors on the Board of the Company	Mr. S. Sundarasamy is not related to any of the Directors on the Board of the Company
<b>Qualification</b>	B.Sc (Chemistry), B.L, MBA	B. Com, ACA, ACS, ACMA	BE Mechanical Engineering and Post-Graduation Diploma in Business Administration.
<b>Experience/Expertise in functional areas</b>	HR and Administrative Professional. Having more than three and half decades of experience in the field of HR and Administration including Industrial Relations and Training. He is an excellent business professional having capability to involve in every aspects of Business. Held several senior positions in multiple organisations in India.	Career Finance Professional. Held several senior positions in multiple organizations. Specifically, have been responsible for some or all of these functions - Finance & Treasury, Direct & Indirect Taxation, Secretarial, M&A, Investor Relations, Information Technology, Commercial, Operations, Marketing - across different organisations in India and abroad.	Three decades of experience in the field of manufacturing / production / product support / product management and marketing
<b>No. of shares held</b>	NIL	NIL	NIL
<b>Board position held</b>	Director	Independent Director	Independent Director
<b>Terms and conditions of re-appointment / revision of remuneration</b>	Payment of commission as set out in Item No, 5 of the Notice	Payment of commission as set out in Item No, 5 of the Notice	Payment of commission as set out in Item No, 5 of the Notice
<b>Remuneration sought to be paid</b>	As set out in Item No, 5 of the Notice	As set out in Item No, 5 of the Notice	As set out in Item No, 5 of the Notice
<b>Remuneration last drawn</b>	Sitting fees of Rs. 1.5 Lakhs	Sitting fees of Rs. 2.8 Lakhs and Commission of Rs. 4 Lakhs	Sitting fees of Rs. 0.7 Lakhs
<b>Number of Board meetings attended during the year</b>	3 (Three)	4 (Four)	4 (Four)
<b>Directorships held in other companies</b>	Nil	1. Renaissance Consultants Limited Corporate 2. Semac Consultants Limited Private 3. Orange Owl Textiles Limited Private	SPIN AQM Technologies India Private Limited

Name	Mr. P. Gandhimathinathan	Mr. V.V. Subramanian	Mr. S. Sundarasamy
Membership in other Committees	Nil	Nil	Nil
Names of listed entities in which the person has resigned in the past three years	Nil	Nil	Nil

By Order of the Board  
For Revathi Equipment Limited

Nishant Ramakrishnan  
Company Secretary & Compliance Officer

Place: Coimbatore  
Date: 13th August 2022



**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.
2. 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.
3. 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.
4. Members may note that M/s. S.S. Kothari Mehta & Co., Chartered Accountants, (Firm Registration No. 000756N) Chartered Accountants, New Delhi, the Statutory Auditors of the company were appointed by the shareholders at their Annual General Meeting (AGM) held on 25th September 2020, to hold office for a period of 5 years till the conclusion of AGM to be held during the year 2025. Hence, no resolution is being proposed for appointment of statutory auditors at this 45th Annual General Meeting.
5. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
6. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of the Board Resolution together with their respective specimen signatures authorizing their representative to attend and vote on their behalf at the Meeting. The authorized representative(s) shall enjoy all the rights of a Member present in person.
7. Members / Proxies should bring the attendance slips duly filled and signed, along with PAN/ DP ID & Client ID/ Folio No. for attending the meeting.
8. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standards issued by ICSI in respect of the Director seeking re-appointment / revision of remuneration at the Annual General Meeting is furnished and forms a part of the notice.
9. The register of members and share transfer books of the company will remain closed from Wednesday, 21st September 2022 to Tuesday, 27th September 2022 (both days inclusive).
10. Pursuant to SEBI Circular dated 3rd November, 2021 read with SEBI Circulars dated 14th December, 2021 and 25th January, 2022 on Common and Simplified Norms for processing Investor’s Service, the shareholders holding shares in Physical mode are mandatorily required to record their PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination with the Company/ Registrar & Share Transfer Agent RTA) of the Company.
11. In case of non-updation of KYC - Folios wherein any ONE of the cited details/documents, (i.e PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination) are not available on or after April 01, 2023, shall be frozen as per SEBI circular. The securities in the frozen folios shall be eligible to lodge any grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid. And eligible for any payment including dividend, interest or redemption payment only through electronic mode upon complying with the above stated requirements.

12. The relevant formats for Nomination and updation of KYC details viz; Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and SEBI circular are available on Company's website as well as the website of SKDC Consultants Limited, the Registrar and Share Transfer Agent of the Company. Original cancelled cheque leaf bearing the name of the first holder failing which first security holder is required to submit copy of bank passbook / statement attested by the bank which is mandatory for registering the new bank details.
13. Members holding shares in physical form are requested to notify immediately any change in their address along with respective address proof and Bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company / Registrars & Share Transfer Agent.
14. Members desirous and requiring any information on the accounts or operations of the Company are requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information may be made available at the meeting.
15. 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.
16. The Company has entered into agreements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). The Depository System envisages the elimination of several problems involved in the scrip- based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holdings and dealing in the shares of the Company in electronic form through NSDL or CDSL.
17. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form w.e.f. 01st April, 2019, except in case of request received for transmission or transposition of securities. In view of this, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or SKDC Consultants Limited, Company's Registrar and Share Transfer Agent for assistance in this regard.
18. In addition to above Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR- 4, the format of which is available on the Company's website under the weblink at [www.revathi.in](http://www.revathi.in). It may be noted that any service request can be processed only after the folio is KYC compliant.
19. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from [www.revathi.in](http://www.revathi.in). Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the Company's RTA, in case the shares are held in physical form

20. 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, "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028.
21. 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, "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028
22. Members are requested to register / update their Email address in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s. SKDC Consultants Limited.
23. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
24. Electronic copy of the Annual Report for financial year (FY) 2021- 22, the Notice of the 45th Annual General Meeting of the Company and instructions for remote e-voting, along with the Attendance Slip and Proxy Form, are being sent to all the members whose email IDs are registered with the Company / Depository Participants(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 2022 is being sent in the permitted mode. The Annual Report for FY 2021-22 and the Notice of the 45th AGM will also be available on the Company's website - [www.revathi.com](http://www.revathi.com) and websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. Physical copies of these documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
25. Relevant documents referred to in the Notice and the accompanying statements are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays and Sundays, during business hours of the Company upto the date of the Meeting.
26. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Authority:  
Pursuant to the provisions of Section 124(6) of the Act and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("the IEPF Rules") and amendments thereto, the Company has transferred the shares in respect of Members who have not claimed/encashed dividend for the last seven consecutive years to the Demat Account of the IEPF Authority. Details of the Members whose shares have been transferred to the Demat account of the IEPF Authority are available at the Company's website at <http://www.revathi.in/news-events>.  
The shareholders whose unclaimed dividend /share has been transferred to the 'Investor Education and Protection Fund', may claim the same from IEPF authority by filing Form IEPF-5 along with requisite documents. Mr. Nishant Ramakrishnan, Company Secretary, is the Nodal Officer of the Company for the purpose of verification of such claims.
27. Non-Resident Indian Members are requested to inform the Company's or its RTA or to the concerned Depository Participants, as the case may be, immediately:

- a. Change in their residential status on account of returning to India for permanent settlement or
  - b. Particulars of their NRE/ NRO account(s) maintained with a bank in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
28. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs if the shares are held by them in demat form and to Company's RTA if the shares are held by them in physical form in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated November 3, 2021.
29. The Register of Directors and Key Managerial Personal and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members during the AGM.
30. Members are requested to note that the 45th Annual General Meeting will be held at Pollachi Road, Malumachampatti Post, Coimbatore – 641 050, the Registered Office of the Company by strictly adhering to the Social Distancing Norms and other Safety Protocols including face masks, hand sanitization, Infrared Thermometer etc. as per the latest guidelines/advisories/SOP's issued by the Ministry of Health & Family Welfare, Govt. of India and the State Govt. amid COVID-19 Pandemic. The route map containing the complete particulars of the venue is printed to this Notice.
31. Voting through electronic means:
- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its members the facility to exercise their right to vote at the 45th Annual General Meeting (AGM) by electronic means through remote e-voting and the business may be transacted through e-voting services provided by Link Intime India Private Limited (LIPL).
  - II. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of Annual General Meeting Notice and holding shares as of the cut-off date, i.e. i.e. Tuesday, 20th September, 2022 may refer to this Notice of the Annual General Meeting, posted on Company's website [www.revathi.in](http://www.revathi.in) for detailed procedure with regard to remote e-voting. Any person who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
  - III. The facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their vote through electronic voting system or polling paper at the Annual General Meeting.
  - IV. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
  - V. The voting period begins on Saturday, 24th September, 2022 9.00 A.M. (IST) and ends on Monday, 26th September 2022 at 5.00 P.M. (IST). During this period shareholders of the Company, holding shares




either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 20th September, 2022 may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.

VI. In view of the aforesaid SEBI Circular dated December 9, 2020, individual members holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-voting facility.

**Remote e-Voting Instructions for shareholders:**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:-

Type of shareholders	Login Method
<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz... <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>

<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"><li>1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li><li>2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li><li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li><li>4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li></ol>
<b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ol style="list-style-type: none"><li>1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li><li>2. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li></ol>



<p><b>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINKINTIME.</b></p>	<p>Individual Shareholders of the company, holding shares in physical form as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:</p> <ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></li> <li>2. Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -             <ol style="list-style-type: none"> <li>A. <b>User ID:</b> Shareholders holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li>B. <b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li>C. <b>DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li>D. <b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.                 <ul style="list-style-type: none"> <li>* Shareholders/ members holding shares in <b>physical form</b> but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above</li> </ul> </li> </ol> </li> <li>⇒ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>⇒ Click “confirm” (Your password is now generated).</li> </ol> <ol style="list-style-type: none"> <li>3. Click on ‘Login’ under ‘SHARE HOLDER’ tab.</li> <li>4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.</li> </ol> <p><b>Cast your vote electronically:</b></p> <ol style="list-style-type: none"> <li>1. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.</li> <li>2. E-voting page will appear.</li> <li>3. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).</li> <li>4. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.</li> </ol>
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**Guidelines for Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’. They are also required to upload a scanned certified true copy of the board resolution



/authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 - 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login Type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

**Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

o Click on 'Login' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'

o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

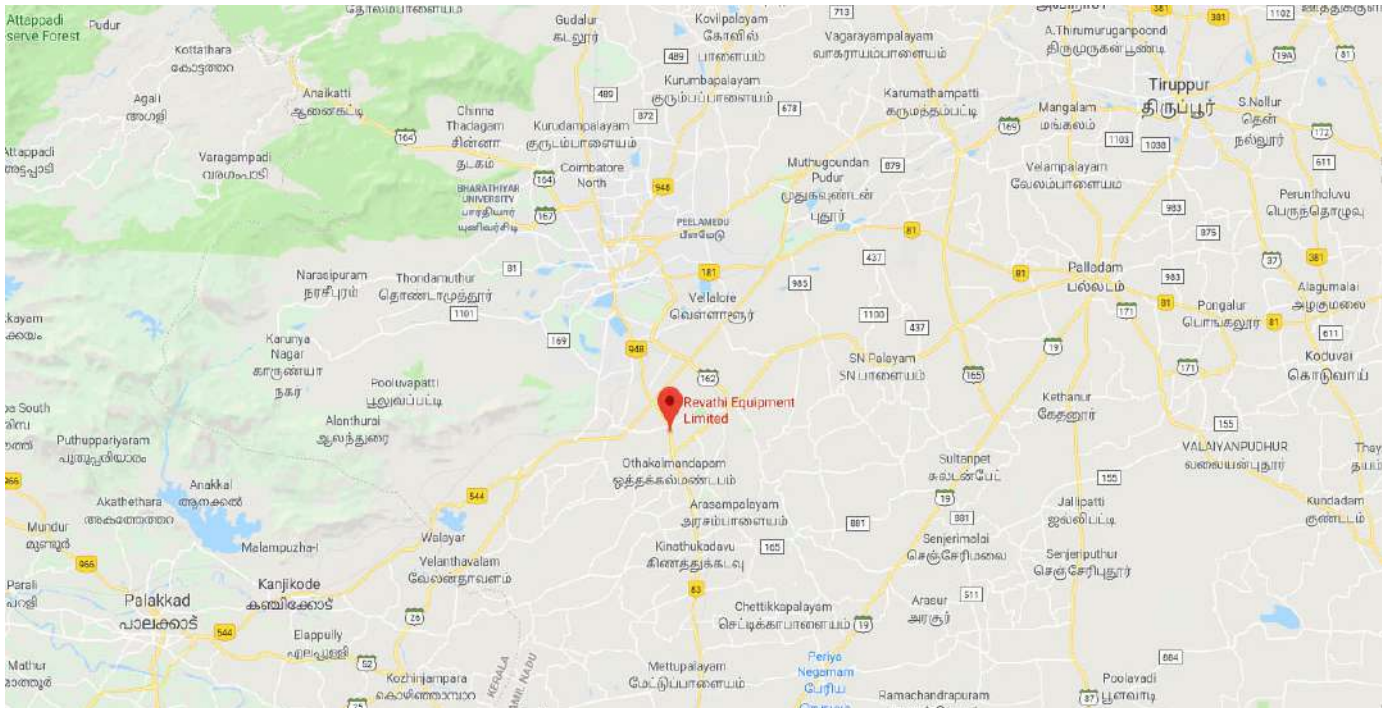
**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- ◆ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ◆ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ◆ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

- VII. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Tuesday, 20th September, 2022.
- VIII. The Company has appointed Sri. M D Selvaraj, FCS of MDS & Associates, Company Secretaries in Practice, Coimbatore as the Scrutinizer to scrutinize the remote e-voting and voting at the meeting in a fair and transparent manner and for the purpose of ascertaining the majority.
- IX. The Chairman shall, at the 45th Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting by way of electronic voting system or polling paper for all those members who are present at the 45th Annual General Meeting but who have not cast their votes by availing remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast during the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The Results shall be declared within 2 days of the conclusion of the Annual General Meeting. The results declared along with the consolidated report of the Scrutinizer shall be placed on the website of the Company [www.revathi.in](http://www.revathi.in) and on the website of LIPL and communicated to the Stock Exchanges where the Company's shares are listed.

**ROUTE MAP OF AGM VENUE**





REVATHI EQUIPMENT LIMITED

45<sup>th</sup>

ANNUAL REPORT

2021 - 22



# REVATHI EQUIPMENT LIMITED

CIN: L29120TZ1977PLC000780

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

Phone: 0422-6655111 Fax: 0422-6655199

Email: compliance.officer@revathi.in Website: www.revathi.in

**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]

Name of the member(s),  
Registered address,  
E-mail ID, Folio No.,  
Client ID: & DP ID:

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

1) Name : Address :  Email ID :  Signature	or failing him/her
2) Name : Address :  Email ID :  Signature	or failing him/her
3) Name : Address :  Email ID :  Signature	

P.T.O.

✂ -Cut here-

### Electronic Voting Particulars

If desirous of E-voting, please read the instructions given in the Notice before exercising

EVENT No.	Sequence No
220495	

✂ -Cut here-



# REVATHI EQUIPMENT LIMITED

CIN: L29120TZ1977PLC000780

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

Phone: 0422-6655111 Fax: 0422-6655199 Email: compliance.officer@revathi.in Website: www.revathi.in

**ATTENDANCE SLIP**

PLEASE BRING THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE REGISTERED OFFICE OF THE COMPANY AT POLLACHI ROAD, MALUMICHAMPATTI P.O., COIMBATORE - 641 050

Name and address of the Shareholder

Folio No. / Demat ID :

No. of Shares held :

I hereby record my presence at The 45th Annual General Meeting at Registered Office of the Company at Pollachi Road, Malumachampatti Post, Coimbatore – 641050, on Tuesday, the 27th September, 2022 at 2.00 PM

\* Strike out whichever is not applicable

Signature of Member / Proxy\*

as my / our proxy to attend and vote (on poll) for me / us and on my / our behalf at the 45th Annual General Meeting of the Company to be held on Tuesday the 27th day of September, 2022 at 2.00 P.M. at the Registered Office of the Company at Pollachi Road, Malumichampatti P.O., Coimbatore - 641 050 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions	Vote (Optional)	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March 2022 together with the Reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mrs. Deepali Dalmia (DIN: 00017415) as a Director who retires by rotation.		
<b>Special Business</b>			
3.	Approval for Related Party Transactions.		
4.	Ratification of remuneration payable to the Cost Auditors for financial year 2022-23.		
5.	Approval for payment of commission to the Non-Executive Directors of the Company of a sum not exceeding 1% of the Net Profits of the Company		
6.	Revision of remuneration to Mr. Abhishek Dalmia (DIN 00011958), Chairman and Managing Director of the Company.		

Signed this ..... day of ..... 2022.

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 45th Annual General Meeting.
3. Please complete all details including details of member(s) in the above box before submission.

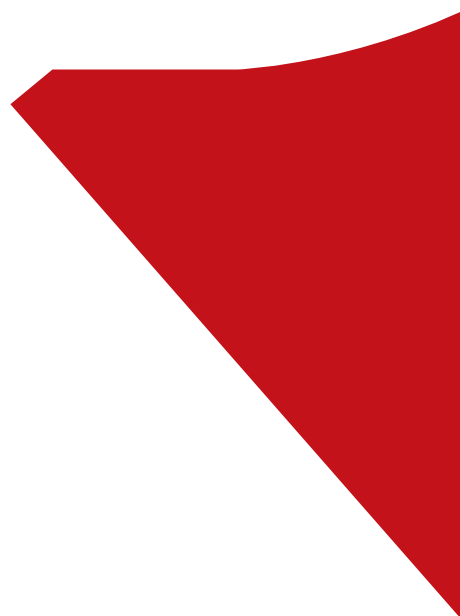
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REVATHI EQUIPMENT LIMITED



45<sup>TH</sup>  
ANNUAL  
REPORT  
2021-22







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**C**ORPORATE  
DATA

## **BOARD OF DIRECTORS**

**MR. ABHISHEK DALMIA**

*CHAIRMAN AND MANAGING DIRECTOR*

**MS. DEEPALI DALMIA**

*NON-EXECUTIVE - NON INDEPENDENT DIRECTOR*

**MR. T P GANDHIMATHINATHAN**

*NON-EXECUTIVE - NON INDEPENDENT DIRECTOR*

**MR. B V RAMANAN**

*NON-EXECUTIVE - INDEPENDENT DIRECTOR*

**MR. V V SUBRAMANIAN**

*NON-EXECUTIVE - INDEPENDENT DIRECTOR*

**MR. S G SUNDARASAMY**

*NON-EXECUTIVE - INDEPENDENT DIRECTOR*

## **CHIEF FINANCIAL OFFICER**

MR.R.SUDHIR

## **COMPANY SECRETARY**

MR.NISHANT RAMAKRISHNAN

## **BANKERS**

BANK OF INDIA

STATE BANK OF INDIA

ICICI BANK LIMITED

BANK OF BARODA

## **AUDITORS**

S.S.KOTHARI MEHTA & CO

NEW DELHI

## **SHARE TRANSFER AGENTS**

S.K.D.C. CONSULTANTS LTD

"SURYA", 35, MAY FLOWER AVENUE,  
BEHIND SENTHIL NAGAR, SOWRIPALAYAM  
ROAD, COIMBATORE - 641028

## **REGISTERED OFFICE**

POLLACHI ROAD

MALUMACHAM PATTI POST

COIMBATORE - 641 050.

Website : <http://www.revathi.in>

## **SECRETARIAL AUDITORS**

MDS & ASSOCIATES,

COIMBATORE



# CHAIRMAN'S LETTER 2021-22





During the year, our consolidated net worth increased by Rs.13 million, which increased the per share book value by 7%. Over the last twenty years (that is, since the present owners took over) per share book value, has grown from Rs.151 to Rs.638 (Rs.715 after ignoring the effect of goodwill write-offs), which, after factoring in dividend paid during this period, works out to a rate of 10.2% (11%) compounded annually.

The Drilling Solutions business has had several CEOs over the past couple of decades. Our best performance was in the years immediately after we acquired the company from Atlas Copco. This was under the leadership of Mr. Rajanarayanan, who was a Revathi veteran before he assumed the CEO role in 2003. Until he stepped down in 2010, he delivered an average profit before tax of Rs.16 crores annually.

After his retirement, three different CEOs ran Revathi between FY11 and FY18. Over this period, owing mainly to the Concrete Equipment business and the significant leverage we took on to acquire Potential Consultants and Semac Consultants, our profitability fell dramatically to an average annual profit before tax of Rs.2.7 crores. During this period, we had taken on a peak debt of Rs.100 crores, on which we paid an average interest of Rs.10 crores annually between FY09 and FY16. In addition, we incurred an average annual loss of Rs.7 crores on account of the Concrete Equipment business. Halfway through this period, in FY14, we shut down the Concrete Equipment business. However, it still took several more years to repair the balance sheet and we ended FY18 with a debt of Rs.26 crores.

We finally became debt free in FY19 (though we ended the current financial year with a debt of Rs.28 crores). Over the past four years, since I assumed the role of CEO in FY19, I am happy to report that our profit before tax has once again stabilized around Rs.16 crores, which is where it was when we acquired the business from Atlas Copco. Of course, after adjusting for time value of money, we are significantly below the Rs.16 crore mark. Assuming an average annual inflation of six per cent, the time adjusted profit before tax should have been Rs.51 crores to equate to Rs.16 crores in FY03. Some more work is needed to get there but I am hopeful that, on a consolidated basis, we will get there over the next few years.

I had mentioned in last year's letter that we had created three verticals in the Drilling Solutions business – Public Sector, Private Sector and Exports. The Public Sector business has been rock solid through the entire journey over the past two decades and continues to be so. That said, much of this business is dependent on fossil fuels and no one knows how many years we have left before this business folds. I do not expect a gradual demise. When it happens, it could be fairly abrupt. As such, we will need to build alternate profit streams before we get to that point. The other two verticals are meant to address exactly this.



The Private vertical had seen a healthy growth since its inception in FY18. Of course, it is still too small and its contribution to the profitability of the Drilling Solutions business is not moving the needle much yet. However, I am confident that as we create critical mass of population of machines working in the cement and steel industries, this vertical will contribute quite meaningfully in future years.

The Exports vertical is taking longer than anticipated to start firing but these are teething troubles only to be expected in entering new markets and convincing new customers to buy our products. Every passing year only strengthens our resolve to try harder and I know success is lurking around the corner. I do expect order booking to become robust in next year or two. Sales growth will inevitably follow, as will profitability. I expect Exports to contribute meaningfully to the Drilling Solutions business sooner than the Private vertical.

To achieve the above goals, a lot of work is required to be done on succession planning, upgrading quality, finding new business opportunities within the chosen domains, etc. I am confident that we will make meaningful progress on all these dimensions over the next few years. With the balance sheet repaired and the P&L stable, the worst is behind us and I am sure we will beat our historical performance consistently in the coming years.

Before I move on to Semac, a brief note on the health of our balance sheet, which reflects the quality of the underlying business. If the quality of a business (or the business model) is weak, Michael Porter's five force analysis predicts that you will not be able to capture much value inside your company. Most of the value will be taken away by either the suppliers or customers or competitors. Conversely, if the business model is robust, you will get a growing cash pile.

When we acquired the business in FY03, the company was sitting on about Rs.37 crores of cash (there was no debt). From there, we have been to hell and back – from a healthy cash pile, we went to a peak debt (net of cash) of Rs.72 crores in FY09 (a negative delta of about Rs.110 crores) and ended the current year with a cash balance (net of debt) of Rs.120 crores, including investments in Semac (c.Rs.120 crores) and the Chembur project (Rs.17 crores). Excluding these investments, our year end debt stood at about Rs.4 crores. In effect, the business has thrown off about Rs.190 crores of cash between FY10 and FY22, after paying for all the losses and write offs of the Construction Equipment business, which amounted to roughly Rs.100 crores.

Prima facie, our capital allocation seems to have been highly sub-optimal so far. After paying off debt, capital invested, mainly into Semac, seems to have produced almost nothing in incremental market cap of Revathi. However, I am confident that a combination of business performance in the years ahead and the demerger and subsequent listing of Semac over the next financial year should at least double the combined valuation of both businesses in the short-term.

Now turning to Semac Consultants, the journey in this business has been a bit of heartbreak for shareholders. So far, we acquired the two businesses, Potential and Semac at their peak combined profit before tax of Rs.10-12 crores. Over the years, we have invested about Rs.120 crores in this business.

The vast majority of the Principals who sold the two businesses to us, gradually left to set up their own competing firms (despite signing non-compete agreements) and took away clients and staff. As a result, we just about broke even during the three years, FY16 through FY18, after the Principals had left, under the watch of two different CEOs.

Like in the Drilling Solutions business, I assumed responsibility as CEO of Semac in FY19. Our average profit before tax over the period FY08 (when we bought the business) and FY15 (the last year under the leadership of the erstwhile founders), was Rs.5.5 crores. Over the last four years since FY19, our average profit before tax was close to break even.

The results have been terrible and were exacerbated by the two covid hit years, when the capex cycle ground to a halt across most industries, depressing our Revenues (with much of our cost structure being fixed). We also used the down cycle to clean up our books, which included massive write-offs from our failed experiments, including investments made to grow the business in new markets such as Dubai, Qatar, Kenya, Uganda, etc. That is where the bad news finally ends.

This year, we hired an industry veteran as our Chief Operating Officer. The Sales Team was also strengthened and reoriented to dramatically shrink our playing field to doing industrial projects for a handful of carefully chosen clients. When we are not winning enough business, shrinking the playing field is counter intuitive, but I have always believed that focus is powerful. This hypothesis bore fruit and we booked orders worth over Rs.200 crores during the year, making it our best ever year in the history of the company from the perspective of order booking. All these orders, to the extent not executed during the current year will get executed in the next financial year. This means that the next financial year will be our best ever year in terms of Revenues and profitability. Further, we feel quite confident that the order booking done this year is not a one off and next year should be even better.

Now that the sales engine is finally humming along predictably, we plan to shift our attention to delivering projects cheaper and faster. Like with everything else, delivering on such a simple promise means doing a lot of things right – a more qualified team – that focuses not only on optimizing designs for safety but also on optimizing for cost, better sourcing to reduce procurement costs, better network of trusted partners to execute projects fast, without compromising on quality, etc.

A small note on our Treasury. We ended the year with Rs.48 crores in cash and bank balances, some of which has been invested, some has been parked in FDs to secure bank guarantees issued against mobilization advances received from customers for their projects and the balance sits in liquid mutual funds. During the year, we added Rs.28 crores to our Treasury. We do not expect that a significant part of our profits will go towards funding the increasing working capital, as business expands. As such, gradually this figure should grow further, in line with growth in profits after tax. Just for perspective, the company was founded in 1969 and all the way upto FY12 (a decade ago), the company was sitting on Nil cash balance. The Founders used to only collect as much as needed to pay the bills (including their own salaries). Everything else used to sit in Receivables. Over the years, despite losing significant money, we have managed to create a fairly

healthy cash surplus, which will help us in sustaining shocks when the going gets tough as well as scaling our business when the going is good.

As always, I would like to end this year's letter by thanking our people in both companies who have been relentless in delivering the budgets for the year, regardless of the external environment. While Revathi has been doing well for some time now, Semac has had more than its fair share of struggles. To keep your head high and not let professional losses bring you down, takes a lot of character. Over the years, when the going was really tough, our team has shown that character in spades. The result is that the company has finally turned the corner and is looking to deliver results we will all be proud of in the coming years.

**PLACE :** Coimbatore

**DATE :** 13.08.2022

**MR. ABHISHEK DALMIA**

Chairman and Managing Director

DIN: 00011958

## ACQUISITION CRITERIA

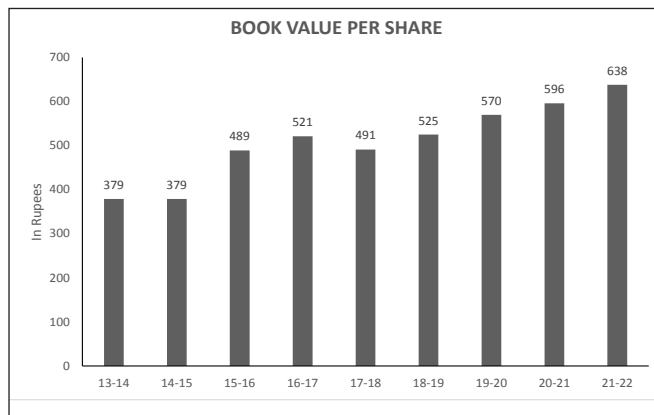
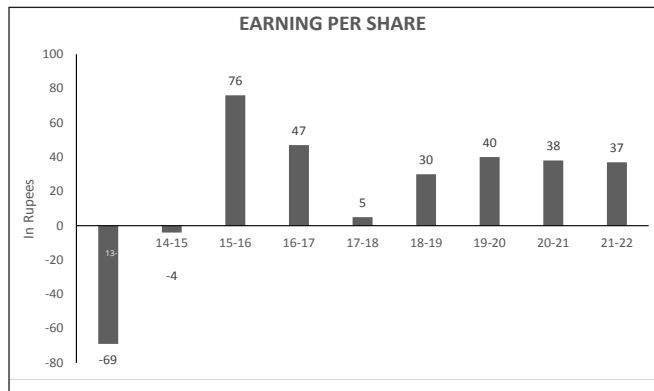
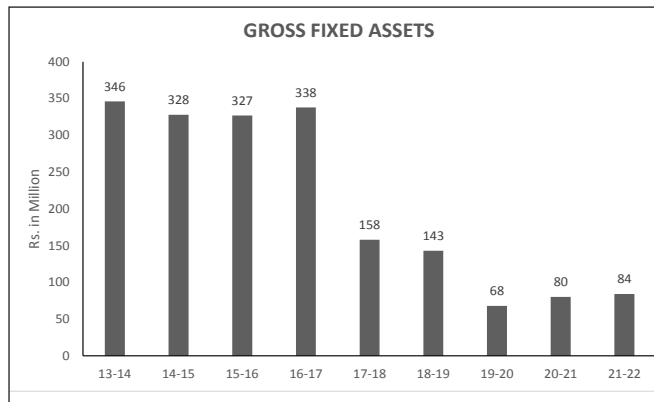
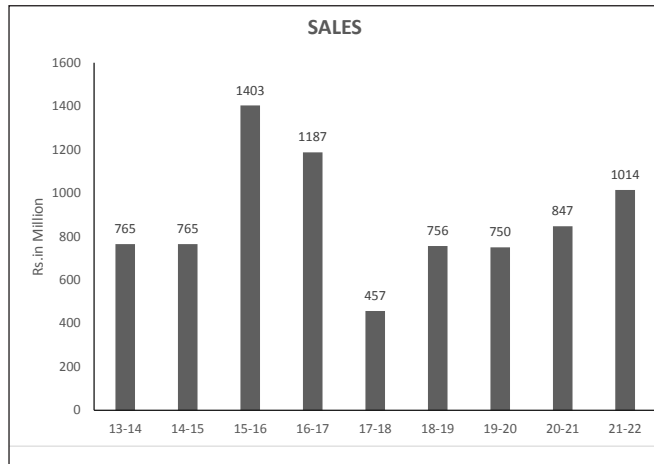
We use this space to communicate with potential sellers and their representatives, what we look for in a potential acquisition. If you, the reader, have no personal connection with a business that might be of interest to us but have a friend who does, perhaps you could pass this message on to him.

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

1. Enterprise value in the region of ₹ 100 crores (₹ 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 of 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 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 favorite form of purchase is one where the company's owner-managers generate significant amounts of cash, sometimes for themselves, but often for their families or inactive shareholders. At the same time, these managers wish to remain significant owners who continue to run their companies just as they have in the past. We think we offer a particularly good fit for owners with such objectives. We invite potential sellers to check us out by contacting people with whom we have done business in the past

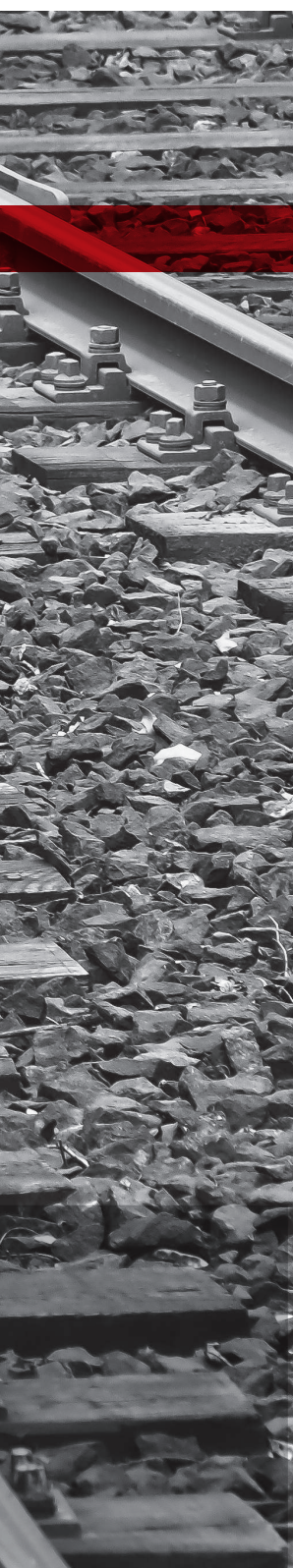






**REVATHI'S**  
**CORPORATE**  
**PERFORMANCE VS.**  
**THE NIFTY**





YEAR	ANNUAL PERCENTAGE CHANGE IN		RELATIVE RESULTS
	Per Share Book Value of Revathi (1)	Nifty 50 with dividend included (2)	(1) - (2)
2002-03	9.0%	-11.7%	20.7%
2003-04	21.6%	86.3%	-64.7%
2004-05	41.3%	17.3%	24.0%
2005-06	19.1%	70.0%	-50.9%
2006-07	11.6%	13.8%	-2.2%
2007-08	16.6%	25.7%	-9.1%
2008-09	-2.5%	-35.4%	32.9%
2009-10	3.6%	75.3%	-71.7%
2010-11	6.0%	12.4%	-6.4%
2011-12	-2.9%	-8.2%	5.3%
2012-13	2.8%	8.7%	-5.9%
2013-14	-10.9%	19.5%	-30.4%
2014-15	-0.1%	28.2%	-28.3%
2015-16	29.1%	-7.8%	36.9%
2016-17	6.4%	20.2%	-13.8%
2017-18	-5.7%	11.8%	-17.5%
2018-19	6.8%	16.5%	-9.7%
2019-20	8.8%	-25.0%	33.8%
2020-21	4.4%	72.5%	-68.1%
2021-22	7.0%	20.3%	-13.3%
Average Annual Gain (FY03 - FY22)	10.2%	16.3%	-6.1%
Overall gain (FY03 - FY22)	<b>331.8%</b>	<b>1943.9%</b>	<b>-1612.1%</b>

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 number 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 our 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.

**A. OUTLOOK****Economic and Global Outlook**

The financial year 2020-21, witnessed unprecedented disruption to human life and economic activity in India and across the globe. However the world economy witnessed a sharp recovery on the back of enhanced vaccination coverage and continued fiscal and monetary stimulus across countries. The recovery momentum was, however, weakened during the course of the year by new strains of the virus and an unprecedented spike in commodity prices due to global supply chain disruptions, container shortages and congestion in ports. At the same time, fundamentals of the Indian economy continued to be strong, which should allow policy makers with sufficient room to navigate these challenges. India's economy bounced-back strongly with a GDP growth of 8.9 percent in 2021-22, compared to a contraction of 6.6 percent in the previous year. The construction segment registered an impressive growth of 10 percent in 2021-22, after a decline of 7.3 percent in 2020-21 — reflecting the broad-based recovery in the sector. Despite the risk factors outlined above, India is projected to continue to be the fastest growing economy in the world in 2022-23.

**Industry Outlook**

The Government initiatives have allowed/ encouraged numerous foreign companies to set up their facilities in India. The Social Security programs of the Government are expected to increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its 'Make in India' initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with 'Digital India' initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy. The spin-off impact of all these Government initiatives would be a surge in the demand for energies, minerals and other metal ores. As a result, the Company expects an uptick in drilling and mining operations in India.

Coal remains the predominant indigenous energy source in the country. The energy security of the country and its prosperity are integrally linked to efficient and effective use of this abundant, affordable and dependent fuel. The dependability on coal may be gauged by the fact that about 55% of India's installed power capacity is coal-based. Coal India Limited, the Company's primary customer produces around 83% of India's overall coal production in India and meets close to 40% of primary commercial energy requirement. As India aims to increase its power generation capacity in the coming years, a significant portion of the increased capacity is expected to be coal based where Coal India Limited will play a major role. As one of the leading suppliers of drilling and mining equipments/ spares to Coal India Limited, the Company will stand to benefit from the increase in production activity / capacity addition by Coal India Limited.

Government-led investment in infrastructure, rapid urbanisation, rising preference for personal mobility, growth in capital goods sector and the government's focus on making India 'Atmanirbhar' are expected to stimulate Cement, Steel, iron ores and other metals requirements in India. Most of the major players in these sectors like Coal India Limited, NMDC Limited, Tata Steel Limited and few cement manufacturers, are major customers of the Company. The Company expects capacity additions, increase in production and significant growth in operations of some of its major customers to meet the increased demand in the respective sectors which could stimulate demand for drilling equipment and hence prove beneficial to the Company.

**Export:** Engineering / Manufacturing / Exports teams have put in a lot of effort to develop world class drills to address the demands of international markets. The African and Russian markets, which present a large potential, require equipment to be made and stocked to be ready for inspection and dispatch. The Company has on hand confirmed orders for export of drilling equipment and a few in the pipeline. The Company is expecting a reasonably good traction for export sale in coming years.

**B. INDUSTRY STRUCTURE AND DEVELOPMENTS:****Present Business:**

REL is in the business of designing, manufacturing, and marketing of blast hole drills for mining, deep core drilling exploratory rigs, track drills for construction, and allied products for more than four decades. REL has consistently, successfully manufactured and supplied more than 2000 drills of different capacities, delivering quality holes drilled safely and accurately at the lowest cost, delighting the mining giants in India and across the globe.

The Company enjoys more than 50% of the market share in supplying drilling equipments in the Country. The customers are some of the world's largest mining companies - Coal India Limited and its subsidiaries, Tata Steel, National Mineral Development Corporation, Vedanta, etc. REL has also supplied significant number of drills to reputed mining companies in Australia, Brazil, Indonesia, Jordan, Morocco, South Africa, Serbia, Tunisia, USA, Zimbabwe etc.

REL offers products and solutions that help customers maximize their productivity and profitability. Recently, REL has improved its capacity to supply fully automated drill equipment for its international customer as per their standards and specifications on time.

**Proposed business**

The Company sees huge potential in infrastructure and real estate sector in India. Government-led investments in infrastructure coupled with rapid urbanisation will fuel growth in the infrastructure sector. The Government of India with an aim to boost domestic manufacturing and attract investments into India under the government's Atmanirbhar Bharat initiative, introduced schemes like Make in India, Production-Linked Incentive (PLI) scheme for different sectors. As a result, India emerged as the top destination globally for foreign direct investment (FDI) and for large international manufacturing companies to have India as critical link in their supply chain. The Company expects these initiatives of the Government of India, besides the stable political environment and proactive



favorable policy interventions to attract various global companies to set up base in India. In order to benefit from the Government initiatives, many Companies are in the process of increasing their production/ manufacturing and warehousing capacities. The growth of e-commerce in India and ancillary industries such as packaging, warehousing and logistics are driving demand for space managed properties. The Company through its subsidiary, Semac Consultants Private Limited, is engaged in Design (covering architectural and engineering design) and Construction business focusing on industrial structures. The subsidiary company has achieved a revenue growth of above 60% compared to previous year and has clocked a profit growth of 119%.

During the year under review, The Board of Directors of the Company approved a composite Scheme of Arrangement amongst Renaissance Advanced Consultancy Limited (“RACL”) and Renaissance Consultancy Services Limited (“RCSL”) and Renaissance Stocks Limited (“RSL”) and Revathi Equipment Limited (“REL”) and Semac Consultants Private Limited (“SCPL”) and Renaissance Corporate Consultants Limited (“RCCL”). As per the Scheme, the Company plans to transfer its existing business of designing, manufacturing, and marketing of blast hole drills for mining, deep core drilling exploratory rigs, track drills for construction, and allied products to a new company named Renaissance Corporate Consultants Limited which will be later renamed as Revathi Equipment India Limited. Further the Semac Consultants Private Limited, subsidiary company, will merge with the Company and the Company will be later renamed as Semac Consultants Limited.

As per the scheme, the shareholders of the Company will be receiving equity shares of Rs 10 each in Renaissance Corporate Consultants Limited equivalent to their holding in Revathi Equipment Limited (REL). The shares of the Renaissance Corporate Consultants Limited shall be listed and/ or admitted to trading on stock exchanges on which the existing equity shares of REL are listed.

### C. OPPORTUNITIES & THREATS –

#### Present business:

Opportunities	Threats
Coal is a prime source of energy for electricity in India and Company is a leading supplier of equipments to Coal India Limited, largest producers of coal in India.	Alternate sources of energy – Natural gas, solar and wind power may replace coal over a period of time.
Huge potential for drilling equipment in the export markets.	Commercial mining may bring stiff competition.
Sufficient reserves and surplus available for expansion of business in domestic and export markets.	Stringent Environment and Conservation Laws may create operational difficulties.
	Shortage/ non availability of raw materials.

#### Proposed business

Opportunities	Threats
Government’s push for infrastructure development and domestic manufacturing through schemes and concessions.	Global inflation in commodities and energy markets, further intensified by the war in Ukraine has brought about a significant deterioration in growth outlook.
Focus of Companies to increase production and warehousing capacity to utilize Government initiatives such as ‘Make in India’, PLI incentive scheme of the Government of India	Rising unemployment rate in India
Following an explosion in e-commerce, ancillary industries such as packaging, warehousing and logistics are also driving demand for space managed properties.	Possibility of interest rate hikes by the Central Bank to control inflation
	The real estate industry is often affected by changes in government policies and regulations.
	There are considerable procedural delays with respect to Government approvals related to acquisition and use of land, environment approval, etc..
	Stringent Environment and Conservation Laws may create operational difficulties

### F. SEGMENT – WISE PERFORMANCE

Manufacturing of Drill Equipment is the only segment of REL as a standalone company. The financial performance of the said segment is more detailed in the audited standalone financial statements of the Company.

On a consolidated basis, the company operates in two segments namely, manufacturing of equipments and Engineering, Construction and Design Services. The financial performance of the said segments is given in greater detail in the audited consolidated financial

**I. Performance by Segment**

₹ in lakhs

Particulars	2021-22	2020-21	Growth %
Manufacturing of Equipment	10,575.07	8,626.15	22.59
Engineering Design Services	8,416.21	5,175.10	62.63
Total	18,991.28	13,801.25	37.61
Less: Inter Segment Revenue	29.27	2.44	
Total income from operations (net)	18,962.01	13,798.81	37.42

**II. Segment Results**

₹ in lakhs

Particulars	2021-22	2020-21	Growth %
Profit (+)/Loss(-) before interest and tax from each segment			
a. Manufacturing of Equipment	2,134.02	1,893.97	12.67
b. Engineering Design Services	179.80	(969.10)	118.55
Total	2,313.82	924.87	150.18
Less: Interest	527.64	287.31	
Profit/(Loss) before tax & Profit / (Loss) of Associate	1,786.19	637.56	180.16
Add: Profit / (Loss) of Associate	(6.46)	74.80	
Total Profit Before Tax	1,779.73	712.36	149.84

The company operates in two operating segments on an consolidated basis namely,

- a. Manufacturing of equipment - Revathi Equipment Limited
- b. Engineering, Construction and Design - Semac Consultants Private Limited

Semac Consultants Private Limited is a subsidiary of the Company in which Company holds more than 90% of voting share.

During the year under review, Engineering Design Services segment has achieved a growth of 63% while the equipment manufacturing segment registered a growth of 23%. Also the Engineering Design Services segment clocked a profit growth of 119% while the equipment manufacturing segment witnessed a 13% growth in profits. As a result, the Company has achieved an overall growth percentage of 150% in Profit Before Tax on a consolidated basis.

**G. RISKS AND CONCERNS:**

While the Covid-related risks seem to have come down, new challenges have emerged in the form of high global inflation and hardening interest rates. The situation has been further exacerbated by the war in Ukraine and threatens to derail the fragile global recovery after the pandemic. These developments have also dampened India's growth prospects in the immediate future.

Even prior to the ongoing Russia-Ukraine conflict, inflation had started surging in many economies due to soaring commodity prices and pandemic-induced supply-demand imbalances. This led central banks to bring forward the timing of tightening monetary policies in the country. The ongoing Russia-Ukraine conflict has caused sharp escalation and volatility in agri, fuel and crude-linked commodity prices. Persistently elevated and sticky inflation has emerged as a key concern globally. As per IMF, global inflation in 2022 is projected at 7.4% - the highest in 26 years. The economy is expected to grow at a modest pace in the first half of financial year 2022-2023. That said, slow recovery in a couple of quarters may have an impact on next year's numbers as well. The amalgamation of recent events, including the latest surge in COVID cases in certain regions, continued geopolitical tensions, inflationary headwinds on the back of commodity super cycles & 'greenflation', and extended supply chain disruptions, pose significant downside risks to global economic prospects in the year ahead.

India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and has plans to increase its renewable energy capacity to 175 gigawatts (GW) by 2022. The shift away from coal-based energy sources to renewable sources poses a threat to continued revenue streams from supplying drilling equipment to Coal India Limited for coal mining operations in the long term. In the meantime the company is continuously evaluating other viable and sustainable avenues for diversification and growth. The Company relies on third parties to source raw materials, parts and components used in the manufacture of its products. Some of these are small and medium sized enterprises where there is a risk of business continuity. However, the company has in place a Vendor Management team which is engaged in constant monitoring of the performance and financial position of such vendors. In addition, for some parts and components, the Company relies on imports which has inherent risks applicable to any imports such as currency and regulatory risks, timeliness, etc. The company has in place a robust risk management process to monitor and address the manageable risks.

With respect to proposed business of the Company i.e., real estate/ construction, engineering and consultancy business, rapid increase in unemployment, inflation and any adverse changes in the policies and regulations will have a major impact. The office space is

witnessing a structural shift as many companies are adopting the remote working culture and have found it cost effective to have employees working from home.

#### H. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

There is an efficient internal control system in operation in REL, which is adequate and commensurate with the size and magnitude of operations. Internal Audit functions directly under the control of Audit Committee. REL has an internal system in place for all the operational and transactional activities to identify problem areas and bring the same before the Board of Directors for corrective measures.

All the department functions in REL are aligned with the objectives of the internal control systems. The internal audit plays a crucial role as far as corporate governance is concerned. The reports of the internal auditors are placed before the Audit Committee of REL for discussion. The decisions arising from the discussion are properly addressed and tracked through "action taken reports". The Audit committee members have direct discussion with the internal auditors to ascertain the scope of audit, the efficacy of the audit process and its effectiveness, and concerns if any arising out of the audit carried out.

#### I. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The following are the summary of results of operations, break up of expenditures and cash flows of your company.

##### RESULTS OF OPERATIONS:

##### Results of Operations:

₹ in lakhs

Particulars	2021-22	2020-21	Growth %
Gross Sales	11,691	9,816	19%
Less: GST	1,544	1,342	15%
Net Sales	10,147	8,474	20%
Other Income	451	152	197%
Total Income	10,598	8,626	23%

##### Break up of major heads of Expenditures:

₹ in lakhs

Particulars	2021-22	2020-21	Growth	
			Absolute	% age
Cost of materials consumed	4,276	5,004	(729)	-14.57
Purchase of stock in trade	770	877	(106)	-12.1
Changes in inventory	124	(1,953)	2077	106.35
Employee benefit expense	1,228	1,165	63	5.41
Finance Cost	463	251	212	84.46
Depreciation/Impairment	89	85	4	4.71
Other expenses	1,976	1,555	421	27.07
Profit / (loss) before tax	1,671	1,643	28	1.7
Total Comprehensive Income after tax	1,141	1,165	(24)	(2.06)

During the year under review, the revenue from operations increased to Rs. 10,146.67 lakhs as compared to Rs. 8,473.60 lakhs in the previous year. Though the Company managed to restrict the direct expenses incurred during the year, the total expenditure of the Company increased due to the increase in finance cost and the other expenses of the Company. Finance cost increased substantially during the year due to the higher inventory holding for exports. Additionally, the Company incurred business expenses to increase visibility in new export markets as well as to penetrate into new local segments. As a result, Other Expenses have gone up compared to last year. All other items of expenses are in line with the company's activity levels.

Despite the challenging business environment, the Company has continued to be profitable during the year under review.

##### Cash Flows:

₹ in lakhs

Particulars	31.03.2022	31.03.2021
Opening Cash & Cash equivalents	27.09	32.90
Net cash from operating activities	2,799.23	119.80
Net cash from investing activities	(1,809.65)	(1,511.88)
Net cash used in financing activities	(967.80)	1,386.27
Change in Cash and cash equivalents	21.77	(5.81)
Closing cash & cash equivalents	48.86	27.09

**J. KEY FINANCIAL RATIOS:**

S. No	Description	31.03.2022	31.03.2021	Change	Reasons for change (25% or more)
1.	Debtors Turnover (in times)	0.74	0.56	33.8%	Average debtors during current year is less whereas Sales is more.
2.	Inventory Turnover (in times)	0.54	0.62	-12.6%	
3.	Interest Coverage Ratio(in times)	3.62	5.80	37.6%	Increase in Interest cost during the year whereas profit is at same level.
4.	Current ratio (in times)	2.06	1.67	23.1%	
5.	Debt Equity ratio (in times)	0.14	0.18	-20.0%	
6.	Operating Profit Margin (%)	17%	21%	-19.05%	
7.	Net Profit Margin (%)	11.08	13.77	-19.5%	
8.	Return on Net Worth (%)	5.88	6.00	-2.0%	

**K. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:**

The manpower strength as on 31st March 2022 is 217 permanent employees as against 185 permanent employees during the previous year.

As on	Executive	Non-Executive	Total
31.03.2022	85	132	217
31.03.2021	67	118	185

**Material Developments in Human Resources:** Development of Human Resource is one of the important objectives of REL for long term economic growth. Human Resource Development is the integrated use of training and development, organizational development, career development to improve individual group and organizational effectiveness.

The Human Resource Development climate of REL plays a very important role in ensuring the competency, motivation and development of our employees and helps to provide learning related with goals of organization. It influences morale and the attitudes of the individual towards his / her work and work environment.

REL is continuously providing training and development opportunities to its employees in all levels including management trainees. In addition, company also arranges external training programs.

**Industrial Relations front:** Industrial Relations in our company continue to be highly cordial and harmonious. The participative way of functioning of management facilitates settling the disputes / grievances amicably through discussions, which in turn has resulted in maintaining over all healthy ethos of relationship in REL.

REL is committed to maintaining healthy industrial relations which in turn helps in creating an atmosphere of industrial peace and harmony, which is necessary for better management, high productivity as well as growth of REL.

**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.

By Order of the Board  
For Revathi Equipment Limited

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958

**PLACE :** Coimbatore  
**DATE :** 13.08.2022

## REPORT OF DIRECTORS

### – FOR FINANCIAL YEAR 2021-22

Dear Members,

Your Directors have pleasure in presenting the 45th Annual Report of your Company together with the Audited Financial Statements for the financial year ended 31st March, 2022

#### FINANCIAL HIGHLIGHTS

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

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Total Revenue (including other income)	10,597.88	8,626.15	18,962.01	13,798.81
Total Expenditure (including Finance Cost)	8,927.24	6,983.01	17,175.82	13,161.25
Finance Cost	463.38	250.83	527.64	287.31
Profit /(Loss) before tax for the period (before minority interest, in-case of consolidated)	1,670.64	1,643.14	1,779.73	712.36
Tax Expense	545.97	476.34	468.01	451.56
Profit /(Loss) for the period (after tax and Exceptional Item)	1,124.67	1,166.80	1,311.72	260.80
Non controlling Interest (in-case of consolidated)	0.00	0.00	41.33	(260.89)
Reserves & Surplus				
Capital Reserve	1.49	1.49	1.49	1.49
General Reserve	4,600.10	4,600.10	5,544.35	5,544.35
Retained earnings	14,478.91	13,354.23	13,192.51	11,865.96
Legal/ Statutory Reserve	0.00	0.00	69.26	69.26
Consolidation Adjustment Reserve	0.00	0.00	165.61	165.61

#### RESULTS OF OPERATIONS

The outbreak of corona virus (COVID-19) pandemic globally and in India caused a significant disturbance and slowdown of economic activity during the financial year 2021-22. The economic activity is yet to recover to pre-covid levels. After facing significant challenges in FY 2020-21, the Business navigated through two disruptive waves of the pandemic during the year under review.

On a standalone basis, during the year, your Company has earned revenue from operations to the extent of Rs.10,146.67 lakhs as against Rs.8,473.60 lakhs in the previous year. The expenditure incurred during the year under review was Rs.8,927.24 lakhs as against Rs.6,983.01 lakhs in the previous year. After tax expense of Rs 545.97 lakhs during the year under review, the profit for the year stood at Rs.1,124.67 lakhs as against an after tax profit of Rs. 1,166.80 lakhs in the previous year. Escalated borrowings necessitated by higher inventory holdings for exports pushed up the finance costs during the year. The company also incurred higher business expenditure to increase visibility in new exports markets. It is gratifying to note that despite the challenging business environment, the Company has continued to remain profitable during the year under review.

The total consolidated revenue from operations of your Company for the year ended 31st March, 2022 was Rs.18,106.20 lakhs compared to Rs.13,223.52 lakhs in the previous year and the expenditure incurred was Rs.17,175.82 lakhs against Rs. 13,161.25 lakhs in the previous year which resulted in a consolidated profit before tax of Rs. 1,779.73 lakhs during the year as against Rs. 712.36 lakhs in the previous year. After tax expense of Rs 468.01 lakhs during the year under review, the consolidated profit for the year stood at Rs. 1,311.72 lakhs as against Rs. 260.80 lakhs in the previous year. Members may recollect the one time expenses incurred, and provisions that were made in the previous year which resulted in a significant dip in the profits of previous year. The details of division wise performance and other operational details are discussed at length in the Management Discussion and Analysis section.

There was no change in the nature of business of the company during the financial year ended 31st March 2022.

## SUBSIDIARY COMPANIES

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

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

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

The annual accounts of the subsidiary companies are posted on the website of the Company viz. [www.revathi.in](http://www.revathi.in) and will also be kept open for inspection by any shareholder at the Registered Office of the Company.

## ACCOUNTS OF SUBSIDIARIES

The Board of Directors (including Audit Committee) have reviewed the affairs of the Subsidiaries and the salient features of the financials of Subsidiary Companies are provided in the prescribed format AOC -1 attached as Annexure-1.

The Annual Audited Accounts of the Subsidiary Companies and the related detailed information will be made available to the shareholders of the Company at the Registered Office of the Company and on the Company website [www.revathi.in](http://www.revathi.in) under the section Investor Relations.

## RESERVES

The Company has not transferred any amount to its reserves during the year under review. However, the net profit of Rs.1,124.67 Lakhs has been carried forward under the head 'Retained Earnings'.

## DIVIDEND

The Board of Directors do not recommend any dividend to the shareholders for the financial year 2021-2022 since the surplus is intended to be ploughed back into the business for its future growth.

## FIXED DEPOSITS

The Company do not hold/ has not accepted any deposits within the meaning of Chapter V of the Companies Act, 2013 and the rules made there under. Since the Company has not accepted any fixed deposit covered under Chapter V of the Companies Act, 2013, and there are no deposits remaining unclaimed or unpaid as on 31st March, 2022, the question of default in repayment of deposits or payment of interest thereon during the year does not arise.

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There was no unpaid/unclaimed Dividend required to be transferred to Investor Education and Protection Fund (IEPF) pursuant to the provisions of Section 124 & 125 of the Companies Act, 2013 during the year under review.

However, pursuant to Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, 609 (Six Hundred and Nine) equity shares of Rs.10/- (Rupees Ten only) each on which dividend had remained unclaimed for a period of 7 years is remaining in the Demat Account identified by the IEPF Authority.

## CAPITAL STRUCTURE

The Authorized Share Capital of the Company is Rs.3,50,00,000/- (Rupees Three crore fifty lakh only) divided into 35,00,000 (Thirty Five lakhs) equity shares of Rs 10/- each and the issued, subscribed and paid-up share capital of the Company is Rs.3,06,69,430 (Rupees Three crore six lakh sixty nine thousand four hundred and thirty only) divided into 30,66,943 (Thirty lakh Sixty Six thousand nine hundred and forty three) equity shares of Rs. 10/- each.

There was no change in the Capital Structure of the Company during the financial year under review.

## EXTRACT OF ANNUAL RETURN

The Annual Return of the Company for the financial year 2021-22 as required under the Companies Act, 2013 is available on the website of the Company and can be accessed at the link <http://www.revathi.in/investor-relations/financials/annual-return/>.

## CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of corporate governance and adherence to the corporate governance requirements set out by Securities and Exchange Board of India (SEBI). The Company strives to achieve fairness for all stakeholders and to enhance long term shareholders value.

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company together with the certificate from M/s.MDS & Associates, Coimbatore, Practicing Company Secretary Firm, forms an integral part of this Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of your Company consists of the following 6 (six) Directors:

1. Mr. Abhishek Dalmia  
Managing Director
2. Mr. Venkata Ramanan Bapoo  
Non-Executive- Independent Director
3. Mr. V V Subramanian  
Non-Executive- Independent Director
4. Mr. S G Sundarasamy  
Non-Executive- Independent Director
5. Ms. Deepali Dalmia  
Non-Executive-Non Independent Director
6. Mr. T P Gandhimathinathan  
Non-Executive-Non Independent Director

During the year under review, Mr. Harivansh Dalmia (Non-Executive - Non Independent Director) resigned from the Board on 01st April 2021 and Mr. Kishore Nanik Sidhwani (Non-Executive - Independent Director) resigned from the Board with effect from 13th November 2021 due to personal reasons.



During the year under review, Mr. T P Gandhimathinathan (DIN: 00013687) was appointed as an Additional Director of the Company with effect from 18th June 2021 and was subsequently appointed as a Non-Executive Non-Independent Director of the Company with effect from 18th June 2021 by the members at the 44th Annual General Meeting held on 24th September, 2021.

Mr. Sundarasamy (DIN: 08829760) was appointed as an Additional Director of the Company with effect from 12th November 2021 and was subsequently appointed as a Non-Executive Independent Director of the Company with effect from 12th November 2021 for a term of five consecutive years through postal ballot on 19th January 2022.

The members of the Company at its Annual General Meeting held on 24th September 2021 approved the reappointment of Mr. V V Subramanian (DIN 05232247) as an Independent Non-Executive Director for his second term of five consecutive years, with effect from 29th May 2022.

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act') read with the Articles of Association of the Company, Mrs. Deepali Dalmia will retire by rotation at the ensuing AGM and being eligible, offers herself for re-election. The Board has recommended her re-election. Members are requested to refer to the Notice of the Annual General Meeting and the Explanatory Statement for relevant details including qualifications and experience of the Director for taking an informed decision regarding the re-appointment.

The following are the Key Managerial Personnel of the Company:

- Mr. Abhishek Dalmia - Managing Director
- Mr. Sudhir R - Chief Financial Officer
- Mr. Nishant Ramakrishnan - Company Secretary

During the year under review, Mr. K. Maheswaran resigned as Company Secretary and Compliance officer of the Company with effect from 15th December 2021. The Company appointed Mr. Nishant Ramakrishnan as Company Secretary and Compliance officer of the Company with effect from 11th February, 2022.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that their name is included in the data bank as per Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014. The details of remuneration and / or other benefits of the Independent director are mentioned in the Corporate Governance Report.

Pursuant to Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Director's Databank Registration Certificate issued by the Independent Director's Databank and Indian Institute of Corporate Affairs, received from all the Independent Directors of the Company were taken note of by the Board of Directors.

#### **CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR**

The Company has a Nomination and Remuneration Policy that spells out the criteria for determining qualifications, positive attributes and independence of a Director, and the policy on

remuneration of Directors, Key Managerial Personnel and senior management employees including functional heads. The Policy enables and encourages the diversity of the Board and also provides the mechanism for the performance evaluation of the Chairman, individual Directors, Board of Directors and its Committees. The Board of Directors and the Nomination and Remuneration Committee of the Company periodically review the policy regarding the criteria for appointment and remuneration of Directors including Independent Directors, Key Managerial Persons and Senior Management. The Nomination and Remuneration policy has been framed in accordance with Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee of the Company oversees the implementation of the Nomination and Remuneration policy of the Company. The composition of the Nomination and Remuneration Committee and other relevant details are provided in the Corporate Governance Report.

The Nomination and Remuneration policy of the Company is available on the Company's website at [www.revathi.in/wp-content/themes/rel/pdf/Nomination-Remuneration-Policy-19.pdf](http://www.revathi.in/wp-content/themes/rel/pdf/Nomination-Remuneration-Policy-19.pdf)

#### **STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR**

The Board of Directors have evaluated the Independent Directors, including those appointed/ re-appointed during the year 2021-22, and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is satisfactory.

#### **BOARD DIVERSITY POLICY**

The Company recognizes and embraces the importance of a diverse Board in its success. A truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, age, race and gender etc., which will help the Company to retain its competitive advantage. The Policy on Board Diversity has been adopted by the Company and available at the website at <https://www.revathi.in/investor-relations/>.

#### **FAMILIARIZATION PROGRAMS**

In compliance with the requirements of the Listing Regulations, the Company has put in place a familiarization program for the Independent Directors to familiarize them with their roles, rights and responsibilities as Independent Directors, the working of the Company, nature of the industry in which the Company operates, business model and so on. All new independent directors inducted into the Board attend an orientation program. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The details of the familiarization programmes imparted to independent directors is also available at the Company website at <https://www.revathi.in/investor-relations/familiarization-programme/>

#### **SELECTION AND PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS**

The Nomination and Remuneration Committee is responsible for identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in the Nomination and Remuneration Policy. The Committee shall also recommend to the Board, the appointment of any new Directors/Key Managerial Personnel



or removal of the existing Directors/Key Managerial Personnel. The Committee recommends to the Board as to whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of Independent Directors. After carefully evaluating and analyzing the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company decides whether to appoint a new Director/Key Managerial Personnel or reappoint / remove an existing Director/ Key Managerial Personnel, as the case may be.

#### **ANNUAL EVALUATION OF THE BOARD ON ITS OWN PERFORMANCE AND OF THE INDIVIDUAL DIRECTORS AND COMMITTEES**

The Board has carried out an annual evaluation of its own performance, the Directors individually as well as the working of the Committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering criteria such as Board composition and structure, effectiveness of Board / Committee processes, and information provided to the Board, etc. The Board and the individual Directors have also evaluated the performance of Independent and Non-independent Directors, the Board as a whole and that of the Chairman of the Meetings.

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

The Company, pursuant to the provisions of Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has formulated a policy on Nomination and Remuneration for its Directors, Key Managerial Personnel and senior management which inter alia provides for the diversity of the Board and the mechanism for performance evaluation of the Directors. The details of this policy can be accessed on the Company's website at [www.revathi.in/wp-content/themes/rel/pdf/Nomination-Remuneration-Policy-19.pdf](http://www.revathi.in/wp-content/themes/rel/pdf/Nomination-Remuneration-Policy-19.pdf)

#### **BOARD MEETINGS**

The Board Meetings of the Company were held with requisite notice and with a valid quorum. The Board met 4 (Four) times during the financial year 2021-2022 on 18th June 2021, 13th August 2021, 12th November 2021 and 11th February 2022. The maximum interval between any two meetings did not exceed 120 days. The details of the composition of the Board Meetings, attendance of the Directors and other relevant details are provided in the Corporate Governance Report which forms a part of the Annual Report.

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and these systems are adequate and operating effectively. The Company has duly complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on meetings of the Board of Directors (SS-1) and General Meeting (SS-2).

#### **COMMITTEES OF THE BOARD**

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee

3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

Details of the composition of the Board, Committees of the Board, attendance of the Directors/ Committee Members at such Meetings and other relevant details are provided in the Corporate Governance Report which forms a part of the Annual Report.

#### **AUDIT COMMITTEE**

The Company has constituted an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Kindly refer to the Section on Corporate Governance, under the head, 'Audit Committee' for matters relating to the composition, meetings, and functions of the Committee. The Board has accepted the Audit Committee's recommendations during the year wherever required and hence no disclosure is required under Section 177(8) of The Companies Act, 2013 with respect to rejection of any recommendations of Audit Committee by Board.

#### **CORPORATE SOCIAL RESPONSIBILITY**

In accordance with Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee (CSR Committee) consisting of the following directors as members:

1. Mr. Abhishek Dalmia
2. Mr. V V Subramanian
3. Mr. Venkata Ramanan Bapoo

The Company's CSR objective is promoting education, eradicating hunger, poverty and malnutrition, promoting healthcare, including preventive health care and sanitation and making available safe drinking water, ensuring environmental sustainability, training to promote rural sports ,rural development projects. The Company has developed a CSR policy in line with the activities mentioned in Schedule VII of the Companies Act, 2013.

The Annual Report on Corporate Social Responsibility activities undertaken by the Company is furnished in Annexure II and is attached to this report..

The CSR Policy of the Company is available on the Company's website in the link: <http://www.revathi.in/>

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year the Company has increased its investment in Subsidiary Company M/s. Semac Consultants Private Limited from 95.44% to 95.86%. Also, during the year the Company has invested Rs. 1,100.61 lakhs in M/s. Purple Orchid Tree LLP, Rs.100lakhs each in the preference share capital of M/s. Webklipper Technologies Private Limited and Grand Anicut GAAF Vyaapar II out of treasury surplus.

The details in respect of Investments and Corporate Guarantee provided by the Company have been disclosed in the Notes to the financial statements. The Company has complied with provisions of Section 186 of the Companies Act, 2013 during the year under review and the Loans, Guarantees and Investments made by the Company do not exceed the limits approved by the members of the Company under Section 186 of the Companies Act, 2013.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/ transactions entered by the Company during the financial year were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interests of the Company at large.

All Related Party Transactions were placed before the Audit Committee and also before the Board for their approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The Company has framed a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at <https://www.revathi.in/investor-relations/governance/>.

Particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 in Form No. AOC 2 of the Companies (Accounts) Rules, 2014 is attached as Annexure III.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**

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

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

The Board of Directors of the Company during the year under review approved the composite Scheme of Arrangement amongst Renaissance Advanced Consultancy Limited ("RACL") and Renaissance Consultancy Services Limited ("RCSL") and Renaissance Stocks Limited ("RSL") and Revathi Equipment Limited ("REL") and Semac Consultants Private Limited ("SCPL") and Renaissance Corporate Consultants Limited ("RCCL"). The detail of the scheme is available at the Company's website at <https://www.revathi.in/investor-relations/scheme-of-arrangement/>.

Other than this, there were no material changes and commitments, affecting the financial position of the Company.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT**

The Company has received "No objection" from the SEBI and the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited (NSE) to the Composite Scheme of Arrangement of Revathi Equipment Limited in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme of arrangement with National Company Law Tribunal (NCLT). As per the scheme:

- Renaissance Advanced Consultancy Limited ("RACL") and Renaissance Stocks Limited ("RSL"), the wholly owned subsidiary of RACL, promoters of the Company will merge into Revathi Equipment Limited ("REL") and the equity shares

held by RACL and RSL in REL will stand cancelled upon the scheme becoming effective. The equity shares of Rs. 10 each fully paid up of REL shall be issued and allotted as fully paid up to the equity shareholders of RACL.

- Revathi Equipment Limited ("REL") will demerge and transfer its existing business of designing, manufacturing, and marketing of blast hole drills to Renaissance Corporate Consultants Limited (RCCL) and 1 equity share of Rs. 10 each, fully paid up of RCCL will be issued for every 1 equity share of Rs. 10 each held by the shareholders of REL. Renaissance Corporate Consultants Limited will be renamed to "Revathi Equipment India Limited" and the equity shares of RCCL will be listed and/ or admitted to trading on the Stock Exchanges on which the existing equity shares of REL are listed.
- Semac Consultants Private Limited, subsidiary of the Company will merge with Revathi Equipment Limited and subsequent to the merger, the Company will be renamed to Semac Consultants Limited and the Memorandum of Association and Articles of Association of REL shall, without any further act, instrument or deed, be stand altered, modified and amended in line with the Semac Consultants Private Limited ("SCPL").
- Revathi Equipment Limited (REL) shall continue the business of Semac Consultants Private Limited ("SCPL") under the new name of "Semac Consultants Limited".

The Company has filed a Joint Application along with other parties to the Composite Scheme of Arrangement with the Hon'ble National Company Law Tribunal, Chennai bench on 28th July 2022. The Scheme remains subject to receipt of applicable regulatory and other approvals as identified in the Scheme uploaded on the Company website. Apart from the above, there have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As stipulated under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis, is presented in a separate section forming part of the Annual Report.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

## **STATUTORY AUDITORS**

M/s. S S Kothari Mehta & Co (Firm Registration No. 000756N), Chartered Accountants, New Delhi, was appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 43rd Annual General Meeting held on 25th September, 2020 for a period of 5 consecutive years till the conclusion of the 48th Annual General Meeting to be held in the year 2025.

The Company has received necessary consent letter and certificate from M/s. S.S. Kothari Mehta & Co (Firm Registration No. 000756N), Chartered Accountants, New Delhi, to the effect that their appointment, if made, would be within the prescribed limits

under Section 141(3) of the Act and that they are not disqualified from being appointed as the Statutory Auditors of the Company.

There are no audit qualifications, reservations or adverse remarks from the Statutory Auditors during the year under review.

#### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr.M.D.Selvaraj of M/s. MDS & Associates, Company Secretaries in Practice, Coimbatore to undertake the Secretarial Audit of the Company for the financial year 2022-2023.

The Secretarial Audit Report for the financial year 2021-2022 forms a part of the Annual Report and is attached as Annexure V.

#### **COMMENTS ON AUDITOR'S REPORT**

- a) There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. S.S. Kothari Mehta & Co., Statutory Auditors.

With regard to the observation of the Secretarial Auditor, that the Board of Directors of the Company did not comprise of a minimum of 6 directors during the period from 1st April, 2021 to 17th June, 2021, the Board of Directors wish to state that it had corrected its composition with the appointment of Mr. P. Gandhimathinathan (DIN: 00013687) as Non-Executive Non-Independent Director at its meeting dated 18th June, 2021 with effect from 18th June, 2021.

#### **COST AUDITORS**

The provisions of Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 will be applicable to the Company for the financial year 2022-2023. Accordingly the Company has duly made and maintained the cost records as mandated by the Central Government.

The Company has appointed M/s. P. Mohankumar & Co, Cost Accountants (Firm Registration Number 100490) as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2022-2023 at a remuneration of Rs. 1,00,000 (Rupees One Lakhs only) (excluding all taxes and reimbursement of out of pocket expenses). Pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Accounts) Rules, 2014, the remuneration payable for the year 2022-23 to the Cost Auditor of the Company is subject to ratification by the Shareholders at the ensuing Annual General Meeting. The Board recommends his remuneration.

#### **REPORTING OF FRAUDS BY AUDITORS**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

#### **INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY**

The Company has implemented and evaluated the Internal Financial Controls which provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. The Company has an

effective internal control and risk mitigation system, which is reviewed and constantly updated. The effectiveness of the internal controls, including the internal financial controls, of the Company are reviewed by the Audit Committee and by the Board annually. Further the Company has also appointed independent Internal Auditors who review and monitor the internal financial controls and their adequacy in the course of their audit. The Directors and Management confirm that the Internal Financial Controls of the Company are adequate and commensurate with the size and nature of business of the Company.

#### **CEO/CFO CERTIFICATION**

As required under SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015, the Chairman and Managing Director and the Chief Financial Officer have furnished necessary certificate to the Board on the financial statements presented.

#### **RISK MANAGEMENT**

The Company has a structured risk management policy which is continuously reviewed by the Management and by the Board of Directors of the Company. The Risk Management Policy of the Company assists the Board in:

- Safeguarding the organization from various risks through appropriate and timely actions.
- Anticipating, evaluating and mitigating risks in order to minimize its impact on the business.
- Ensuring that potential risks are inventorised and integrated with the management process such that they receive the necessary consideration during decision making.
- Ensuring that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational etc have been identified and assessed.

The Risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is structured to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventorised and integrated with the management process such that they receive the necessary consideration during decision making. The Company ensures that the Audit Committee as well as the Board of Directors are kept duly informed about risk assessment and management procedures and status. These procedures are periodically reviewed to ensure that the executive management monitors and controls risks.

#### **HUMAN RESOURCES MANAGEMENT**

The employees are the most important assets of the Company. The Company is committed to hiring and retaining the best talent and being among the industry's leading employers. The Company has also taken steps to retain its talent pool, enhance skill of existing people and recruit the most suited talent to spearhead its growth initiatives. For this, the Company focusses on promoting a collaborative, transparent and participative organization culture, and rewarding merit and sustained high performance. The human resource management of the Company focuses on allowing the employees to develop their skills, grow in their career and to navigate to the next level.

#### **PARTICULARS OF EMPLOYEES**

The Company has 217 permanent employees on a standalone

basis as of 31st March 2022. The disclosures as stipulated under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure VI.

#### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has provided for adequate safeguards to deal with instances of fraud and mismanagement and to report concerns about unethical behavior or any violation of the Company's code of conduct. The policy on Vigil Mechanism is available in the website of the Company at <http://www.revathi.in/wp-content/themes/rel/pdf/Whistle-Blower-Policy-19.pdf>

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has been employing women employees in various cadres within the Office / factory premises. The Company has in place the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress any complaint regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the year 2021-22:

- No. of complaints at the beginning of the year 2021-22: NIL
- No. of complaints received during the year 2021-22: NIL
- No. of complaints disposed off during the year 2021-22: NIL
- No. of complaints at the end of the year 2021-22: NIL

#### **PREVENTION OF INSIDER TRADING POLICY**

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Board of Directors of the Company have amended the policy pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which are effective from April 1, 2019. and the same is available on the website of the Company <https://www.revathi.in/investor-relations/governance/>.

The Company has also appointed an outside agency to monitor and report to the Company regarding the trading in securities by the Directors and designated employees of the Company.

#### **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR**

No applications have been made and no proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016.

#### **DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONETIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.**

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013, the Board of Directors affirm that:

- (a) in the preparation of the annual accounts for the financial year ending 31st March 2022, the applicable Accounting Standards have been followed and there are no material departures from those standards.
- (b) the Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2022 and of the profit of the Company for the financial year ended on that date.
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the Directors have prepared the annual accounts for the financial year ended 31st March, 2022 on a 'going concern' basis.
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **ACKNOWLEDGMENTS**

Your Directors place on record their sincere appreciation of the assistance and guidance provided by the Regulators, Stock Exchanges, and other statutory bodies. Your Directors express their appreciation of the dedicated efforts and contributions made by the employees at all levels. The Directors also place on record their appreciation of the continued support and recognition provided by the company's esteemed customers and bankers

**PLACE :** Coimbatore  
**DATE :** 13.08.2022

By Order of the Board  
For Revathi Equipment Limited  
**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958



**FORM AOC-1**

[PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ  
WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014]

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

**Part "A": Subsidiary**

(₹ IN LAKHS)

S. No.	Particulars	Details	
1.	Name of the subsidiary	Semac Consultants Private Limited (Material Subsidiary)	Semac and Partners, LLC (Step down Subsidiary)
2.	Date of acquisition	26th February 2007	26th February 2007
3.	Reporting period for the subsidiary concerned,	31st March 2022	31st March 2022
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupees In Lakhs	Omani Riyal Exchange rate (1 OMR = Rs. 195.550)
5.	Share capital	182.09	4.67
6.	Reserves & surplus	4,836.31	665.25
7.	Total assets	9,496.43	1,458.41
8.	Total Liabilities (excluding share capital and reserves and surplus)	4,478.03	788.49
9.	Investments	1,531.86	Nil
10.	Turnover	5,704.64	2,255.00
11.	Profit/(Loss) before taxation	(2.85)	119.00
12.	Provision for taxation/ Deferred Tax	98.23	20.00
13.	Profit/(Loss) after taxation	95.38	99.00
14.	Proposed Dividend	Nil	Nil
15.	Percentage of shareholding	95.44%	65%

1.	Names of associates or joint ventures which are yet to commence operations.	Nil
2.	Names of Associates or Joint Ventures which have been liquidated or sold during the year	Nil

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

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures		
1.	Names of Associates or Joint Ventures	Nil
2.	Latest audited Balance Sheet Date	NA
3.	Date on which the Associate or Joint Venture was associated or acquired	NA
4.	Shares of Associate or Joint Ventures held by the company on the year end	NA
	a. No. of Shares of Associate or Joint Ventures	
	b. Amount of Investment in Associates or Joint Venture	
	c. Extent of Holding (in percentage)	
5.	Description of how there is significant influence	NA
6.	Reason why the associate/Joint venture is not consolidated.	NA
7.	Net worth attributable to shareholding as per latest audited Balance Sheet	NA
8.	Profit or Loss for the year	NA
	a. Considered in Consolidation	NA
	b. Not Considered in Consolidation	NA

1.	Names of associates or joint ventures which are yet to commence operations.	Nil
2.	Names of Associates or Joint Ventures which have been liquidated or sold during the year	Nil

By Order of the Board  
For Revathi Equipment Limited

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958

PLACE : Coimbatore  
DATE : 13.08.2022

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**
**1. Brief outline on the Company's CSR policy.**

The Company has been proactively engaged in Corporate Social Responsibility activities over the years. As required under the Companies Act, 2013, the Company has formulated a CSR Policy which is in line with the activities mentioned in Schedule VII of the Companies Act, 2013 and with the objective, principles and values, for delineating its responsibility as a socially and environmentally responsible corporate citizen. The CSR policy of the Company is directed towards promoting education, eradicating hunger, poverty and malnutrition, promoting healthcare, including preventive health care and sanitation and making available safe drinking water, ensuring environmental sustainability and rural development projects. The Policy lays down the principles and mechanism for undertaking various programs in accordance with Section 135 of the Companies Act, 2013. The Policy shall apply to all the CSR programs and activities undertaken by the Company at various locations for the benefit of diverse sectors of the society.

**2. Composition of CSR Committee**

The Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors is optimally balanced between Independent and Non-Independent Directors. The current Committee comprises of the following members:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Abhishek Dalmia	Chairman & Managing Director (Chairman of the Committee)	2	2
2	Mr. B.V.Ramanan	Non-Executive Independent Director (Member)	2	2
3	Mr. V.V.Subramanian	Non-Executive Independent Director (Member)	2	2

**3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

The Composition of the CSR Committee is disclosed on the website of the Company at <https://www.revathi.in/wp-content/uploads/2022/03/composition-of-committees.pdf>.

The CSR policy of the Company is disclosed on the website of the Company at <http://www.revathi.in/wp-content/themes/rel/pdf/CSR-Policy.pdf>

The CSR projects approved by the board are disclosed on the website of the Company at <http://www.revathi.in/wp-content/themes/rel/pdf/CSR-Policy.pdf>

**4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

The Impact assessment of CSR projects in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the Company.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1.	2020-2021	Rs 65,000/-	Rs 65,000/-

**6. Average Net Profit of the Company as per Section 135(5):**

The average net profit of the Company for the last three financial years is Rs. 1,450.00 Lakhs

**7. (a) Two percent of average net profit of the company as per section 135(5): Rs 29.00 Lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Rs. 0.65 Lakhs

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs.28.35 Lakhs

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
29,00,000	NIL	Not Applicable	Not Applicable	NIL	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

The Company has not spent any amount against ongoing projects during the financial year under review.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Poverty eradication program	Eradicating hunger, poverty and malnutrition, promoting health care	No	Uttar Pradesh	Mathura	27,00,000	No	The Hare Krishna Movement, Vrindavan	CSR00007223
2.	Education projects	Promoting Education;	Yes	Tamil Nadu	Coimbatore	1,00,000	No	Bharatiya Vidhya Bhavan	CSR00009636
3.	Education projects	Promoting Education;	No	New Delhi	New Delhi	1,00,000	No	Rotary club of Delhi Service Trust	NA
					<b>Total</b>	<b>29,00,000</b>			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 29 Lakhs

(g) Excess Amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	29,00,000
(ii)	Total amount spent for the Financial Year	29,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	65,000
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	65,000

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
The Company does not have any unspent CSR amount in any of the preceding three financial years and hence disclosure under this clause does not arise.							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1.	2.	3.	4.	5.	6.	7.	8.	9.
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed / Ongoing.
The Company does not have any ongoing projects in any of the preceding financial years and hence disclosure under this clause does not arise.								



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

Asset-wise details	
(a) Date of creation or acquisition of the capital asset(s).	Not Applicable
(b) Amount of CSR spent for creation or acquisition of capital asset.	
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. Reason if the Company has failed to spend 2% of the average net profits as per section 135(5):

The Company has spent the required amount on CSR activities as per section 135(5) and hence reporting under this clause does not arise.

By Order of the Board  
For Revathi Equipment Limited

**PLACE** : Coimbatore  
**DATE** : 13.08.2022

**V. V. SUBRAMANIAN**  
Member of CSR Committee  
DIN: 05232247

**ABHISHEK DALMIA**  
Chairman of CSR Committee  
DIN: 00011958

**FORM AOC-2**

(PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

a. Name(s) of the related party and nature of relationship	Not Applicable
b. Nature of contracts/ arrangements/ transactions	
c. Duration of the contracts / arrangements/transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Justification for entering into such contracts or arrangements or transactions	
f. Date(s) of approval by the Board	
g. Amount paid as advances, if any:	
h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2022, which were not at arm's length basis.

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

a. Name(s) of the related party and nature of relationship	Not Applicable
b. Nature of contracts/ arrangements/ transactions	
c. Duration of the contracts / arrangements/transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Date(s) of approval by the Board	
f. Amount paid as advances, if any:	

The transaction entered into by the Company during the year with related parties on an arms length basis were not material in nature.

By Order of the Board  
For Revathi Equipment Limited

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958

**PLACE :** Coimbatore

**DATE :** 13.08.2022

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

### CONSERVATION OF ENERGY

(i) **Steps Taken for conservation of Energy:**

As regards conservation of energy, Company continued its efforts by elimination of waste, improvement in power factor and by good maintenance of various equipments. The Company make use of energy efficient lighting, LEDs, star rated appliances – AC, efficient fans, etc.

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

The Company has installed Solar Panels including rooftop mounted systems in the office buildings to meet the energy requirements of the Company. The Company has also taken measures to reduce Carbon foot print (CO2 emission - Net Zero 2050) using electrical energy in place of diesel engine driven prime mover.

The Company has taken steps and efforts to harvest and reuse rainwater by installing rain water harvesting plant which reduces dependency on external sources and has a positive impact on the water table.

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

No major capital investment was made during the year in this regard.

### TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

**Technology Absorption, Adaptation and Innovation:**

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

- Collaborative efforts with Design consultants for technology up gradation, active participation in customer & dealers meet, attending exhibitions & trade fairs
- Competitor bench marking on Performance / Weight / Cost optimization on all types of drill rigs

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

- Reliable product with First time right every time & with on time delivery
- To keep abreast on the recent trends in mining industry.
- Product conformance to Director General of Mines Safety 2020 Circular
- Design consultancy on new technologies like fleet management, compressor management, real time health monitoring, etc

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

1) the details of technology imported	Autonomous system from M/s. Flanders, USA
2) the year of import	2020-21
3) whether the technology been fully absorbed	Yes
4) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	-

### RESEARCH AND DEVELOPMENT (R&D) AND BENEFITS DERIVED THEREON

1) Specific areas in which R&D carried out by the Company

- Down the Hole technology drill rig for limestone (Cement) ore sector - C600H & C615H Jack less drill
- C625H Jackless drill for international market
- C650H EOH with autonomous drill
- C650H POT MOBA Real time performance monitoring System
- Fleet Management System
- Compressor Management System

- 2) Benefits derived as a result of the above R&D
- New product indigenously manufactured
  - Exploring new markets & new segment
  - •Increased installed base in mining sector
  - •New product development for global customer with remarkable ergonomics, superior product quality and reliability
- 3) Future Plan of Action
- To establish R&D laboratory to test / evaluate ore properties
  - Building design verification & validation teams to ensure product reliability
  - To develop remote health monitoring system using Industry 4.0 (IoT solutions) to predict failures (Predictive Maintenance) well in advance
  - Using Emerging Technologies like 3D Printing
  - Building new team to develop Top Hammer type blast hole drill rig
  - Providing digital platform for 3D model & drawings
  - Performing Value Analysis / Value Engineering on fast selling models
  - Improving product build quality / aesthetics / ergonomics / serviceability
  - To develop C650DH Rotary for low ambient application (-40°C)
  - To execute voice of customer & competitor bench marking exercise for the new product C950E Rotary
- 4) Expenditure incurred on Research & Development: (₹ in Lakhs)

Expenditure on R&D	2021-22	2020-21
Capital	-	-
Revenue	213.24	168.23
Total	213.24	168.23
R&D Expenditure as a percentage of Turnover	2.01	1.95

#### FOREIGN EXCHANGE EARNINGS & OUTGO (₹ in Lakhs)

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

Particulars	2021-22	2020-21
Foreign Exchange Earnings	1,724.46	1,138.46
Foreign Exchange Outgo	88.16	32.50

By Order of the Board  
For Revathi Equipment Limited

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958

**PLACE :** Coimbatore  
**DATE :** 13.08.2022

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members,

**Revathi Equipment Limited**

(CIN: L29120TZ1977PLC000780)

Pollachi Road, Malumichampatti P.O.,

Coimbatore – 641 021.

Tamil Nadu, India

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

Based on my verification of **M/s. Revathi Equipment Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);
- b) The Listing Agreement entered into by the Company with the BSE Limited and National Stock Exchange of India Limited;

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations and Standards etc., mentioned above except to the extent of the following:

- a. The Board of Directors of the Company did not comprise of a minimum of 6 directors during the period from 1st April 2021 to 17th June 2021 as required under Regulation 17(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- a. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021;

- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- f. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; and
- g. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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

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

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

#### **I further report that**

The Board of directors of the Company is duly constituted with proper balance of Executive directors, non-executive directors, Independent directors, and a women director subject to the observation mentioned above. The changes in the composition of board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period, the company has obtained necessary approval of the members through a special resolution for appointment of Mr. S. Sundarasamy (DIN: 08829760) as an Independent Director of the company with effect from 12th November, 2021 for a term of five consecutive years through postal ballot on 19th January 2022.

I further report that during the period under review, the Board of Directors of the company at their meeting held on 12th November, 2021 on recommendation of the audit committee has, inter alia, approved the Scheme of Arrangement amongst Revathi Equipment Limited ("REL") and Renaissance Advanced Consultancy Limited ("RACL") and Renaissance Consultancy Services Limited ("RCSL") and Renaissance Stocks Limited ("RSL") and Semac Consultants Private Limited ("SCPL") and Renaissance Corporate Consultants Limited ("RCCL") and their respective Shareholders and Creditors in accordance with the provisions of Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013. Further, BSE Limited & the National Stock Exchange of India Limited vide their respective observation letters dated 4th May 2022 and 2nd May 2022 have stated that they do not have any adverse observation to the Scheme of arrangement.

Other than the above, there were no instances of

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

**PLACE** : Coimbatore  
**DATE** : 13.08.2022

**M D SELVARAJ**  
MDS & Associates  
Company Secretaries  
FCS No.: 960, C P No.: 411  
Peer Review No. 985/2020  
UDIN : F000960D000765504

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



## ANNEXURE - A

To

The Members,

**Revathi Equipment Limited**

(CIN: L29120TZ1977PLC000780)

Pollachi Road, Malumichampatti P.O.,

Coimbatore – 641 021.

Tamilnadu, India

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

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

**PLACE** : Coimbatore

**DATE** : 13.08.2022

**M D SELVARAJ**

MDS & Associates

Company Secretaries

FCS No.: 960, C P No.: 411

Peer Review No. 985/2020

UDIN : F000960D000765504

# SECRETARIAL AUDIT REPORT OF MATERIAL UNLISTED SUBSIDIARY

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members,

**Semac Consultants Private Limited**

(CIN: U85110TZ1987PTC017564)

Pollachi Road, Malumachampatti Post

Coimbatore – 641 050

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Semac Consultants Private Limited** (hereinafter called the Company) being a material unlisted subsidiary of a listed entity. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. Semac Consultants Private Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iii) Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iv) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

I have also examined compliance with the applicable clauses of the Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

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

I further report that the Company has invested in its overseas subsidiary Company, for which we are unable to verify the compliance of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under, since such overseas investment related records were not made available to us.

I further report that, the Company being an unlisted company, the following Acts/ Rules/ Regulations are not applicable to the Company during the year under review:

- a. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- b. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - i. The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except Regulation 24A;
  - ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - iv. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - vi. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021;
  - vii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - viii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - ix. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018; and

x. The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021

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

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

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

**I further report that**

The Board of Directors of the Company is duly constituted. The changes in the composition of board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the period under review, the Board of Directors of the company at their meeting held on 12th November, 2021 on recommendation of the audit committee has, inter alia, approved the Scheme of Arrangement amongst Revathi Equipment Limited ("REL") and Renaissance Advanced Consultancy Limited ("RACL") and Renaissance Consultancy Services Limited ("RCSL") and Renaissance Stocks Limited ("RSL") and Semac Consultants Private Limited ("SCPL") and Renaissance Corporate Consultants Limited ("RCCL") and their respective Shareholders and Creditors in accordance with the provisions of Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013.

Other than the above, there were no instances of:

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

**PLACE** : Coimbatore

**DATE** : 13.08.2022

**M D SELVARAJ**

MDS & Associates

Company Secretaries

FCS No.: 960, C P No.: 411

Peer Review no. 985/2020

UDIN : F000960D000765449

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

**ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE**

'Annexure A'

To

The Members,  
**Semac Consultants Private Limited**  
(CIN: U85110TZ1987PTC017564)  
Pollachi Road, Malumachampatti Post  
Coimbatore – 641 050

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

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

**PLACE** : Coimbatore  
**DATE** : 13.08.2022

**M D SELVARAJ**  
MDS & Associates  
Company Secretaries  
FCS No.: 960, C P No.: 411  
Peer Review no. 985/2020  
UDIN : F000960D000765449

## PARTICULARS OF EMPLOYEES

**Statement Pursuant to Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****1. The ratio of the remuneration of each director to the median employee's remuneration for the financial year**

Name	Category	Ratio
Mr. Abhishek Dalmia	Executive Chairman	2144.94:1
Mrs. Deepali Dalmia	Director	259.00:1
Mr. V.V. Subramanian	Director	176.12:1
Mr. B. V. Ramanan	Director	72.52:1
Mr. S Sundarasamy	Director	18.13:1
Mr. T P Gandhimathinathan	Director	38.85:1

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

Name	Designation	Increase
Mr. Abhishek Dalmia	Chairman and Managing Director	3.20
Mrs. Deepali Dalmia	Director	11.11
Mr. V.V. Subramanian	Director	-16.56
Mr. B. V. Ramanan	Director	-33.33
Mr. S Sundarasamy	Director	NA
Mr. T P Gandhimathinathan	Director	NA
Mr. Sudhir R	Chief Financial Officer	6.02
Mr. K. Maheswaran	Company Secretary	36.84
Mr. Nishant Ramakrishnan	Company Secretary	NA

**3. The percentage increase in the median remuneration of employees in the financial year:**

The increase in median remuneration of employees as compared to previous financial year is 5.38%.

**4. The number of permanent employees on the rolls of company:**

The number of permanent employees on the rolls of the company as at 31st March 2022 is 217.

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

Average percentile increase in the salaries of employees other than the managerial personnel is 9.86%.

Average percentile increase in the managerial remuneration is 38.33%

**6. Affirmation that the remuneration paid is as per the remuneration policy of the company.**

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

**7. Names of every employee, who:**

- if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees - Nil
- if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month - Nil
- if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company - Nil

Particulars of employees under Rule 5 (2)

	Name	Designation / Nature of Employment	Remuneration received/receivable (Rs)	Qualification/ experience	Date of joining	Age	Last Employment	% of share holding	Whether related to director, if so name of such director
1	Mr. Abhishek Dalmia	Chairman and Managing Director	82,81,595	B.Com (H), FCA, AICWA / 27 years	01/03/2003	53	Utkal Investments Ltd., New Delhi.	NIL	Related to Mrs Deepali Dalmia, Director of the Company
2	Mr. R. Ravindran	DGM – Exports	30,32,764	B.E (EEE), M.B.A / 30 years	20/06/1991	53	NIL	NIL	NIL
3	Mr. R. Sudhir	CFO	29,98,512	B.Com., CA / 12 years	07/09/2017	38	SA Rawther Spices Pvt Ltd.,	NIL	NIL
4	Mr. S Balasundaram	GM – Marketing	28,09,823	B.E(Mech), PGDip Marketing Mgt	20/06/1991	57	NIL	NIL	NIL
5	Mr. S. Chandrasekaran	AGM (Engg)	27,29,239	DME, AIME / 35 years	01/06/2016	56	Sandvik Asia Pvt Ltd, Pune	NIL	NIL
6	Mr. Hara Prasad Chakaraporty	AGM – Marketing (Private)	26,99,994	DME., AMIE	01/08/2016	54	Suchita Earthmoving Solutions	NIL	NIL
7	Mr. A. Hari Shankar Davey	Sr. Manager- Finance & Accounts	16,54,194	M.Com	26/04/2017	47	TVS Training and Services Limited	NIL	NIL
8	Mr. A. Sivakumar	Sr. Manager- Materials	15,27,719	DME, B.S.(Engg Tech)	03/11/1996	50	Achali Leafspring Pvt Ltd	NIL	NIL
9	Mr. Satish I.K	AGM – Product Support	14,17,000	B. Tech (Auto Engg)	22/08/2012	53	Tractors India Pvt Ltd, Kolkata	NIL	NIL
10	Mr. Mohan Kumar N	GM-Operations	14,00,000	B.E. (Mechanical Engineering)	21/08/2020	57	NIL	NIL	NIL

By Order of the Board  
For Revathi Equipment Limited

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958

**PLACE :** Coimbatore  
**DATE :** 13.08.2022



## REPORT ON CORPORATE GOVERNANCE FOR FY 2021-22

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

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has always believed in and followed the best business practices, and has been compliant with all the laws, exercised fairness and integrity in all its dealings, thereby reiterated its commitment to enhancement of stakeholders' value. The Company has a defined set of guidelines for its internal governance based on business ethics, legal compliance and professional conduct. The Company has been transparent in its accounting practices and procedures, in framing and adhering to policies and guidelines, in insisting on responsibility and accountability and by regular audit of its policies and procedures.

## 2. BOARD OF DIRECTORS

### (i) Composition

The Board presently comprises of 6 (Six) Directors including 1 (One) Executive and 5 (Five) Non-Executive Directors of which 3 (Three) are Independent Directors and 2 (Two) are Non-Executive Non-Independent Directors including a woman director. The Directors are professionals who have expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The Board is headed by Chairman & Managing Director.

The details of composition of Board, number of directorships in other public companies, chairmanships and memberships in committees of other public companies as held by the directors of the Company, attendance of directors at board meetings and last annual general meeting are given below:

Name of the Directors	Category of Directorships	Attendance particulars		No. of other Directorship held * in public limited companies	No of committee positions held in other companies **	
		Board Meeting	Last AGM		Chairman	Member
Mr. Abhishek Dalmia (DIN: 00011958)	Chairman & Managing Director / Non-Independent	4	Yes	8	0	0
Mrs. Deepali Dalmia (DIN: 00017415)	Non-Executive / Non-Independent	4	Yes	5	0	0
Mr. B.V. Ramanan (DIN: 00934602)	Non-Executive / Independent	4	No	0	0	2
Mr. V V Subramanian (DIN: 05232247)	Non-Executive / Independent	4	Yes	2	2	2
Mr.T.P.Gandhimathinathan (DIN 00013687) Appointed on 18 <sup>th</sup> June, 2021	Non-Executive / Non-Independent	3	No	0	0	0
Mr.S.Sundarasamy (DIN: 08829760) Appointed on 12th November 2021)	Non-Executive / Independent	1	NA	0	0	2
Mr. Kishore Sidhwani (DIN: 02428735) Resigned on 13th November 2021	Non-Executive / Independent	2	No	0	0	0
Mr.Harivansh Dalmia (DIN: 08750555) Resigned on 1 <sup>st</sup> April, 2021	Non-Executive / Non-Independent	NA	NA	0	0	0

\* Excludes directorships in Foreign Companies & Private Companies.

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

Mr. Abhishek Dalmia, Chairman & Managing Director is related to Mrs. Deepali Dalmia Non-Executive Director. None of the other directors are related.

None of the Directors holds directorship in more than 20 Companies (including limit of maximum directorships in 10 public companies) pursuant to the provisions of the Companies Act, 2013. Further, none of the Directors including Independent Directors hold directorships in more than the maximum number of Directorships prescribed under Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 committees nor are they the Chairman / Chairperson of more than 5 committees, as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(ii) Board Meetings**

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

S. No	Date of Board Meeting	No. of Directors Attended
1	18.06.2021	5
2	13.08.2021	5
3	12.11.2021	6
4	11.02.2022	6

**(iii) Other Directorships:**

Directors	Details of the other listed entities where the Directors hold directorship	
	Name of the listed entity	Designation
Mr. Abhishek Dalmia (DIN: 00011958)	Rajratan Global Wire Limited Ashiana Housing Limited	Non-Executive and Non- Independent Non-Executive and Independent Director
Mrs. Deepali Dalmia (DIN: 00017415)	NIL	NIL
Mr. B.V. Ramanan (DIN: 00934602)	NIL	NIL
Mr. V.V. Subramanian (DIN: 05232247)	NIL	NIL
Mr.T.P.Gandhimathinathan (DIN: 00013687) Appointed on 18 <sup>th</sup> June, 2021	NIL	NIL
Mr.S.Sundarasamy (DIN: 08829760) Appointed on 12th November 2021)	NIL	NIL
Mr. Kishore Sidhwani (DIN: 02428735) Resigned on 13th November 2021	NIL	NIL
Mr.Harivansh Dalmia (DIN: 08750555) Resigned on 1 <sup>st</sup> April 2021	NIL	NIL

**(iv) Shareholdings of Non-Executive Directors:**

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31<sup>st</sup> March, 2022.

S. No.	Name of Director	No. of equity Shares held (as on March 31, 2022)
1	Mrs. Deepali Dalmia	NIL
2	Mr. B.V. Ramanan	NIL
3	Mr. V.V. Subramanian	NIL
4	Mr.T.P.Gandhimathinathan (DIN: 00013687) Appointed on 18th June 2021	NIL
5	Mr.S.Sundarasamy (DIN: 08829760) Appointed on 12th November 2021	NIL
6	Mr. Kishore Sidhwani (DIN: 02428735) Resigned on 13th November 2021	NIL
7	Mr.Harivansh Dalmia (DIN: 08750555) Resigned on 1st April 2021	28

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

The company has not issued any type of convertible instruments to non-executive directors.

**(v) Familiarization Program for Independent Directors:**

Company familiarizes its Independent Directors of the company, their roles, rights, responsibilities in the company, nature of the Industry in which the company operates, business model of the company, etc., through various programmes. These include orientation programmes as well as other initiatives to update the Directors on a continuing basis. The details of familiarization programmes imparted to independent directors are disclosed on the Company's website <https://www.revathi.in/wp-content/uploads/2022/07/Familiarization-Program.pdf>

**(vi) Skills / Expertise / Competencies of the Board of Directors:**

The Board of Directors comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective decisions or contributions to the Board, its committees and the management.

Core Skill/Expertise/Competencies	Whether available with the Board or Not
<b>Industry knowledge/experience</b> Knowledge on Company's businesses (Manufacturing of Blast Hole Drills), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.	YES
<b>Behavioral Skills</b> Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	YES
<b>Management Skills</b> Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.	YES
Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making	YES
Technical / Professional skills and specialized knowledge in relation to Company's business.	YES

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, in the absence of mark against a Director does not necessarily mean that the member does not possess the said qualification or skill.

Board Qualifications					
Name of the Director	Area of Expertise				
	Knowledge on Company's businesses	Behavioral skills	Business Strategy	Financial and Management skills	Technical / Professional skills
Mr. Abhishek Dalmia (DIN: 00011958)	✓	✓	✓	✓	✓
Mrs. Deepali Dalmia (DIN: 00017415)	✓	✓	✓	✓	-
Mr. B.V. Ramanan (DIN: 00934602)	✓	✓	✓	✓	-
Mr. V.V. Subramanian (DIN: 05232247)	✓	✓	✓	✓	-
Mr.T.P.Gandhimathinathan (DIN: 00013687) Appointed on 18 <sup>th</sup> June, 2021	✓	✓	✓	✓	-
Mr.S.Sundarasamy (DIN: 08829760) Appointed on 12th November 2021)	✓	✓	✓	✓	-
Mr. Kishore Sidhwani (DIN: 02428735) Resigned on 13th November 2021	✓	✓	✓	✓	✓
Mr.Harivansh Dalmia (DIN: 08750555) Resigned on 1 <sup>st</sup> April, 2021	✓	✓	✓	✓	-

**(vii) Confirmation on the fulfillment of the conditions of independence:**

Based on the declarations received from the Independent Directors, the Board of Directors are of the opinion that the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

**(viii) Resignation of Independent Directors before expiry of tenure:**

During the year under review, Mr. Kishore Sidhwani (DIN: 02428735), has stepped down from the position of the Independent Director of the Company with effect from 13th November, 2021 i.e., before the expiry of the tenure, due to personal reasons and other professional commitments as mentioned in his resignation letter dated 26th October, 2021.

Further, the Company has received confirmation from Mr. Kishore Sidhwani (DIN: 02428735) that there are no other material reasons for his resignation other than those which is provided in the resignation letter dated 26th October, 2021.

**(ix) Separate Meeting of Independent Directors:**

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 11th February, 2022, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Independent Directors were present at the meeting.

**3. AUDIT COMMITTEE**

**(i) Brief Description and Terms of Reference**

The Board has constituted a well-qualified Audit Committee in compliance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Committee are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

The role, powers and functions of the committee are as per Section 177 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of the Committee are as required by SEBI – under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Besides having access to all the required information within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions, and other related matters. The Committee is empowered to recommend the appointment and remuneration payable to the Statutory Auditors. The Committee meets once in every quarter to carry out its business.

**(ii) Composition of the committee, Meetings and attendance**

During the year under review, the Committee met 4 (Four) times on 17th June, 2021, 12th August, 2021, 12th November 2021 and 12th February, 2022. The Composition of the Audit Committee and the attendance of each member of the Committee is given below.

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Mr. V.V. Subramanian (Chairman)	Non-Executive and Independent Director	4	4
Mr. B.V. Ramanan (Member)	Non-Executive and Independent Director	4	4
Mr.S.Sundarasamy (Member) Appointed on 12th November 2021	Non-Executive and Independent Director	1	1
Mr.Kishore Sidhwani (Member) Resigned on 13th November 2021	Non-Executive and Independent Director	3	2

The Chairman of the Audit Committee attended the Annual General Meeting held on 24th September 2021.

The Company Secretary acts as the Secretary to the Committee. The minutes of the Audit Committee meetings were circulated to the Board, and the Board discussed and took note of the same. The Audit Committee considered and reviewed the financial statements, before it was placed in the Board.

#### 4. **NOMINATION AND REMUNERATION COMMITTEE:**

##### (i) **Brief Description and Terms of Reference**

The Nomination and Remuneration Committee is constituted in compliance with the requirements of Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act 2013.

The role, powers and functions of the Nomination and Remuneration Committee are as per Section 178 of the Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of the committee have been mandated with the same as specified in Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also with the requirement of Section 178 of the Companies Act, 2013.

The Nomination and Remuneration policy can be accessed on Company's website at <https://www.revathi.in/wp-content/themes/rel/pdf/Nomination-Remuneration-Policy-19.pdf>

##### (ii) **Composition of the committee, Meetings and attendance**

During the year under review, the Committee met 3 (Three) times on 17th June, 2021, 11th November 2021 and 11th February 2022. The Composition of the Nomination and Remuneration Committee and the attendance of each member of the Committee is given below.

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Mr. V.V. Subramanian (Chairman)	Non-Executive and Independent Director	3	3
Mr. B.V. Ramanan (Member)	Non-Executive and Independent Director	3	3
Mr.S.Sundarasamy (Member) Appointed on 12th November 2021	Non-Executive and Independent Director	1	1
Mr.Kishore Sidhwani (Member) Resigned on 13th November 2021	Non-Executive and Independent Director	2	2

The Chairman of the Nomination and Remuneration Committee had attended the Annual General Meeting held on 24th September, 2021.

This Committee would look into and determine the Company's policy on remuneration packages of the Executive directors and Senior Management.

##### (iii) **Performance Evaluation criteria of Non-Executive and Independent Directors**

The Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 2017 had issued a guidance note on Board Evaluation specifying the criteria for evaluation of performance of (i) Board as a whole (ii) individual Directors (including Independent Directors & Chairperson) and (iii) various Committees of the Board.

Based on the parameters suggested, the Nomination and Remuneration Committee has adopted suitable criteria to evaluate the Independent Directors, Committees of the Board and the Board of Directors as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Performance Evaluation of the Board, Individual Directors and Committees has been carried out in accordance with the aforesaid circular.

The Independent Directors' performance is evaluated based on their qualification, experience, knowledge and competency, ability to fulfill allotted functions / roles, ability to function as a team, pro-activeness, participation and attendance, commitment, contribution, integrity, independence from the Company and the ability to articulate independent views and judgement. Accordingly, performance evaluation of Independent Directors has been conducted and the results have been communicated to the Chairman of the Board.

#### 5. **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

##### (i) **Brief Description and Terms of Reference**

The Stakeholders Relationship Committee was constituted in compliance with the provisions of Section 178(5) of the Companies Act, 2013 read with Regulation 20 and Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**(ii) Composition of the committee, Meetings and attendance**

During the year under review, the Committee met 4 (Four) times on 17th June, 2021, 12th August, 2021, 11th November, 2021 and 11th February, 2022. The Composition of the Stakeholders Relationship Committee and the attendance of each member of the Committee is given below.

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Mr. V.V. Subramanian (Chairman)	Non-Executive and Independent Director	4	4
Mr. B.V. Ramanan (Member)	Non-Executive and Independent Director	4	4
Mr.S.Sundarasamy (Member) Appointed on 12th November 2021	Non-Executive and Independent Director	1	1
Mr.Kishore Sidhwani (Member) Resigned on 13th November 2021	Non-Executive and Independent Director	3	2

The Chairman of the Stakeholders Relationship Committee had attended the Annual General Meeting held on 24th September 2021.

Mr. Nishant Ramakrishnan, Company Secretary is Compliance Officer of the Company.

The minutes of the Stakeholders Relationship Committee were placed before the Board Meeting for due ratification and approval.

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

**(iii) Unclaimed Suspense Account**

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

**(iv) Investors' complaints:**

The Company attends to the investors' grievances and correspondences within a maximum period of 5 days from the date of receipt of the same.

- (i) number of shareholders' complaints received during the financial year - NIL
- (ii) number of complaints not solved to the satisfaction of shareholders - NIL
- (iii) number of pending complaints - NIL

**6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

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

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

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII:
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause A:
- c. To monitor the CSR policy of the Company from time to time:
- d. Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder or any other statutory laws of India:



During the year under review, the Committee met 2 (Two) time on 17th June 2021 and 11th February 2022. The Composition of the Corporate Social Responsibility Committee and the attendance of each member of the Committee is given below.

Name of the Members	Category	No. of Meetings held during the year	No. of Meetings attended
Mr. Abhishek Dalmia (Chairman)	Executive Director	2	2
Mr. V.V. Subramanian (Member)	Non-Executive and Independent Director	2	2
Mr. B.V. Ramanan (Member)	Non-Executive and Independent Director	2	2

## 7. REMUNERATION OF DIRECTORS

Details of remuneration paid to the directors for the year ended March 31, 2022 are as follows:

### (i) Executive Directors

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

Name	Service Contract	Salary	Perquisites and other benefits	Contribution to various Funds	Commission /Incentive	Total Remuneration
Mr. Abhishek Dalmia	5 years with effect from 01.04.2021	50,73,854	15,96,269	16,11,471	43,90,000	1,26,71,594

### (ii) Non-Executive Directors

Sitting fees for attending Board / Committee meetings paid and Commission payable to Non-Executive directors for financial year 2021-22 are given below:

S. No.	Name of the Directors	Sitting Fees Paid (Rs)	Commission (Rs)
1	Mrs. Deepali Dalmia	2,00,000	8,00,000
2	Mr. B.V. Ramanan	2,80,000	-
3	Mr. V.V. Subramanian	2,80,000	4,00,000
4	Mr. T.P. Gandhimathinathan (From 18.06.2021)	1,50,000	-
5	Mr. S. Sundarasamy (From 12.11.2021)	70,000	-
6	Mr. Kishore Nanik Sidhwani (Upto 13.11.2021)	1,40,000	3,00,000
7	Mr. Harivansh Dalmia (Upto 01.04.2021)	-	-

(iii) The non-executive directors of the Company does not have any pecuniary relationship or transactions vis-à-vis the listed entity

(iv) The criteria of making payments to Non – Executive Directors is appearing on the website of the company at <https://www.revathi.in/wp-content/themes/rel/pdf/Criteria-payment-non-executive-directors.pdf>

(v) The Company does not have any Employee Stock Option Scheme.

## 8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As stipulated under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis, is presented in a separate section forming part of the Annual Report.

## 9. GENERAL BODY MEETINGS:

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

Period	Date	Time	Venue	Special Resolutions Passed
2021-2022	24.09.2021	2.00 pm	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	<ul style="list-style-type: none"> <li>Re-appointment of Mr. V.V. Subramanian (DIN 05232247) as an Independent Non-Executive Director for his second term of five consecutive years, with effect from 29th May, 2022</li> </ul>

Period	Date	Time	Venue	Special Resolutions Passed
2020-2021	25.09.2020	2.00 pm	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	<ul style="list-style-type: none"> <li>■ Re-appointment of Mr. Abhishek Dalmia, as Chairman and Managing Director of the Company</li> <li>■ Authorize the Board of Directors of the Company to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company, upto an aggregate limit of Rs.100 Crores.</li> </ul>
2019-2020	10.09.2019	3.00 pm	Pollachi Road, Malumachampatti Post, Coimbatore - 641 050.	<ul style="list-style-type: none"> <li>■ Payment of remuneration to Mr. Abhishek Dalmia, Executive Chairman of the Company</li> <li>■ Re-appointment of Mr. B. V. Ramanan as Independent Director of the Company</li> <li>■ Re-appointment of Mr. Kishore Sidhwani as Independent Director of the Company</li> <li>■ Approval to make investments, loans, give guarantee or provide security in excess of the limit prescribed under Section 186 of the Companies Act, 2013</li> </ul>

#### EGM AND POSTAL BALLOT:

During the year under review no Extra Ordinary General Meeting was held.

#### Postal Ballots

During the year, the Company has conducted a Postal Ballot vide Notice dated 11th December 2021 for obtaining the approval of the members for appointment of Mr. S. Sundarasamy (DIN: 08829760) as an Independent Director for a term of five (5) consecutive years with effect from 12th November 2021. The details of resolution passed through Postal Ballot and the voting pattern for the said resolution is disclosed as under:

Particulars of Resolution	Type of resolution	No. of valid votes polled	Votes cast in favour		Votes cast against		Whether Resolution passed or not
			No. of votes	% of votes	No. of votes	% of votes	
Approval for appointment of Mr. S. Sundarasamy (DIN: 08829760) as an Independent Director for a term of five (5) consecutive years with effect from 12th November 2021	Special Resolution	22,72,510	22,72,382	99.99	128	0.01	Passed as a Special Resolution with requisite majority

Sri. M.D. Selvaraj, FCS of MDS & Associates, Company Secretaries, Coimbatore, was appointed as the scrutinizer for carrying on the postal ballot process in a fair and transparent manner for both the postal ballots conducted during the year.

#### Procedure for postal ballot:

Pursuant to the provisions of Section 108 & 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the resolutions as specified in the Notice of the Postal Ballot dated 11th December 2021 (as specified above) was transacted through Postal Ballot / e-voting.

The Company had engaged the services of Link Intime India Private Limited (LIPL) for the Postal Ballot Notice dated 11th December, 2021 for providing e-voting facility to the members.

In respect of the Postal Ballot Notice dated 11th December 2021, the members holding shares as on the cut-off date of Friday, 17th December 2021 were provided the option of exercising their right to vote on the said resolution through postal ballot / e-voting during the period commencing from Tuesday, 21st December 2021 to Wednesday, 19th January 2022. Upon completion of the voting period, the scrutinizer completed the scrutiny of votes cast and submitted his report to the Chairman and Managing Director. The results of the voting were declared on Thursday, 20th January 2022 on the website of the Stock Exchanges, Company and LIPL.

#### Postal Ballot proposed to be conducted:

As on date of this report, the Company does not foresee the need for postal ballot to pass any resolution in the financial year 2022-23.

## 10. MEANS OF COMMUNICATION

- (i) The quarterly / half yearly unaudited financial and the annual audited financial results are normally published in Business Standard and Malai Murasu (Vernacular paper). The financial results are also placed on the Company's website - www.revathi.in.
- (ii) The copies of the results are forwarded to concerned stock exchanges immediately after they are approved by the Board for publication in their website. The company has a dedicated help desk at www.revathi.in for providing necessary information to investors.
- (iii) There were no specific presentations made to Institutional Investors or to the analysts during the year.

### General Shareholder Information

#### (i) 45<sup>th</sup> Annual General Meeting:

Date	:	27.09.2022
Time	:	2.00 P.M.
Venue	:	The meeting is being convened at the registered office of the Company at Pollachi Road, Malumichampatti P.O., Coimbatore - 641 021, Tamil Nadu, India

#### (ii) Financial Calendar:

Financial Year	:	April 01, 2021 to March 31, 2022
Date of Book closure from	:	20.09.2022 to 27.09.2022 (Both days inclusive)

- (iii) Dividend payment date: The Directors have not recommended any Dividend for the year ended 31<sup>st</sup> March, 2022.

#### (iv) Listing on Stock Exchanges

The shares are listed in

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai - 400 001	National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1 'G' Block, Bandra-Kurla Complex Bandra (East), Mumbai - 400 051.
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#### (v) Stock Market Data

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

The Company has paid the Listing Fees for the financial year 2022-2023 to the above Stock Exchanges.

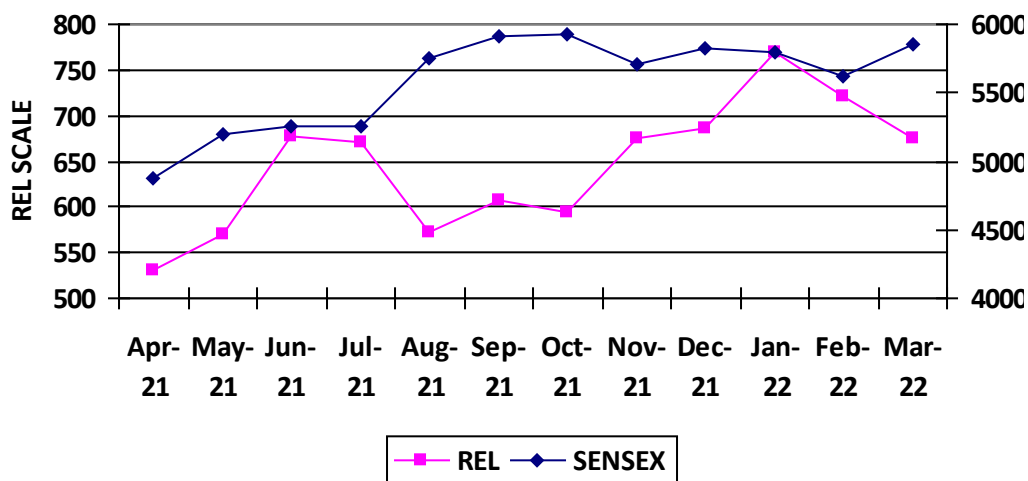
#### (vi) Share Price Movements (Monthly High & Low)

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

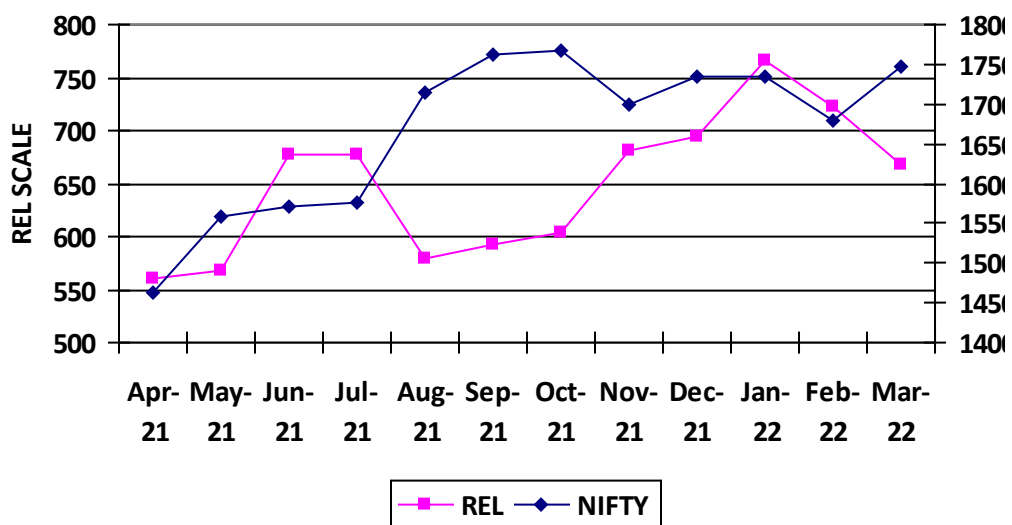
Period	BSE Limited		National Stock Exchange of India Limited	
	High (in Rs.)	Low (in Rs.)	High (in Rs.)	Low (in Rs.)
April 2021	545.00	469.05	624.00	469.30
May 2021	614.00	525.00	615.00	522.65
June 2021	842.25	546.15	841.95	550.50
July 2021	738.00	650.15	736.90	650.00
August 2021	703.00	516.65	735.00	517.10
September 2021	657.70	545.00	662.15	546.35
October 2021	679.45	580.00	682.00	580.00
November 2021	774.75	583.25	777.00	590.00
December 2021	789.90	636.35	784.50	632.30
January 2022	957.00	689.95	958.80	678.65
February 2022	836.65	644.00	832.00	618.30
March 2022	725.95	648.50	730.00	645.00

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

Movement of Share Price - BSE during 2021-2022



Movement of Share Price - NSE during 2021-2022



**(vii) Registrar & Share Transfer Agent: (For both physical & demat segments)**

S.K.D.C Consultants Ltd.,  
"Surya" 35, May Flower Avenue,  
Behind Senthil Nagar, Sowripalayam Road  
Coimbatore - 641 028  
Tel : 0422-6549995, 2539836  
Fax : 0422-2539837, E-mail : info@skdc-consultants.com

**(viii) Details of Compliance Officer**

Mr. Nishant Ramakrishnan

Revathi Equipment Limited, Pollachi Road, Malumachampatti P O, Coimbatore – 641 050, e-mail: compliance.officer@revathi.in  
in Phone: 0422-6655100, 6655111 Fax: 0422 - 6655199.

In order to facilitate investor servicing, the Company has designated an e-mail-id: compliance.officer@revathi.in for registering complaints by investor.

The shares of the Company are regularly traded and in no point of time the shares were suspended for trading in the stock exchanges.

**(ix) Reconciliation of Share Capital Audit**

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

**(x) Share Transfer System**

The Company's shares are transferable through the depository system. Shares in physical form are processed by the Registrar and Share Transfer Agents, S.K.D.C. Consultants Limited and approved by the Stakeholders Relationship Committee of the Company. The share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by S.K.D.C Consultants Limited, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Stakeholders Relationship Committee generally meets as and when required to effect the shares received for transfer in physical form.

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

Shares under lock – in : NIL

**(xi) Shareholding Pattern**

Category	(Rs. 10/- each)	
	No. of Shares	% to Total
Promoters	22,25,981	72.58
Financial institutions/banks	100	0.00
IEPF	609	0.02
HUF	63,104	2.06
Directors and relatives	1,519	0.05
Bodies Corporate	41,089	1.34
Non -Resident Indians	13,379	0.43
LLP	4,501	0.15
Public	7,16,661	23.37
<b>TOTAL</b>	<b>30,66,943</b>	<b>100.00</b>

**(xii) Distribution of Shareholding**

Range of Shareholding	No. of Shareholders	% of Shareholding	No. of Shares	% of Shareholding
01 - 500	5060	95.4717	340972	11.12
501 - 1000	121	2.2830	89468	2.92
1001 - 2000	71	1.3396	101924	3.32
2001 - 3000	19	0.3585	46512	1.52
3001 - 4000	5	0.0943	17192	0.56
4001 - 5000	7	0.1321	32500	1.06
5001 - 10000	7	0.1321	54747	1.79
10001 and above	10	0.1887	2383628	77.72
<b>Total</b>	<b>5300</b>	<b>100.00</b>	<b>3066943</b>	<b>100.00</b>

Number of Shareholders as on March 31, 2022: 5,300

**(xiii) Dematerialization of shares and liquidity:**

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

During the financial year 2021-22, 2287 (0.07%) shares were dematerialized. As on 31st March, 2022, total shares in demat form is 30,25,918 shares and 41,025 shares in physical form. This represents 98.66% shares of the company are in demat form and 1.34% shares are in physical form. The shares are compulsorily tradable in demat form with effect from 26th June 2000 for all investors.

With effect from 1st April, 2019, the applications for transfer of shares held in physical form will not be processed by the listed entity / Registrar and Share Transfer Agent, except in case of transmission or transposition, in accordance with the amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(xiv) Outstanding GDRs / ADRs / Warrants / any Convertible Instruments / conversion date and their likely impact on equity:**

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

**(xv) Plant Locations:**

Pollachi Road, Malumachampatti Post, Coimbatore – 641 050.

**(xvi) Address for Correspondence / Contact address for shareholder:**

S.K.D.C. Consultants Ltd, "Surya" 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028.

Tel: 0422-6549995, 2539836 Fax: 0422-2539837 Email: info@skdc-consultants.com

**(xvii) For annual report, transfer of physical / demat shares, dividend on shares, change of address & other query relating to shares of the Company and investors correspondence, may be addressed to:**

Mr. Nishant Ramakrishnan  
Company Secretary & Compliance Officer,  
Revathi Equipment Limited, Pollachi Road, Malumachampatti P O, Coimbatore – 641 050.  
e-mail : compliance.officer@revathi.in Phone: 0422-6655100, 6655111 Fax: 0422-6655199.

## **11. DISCLOSURES**

**(i) Disclosures on materially significant related party transactions**

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

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

The Related Party Transaction Policy as approved by the Board is uploaded on the Company's website viz. <https://www.revathi.in/wp-content/themes/rel/pdf/Related-Party-Transactions-Policy19.pdf>

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

The company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties have been levied or strictures have been passed by SEBI, Stock Exchange or any other statutory authority on matters relating to capital markets during the last three years.

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

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy of the Company is uploaded on the Company's website viz. <https://www.revathi.in/wp-content/themes/rel/pdf/Whistle-Blower-Policy-19.pdf>

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



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

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

The Company has adopted the following non-mandatory requirements.

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

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

Policy for determining material subsidiaries and Policy on dealing with Related Party Transactions has been disclosed on the website of the Company at <https://www.revathi.in/investor-relations/governance/>

**Material Unlisted Subsidiary -**

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

Further the minutes of meetings of the Board of Directors of the subsidiary company are being placed before the Board of Directors of the Company for their review and noting.

**(vi) Commodity price risk and commodity hedging activities**

The Company has not engaged in commodity hedging activities.

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

**(vii) Accounting Treatment**

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

**(viii) Risk Management**

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

**(ix) Credit Rating:**

The Company does not have any Debt instruments or fixed deposit programme or any scheme or proposal involving mobilization of funds either in India or abroad that requires Credit Rating.

**(x) Other disclosures:**

The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Security Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report

During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.

The Company has paid a sum of Rs. 14.70 Lakhs plus out of pocket expenses and applicable taxes as fees on consolidated basis to the Statutory auditors and all entities in the network firm / entity of which the Statutory auditor is a part for the services rendered by them.

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee.

- a. number of complaints filed during the financial year - NIL
- b. number of complaints disposed of during the financial year - NIL
- c. number of complaints pending as on end of the financial year - NIL

**(xi) During the year under review, the Company and its subsidiary have made loans and advances in the nature of loans to firms/ companies in which directors are interested as follows:**

S . No.	Name of the Company and Category	Name of the firms/company in which directors are interested	Amount (in Rs.)
1.	Revathi Equipment Limited	Semac Consultants Private Limited	5,55,00,000

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

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

However, the Company has not complied with Regulation 17(1)(c) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 which stipulates that the Board of Directors of top 2000 listed entities shall comprise of not less than six directors with effect from 1st April 2020. Whereas Mr. Harivansh Dalmia resigned with effect from 1st April 2021 and consequent to his resignation, Mr. T.P. Gandhimathinathan was appointed as Non-Executive Non-Independent Director of the Company with effect from 18th June 2021. The composition of board was not in compliance with the SEBI Regulations during the period from 1st April 2021 to 17th June 2021.

#### Certificate from CEO/CFO

The CEO and CFO certification on the financial statements for the year has been submitted to the Board of Directors, in its meeting held on 24th May 2022 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Code of Conduct and prevention of insider trading

The Board of Directors have laid down a code of conduct for all Board members and senior management of the Company. The same has been posted on the website of the Company. All Board members and senior management personnel have affirmed their compliance with the code of conduct for the year under review. The Company's Chairman and Managing Director's declaration to this effect forms part of this report.

The Company has framed a Code of Conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all directors / officers / designated employees. The code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

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

#### DECLARATION

I hereby affirm and state that all board members and senior management personnel of the company have given a declaration in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and I hereby affirm compliance with the said code of conduct for the financial year 2021-2022.

By Order of the Board  
For Revathi Equipment Limited

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958

**PLACE :** Coimbatore  
**DATE :** 18.06.2021

To The Members of  
**Revathi Equipment Limited**  
(CIN: L29120TZ1977PLC000780)  
Pollachi Road, Malumichampatti P.O.,  
Coimbatore – 641 021.  
Tamilnadu, India

Dear Sir,

I have examined the compliance of the conditions of Corporate Governance by M/s. Revathi Equipment Limited (“the Company”) for the financial year ended March 31, 2022 as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Directors and Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2022.

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

**Place:** Coimbatore  
**Date:** 13.08.2022

**M D SELVARAJ**  
MDS & Associates  
Company Secretaries  
FCS No.: 960; C P No.: 411  
Peer Review No. 985/2020  
UDIN:F000960D000765746

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members of  
**M/s. REVATHI EQUIPMENT LIMITED**  
(CIN: L29120TZ1977PLC000780)  
Pollachi Road,  
Malumichampatti P.O.,  
Coimbatore – 641 021.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. REVATHI EQUIPMENT LIMITED** having CIN: L29120TZ1977PLC000780 and having registered office at Pollachi Road, Malumichampatti P.O, Coimbatore – 641 050 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March 2022** have been debarred or disqualified from being appointed or continuing as Directors of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
1	Mr. Abhishek Dalmia (Chairman and Managing Director)	00011958	01/04/2011
2	Mrs. Deepali Dalmia	00017415	08/08/2014
3	Mr. Venkata Ramanan Bapoo	00934602	20/01/2010
4	Mr. Theethipalayam Palaniswamy Gandhimathinathan	00013687	18/06/2021
5	Mr. Venkatachalam Venkata Subramanian	05232247	29/05/2017
6	Mr. Sellappa Gounder Sundarasamy	08829760	12/11/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Coimbatore  
**Date:** 13.08.2022

**M D SELVARAJ**  
MDS & Associates  
Company Secretaries  
FCS No.: 960; C P No.: 411  
Peer Review No. 985/2020  
UDIN:F000960D000765625

To the Members of Revathi Equipment Limited

## Report on the Audit of Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of REVATHI EQUIPMENT LIMITED ('the Company'), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2022, the profit and total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

### Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information

included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon.

The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the records, information and explanation provided, we have nothing to report in this regard.

When we read the annual report if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act read with the companies (Indian Accounting Standard) Rules 2015, as amended, (Ind AS").

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the standalone financial statements may be influenced. We consider quantitative and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure – A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules issued thereunder;
  - e. On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure – B"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of



section 197(16) of the Act, as amended:

As per the information and explanation given to us and on the basis of our examination of the records, managerial remuneration has been paid or provided as specified by the provisions of section 197 read with Schedule V to the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigation which would impact its financial position. Refer Note 32 to the standalone financial statements;
  - ii) The Company did not have long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv) A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with

the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- B) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Company has not paid any dividend during the year, therefore reporting under this clause is not applicable.

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants

Firm Registration No. 000756N

**NEERAJ BANSAL**

Partner

Membership No. 095960

UDIN: 22095960AJMZHP4474

Place: New Delhi

Date: 24 May 2022

## **“Annexure A” to the Independent Auditor’s Report to the members of Revathi Equipment Limited**

Report on the matters specified in paragraph 3 of the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 (“the Act”) as referred to in paragraph 1 of “Report on Other Legal and Regulatory Requirement’s “ section

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has physically verified these Property, Plant and Equipment as per its program of physical verification that covers every item of Property, Plant and Equipment over a period of three years. According to information and explanation given to us, no material discrepancies were noticed on such verification;
- (c) According to information and explanation given to us and on the basis of our examination of the records of the company, title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreement are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company. However, the original title document for factory land and building which are pledged as security with SBI for securing the credit facilities extended to the company on paripassu charge basis with other lenders verified on the basis of confirmation received from SBI for original documents of title deed.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) As per information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. As explained to us, no discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in aggregate for each class of inventory.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets; the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) (a) According to the information and explanations given to us and based on our examination, the Company has not given any security or advance, in nature of loans, secured and unsecured to companies, firms, limited liability partnership or any other parties. The Company has made investments, provided guarantee and granted loans, to companies in respect of which the requisite information is as below;
- (a) According to the information and explanations given to us and based on our examination, during the year company has provided guarantee amounting to INR 5000 Lakhs to subsidiaries against which balance outstanding as at balance sheet date in respect of above cases amounting to INR 6500 Lakh and granted loans to companies amounting to INR 555 Lakhs to subsidiaries against which balance outstanding as at balance sheet date in respect of above cases amounting to INR Nil.
- (b) According to the information and explanation given to us and based on our examination, the terms and conditions of the investment, guarantee and loan given are prima facie, not prejudicial to the interest of the company.
- (c) According to the information and explanations given to us and based on our examination, in case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and based on our examination, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and based on our examination, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the over dues of existing loans given to the same party.
- (f) According to the information and explanations given to us and based on our examination, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanation given to us and based on our examination, the Company has complied with the provisions of section 185 and 186 of The Companies Act, 2013 in respect of loans , investments , guarantees, and security made;
- (v) According to the information and explanation given to us and based on our examination, the Company has not accepted any deposit or amounts which are deemed to be deposits during the year. Further, we have not come across any such deposits nor the management has reported any such deposits, therefore the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder is not applicable.

- (vi) We have broadly reviewed the books and records required to be maintained as specified by the Central Government under sub-section (l) of section 148 of companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records are being maintained; We have not, however, made a detailed examination of same;
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, duty of customs, duty of excise, Value added tax, Goods and Services Tax, cess and other material statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date, they became payable.
- (b) According to the information and explanation given to us and based on our examination, there are no statutory dues referred to in sub-clause (a) above which have not been deposited on account of any dispute.
- (viii) According to the information and explanation given to us and based on our examination, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanation given to us and based on our examination, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanation given to us and based on our examination, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanation given to us and based on our examination, the term loans were applied for the purpose for which loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanation given to us and based on the examination, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates.
- (f) According to the information and explanation given to us and based on the examination, the company has not raised loans during the year on the pledge of securities held in its subsidiaries and associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and therefore reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and therefore reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanations given to us and based on our examination, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanation given to us and based on our examination, there is no whistle-blower complaints received during the year by the company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 & 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards;
- (xiv) (a) According to the information and explanation given to us and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year.
- (xv) According to the information and explanation given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and therefore provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) As per the information and explanation given to us and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 therefore, reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) As per the information and explanation given to us and based on our examination, in continuation of sub clause (a) of above clause (xvi) as there is no requirement to be registered under section 45- IA of the Reserve Bank of India Act, 1934 and the Company has not conducted any Non- Banking Financial or Housing Finance activities therefore, reporting under clause 3(xvi)(b) of the Order is not applicable.

- (c) As per the information and explanation given to us and based on our examination, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, therefore reporting under clause 3 (xvi) (c) of the order is not applicable.
- (d) As per the information and explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and therefore reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year, therefore reporting under clause (xviii) is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no ongoing CSR projects with the Company. Accordingly, reporting under paragraph 3(xx)(b) of the Order is not applicable for the year.

Place: New Delhi  
Date: 24 May 2022

For **S S KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration No. 000756N  
**NEERAJ BANSAL**  
Partner  
Membership No. 095960  
UDIN: 22095960AJMZHP4474

## **"Annexure B" to the Independent Auditor's Report to the members of Revathi Equipment Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (as amended) ("the Act").**

We have audited the internal financial controls over financial reporting of **Revathi Equipment Limited** ("the Company") as at March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements**

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, based on records the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these financial statements and the internal controls over financial reporting with reference to these financial statements are generally operating effectively as at March 31, 2022 based on the "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **S S KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm Registration No. 000756N

**NEERAJ BANSAL**  
Partner

Membership No. 095960  
UDIN: 22095960AJMZHP4474

Place: New Delhi  
Date: 24 May 2022



**S**TANDALONE  
FINANCIAL  
STATEMENT







# STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(All amounts are in ₹ in lakhs. Unless otherwise stated)

PARTICULARS	NOTE	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>A. ASSETS</b>			
<b>(1) Non current assets</b>			
(a) Property, plant and equipment	3	483.08	425.76
(b) Right of use asset	4	6.22	15.96
(c) Investment property	5	1,749.87	1,749.87
(d) Other intangible assets	3.1	18.21	16.79
(e) Financial assets			
(i) Investments	6.1	10,732.36	9,419.55
(ii) Other financial assets	6.2	42.90	98.80
(f) Deferred tax assets (net)	7	493.79	790.06
(g) Other non - current assets	8	6.58	-
<b>Total Non-Current Assets</b>		<b>13,533.01</b>	<b>12,516.78</b>
<b>(2) Current assets</b>			
(a) Inventories	9	4,768.71	4,597.05
(b) Financial assets	10		
(i) Investments	10.1	2,121.39	720.64
(ii) Trade receivables	10.2	2,392.31	4,430.61
(iii) Cash and cash equivalents	10.3	48.86	27.09
(iv) Bank balances other than (iii) above	10.4	204.58	217.02
(v) Loans	10.5	52.36	971.26
(vi) Others financial asset	10.6	2,078.46	2,444.20
(c) Other current assets	11	526.28	1,112.80
<b>Total Current Assets</b>		<b>12,192.95</b>	<b>14,520.68</b>
<b>TOTAL ASSETS</b>		<b>25,725.96</b>	<b>27,037.46</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	12	306.69	306.69
(b) Other equity	13	19,103.74	17,962.37
<b>Total Equity</b>		<b>19,410.43</b>	<b>18,269.06</b>
<b>(1) Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	340.00	-
(ia) Lease Liability	4	-	7.14
(b) Provisions	15	57.47	82.13
<b>Total Non-Current Liabilities</b>		<b>397.47</b>	<b>89.27</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities	16		
(i) Borrowings	16.1	2,473.11	3,310.35
(ia) Lease Liabilities	4	6.37	8.42
(ii) Trade payables:			
- Total outstanding dues of the Micro enterprise and small enterprises	16.2	275.21	345.94
- Total outstanding dues of creditors other than Micro enterprise and small enterprises	16.2	1,806.88	2,868.65
(iii) Other financial liabilities	16.3	292.52	416.25
(b) Other current liabilities	17	619.50	1,008.43
(c) Provisions	18	41.19	212.93
(d) Current tax liabilities (net)	19	403.28	508.16
<b>Total Current Liabilities</b>		<b>5,918.06</b>	<b>8,679.13</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>25,725.96</b>	<b>27,037.46</b>

See accompanying notes to the financial statements

1 to 52

As per our report of even date  
For and on behalf of  
S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN: 000756N

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

**NEERAJ BANSAL**  
Partner  
Membership No: 095960  
PLACE: NEW DELHI  
DATE: MAY 24, 2022

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958  
PLACE: COIMBATORE  
DATE: MAY 24, 2022

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**NISHANT RAMAKRISHNAN**  
Company Secretary

# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ in lakhs. Unless otherwise stated)

PARTICULARS	NOTE	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
<b>INCOME</b>			
Revenue from operations	20	10,146.67	8,473.60
Other income	21	451.21	152.55
<b>TOTAL INCOME</b>		<b>10,597.88</b>	<b>8,626.15</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	4,276.10	5,004.11
Purchases of stock in trade	23	769.95	876.71
Changes in inventories of finished goods, stock - in - trade and work - in - progress	24	124.36	(1,952.94)
Employee benefits expense	25	1,228.30	1,164.72
Finance costs	26	463.38	250.83
Depreciation and amortization expense	27	88.85	85.04
Other expenses	28	1,976.30	1,554.54
<b>TOTAL EXPENSES</b>		<b>8,927.24</b>	<b>6,983.01</b>
Profit / (loss) before tax		1,670.64	1,643.14
Tax expense	29		
(1) Current Tax		511.25	555.68
(2) Deferred Tax		34.72	(79.34)
<b>TOTAL TAX EXPENSE</b>		<b>545.97</b>	<b>476.34</b>
Profit / (loss) for the year		<b>1,124.67</b>	<b>1,166.80</b>
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss	30	23.56	(2.48)
(ii) Income tax relating to items that will be reclassified to profit or loss	29	(6.86)	0.72
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
		<b>16.70</b>	<b>(1.76)</b>
Total comprehensive income for the year		<b>1,141.37</b>	<b>1,165.04</b>
Earnings per equity share (basic& diluted) (Face value of Rs 10 each)	31	36.67	38.04

See accompanying notes to the financial statements 1 to 52

As per our report of even date  
For and on behalf of  
S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN: 000756N

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

**NEERAJ BANSAL**  
Partner  
Membership No: 095960  
PLACE: NEW DELHI  
DATE: MAY 24, 2022

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958  
PLACE: COIMBATORE  
DATE: MAY 24, 2022

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**NISHANT RAMAKRISHNAN**  
Company Secretary

# STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ in lakhs. Unless otherwise stated)

PARTICULARS	2021-22	2020-21
<b>A. Cash flow from operating activities</b>		
<b>Net profit before tax</b>	1,670.64	1,643.14
Adjustments:		
Depreciation / amortization	88.85	85.04
Divident Income	0.72	-
Impairment loss on financial assets - Trade Receivables	109.62	45.22
(Profit)/Loss on investment in Financial Instruments	4.09	(19.15)
Finance cost (including interest on lease)	463.38	250.83
Interest Income	(80.08)	(64.98)
Interest on Loans and advances	(76.67)	-
Share of Profit from SCTILLP	(68.34)	-
(Profit)/Loss on sale of PPE and assets written off	(10.29)	(1.87)
<b>Operating profit before working capital changes</b>	<b>2,101.92</b>	<b>1,938.22</b>
<b>Adjustments for working capital changes :</b>		
(Increase)/decrease in Inventories	(171.65)	(2,319.87)
Increase/ (decrease) in trade payables	(1,132.49)	1696.02
(Increase)/ decrease in trade receivables	2,038.30	(1,121.14)
(Increase)/ decrease in other financial assets	395.54	4.41
(Increase)/ decrease in loans and other current assets	579.93	(599.14)
Increase/ (decrease) in provisions	(171.74)	191.25
Increase/ (decrease) in other financial liabilities	(131.79)	45.27
Increase/ (decrease) in other current liabilities	(388.92)	527.52
Cash generated from operations	<b>3,119.09</b>	<b>362.54</b>
Direct taxes (paid)/refund	(319.86)	(242.74)
<b>Net cash generated / (used in) from operating activities</b>	<b>2,799.23</b>	<b>119.80</b>
<b>B Cash flow from investing activities</b>		
Purchase of PPE and Intangible assets	(143.16)	(137.12)
Proceeds from sale of PPE and Intangible assets	13.65	1.87
Proceeds from maturity of fixed deposits(net)	12.45	555.30
Purchase of non current investments	(1,312.82)	(411.06)
Purchase of current investments	(1,400.75)	(660.00)
Loan (given to)/repayment from related party	445.00	(445.00)
Loan (given to)/repayment from other parties	500.00	(500.00)
Profit/(Loss) on investment in Financial Instruments	(4.09)	19.15
Interest received	80.08	64.98
<b>Net cash used in investing activities</b>	<b>(1,809.65)</b>	<b>(1,511.88)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from/(repayment of) short term borrowings(net)	(837.23)	1,646.90
Proceeds from long term borrowings	340.00	-
Repayment of Lease Liabilities	(7.19)	(9.80)
Payment of Interest on Lease liabilities	(1.18)	(2.74)
Finance cost	(462.20)	(248.09)
<b>Net cash generated from / (used in) financing activities</b>	<b>(967.80)</b>	<b>1,386.27</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>21.77</b>	<b>(5.81)</b>
<b>Cash and cash equivalents (Opening Balance)</b>	<b>27.09</b>	<b>32.90</b>
<b>Cash and cash equivalents (Closing Balance)*</b>	<b>48.86</b>	<b>27.09</b>
<b>Change in cash &amp; cash equivalents</b>	<b>21.77</b>	<b>(5.81)</b>
<b>Components of cash &amp; cash equivalents</b>		
<b>Balances with banks</b>		
- in Current accounts	44.89	24.07
Cash on hand	3.97	3.03
<b>Net cash &amp; cash equivalents</b>	<b>48.86</b>	<b>27.09</b>

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Particulars	Opening balance as at 01.04.2021	Cash Flows	Non Cash	Closing balance as at 31.03.2022
Short term borrowings	3,310.80	(837.69)	-	2,473.11
Lease Liability	15.56	(8.38)	(0.81)	6.37

Particulars	Opening balance as at 01.04.2020	Cash Flows	Non Cash	Closing balance as at 31.03.2021
Short term borrowings	1,663.45	1,647.35	-	3,310.80
Lease Liability	18.13	(12.54)	9.97	15.56

**Note:**

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS -7) Statement of Cash Flows

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

As per our report of even date  
For and on behalf of  
S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN: 000756N

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

**NEERAJ BANSAL**  
Partner  
Membership No: 095960  
PLACE: NEW DELHI  
DATE: MAY 24, 2022

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958  
PLACE: COIMBATORE  
DATE: MAY 24, 2022

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**NISHANT RAMAKRISHNAN**  
Company Secretary

# STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2022

(All amounts are in ₹ in lakhs. Unless otherwise stated)

## A. Equity share capital

BALANCE AS AT APRIL 1, 2021	CHANGE IN EQUITY SHARE CAPITAL DUE TO PRIOR PERIOD ERRORS	RESTATED BALANCE AT THE BEGINNING OF 01.04.2021	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT MARCH 31, 2022
306.69	-	306.69	-	306.69

BALANCE AS AT APRIL 1, 2020	CHANGE IN EQUITY SHARE CAPITAL DUE TO PRIOR PERIOD ERRORS	RESTATED BALANCE AT THE BEGINNING OF 01.04.2020	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT MARCH 31, 2021
306.69	-	306.69	-	306.69

Also refer note 12

## B. Other equity

PARTICULARS	RESERVES AND SURPLUS			EQUITY IN SUBSIDIARY (REFER NOTE A(V) BELOW)	ITEMS OF OTHER COMPREHENSIVE NATURE	TOTAL
	CAPITAL RESERVE	GENERAL RESERVE	RETAINED EARNINGS		ACTUARIAL GAIN / (LOSS)	
Balance as at 1st April 2021	1.49	4600.10	13354.24	(5.54)	12.08	17962.36
Changes in accounting policy/prior period errors	-	-	-	-	-	0.00
Restated balance at the beginning of 1st April 2021	1.49	4,600.10	13,354.24	(5.54)	12.08	17962.36
Total Comprehensive Income for the current year	-	-	1124.67	-	16.70	1141.37
Balance as at 31st March 2022	1.49	4,600.10	14,478.91	(5.54)	28.77	19,103.73

PARTICULARS	RESERVES AND SURPLUS			EQUITY IN SUBSIDIARY (REFER NOTE A(V) BELOW)	ITEMS OF OTHER COMPREHENSIVE NATURE	TOTAL
	CAPITAL RESERVE	GENERAL RESERVE	RETAINED EARNINGS		ACTUARIAL GAIN / (LOSS)	
Balance as at 1st April 2020	1.49	4600.10	12187.43	(5.54)	13.85	16797.33
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated balance at the beginning of 1st April 2020	1.49	4,600.10	12,187.43	(5.54)	13.85	16,797.33
Total Comprehensive Income for the current year	-	-	1166.80	-	(1.76)	1165.04
Balance as at 31st March 2021	1.49	4,600.10	13,354.23	(5.54)	12.09	17,962.37

Also refer note 13

## A. Nature of reserves

- Capital reserve represents funds to be utilised for specific purposes.
- General reserve represents the statutory reserve, this is in accordance with Indian Corporate Law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer the amount before a company can declare dividend. However under Companies Act 2013, transfer of any amount to general reserve is at the discretion of the Company.
- Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the requirement of the Companies Act, 2013.
- The Company has given a corporate guarantee for securing non-fund based credit facilities from one of the Indian banks to its subsidiary. The company has accounted for this corporate guarantee in its book of account in terms of Ind AS 109.
- Other comprehensive income (OCI) reserve represent the balance in equity for items to be accounted in OCI. OCI is classified into (i) items that will not be reclassified to profit and loss.

As per our report of even date  
For and on behalf of  
S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN: 000756N

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

**NEERAJ BANSAL**  
Partner  
Membership No: 095960  
PLACE: NEW DELHI  
DATE: MAY 24, 2022

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958  
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**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**NISHANT RAMAKRISHNAN**  
Company Secretary



## 1. Basis of Accounting and Preparation of Financial Statements

### A. Corporate overview

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

These financial statements were approved and adopted by board of directors of the Company in their meeting held on May 24, 2022.

### B. Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended from time to time.

### C. Basis of preparation of accounts

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value - **Refer Note 48**
- Defined benefit plans as per actuarial valuation

### D. Operating cycle

Operating cycle is the time between the acquisition of assets for providing services and their realisation in Cash and cash equivalents. Based on the nature of services provided by the company, its normal operating cycle is not clearly identifiable, therefore it is assumed to be twelve months for the purpose of current / non-current classification of assets and liabilities as specified in the Schedule-III to The Companies Act, 2013 (as amended).

### E. Functional and presentation currency

The financial statements are presented in Indian rupees (Rs), which is the functional currency of the Company. All the financial information presented in Indian rupees (Rs), has been rounded to the nearest thousands.

### F. Use of estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### a. Property, plant and equipment and intangible assets estimate

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

#### b. Recognition and measurement of defined benefit obligations estimation

The cost of the leave encashment, defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are periodically reviewed at each reporting date.

#### c. Fair value measurement of financial instruments estimate

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in activate markets, their fair value is measured using valuation technique. The input to these models are taken from the observable market where possible, but this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumptions could affect the fair value of financial instrument.

#### d. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic

benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

#### **e. Impairment of financial and non-financial assets**

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company assesses at each reporting date whether there is an indication that a Non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount which is higher of an asset's or CGU's fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### **G. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Assets and liabilities are recognised once but measured at fair value on recurring basis. The Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 2. Significant Accounting Policies

### A. Property, plant and equipment

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses. The cost of an asset includes the purchase cost of materials including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of cost of the asset until such time that the asset is ready for its intended use. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When significant part of the property, plant and equipment are required to replace at intervals, the company derecognized the replaced part and recognized the new parts with its own associated useful life and it depreciated accordingly. Likewise when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred.

Internally manufactured property, plant and equipment are capitalised at factory cost including excise duty or GST whatever is applicable.

Capital work in progress includes property plant & equipment under installation/under development as at the balance sheet date and are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost and are transferred to respective capital asset when they are available for use.

Property, plant and equipment are derecognised from the financial statement, either on disposal or when no economic benefits are expected from its use or disposal. Gain or losses arising from disposal of property, plant and equipment are a recognized in the statement of profit and loss in the year of occurrence.

### B. Investment Property

Investment properties are properties, either land or building or both, held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised.

### C. Intangible Assets

#### (a) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### (b) Internally-generated intangible assets- research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### (c) De-recognition

Gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit & loss when the asset is derecognised.

### D. Depreciation and amortization

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation

method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The useful life of property, plant & equipment is consistent with the useful life of assets specified in schedule II of the Companies Act, 2013. Property, Plant and Equipment which are added / disposed off during the year, depreciation is provided pro-rata basis with reference to the month of addition / deletion except for assets costing Rs 5,000 or below which are fully depreciated in the year of addition.

The useful lives of intangible asset are assessed as either finite or indefinite. Intangible asset with a finite useful life are amortized over a period of 3 to 5 years on a straight-line basis & technical knowhow are amortised over the period of three years on straight-line basis and are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

#### **E. Impairment of Non-financial assets**

Property, plant and equipment, intangible assets, except goodwill and intangible asset with indefinite useful life, are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of profit and loss.

#### **F. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

*Where the Company is the lessee*

The Company's lease asset classes primarily consist of leases for land. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset throughout the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows.

#### **G. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

#### **H. Segment accounting and reporting**

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

Operating segments are reported in a manner consistent

with the internal reporting provided to the chief operating decision maker (CODM).

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers.

Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company`s intermediate and final products and estimated realisable value in case of by-products.

- Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable"

#### I. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

##### a. Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

##### b. Defined contribution plan

Retirement benefits in the form of provident fund, pension fund and ESI are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund/trust.

##### c. Defined benefit plan

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company has an Employee Gratuity Fund managed by Life Insurance Corporation. The provision made during the year is recognised as a liability.

The Company's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leaves, which is expected to be utilized within

the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

#### J. Inventories

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

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### K. Non-current assets held for sale and discontinued operations

Non-current asset and disposable groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and are measured at the lower of its carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of such classification.

Discontinued operations are excluded from the results of continuing operation and are presented as a single amount as profit or loss after tax from discontinued operation in the statement of profit & loss. Asset and liabilities classified as held for distribution are presented separately from other asset and liabilities in balance sheet.

A disposable group qualified as discontinued operation if it is a component of the company that either has been disposed off, or is classified as held for sale, and

- Represents a separate major line of business or geographical area of operation.

- Is a part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation,

Or

- Is as subsidiary acquired exclusively with a view to sale.
- An entity shall not depreciate (or amortize) a non-current asset while it is classified as held for sale or while it is a part of a disposal group classified as held for sale.

#### L. Financial instruments

##### (a) Financial assets

###### i. Classification

The company classified financial assets as subsequently measured at amortized cost, fair value through other



comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and contractual cash flow characteristics of the financial asset.

*ii. Initial recognition and measurement*

The company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets (except for certain trade receivables) are recognized initially at fair value plus, for financial asset not subsequently measured at FVTPL, transaction costs that are directly attributable to the acquisition of financial assets. Trade receivables that do not contain a significant financing component (determined in accordance with IND AS 115 – Revenue Recognition) are initially measured at their transaction price and not at fair value.

*iii. Subsequent Measurement*

For the purpose of subsequent measurement the financial assets are classified in three categories:

- At amortised cost - For debt instruments only.
- At fair value through profit & loss account
- At fair value through other comprehensive income

*iv. Debt instruments at amortized cost*

A Financial Asset i.e. a debt instrument is measured at the amortized cost if both the following condition are met.

- The assets are held within a business model whose objective is to hold assets for collecting contractual cash flow (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are subsequently measurement at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount and premium and fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

*v. Debt instruments at Fair value through other comprehensive income*

A financial asset should be measured at FVTOCI if both the following condition are met:

- The assets are held within a business model in which asset are managed both in order to collect contractual cash flows and for sale (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are measured at Fair value with changes in fair value recognized in OCI except for:

- (a) Interest calculated using EIR
- (b) Foreign exchange gain and losses; and
- (c) Impairment losses and gains

*vi. Debt instrument at fair value through Profit or loss*

Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognised in the statement of profit and loss.

*vii. Equity investments*

All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of such investments.

Equity instrument includes within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit or loss.

*viii. Derecognition*

A financial assets (or, where applicable, a part of a financial asset) is primarily derecognised when:

- The right to receive cash flows from the assets have expired or
- The company has transferred substantially all the risks and rewards of the assets, or
- The company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

*ix. Impairment of financial assets*

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset. Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument. The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

**(b) Financial liabilities & equity**

*i. Classification*

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.



#### *ii. Initial recognition and measurement of financial liability*

The company recognizes financial liability when it becomes a party to the contractual provisions of the instrument. All financial liability are recognized initially at fair value minus, for financial liability not subsequently measured at FVTPL, transaction costs that are directly attributable to the issue of financial liability.

#### *iii. Subsequent measurement of financial liability*

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### *iv. Financial liability at amortised cost*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) Method. Gain and losses are recognised in statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction cost. The EIR amortization is included as finance cost in the statement of profit and loss.

This category generally applies to loans & Borrowings.

#### *v. Financial liability at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

#### *vi. Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### *vii. Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are, substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognised in the Statement of Profit and loss.

#### *viii. Offsetting of financial instrument*

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **M. Investments in Associate, Joint venture & Associate**

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each balance sheet date.

### **N. Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers.

#### *Sale of goods*

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue from the sale of goods is measured at the transaction price, which is adjusted for, net of returns and allowances, trade discounts and volume rebates/claims etc. Sales exclude Value added tax/sales tax / Service Tax / Goods & Service Tax

#### *Sale of services*

Revenue is recognised based on the performance of services as agreed in the contract with customers at a point in time.

### **O. Other Income**

#### *Interest income*

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### *Dividends*

Dividend income is recognized when the right to receive is established, which is generally when shareholders approve the dividend.

### **P. Product warranty cost**

Product warranty costs are accrued at the time related revenues are recorded in the Statement of Profit and Loss for the drill equipment. The company estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

### **Q. Foreign currency translation/conversion**

Standalone financial statements have been presented in Indian Rupees, which is the Company's functional and presentation currency.

#### ■ **Initial recognition**

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

#### ■ **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are

translated using the exchange rate at the date when such value was determined.

#### ■ Exchange differences

The gain or loss arising on translation of monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### R. Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

#### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### *Deferred tax*

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

MAT credit is recognized as deferred tax assets as its part of Deferred tax.

### S. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity

shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.

### T. Provisions, contingent liabilities and contingent assets

#### General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

#### Contingent liability is disclosed in the notes in case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

#### Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

#### Contingent assets

Contingent assets are not recognized in the financial statements

### U. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

### 3. Property, plant & equipment

(Rs. in Lakhs)

PARTICULARS	Tangible Assets									Intangible asset	
	Land freehold	Buildings	Plant & machinery	Production tooling	Data processing equipment	Furniture & fixtures	Office equipment	Vehicles	Total	Computer software	Total
<b>Gross Block as at March 31, 2020</b>	9.28	148.74	179.08	5.06	64.43	27.66	29.54	100.57	<b>564.36</b>	32.72	<b>32.72</b>
Addition	-	32.51	20.88	-	28.48	1.00	2.85	34.21	<b>119.93</b>	17.19	<b>17.19</b>
Disposals	-	-	(2.88)	-	-	-	(0.36)	(18.36)	<b>(21.60)</b>	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>as at March 31, 2021</b>	9.28	181.25	197.08	5.06	92.91	28.66	32.03	116.42	<b>662.69</b>	49.91	<b>49.91</b>
Addition	-	3.54	11.96	-	15.61	1.56	2.18	96.23	<b>131.08</b>	12.08	<b>12.08</b>
Disposals	(0.01)	-	-	-	(2.58)	-	-	(10.85)	<b>(13.44)</b>	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>as at March 31, 2022</b>	9.27	184.79	209.04	5.06	105.94	30.22	34.21	201.80	<b>780.33</b>	61.99	<b>61.99</b>
<b>Depreciation as at March 31, 2020</b>	-	38.66	67.81	4.58	33.36	8.96	17.77	23.27	<b>194.41</b>	23.81	<b>23.81</b>
Charge for the year	-	10.19	12.20	-	19.16	2.68	5.72	14.17	<b>64.12</b>	9.31	<b>9.31</b>
Disposals	-	-	(2.88)	-	-	-	(0.36)	(18.36)	<b>(21.60)</b>	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>as at March 31, 2021</b>	-	48.85	77.13	4.58	52.52	11.64	23.13	19.08	<b>236.93</b>	33.12	<b>33.12</b>
Addition	-	10.22	13.44	-	18.86	3.08	4.76	20.04	<b>70.40</b>	10.66	<b>10.66</b>
Disposals	-	-	-	-	(2.21)	-	-	(7.87)	<b>(10.08)</b>	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-	-
<b>as at March 31, 2022</b>	-	59.07	90.57	4.58	69.17	14.72	27.89	31.25	<b>297.25</b>	43.78	<b>43.78</b>
<b>Net Block as at March 31, 2021</b>	9.28	132.40	119.95	0.48	40.39	17.02	8.90	97.34	<b>425.76</b>	16.79	<b>16.79</b>
<b>as at March 31, 2022</b>	9.27	125.72	118.47	0.48	36.77	15.50	6.32	170.55	<b>483.08</b>	18.21	<b>18.21</b>

#### 3.1 Intangible assets

PARTICULARS	Intangible asset	
	Computer software	Total
<b>Gross Block as at March 31, 2020</b>	32.72	<b>32.72</b>
Addition	17.19	<b>17.19</b>
Disposals	-	-
Other adjustments	-	-
<b>as at March 31, 2021</b>	49.91	<b>49.91</b>
Addition	12.08	<b>12.08</b>
Disposals	-	-
Other adjustments	-	-
<b>as at March 31, 2022</b>	61.99	<b>61.99</b>
<b>Depreciation as at March 31, 2020</b>	23.81	<b>23.81</b>
Charge for the year	9.31	<b>9.31</b>
Disposals	-	-
Other adjustments	-	-
<b>as at March 31, 2021</b>	33.12	<b>33.12</b>
Addition	10.66	<b>10.66</b>
Disposals	-	-
Other adjustments	-	-
<b>as at March 31, 2022</b>	43.78	<b>43.78</b>
<b>Net Block as at March 31, 2021</b>	16.79	<b>16.79</b>
<b>as at March 31, 2022</b>	18.21	<b>18.21</b>

#### 4. Right-of-use assets

Particulars	Category of ROU
	Lease hold Building
<b>Balance as at April 1, 2020</b>	<b>20.85</b>
Additions	14.13
Disposal	4.27
<b>Balance as at March 31, 2021</b>	<b>30.71</b>
Additions	-
Disposal	2.01
<b>Balance as at March 31, 2022</b>	<b>28.70</b>

#### Provision for depreciation

Particulars	Category of ROU
	Lease hold Building
<b>Balance as at April 1, 2020</b>	<b>3.14</b>
Charge for the year	11.61
Disposal	-
<b>Balance as at April 1, 2021</b>	<b>14.75</b>
Charge for the year	7.76
Disposal	-
<b>Balance as at March 31, 2022</b>	<b>22.51</b>
<b>Net Carrying Value as at March 31, 2022</b>	<b>6.22</b>

Company has taken office & residential premises on lease. These are accounted as per IND AS 116 and the management has consider all relevant facts and circumstances to classify some of the leases into short term. As a result company elects not to apply the requirements of INDAS 116 and recognise the lease payments associated with those leases on straight-line basis over the lease term.

Interest charge for the year on lease liabilities	1.18
Total cash outflow (payment) for leases	
Leases for which Right to use assets is recognised	7.83
Leases considered as short term	0.55

#### Movement in Lease liabilities for the year ended March 31, 2022:-

Particular	Total
<b>Balance as at April 1, 2020</b>	<b>18.13</b>
Addition	11.45
Finance cost accrued during the period	2.74
Deletion	4.22
Payment of lease liability	12.54
<b>Balance as at April 1, 2021</b>	<b>15.56</b>
Addition	-
Finance cost accrued during the period	1.18
Deletion	1.99
Payment of lease liability	8.38
<b>Balance as at March 31, 2022</b>	<b>6.37</b>

#### Classification of Lease Liabilities

Non Current Lease Liabilities	-
Current Lease Liabilities	6.37

## 5. Investment property

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Capital contribution in Panch Tatva Realty	1,662.65	1,662.65
Investment in Agricultural Land (Indore)	87.22	87.22
<b>TOTAL</b>	<b>1,749.87</b>	<b>1,749.87</b>

The company along with Tridhaatu Realty Infra Private Ltd (Tridhaatu) formed an Association of Persons (AOP) namely Panchtatva Realty for constructing a residential building in Chembur, Mumbai and made an investment of Rs. 2,000 Lakhs in the AOP. Out of its entitlement of 64,000 square feet, the company sold 10,795 square feet to the AOP member - Tridhaatu vide deed of modification dated December 17, 2015. The Company's entitlement is limited to above mentioned built up area only and no other economic benefits and hence not construed as Joint Venture.

The valuation of the capital contribution in Panch Tatva Realty had been conducted by an independent valuer as on Sep19 and the market value estimated at Rs.3,848 Lakhs. Till the construction/ development of the property, no rental income shall accrue to the company other than disposal of the entitlement. There is no restriction on the realisability of investment property or the remittance of income and proceeds of disposal. Investment property is not subject to any depreciation till construction / development of the said property.

## 6. Financial asset : non current

### 6.1 Investments

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Unquoted investment</b>		
<b>i) Investments in subsidiaries (at cost)</b>		
17,45,527 (March 31, 2021: 17,37,897) Equity shares of Rs 10 each fully paid up in Semac Consultants Private Limited*	9,331.76	9,319.55
<b>ii) Investments in associates (at cost)</b>		
50% share in Semac Construction Technologies India LLP	100.00	100.00
<b>iii) 7.81% share in Purple Orchid LLP</b>	1,100.61	-
<b>iv) Other Long term Investments</b>		
4021 Preferential shares of Rs.10/- each in Webklipper Tecchnologies Pvt Ltd	100.00	-
<b>v) Grand Anicut GAAF Vyaapar II - 1,00,000 units</b>	100.00	-
<b>TOTAL</b>	<b>10,732.36</b>	<b>9,419.55</b>
Aggregate amount of unquoted investments	10,732.36	9,419.55

\* During the year, company has increased stake in Semac Consultants Private Limited by acquiring 7630 shares from existing shareholders. During the previous year, company has increased stake in Semac Consultants Private Limited by acquiring 295123 shares from existing shareholders

### 6.2 Other financial assets

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Security deposits	42.90	98.80
<b>TOTAL</b>	<b>42.90</b>	<b>98.80</b>

## 7. Deferred tax

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
MAT credit entitlement	386.43	641.58
Deferred tax asset / (liability) (net)	107.37	148.48
<b>TOTAL</b>	<b>493.79</b>	<b>790.06</b>

### i. Movement in deferred tax items

FY 21-22	MOVEMENT DURING THE YEAR			
	BALANCE AS AT APRIL 1, 2021	RECOGNISED IN STATEMENT OF PROFIT AND LOSS	RECOGNISED IN OTHER COMPREHENSIVE INCOME	CLOSING BALANCE AS AT MARCH 31, 2022
Deferred tax liability / (asset) on account of Property, plant & equipment	(28.24)	8.40	-	(19.84)
Payment of gratuity	(2.27)	6.74	6.86	11.33
Provision of leave encashment / sick leave	(30.76)	9.32	-	(21.44)
Provision of doubtful debts	(36.12)	(31.92)	-	(68.04)
Provision for Warranty	(51.66)	44.15	-	(7.51)
Lease Liability	0.11	(1.97)	-	(1.86)
<b>Net Deferred tax liability / (asset)</b>	<b>(148.48)</b>	<b>34.72</b>	<b>6.86</b>	<b>(107.37)</b>
MAT credit entitlement	641.58	(255.15)		386.43

FY 20-21	MOVEMENT DURING THE YEAR			
	BALANCE AS AT APRIL 1, 2020	RECOGNISED IN STATEMENT OF PROFIT AND LOSS	RECOGNISED IN OTHER COMPREHENSIVE INCOME	CLOSING BALANCE AS AT MARCH 31, 2021
Deferred tax liability / (asset) on account of Property, plant & equipment	(35.09)	6.85	-	(28.24)
Payment of gratuity	2.45	(4.00)	(0.72)	(2.27)
Provision of leave encashment / sick leave	(21.23)	(9.53)	-	(30.76)
Provision of doubtful debts	(22.95)	(13.17)	-	(36.12)
Provision for Warranty	8.07	(59.73)	-	(51.66)
Lease Liability	(0.13)	0.24	-	0.11
<b>Net Deferred tax liability / (asset)</b>	<b>(68.88)</b>	<b>(79.34)</b>	<b>(0.72)</b>	<b>(148.48)</b>
MAT credit entitlement	772.03	(130.45)		641.58

### 8. Other non current assets

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Unsecured considered good</b>		
Gratuity Prepaid	6.58	-
<b>TOTAL</b>	<b>6.58</b>	<b>-</b>

### 9. Inventories

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Raw materials	1,685.12	1,389.09
Work-in-progress	1,474.32	2,659.81
Finished Goods	868.29	-
Stock-in-trade	740.99	548.15
<b>TOTAL</b>	<b>4,768.71</b>	<b>4,597.05</b>

### 10. Financial Assets: Current

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>10.1 Investments</b>		
Investment in Financial Institutions	2,121.39	720.64
<b>TOTAL</b>	<b>2,121.39</b>	<b>720.64</b>



PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>10.2 Trade Receivables</b>		
Trade receivable considered good-unsecured	2,392.31	4,430.61
Trade receivable-credit impaired	232.88	123.26
Less provision for ECL	(232.88)	(123.26)
<b>TOTAL</b>	<b>2,392.31</b>	<b>4,430.61</b>

**Trade Receivables ageing schedule as on Mar'22**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2268.92	14.05				2,282.97
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	17.18	43.06	224.81	285.05
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2,268.92</b>	<b>14.05</b>	<b>17.18</b>	<b>43.06</b>	<b>224.81</b>	<b>2,568.02</b>
Less : Allowance for doubtful trade receivables - Billed						<b>(232.88)</b>
						<b>2,335.14</b>
<b>Trade receivables - Unbilled</b>						<b>57.17</b>
<b>Total</b>						<b>2,392.31</b>

**Trade Receivables ageing schedule as on Mar'21**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	4077.39	27.89	-	-	-	4,105.28
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	55.56	62.82	272.48	390.86
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>4,077.39</b>	<b>27.89</b>	<b>55.56</b>	<b>62.82</b>	<b>272.48</b>	<b>4,496.14</b>
Less : Allowance for doubtful trade receivables - Billed						<b>(123.26)</b>
						<b>4,372.88</b>
<b>Trade receivables - Unbilled</b>						<b>57.73</b>
<b>Total</b>						<b>4,430.61</b>

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>10.3 Cash &amp; cash equivalents</b>		
Balances with banks		
- in Current Accounts	44.89	24.06
Cash on hand	3.97	3.03
<b>TOTAL</b>	<b>48.86</b>	<b>27.09</b>
<b>10.4 Bank balance</b>		
Other balances		
- Margin money	204.58	217.02
<b>TOTAL</b>	<b>204.58</b>	<b>217.02</b>

Note:-

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

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>10.5 Loans</b>		
Unsecured, considered good		
Loans to		
- Employees	52.36	26.26
- Subsidiaries	-	445.00
- Others	-	500.00
<b>TOTAL</b>	<b>52.36</b>	<b>971.26</b>

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>10.6 Other financial asset</b>		
Security deposits	1.53	1.53
Interest accrued on Deposits with bank	14.36	22.68
Interest accrued others	49.03	-
SCTILLP - Current account	2,013.54	2,420.00
<b>TOTAL</b>	<b>2,078.46</b>	<b>2,444.20</b>

#### 11. Other current assets

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Prepaid expenses	100.86	25.20
Advances to suppliers/contractors	334.37	446.31
Balances with statutory authorities	60.46	549.87
Other advances	30.60	91.42
<b>TOTAL</b>	<b>526.28</b>	<b>1,112.81</b>

#### 12. Equity share capital

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Authorised share capital</b>		
35,00,000 (previous year: 35,00,000) equity shares of Rs. 10 /- each	350.00	350.00
<b>TOTAL</b>	<b>350.00</b>	<b>350.00</b>
<b>Issued, subscribed and fully paid up</b>		
30,66,943 (previous year: 30,66,943) equity shares of Rs. 10 /- each	306.69	306.69
<b>TOTAL</b>	<b>306.69</b>	<b>306.69</b>

#### (i) Reconciliation of number and amount of equity shares outstanding:

PARTICULARS	NO. OF SHARES	AMOUNT
<b>As at March 31, 2020</b>	30,66,943	306.69
Movement during the year	-	-
<b>As at March 31, 2021</b>	30,66,943	306.69
Movement during the year	-	-
<b>As at March 31, 2022</b>	30,66,943	306.69

#### (ii) Details of shareholders holding more than 5% shares in the company

PARTICULARS	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
<b>Equity shares of Rs 10 each fully paid</b>				
Renaissance advanced consultancy limited	17,68,953	57.68%	17,68,953	57.68%
Renaissance Stock Ltd (Wholly owned subsidiary of RACL)	4,57,000	14.90%	4,57,000	14.90%
<b>Total</b>	<b>22,25,953</b>	<b>72.58%</b>	<b>22,25,953</b>	<b>72.58%</b>

#### (iii) Details of Promoters holding shares in the company

SHARES HELD BY PROMOTERS AT THE END OF THE YEAR	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
<b>Promoters Name</b>				
Renaissance advanced consultancy limited	17,68,953	57.68%	17,68,953	57.68%
Renaissance Stock Ltd (Wholly owned subsidiary of RACL)	4,57,000	14.9%	4,57,000	14.90%
<b>Total</b>	<b>22,25,953</b>	<b>72.58%</b>	<b>22,25,953</b>	<b>72.58%</b>

**(iv) Details of shares held by holding company**

PARTICULARS	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
<b>Equity shares of Rs 10 each fully paid</b> Renaissance advanced consultancy limited Terms and rights attached to equity shares	17,68,953	57.68%	17,68,953	57.68%

**(v) Rights, preferences and restrictions attached to equity shares**

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

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

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

**(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date : Nil****13. Other Equity**

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>A. Reserves &amp; Surplus</b>		
<b>Capital Reserve</b>		
Opening balance	1.49	1.49
Changes during the year	-	-
Closing balance	1.49	1.49
<b>General Reserve</b>	4,600.10	4,600.10
Opening balance	-	-
Changes during the year	4,600.10	4,600.10
Closing balance		
<b>Retained Earnings</b>		
Opening balance	13,354.24	12,187.43
Changes during the year	1,124.67	1,166.80
Closing balance	14,478.91	13,354.23
<b>B. Equity in Subsidiary</b>		
Opening balance	(5.54)	(5.54)
Changes during the year	-	-
Closing balance	(5.54)	(5.54)
<b>C. Other Comprehensive Income</b>		
Remeasurement of the net defined benefit liability or asset		
Opening balance	12.08	13.85
Changes during the year	16.70	(1.76)
Closing balance	28.77	12.09

**14. Long term borrowings**

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Term Loan:</b>		
- from bank	340.00	-
<b>TOTAL</b>	<b>340.00</b>	<b>-</b>

a. The Company has availed Guaranteed Emergency Credit Line loan facility from Bank of India. The details of securities are as follows:

**Primary**

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

b. The term loan is repayable in 60 installments with a moratorium of 24 months at interest rate of 7.50% per annum.

## 15. Non current provision

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Provision for employee benefits</b> (refer note 40)		
- Leave encashment	57.47	82.13
<b>TOTAL</b>	<b>57.47</b>	<b>82.13</b>

## 16. Financial liability : Current

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>16.1 Short term borrowings Secured from Banks</b>		
- Cash credit / WCDL	2,473.11	3,310.35
<b>TOTAL</b>	<b>2,473.11</b>	<b>3,310.35</b>
Also refer note 47 & 48		
a. The Company has availed cash credit facility from consortium of banks. The details of securities are as follows: Primary First pari-passu charge on entire current assets of the Company. Collateral Second charge on fixed assets of the Company except Agricultural Land at Indore, Madhya Pradesh		
b. The Cash Credit is repayable on demand and carries floating interest rate which ranges from 8% to 9.457%.		

### 16.2 Trade payables

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
a) Micro, small and medium enterprises (Refer Note No. 34)*	275.21	345.94
b) Due to other than MSME	1,806.88	2,868.65
<b>TOTAL</b>	<b>2,082.10</b>	<b>3,214.59</b>

#### Trade payables ageing schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
(i) MSME*	275.21	-	-	-	275.21
(ii) Others	1559.00	98.50	116.55	32.84	1806.89
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1834.21</b>	<b>98.50</b>	<b>116.55</b>	<b>32.84</b>	<b>2082.10</b>

#### Trade payables ageing schedule as at 31st March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
(i) MSME*	345.94	-	-	-	345.94
(ii) Others	2735.11	-	46.99	86.55	2,868.65
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>3,081.05</b>	<b>-</b>	<b>46.99</b>	<b>86.55</b>	<b>3,214.59</b>

Also refer note 47 & 48

\* MSME as per Micro, Small and Medium Enterprise development Act 2006

### 16.3 Other financial liabilities

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Security deposits received	0.40	0.40
Expenses payables	184.39	247.28
Employee related dues	105.50	165.24
Financial Gaurantee liability	2.22	3.33
<b>TOTAL</b>	<b>292.52</b>	<b>416.24</b>
Also refer note 47 & 48		

## 17. Other current liability

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Advances from customers	466.39	496.06
Withholding and other taxes	153.12	512.37
<b>TOTAL</b>	<b>619.50</b>	<b>1,008.43</b>

## 18. Provision (current)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Provision for employee benefits (Refer Note 40)		
- Gratuity	-	16.14
- Leave encashment	16.15	23.49
Provision for warranty claims (Refer Note 42)	25.04	173.30
<b>TOTAL</b>	<b>41.19</b>	<b>212.93</b>

### (i) Information about warranty claims.

The Company provides warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications / replacements based on best estimate considering the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

## 19. Current tax liabilities (net)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Income tax provision (net of advance tax)	403.28	508.16
<b>TOTAL</b>	<b>403.28</b>	<b>508.16</b>

## 20. Revenue from operations

### Revenue from contracts with customers

#### Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

SEGMENT	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
<b>(a) Type of goods or services:</b>		
Sale of products (finished goods):		
- Drills / construction equipments	5,044.50	3710.71
- Spares	4,341.97	3998.96
Sale of services	709.25	753.48
Sale of scrap	25.00	10.45
Export incentives	25.95	-
<b>Total revenue from contracts with customers</b>	<b>10,146.67</b>	<b>8,473.60</b>
<b>(b) Location:</b>		
India	8,422.21	7,335.13
Outside India	1,724.46	1,138.46
<b>Total revenue from contracts with customers</b>	<b>10,146.67</b>	<b>8,473.60</b>
<b>(c) Timing of revenue recognition:</b>		
Goods transferred at a point in time	9,437.42	7720.12
Services provided at a point in time	709.25	753.48
	<b>10,146.67</b>	<b>8,473.60</b>

## 21. Other income

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Interest income on deposits	80.08	40.27
Profit on sale of property, plant and equipment	10.29	1.87
Interest on Loans & Advances	76.67	23.81
Interest income on security deposit lease	0.66	0.90
Divident Income	0.72	-
Provision no longer required Write back	137.03	44.46
Profit on Investment in Financial Instruments	-	19.15
Share of Profit from SCTILLP	68.34	-
Guarantee Income	1.10	1.11
Net Gain on Investments at FVTPL (Ind AS 109)	75.76	20.64
Miscellaneous Income	0.56	0.34
<b>TOTAL</b>	<b>451.21</b>	<b>152.55</b>

## 22. Cost of material consumed

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Material purchased through subcontractors	377.49	328.17
Other materials:		
Under carriage assemblies	212.38	233.49
Compressors and accessories	222.72	56.20
Electrical components	271.75	384.41
Hydraulic components	706.14	979.04
Pipes and valves	648.55	378.27
Gear/chain assemblies	423.89	525.92
Others	1,413.19	2118.62
<b>TOTAL</b>	<b>4,276.10</b>	<b>5,004.11</b>

## 23. Purchases of stock in trade

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Consumption of spares	577.11	726.00
Change In stock		
Add: Closing stock	740.99	548.15
Less: Opening stock	(548.15)	(397.44)
<b>Purchases during the year</b>	<b>769.95</b>	<b>876.71</b>

## 24. Changes in inventories of finished goods, stock - in - trade & work - in - progress

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
<b>Inventories at the beginning of the year</b>		
Work-in-process	2,659.81	857.58
Stock-in-trade	548.15	397.44
Finished goods	-	0.00
	<b>3,207.96</b>	<b>1255.02</b>
<b>Less - Inventories at the end of the year</b>		
Work-in-process	1,474.32	2659.81
Stock-in-trade	740.99	548.15
Finished goods	868.29	0.00
	<b>3,083.59</b>	<b>3207.96</b>
<b>Changes in inventories of finished goods, stock - in - trade &amp; work - in - progress</b>	<b>124.36</b>	<b>(1,952.94)</b>

## 25. Employee benefits expenses

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Salaries, wages, allowances & commission	1,022.08	983.97
Contribution to gratuity, provident & other funds	97.60	91.44
Staff welfare expenses	108.62	89.31
<b>TOTAL</b>	<b>1,228.30</b>	<b>1,164.72</b>

## 26. Finance costs

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Interest on		
a. Working capital loan	395.11	191.60
b. Statutory due delay	30.46	24.38
c. Others	2.00	4.96
Other borrowing cost	35.80	29.89
<b>TOTAL</b>	<b>463.38</b>	<b>250.83</b>

## 27. Depreciation and amortization expense

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
i. Depreciation	70.43	64.12
ii. Amortisation	10.66	9.31
iii. Depreciation on Right of Use asset	7.76	11.61
<b>TOTAL</b>	<b>88.85</b>	<b>85.04</b>



## 28. Other expenses

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Consumption of stores and spare parts	43.54	58.55
Power and fuel consumption	33.56	35.39
Repair and maintenance		
-Machinery	7.41	10.29
-Buildings	4.51	49.03
-Others	54.02	57.67
Rent	3.20	4.51
Rates and taxes	45.37	7.59
Travelling and conveyance	431.33	316.66
Freight, clearing and packing	148.85	98.80
Legal and professional	211.42	176.06
Directors' sitting fees	11.20	19.80
Directors' Commission	54.00	113.23
Payment to auditor (Refer note 33)	14.70	15.48
Selling commission	339.47	190.72
Impairment loss on financial assets - Trade Receivables	109.62	45.22
Bank charges	55.75	56.73
Service charges	74.23	63.35
CSR expenditure ( Refer Note no.44)	29.01	20.00
Loss on foreign exchange fluctuation	68.21	27.36
Product development expenses	52.27	40.76
Telephone & Postage expenses	19.15	20.62
Printing & Stationery expenses	12.10	13.42
Advertisement expenses	28.01	13.60
Security Charges	26.23	26.85
Insurance	27.15	10.30
Miscellaneous expenses	71.99	62.58
<b>TOTAL</b>	<b>1,976.30</b>	<b>1,554.54</b>

## 29. Tax expense

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
<b>Current tax</b>		
Current year	511.25	555.68
	511.25	555.68
<b>Deferred tax</b>		
Deferred tax	34.72	(79.34)
	34.72	(79.34)
<b>TOTAL</b>	<b>545.97</b>	<b>476.34</b>
<b>(i) Income tax recognised in other comprehensive income</b>		
Deferred tax related to items recognised in other comprehensive income during the year:		
Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit obligations	6.86	(0.72)
Total income tax expense recognised in other comprehensive income	6.86	(0.72)
<b>Total income tax expense recognised</b>	<b>552.83</b>	<b>475.62</b>
<b>(ii) Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:</b>		
	29.120%	29.120%
Profit / (loss) before tax	1,694.20	1640.66
Income tax expense calculated at 29.120% (including surcharge and education cess) (March 31, 2021: 29.120%)	493.35	477.76
Effect of income chargeable at different rate of tax	0.48	-0.07
Additional deduction on research & development expenditure	-	0.00
Effect of temporary differences	14.31	61.19
Effect of expenses that are non-deductible in determining taxable profit	(36.14)	(16.08)
Other adjustments	39.25	32.88
Effect due to change in rate and deferred tax	34.72	(79.34)
<b>Total income tax expense recognised in Statement of profit and loss</b>	<b>545.97</b>	<b>476.34</b>

### 30. Other comprehensive income

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Item that will not be reclassified to profit or loss		
Actuarial gain / (loss) on defined benefit obligation	23.56	(2.48)
<b>Total other comprehensive income</b>	<b>23.56</b>	<b>(2.48)</b>

### 31. Earning per Share

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
<b>Face value of equity Shares (in Rs.)</b>	10	10
Total number of equity shares outstanding	30,66,943	30,66,943
Weighted average number of equity shares in calculating basic and diluted EPS	30,66,943	30,66,943
Net profit for calculation of basic and diluted EPS (Rs. in lakhs)	1,124.67	1,166.80
EPS ( Basic & Diluted)	36.67	38.04

### 32. Contingent Liabilities (not provided for) in respect of:

S.No.	PARTICULARS	2021-22	2020-21
a)	Performance Bank Guarantees	1,914.01	1,718.90
	<b>TOTAL</b>	<b>1,914.01</b>	<b>1,718.90</b>

- Based on contractual agreements with customers the Company has issued performance bank guarantees. The management believes that none of the bank guarantees will be encashed by any of the customers.

#### 32.1 Financial Liability:

PARTICULARS	2021-22	2020-21
Semac Consultants Private Ltd - Corporate Guarantee	6,500.00	1,500.00
<b>TOTAL</b>	<b>6,500.00</b>	<b>1,500.00</b>

The Company has given corporate guarantee to Banks on behalf Semac Consultants Pvt Ltd (subsidiary company) as listed below. Fixed deposit of Rs.5 Crores was under lien till June, 2020.

Name of the bank	Amt. in Lakhs
DBS bank (formerly Lakshmi Vilas Bank)	1500
ICICI Bank	3000
HDFC Bank	2000
<b>Total</b>	<b>6500</b>

### 33. Remuneration paid to auditors:

PARTICULARS	2021-22	2020-21
Statutory audit/Limited review	9.50	9.30
Certification	2.32	3.30
Reimbursement of expenses	2.88	2.88
<b>TOTAL</b>	<b>14.70</b>	<b>15.48</b>

**34. Details of dues to micro and small enterprises as per MSMED Act, 2006 to the extent of information available with the Company**

S.No.	PARTICULARS	2021-22	2020-21
a)	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	263.93	331.94
b)	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c)	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	11.28	13.99
d)	The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
e)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-
	<b>TOTAL</b>	<b>275.21</b>	<b>345.94</b>

**35. CIF value of imports**

S.No.	PARTICULARS	2021-22	2020-21
a)	Raw materials & Components	994.64	1,633.81
b)	Spares	417.54	412.72
	<b>TOTAL</b>	<b>1,412.18</b>	<b>2,046.53</b>

**36. Expenditure in foreign currency (accrual basis):**

PARTICULARS	2021-22	2020-21
Commission, consultancy, travelling and others	88.16	32.50

**37. Earnings in foreign currency (accrual basis):**

PARTICULARS	2021-22	2020-21
Export of goods at FOB value	1,724	1,138

**38. Details regarding imported and indigenous materials consumed during the year:**

PARTICULARS		IMPORTED		INDIGENOUS		VALUE OF TOTAL CONSUMPTION
		VALUE (RS. IN LAKHS)	% TO TOTAL CONSUMPTION	VALUE (RS. IN LAKHS)	% TO TOTAL CONSUMPTION	VALUE (RS. IN LAKHS)
Raw Materials	For the year ended March 31, 2022	940	18%	4,231	82%	5,170
	For the year ended March 31, 2021	1,433	29%	3,571	71%	5,004
Stores, Spares Parts and Components	For the year ended March 31, 2022	-	0%	44	100%	44
	For the year ended March 31, 2021	-	0%	59	100%	59

**39. Segment Information****(i) General Disclosure**

The Company has only one identified reportable segment under IND AS 108 'Operating Segments i.e. Manufacturing of Equipments.

The above reportable segments have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments.

(ii) Entity wide disclosure required by IND AS 108 are made as follows:

(a) Revenues from sale of products to external customers

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
India	8,422.21	7,335.13
Outside India	1,724.46	1,138.46

(b) Segment Assets

Total of non-current assets other than financial instruments, investment in subsidiaries, joint ventures and associate and deferred tax assets broken down by location of the assets, is shown below:

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
India	2,263.96	2,208.37
Outside India	-	-

(iii) Information about major customers:

Revenue from 3 customers contributing more than 10% of company's revenue is Rs. 4,272 Lakhs.

**40. Employee benefit obligations**

The Company has in accordance with Ind AS 19 "Employee Benefits" calculated the various benefits provided to employees as under

**Defined Contribution Plan :**

- i) Provident Fund
- ii) Employee State Insurance Plan

The Provident Fund and the Employee state insurance defined contribution plan are operated by the Regional Provident Fund Commissioner and Regional Director of ESIC respectively.

**Defined benefit plans**

**Gratuity**

Employees are entitled to gratuity computed as fifteen days salary for every completed year of service or part thereof in excess of six months and is payable on retirement/ termination. The benefit vests after five years of continuous service. The company has taken a group Gratuity Policy in LIC of India and makes contribution to LIC of India to fund its plan.

**Leave Encashment**

Leave Encashment is payable to eligible employees who have earned leaves during the employment and/or on separation as per the Company's policy. Liability has been accounted for on the basis of actuarial valuation certificate for the balance of earned leaves at the credit of employees at the end of the year.

**A. Statement of profit and loss**

**Net employee benefit expense**

PARTICULARS	2021-22		2020-21	
	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT
Current Service cost	13.8	49.04	13.5	16.98
Net Interest cost	1.62	4.11	0.15	2.78
Administration expenses	1.80	-	-	-
Net actuarial (gain)/loss recognised during the period	-	(24.19)	-	5.76
Expenses Recognized in the Statement of Profit and Loss	17.21	28.96	13.65	25.52

## B. Balance Sheet

### (i) Details of Plan assets/ (liabilities) for gratuity and leave encashment

PARTICULARS	2021-22		2020-21	
	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT
Defined benefit obligation	159.21	73.64	174.87	106
Fair value of plan assets	165.79	-	158.73	-
Net liability recognized in the Balance Sheet	(6.58)	73.64	16.14	105.62

### (ii) Changes in the present value of the defined benefit obligation are as follows:

PARTICULARS	2021-22		2020-21	
	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT
Opening defined benefit obligation	174.87	105.62	154.80	42.87
Interest cost	12.77	4.11	10.05	2.78
Current service cost	13.80	49.04	13.50	16.98
Benefit paid	(18.70)	(60.94)	(5.43)	(7.87)
Actuarial (gains)/losses on obligation	(23.54)	(24.19)	1.95	5.76
Closing defined benefit obligation	159.20	73.64	174.87	60.52

### (iii) Changes in the fair value of plan assets (gratuity) are as follows:

PARTICULARS	2021-22	2020-21
Opening fair value of plan assets	158.74	152.41
Expected return on Plan Assets	11.16	9.90
Contribution during the year	16.38	2.38
Benefit paid	(18.70)	(5.42)
Administrative expenses	(1.80)	-
Actuarial gains / (losses) on plan asset	0.01	(0.53)
Closing fair value of plan assets	165.79	158.74

### (iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

PARTICULARS	2021-22	2020-21
Discount rate (%)	7.03%	6.35%
Expected salary increase (%)	5.00%	5.00%
Average Age (years)	37.00	36.59
Average past service (years)	8.00	7.69
<b>Demographic Assumptions</b>		
Retirement Age (year)	58 / 60	58 / 60
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition Rate	8.00%	8.00%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

**(v) Contribution to defined contribution plans**

PARTICULARS	2021-22	2020-21
Provident fund	57.21	56.45

**(vi) Sensitivity analysis of the defined benefit obligation:**

PARTICULARS	2021-22		2020-21	
	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT
Impact of the change in discount rate Present value of obligation at the end of the year				
Impact due to increase of 1% (previous year 0.50%)	150.56	70.99	169.60	58.72
Impact due to decrease of 1% (previous year 0.50%)	(168.86)	(76.49)	(180.44)	(62.42)
Impact of the change in salary increase Present value of obligation at the end of the year				
Impact due to increase of 1% (previous year 0.50%)	168.46	76.84	180.49	62.43
Impact due to decrease of 1% (previous year 0.50%)	(150.45)	(70.61)	(169.51)	(58.69)

**(vii) Other comprehensive income (OCI):**

PARTICULARS	2021-22	2020-21
	GRATUITY (PARTLY FUNDED)	GRATUITY (PARTLY FUNDED)
Actuarial (gain)/loss for the year on PBO	(23.54)	1.95
Actuarial (gain)/loss for the year on plan asset	(0.01)	0.53
Unrecognized actuarial (gain)/loss at the end of the year	-	-
Total actuarial (gain)/loss at the end of the year	(23.55)	2.48

**41. Related party transaction**

## a) List of related parties

- i. Holding company  
Renaissance Advanced Consultancy Ltd

## ii. Subsidiaries of the Company

**Name**

Semac Consultants Private Limited  
Semac & Partners LLC

**Status**

Subsidiary company  
Step down subsidiary

## iii. Subsidiaries of the Holding Company

Renaissance Stock limited

Subsidiary of Holding Company

## iv. Associates of the Company

Semac Construction Technologies India LLP

## v. Key Management Personnel of the Company

**Name**

Mr. Abhishek Dalmia  
Ms. Deepali Dalmia  
Mr. Harivansh Dalmia  
Mr. B.V.Ramanan  
Mr. Kishore Sidwani  
Mr. V.V.Subramanian  
Mr. Gandhimathinathan  
Mr. Sellappa Gounder Sundarasamy  
Mr. R. Sudhir  
Mr. K. Maheswaran  
Mr. Nishant Ramakrishnan

**Status**

Executive Chairman  
Director  
Director (upto 31.03.2021)  
Independent Director  
Independent Director (upto 13.11..2021)  
Independent Director  
Independent Director (w.e.f. 18.06.2021)  
Independent Director (w.e.f. 12.11.2021)  
Chief Financial Officer  
Company Secretary (Upto 15.12.2021)  
Company Secretary (w.e.f. 11.02.2022)



vi. Enterprises where Key managerial personnel or close members of the family have significant influence:

SWBI Design Informatics Private Limited

Semac Construction Technologies India LLP (SCTILLP), formerly known as Renaissance Construction Technologies India LLP (RCTILLP) (Associate w.e.f 31.03.2020)

b) The following transactions were carried out with related parties in the ordinary course of business:

NATURE OF RELATIONSHIP	NAME OF RELATED PARTY	NATURE OF TRANSACTION	FOR THE YEAR ENDED	
			31-MAR-22	31-MAR-21
Subsidiary Company	Semac Consultants Private Limited	Investments	12.21	411.06
		Loan given to SCPL	555.00	580.00
		Loan repaid by SCPL	1,000.00	135.00
		Interest received	29.27	-
		Corporate guarantee for obtaining Non Fund Based credit facility from ICICI Bank.	3,000.00	-
Associate Company	Semac Construction Technologies India LLP	Corporate guarantee for obtaining Non Fund Based credit facility from HDFC Bank.	2,000.00	-
		Receipt on account of current account	474.80	-
Enterprises where Key managerial personnel or their relatives have significant influence:	Third Alpha LLP	Loan given to Third Alpha	-	500.00
		Loan repaid by Third Alpha	-	500.00
		Interest received	-	3.70
	SWBI Design Informatics Private Limited	Delhi Office rent and Maintenance	3.07	-
Key Managerial Personnel		Short term employee benefits	166.26	196.33
		Post employment benefits	18.74	18.76
		Sitting fees	11.20	16.30
		Professional fees	0.42	-

c) Balances Outstanding at year end:

NATURE OF RELATIONSHIP	NAME OF RELATED PARTY	NATURE OF TRANSACTION	FOR THE YEAR ENDED	
			31-MAR-22	31-MAR-21
Subsidiary Company	Semac Consultants Private Limited	Corporate guarantee for obtaining Non Fund Based credit facility from Lakshmi Vilas Bank Ltd.	1,500	1,500
		Corporate guarantee for obtaining Non Fund Based credit facility from ICICI Bank.	3,000	-
		Corporate guarantee for obtaining Non Fund Based credit facility from HDFC Bank.	2,000	-
		Loan Outstanding	-	445
		Interest receivable	-	2
Enterprises where Key managerial personnel or their relatives have significant influence:	SWBI Design Informatics Private Limited	Rent and Maintenance Payable	0.70	-

**42. Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets :**

PARTICULARS	OPENING BALANCE	ADDITIONS	UTILISATION	REVERSED	CLOSING BALANCE
Warranty Provision	173.30	71.24	82.46	137.04	25.04

There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Ind AS 'Provisions, Contingent Liabilities & Contingent Assets except as otherwise disclosed in these financial statements.

**43. Research & Development Expenditure**

PARTICULARS	2021-22	2020-21
Salary & Wages	99.65	91.73
Consumables Stores	0.00	0.00
Repair & Maintenance	21.31	22.33
Sponsorship to Meeting	0.38	
Travel & Conveyance	19.16	5.60
Legal & Professional Expenses	15.10	37.62
Stationery Expenses	4.34	2.22
Postage & Telephone Expenses	0.71	3.76
Books and Periodicals	0.12	0.32
Service charges	0.28	-
Product Development Expenses	52.19	4.65
	<b>213.24</b>	<b>168.23</b>

**44. Expenditure incurred on Corporate Social Responsibilities**

Gross amount required to be spent by the Company during the year is ₹ 29 lakhs

PARTICULARS	PAID IN CASH	YET TO BE PAID IN CASH	TOTAL
Construction / Acquisition of any assets	-	-	-
Purposes other than above	29	-	29
TOTAL	29	-	29

**Corporate Social Responsibility**

S.No	Particulars	Year ended 31st March 2022	Year ended 31st March 2021
1	Amount required to be spent by the company during the year	29.00	20.00
2	Amount of expenditure incurred on:		
	(a) Hare Rama Hare Krishna Movement - Hunger Reduction	27.00	20.00
	(b) Bharatiya Vidhya Bhavan - Education	1.01	0
	(c) Rotary club - Social service	1.00	0
3	Shortfall at the end of the year	0	0
4	Total of previous years shortfall	0	0
5	Reason for shortfall	-	
6	Nature of CSR activities	As per S.No. 2 of above	As per S.No. 2 of above

**45. Information related to Consolidated Financial Statements**

The Company is listed on stock exchange in India. The Company has prepared consolidated financial statements as required under IND AS 110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statements is available on Company's web site for public use.

**46.** The company has received "No objection" from the SEBI and the Stock Exchanges i.e., National Stock Exchange of India Limited(NSE) on 2nd May, 2022 and BSE Limited on 4th May,2022 to the Composite Scheme of Arrangement in terms of Regulation 94 of SEBI (LODR) Regulations, 2015. The Company is going to file an application for the composite Scheme of Arrangement amongst Renaissance Advanced Consultancy Limited ("RACL") and Renaissance Consultancy Services Limited ("RCSL") and Renaissance Stocks Limited ("RSL") and Revathi Equipment Limited ("REL") and Semac Consultants Private Limited ("SCPL") and Renaissance Corporate Consultants Limited ("RCCL") with National Company Law Tribunal (NCLT), Chennai Bench under the provisions of section 230-232 read with Section 66 of Companies Act, 2013 (the Act) and the rules made thereunder.

## 47. Financial Risk Management

### Financial Risk Factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise appropriate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

#### A. Market Risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions. The Company is exposed to following key market risks:

##### i Interest Rate Risk :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowing obligations.

PARTICULARS	FIXED RATE BORROWING	VARIABLE RATE BORROWING	TOTAL BORROWING
As at March 31, 2022	7.5	-	7.5
As at March 31, 2021	-	-	-

Sensitivity analysis - Since the company does not have any variable rate borrowings, the analysis is not required to be given.

#### Impact on statement of profit and loss

Sensitivity on variable rate borrowings	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest rate increase by 0.25%	-	-
Interest rate decrease by 0.25%	-	-

##### ii Foreign Currency Risk :

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Foreign trade receivables and payables.

The details of foreign currency exposure is as follows:

PARTICULARS	TRADE RECEIVABLE		TRADE PAYABLES	
	IN FC	₹ IN LAKHS	IN FC	₹ IN LAKHS
<b>Unhedged foreign currency exposures</b>				
<b>Foreign Exposure as at March 31, 2022</b>				
US Dollars	-	-	11,22,385	850.88
Euro	-	-	9,384	7.94
<b>Foreign Exposure as at March 31, 2021</b>				
US Dollars	-	-	15,30,884	1,125.20
Euro	-	-	15,145	13.03

#### Rate Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

#### Impact on statement of Profit and Loss \*

PARTICULARS	INCREASE / DECREASE IN BASIS POINTS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
USD Sensitivity	+ 50 basis points	(0.00)	0.00
	- 50 basis points	0.00	(0.00)
Euro Sensitivity	+ 50 basis points	(0.01)	(0.00)
	- 50 basis points	0.01	0.00
* Holding all other variable constant			

## B. Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits and other financial instruments.

To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as disclosed below. The Company evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

The ageing of trade receivable is given below:

PARTICULARS	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
	UPTO 6 MONTHS	MORE THAN 6 MONTHS	UPTO 6 MONTHS	MORE THAN 6 MONTHS
Gross carrying amount (A)	2,268.92	356.27	4,077.39	476.48
Expected credit losses (B)	-	-232.88	-	-123.26
<b>Net Carrying Amount (A-B)</b>	<b>2,268.92</b>	<b>123.39</b>	<b>4,077.39</b>	<b>353.22</b>

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 is the carrying amounts.

## C. Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's cash flow is a mix of cash flow from collections from customers on account of sale of drill equipments & engineering services. The other main component in liquidity is timing to call loans/ funds and optimization of repayments of loans installment, interest payments.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 are as follows

PARTICULARS	LESS THAN 3 MONTHS	3MONTHS TO 1 YEAR	MORE THAN 1 YEAR	TOTAL
Trade Payables	1,681.09	153.12	247.89	2,082.10
Other Financials Liabilities	292.52	-	-	292.52

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 are as follows

PARTICULARS	LESS THAN 3 MONTHS	3MONTHS TO 1 YEAR	MORE THAN 1 YEAR	TOTAL
Trade Payables	2,628.45	452.59	133.54	3,214.58
Other Financials Liabilities	416.25	-	11.61	427.86

#### 48. Financial Instrument - Disclosure

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

##### Financial assets

SL. NO	PARTICULARS	FAIR VALUE HIERARCHY	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
			CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
1	<b>Financial asset at FVTPL</b> <b>Current</b> Investments in financial institutions	Level 2	2,121	2,121	721	721
2	<b>Financial assets designated at amortised cost</b> <b>Non current</b>					
b)	Others financial asset	Level 3	43	43	99	99
a)	Trade receivables*	Level 3	2,392	2,392	4,431	4,431
b)	Cash and cash equivalents	Level 3	49	49	27	27
c)	Bank balances	Level 3	205	205	217	217
d)	Loans	Level 3	52	52	971	971
e)	Others Financial Asset	Level 3	2,078	2,078	2,444	2,444
3	<b>Investment in subsidiary companies and associate (At cost)</b>	Level 3	9,432	-	9,420	-
	<b>TOTAL</b>		<b>14,251</b>	<b>4,819</b>	<b>17,609</b>	<b>8,189</b>

##### Financial liabilities

SL. NO	PARTICULARS	FAIR VALUE HIERARCHY	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
			CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
1	<b>Financial liability designated at amortised cost</b> <b>NON CURRENT</b>					
a)	Lease Liability	Level 3	-	-	7	7
	<b>CURRENT</b>					
a)	Borrowings	Level 3	2,473	2,473	3,310	3,310
b)	Lease Liability	Level 3	6	6	8	8
c)	Trade payables*	Level 3	2,082	2,082	3,215	3,215
d)	Other financial liabilities	Level 3	293	293	416	416
	<b>TOTAL</b>		<b>4,854</b>	<b>4,854</b>	<b>6,957</b>	<b>6,957</b>

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

\* The carrying amounts are considered to be the same as their fair values due to short term nature.

##### Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

## 49. Capital Management

For the purpose of the Company's capital management, equity includes issued equity capital, and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Debt (i) [Also refer note 15.1]	2,813	3,310
Cash & bank balances [Also refer note 10.3 & 10.4]	253	244
Net Debt	2,560	3,066
Total Equity	19,410	18,269
Net debt to equity ratio (Gearing Ratio)	0.13	0.17
(i) Debt is defined as long-term and short-term borrowings		

50. The audited GST return for the year ended March 31, 2022 is pending for the filing as due date for filing December 31, 2022. The Company is in process of reconciling the data of GSTR 2A with GSTR 3B. In view of the management on final reconciliation the impact will not be material.

## 51. Additional Regulatory and statutory Information

- (i) All the Title deeds of Immovable Properties are held in name of the Company.
- (ii) The valuation of the capital contribution in Panch Tatva Realty had been conducted by an independent valuer as on Sep'19 and the market value estimated at Rs.3,848 Lakhs. Till the construction/ development of the property, no rental income shall accrue to the company other than disposal of the entitlement. There is no restriction on the realisability of investment property or the remittance of income and proceeds of disposal. Investment property is not subject to any depreciation till construction / development of the said property. The valuation of Agricultural land had been conducted by an independent valuer as on Sep'21 and the market value estimated at Rs.178 Lakhs
- (iii) The company has not revalued any Property, Plant and Equipment including Right of Use Asset during the year.
- (iv) The company has not revalued any Intangible asset during the year.
- (v) The company has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- (vi) The company does not have any Capital work in progress during the year end.
- (vii) The company does not have any intangible asset under development during the year end.
- (viii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (ix) Borrowings secured against current assets - The company has filed the quarterly returns or statements of current assets with banks and in agreement with the books of accounts.
- (x) The lender of the company has not declared company as wilful defaulter and also company has not defaulted in loan repayment of loan to the lender
- (xi) The Company does not have any transactions with any companies struck off.
- (xii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (xiii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.



## (xiv) Ratios :

Description	Numerator	Denominator	31st Mar'22	31st Mar'21	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	2.06	1.67	23.1%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.14	0.18	-20.0%	
Debt-service Coverage Ratio	Earnings available for Debt Service	Debt Service	3.62	5.80	-37.6%	Increase in Interest cost during the year whereas profit is at same level
Return on Equity Ratio	Net profit After Tax	Average Sharholders Equity	0.01	0.02	-9.5%	
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	0.54	0.62	-12.6%	
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	0.74	0.56	33.8%	Average debtors during current year is less whereas Sales in more
Trade payables Turnover Ratio	Purchases	Average Trade Payables	2.02	2.78	-27.5%	Purchases was very high whereas average trade payable was less during previous year
Net capital Turnover Ratio	Revenue from Operations	Working Capital	1.62	1.45	11.5%	
Net Profit Ratio	Net Profit	Revenue from Operations	0.11	0.14	-19.5%	
Return on Capital Employed	Earning before Interest and Taxes	Capital Employed	9.60%	8.78%	9.4%	
Return on Investment	Market Value on Closing date Less Market Value on Opening day	Market Value on Opening date	5.04%	5.20%	-3.1%	

- (xv) The company has gone for a Scheme of Arrangement as per Section 230 to 232 which is pending with Securities Exchange Board of India for their approval.
- (xvi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding whether (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or (b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (xvii)The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- (xviii)There is no transaction which are not recorded in the books of account that has been surrender or disclosed as income during the year in the tax assessments under the income

## 52. Recent Accounting Pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated 23rd March 2022. Given below are the amendment made in brief and their possible impact on the financial statements of the company. The company will be apply the amendments from 1 April 2022 being the effective date of the amendments:

### (i) Ind AS 101 – First-time adoption of Indian Accounting Standards:

The amendment removes the conflict between the requirements of paragraph D16(a) of Ind AS 101 which provides exemptions where a subsidiary adopts Ind AS later than its parent and the exemptions on cumulative translation differences. The amendment permits the subsidiary to measure cumulative translation differences at the carrying amount included in the parent's consolidated financial statements. Similar exemption is available to associate and joint venture that uses the exemption in paragraph D16(a) of Ind AS 101. Paragraph D16(a) of Ind AS 101 provides that the subsidiary can measure its assets and liabilities at the carrying amounts in parent's consolidated financial statements. The amendment is applicable for entities adopting Ind AS from 1 April 2022. As the company has already adopted Ind AS, there is no impact of this amendment on the company.

### (ii) Ind AS 103 – Business Combinations:

The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after 1 April 2022.

### (iii) Ind AS 109 – Financial Instruments:

The amendments clarify that only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf will be included in calculating the discounted present value of the cash flow under the new terms on modification of financial liability. The amendment is applicable for modification / exchange of financial liabilities on or after 1 April 2022. The amendment has no impact on the financial statements of the company.

### (iv) Ind AS 16 – Property, Plant and Equipment:

The amendment creates a carve-out from IAS 16. IAS 16 requires any sale proceeds and cost of samples produced when testing whether the asset is functioning properly to be recognised in profit or loss whereas the amendment clarifies that the same shall be deducted from the cost of the property, plant and equipment. No transition provisions have been specified and therefore, this amendment shall be applicable retrospectively. The company has been following the practice as clarified by the amendment and hence no impact on the financial statements of the company.

### (v) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The paragraph clarifies what cost needs to be considered in the costs to fulfil a contract while determining whether the contract is onerous. Changes previous practice of considering only incremental costs in the costs to fulfil a contract for determination of onerous contract. Now apart from incremental costs, the costs to fulfil a contract includes an allocation of directly attributable costs. The amendments apply to unfulfilled onerous contracts as on 1 April 2022. As the company does not have any onerous contract, the said amendment has no impact on the financial statements of the company.

### (vi) Ind AS 41 – Agriculture:

The amendment removes taxation cash flows from paragraph 22 indicating tax cash flows must be included in the fair value less costs to sell. The amendment is applicable to fair value measurements on or after 1 April 2022. Ind AS 41 is not applicable to the company and hence has no impact on the financial statements of the company.

As per our report of even date  
For and on behalf of  
S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN: 000756N

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

**NEERAJ BANSAL**  
Partner  
Membership No: 095960  
PLACE: NEW DELHI  
DATE: MAY 24, 2022

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958  
PLACE: COIMBATORE  
DATE: MAY 24, 2022

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**NISHANT RAMAKRISHNAN**  
Company Secretary

## INDEPENDENT AUDITOR'S REPORT

To the Members of REVATHI EQUIPMENT LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of REVATHI EQUIPMENT LIMITED (hereinafter referred to as the "Holding Company"), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive Profit), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2022, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our

opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

#### Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Holding Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibility of the Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the Ind AS and accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which have been used for the

purpose of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for the overseeing the financial reporting process of the Group and of its associate.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company and its subsidiary company, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of entities included in the consolidated financial statements of which we are the independent auditor. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matter**

We did not audit the financial statements and other financial information, in respect of one set down subsidiary (incorporated outside India) whose financial statements/

financial information include total assets of Rs. 1458.41 lakhs as at March 31, 2022, total revenue of Rs. 2254.89 lakhs and net cash outflow amounting to Rs. 324.90 lakhs for the year ended on that date, as considered in these consolidated financial statements. These financial statement and other information have been audited by the other auditor duly qualified to act as auditor in the country of incorporation of said step down subsidiary, whose financial statements, and other information have been furnished to us by the management and our opinion in so far as it relates to that subsidiary is based solely on the report of the other auditor.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure - A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
  - c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules issued thereunder;
  - e. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls of the Holding Company, its subsidiary (Group) and its associate, all incorporated in India refer to our separate report in "Annexure-B";

f. On the basis of written representations received from the directors of the Holding Company, its subsidiary company (Group) and its associate company all incorporated in India as on March 31, 2022, and taken on record by the Board of Directors of Holding Company, its Subsidiary Company (Group) and its associate company all incorporated in India, none of the directors of the Group companies and its associate all incorporated in India is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

As per the information and explanation given to us and on the basis of our examination of the records, managerial remuneration has been paid or provided as specified by the provisions of section 197 read with Schedule V to the Act by the Holding Company.

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

- i) The consolidated financial statements disclose the impact of pending litigation which would impact its financial position of the Group and its associate. Refer note no. 34 to the consolidated financial statements;
- ii) There has been no material foreseeable losses on long term contracts including derivative contracts, therefore the Group and its associate has not made any provision as required under the applicable law or Indian accounting standards;
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
- iv) A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiary and associate incorporated in India to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiary and associate



incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- B) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company, its subsidiary and associate incorporated in India from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiary and associate incorporated in India shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Holding company, its subsidiary and associate company has not paid any dividend during the year, therefore reporting under this clause is not applicable.

For S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN - 000756N  
**NEERAJ BANSAL**  
Partner  
Membership No. 095960  
UDIN : 22095960AJMZSN1434

Place: New Delhi  
Date: 24 May 2022

## **"ANNEXURE - A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REVATHI EQUIPMENT LIMITED**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

XXI. According to the information and explanations given to us and based on our examination, we report that CARO is applicable to the Holding and subsidiary and not on step down subsidiary being a company incorporated outside India and associate being an LLP included in the consolidated financial statements. We report that there is no qualifications or adverse remarks in the CARO reports of the Parent and subsidiary.

For S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN - 000756N  
**NEERAJ BANSAL**  
Partner  
Membership No. 095960  
UDIN : 22095960AJMZSN1434

Place: New Delhi  
Date: 24 May 2022

## **"ANNEXURE - B" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REVATHI EQUIPMENT LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of Revathi Equipment Limited ("the Holding Company") and its subsidiary company (the Holding Company and its subsidiary together referred to as "the Group") and its associate, all incorporated in India as at March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary company and its associate, which are company/entity incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, its subsidiary company, and its associate considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under The Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's and its associate internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated financial statements and their operating



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's and its associate internal financial controls system over financial reporting with reference to these consolidated financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the holding company are being made only in accordance with authorisations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

**Place:** New Delhi  
**Date:** 24 May 2022

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, based on records the holding company, its subsidiary company together referred as " the Group and its associate all incorporated in India has, in all material respects, an adequate internal financial controls over financial reporting and the internal controls over financial reporting are generally operating effectively as at March 31, 2022 based on the "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

For S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN - 000756N  
**NEERAJ BANSAL**  
Partner  
Membership No. 095960  
UDIN : 22095960AJMZSN1434



**C**ONSOLIDATED  
FINANCIAL  
STATEMENT





# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(All amounts are in ₹ in lakhs. Unless otherwise stated)

PARTICULARS	NOTE NO	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>A. ASSETS</b>			
<b>1. Non current assets</b>			
(i) Property, plant and equipment	3	630.82	561.71
(ii) Right of use asset	3.2	82.95	129.31
(iii) Investment property	4	1,749.87	1749.87
(iv) Goodwill		4,486.25	4486.25
(v) Other Intangible assets	3.1	48.23	63.65
<b>(vi) Financial assets</b>			
(a) Investments	5.1	1,400.61	100.00
(b) Others financial asset	5.2	366.61	309.73
(vii) Non current tax asset	6	276.58	60.84
(viii) Deferred tax assets (net)	17	1,269.72	1467.53
(ix) Other non - current assets	7	6.58	0.00
<b>Total Non-current Assets</b>		<b>10,318.22</b>	<b>8928.89</b>
<b>2. Current assets</b>			
(i) Inventories	8	4,768.71	4597.05
<b>(ii) Financial assets</b>			
(a) Investments	9	3,646.63	925.83
(b) Trade receivables	9.1	4,022.88	7244.33
(c) Cash and cash equivalents	9.2	1,396.04	824.47
(d) Bank balances other than (c) above	9.3	2,166.77	1213.16
(e) Loans	9.4	331.80	2206.93
(f) Others financial asset	9.5	3,206.05	3024.58
(iii) Current tax asset (net)	10	97.77	181.73
(iv) Other current assets	11	1,873.82	1888.29
<b>Total Current Assets</b>		<b>21,510.47</b>	<b>22106.38</b>
<b>TOTAL ASSETS</b>		<b>31,828.69</b>	<b>31035.27</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	12	306.69	306.69
(b) Other equity	13	19,267.99	17983.43
Equity attributable to shareholders of the company		<b>19,574.68</b>	<b>18290.12</b>
<b>Non controlling interest</b>	14	951.29	921.07
<b>Total equity</b>		<b>20,525.97</b>	<b>19,211.19</b>
<b>2. Non - current liabilities</b>			
<b>(i) Financial liabilities</b>			
(a) Borrowings	15.1	340.00	0.00
(ai) Lease Liability	3.2	-	43.01
(b) Other financial liability	15.2	286.05	293.87
(ii) Provisions	16	305.33	350.69
<b>Total Non-Current Liabilities</b>		<b>931.37</b>	<b>687.57</b>
<b>3. Current liabilities</b>			
<b>(i) Financial liabilities</b>			
(a) Borrowings	18.1	2,473.11	3353.70
(ai) Lease liabilities	3.2	77.50	83.01
<b>(b) Trade payables:</b>			
- Total outstanding dues of Micro enterprise and small enterprises	18.2	305.08	406.97
- Total outstanding dues of creditors other than Micro enterprise and small enterprises	18.2	2,780.01	3662.14
(c) Other financial liabilities	18.3	572.33	749.21
(ii) Other current liabilities	19	3,559.32	2010.40
(iii) Provisions	20	200.71	362.91
(iv) Current tax liabilities (net)	21	403.28	508.17
<b>Total Current Liabilities</b>		<b>10,371.34</b>	<b>11136.51</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>31,828.69</b>	<b>31035.27</b>

See accompanying notes of consolidated financial statements 1 to 57

As per our report of even date  
For and on behalf of  
S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN: 000756N

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

**NEERAJ BANSAL**  
Partner  
Membership No: 095960  
PLACE: NEW DELHI  
DATE: MAY 24, 2022

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958  
PLACE: COIMBATORE  
DATE: MAY 24, 2022

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**NISHANT RAMAKRISHNAN**  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ in lakhs. Unless otherwise stated)

PARTICULARS	NOTE NO	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
<b>INCOME</b>			
Revenue from operations	22	18,106.20	13,223.52
Other income	23	855.81	575.29
<b>Total income</b>		<b>18,962.01</b>	<b>13,798.81</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	7,236.13	5,901.35
Purchases of stock in trade	25	769.95	876.71
Changes in inventories of finished goods, stock - in - trade and work - in - progress	26	124.36	(1,952.94)
Employee benefits expenses	27	4,495.53	4,188.79
Finance costs	28	527.64	287.31
Depreciation and amortization expenses	29	239.94	234.37
Other expenses	30	3,782.27	3,625.66
<b>Total expenses</b>		<b>17,175.82</b>	<b>13,161.25</b>
<b>Profit/(Loss) before Tax</b>		1,786.19	637.56
Share of Profit/(Loss) of Associates		(6.46)	74.80
<b>Profit/(Loss) before Tax</b>		<b>1,779.73</b>	<b>712.36</b>
<b>Tax expense</b>	31		
Current tax		531.52	596.52
MAT credit entitlement		-	(7.53)
Deferred tax		(63.51)	(147.39)
Tax for earlier years		-	9.97
<b>Total tax expense</b>		<b>468.01</b>	<b>451.56</b>
<b>Profit/(Loss) for the year</b>		<b>1,311.72</b>	<b>260.80</b>
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss	32	12.31	(11.89)
Remeasurement of Post employment Benefit Plans			
(ii) Income tax relating to items that will be reclassified to profit or loss	31	(6.65)	20.15
B (i) Items that will be reclassified to profit or loss	32	33.60	(30.24)
Foreign currency Translation Reserve			
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
		<b>39.26</b>	<b>(21.98)</b>
<b>Profit / (Loss) attributable to</b>			
Equity shareholders		1,270.39	521.69
Non Controlling interest		41.33	(260.89)
<b>Other comprehensive income attributable to</b>			
Equity shareholders		27.05	(8.87)
Non Controlling interest		12.21	(13.11)
<b>Total comprehensive income / (Loss) for the period</b>			
Equity shareholders		1,297.44	512.82
Non Controlling interest		53.54	(274.00)
		<b>1,350.98</b>	<b>238.82</b>
Earnings per equity share	33		
- Basic		42.77	8.50
- Diluted		42.77	8.50

See accompanying notes of consolidated financial statements 1 to 57

As per our report of even date  
For and on behalf of  
S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN: 000756N

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

**NEERAJ BANSAL**  
Partner  
Membership No: 095960  
PLACE: NEW DELHI  
DATE: MAY 24, 2022

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958  
PLACE: COIMBATORE  
DATE: MAY 24, 2022

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**NISHANT RAMAKRISHNAN**  
Company Secretary

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ in lakhs. Unless otherwise stated)

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
<b>A. Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>1,779.75</b>	<b>637.56</b>
Adjustments:		
Depreciation / amortization	239.94	234.37
Divident Income	0.72	-
Impairment loss on financial assets - Trade Receivables	666.43	406.09
Sundry Balance Written off	4.55	359.79
Bad debts/ advances written off	29.66	192.97
Sundry balances/provision no longer required written back	(44.39)	209.56
Finance cost (including interest on Lease)	527.64	(26.07)
Interest Income	(330.27)	(272.61)
Share of profit from SCTILLP	(68.34)	
(Profit)/Loss on investment in Financial Instruments	4.09	(19.15)
Interest on Loan and advances	(47.40)	
Loss on reclassification of FCTR	49.95	31.50
Foreign currency fluctuation	21.84	
Foreign exchange -Gain	(17.44)	(11.15)
Profit on sale of investment	(31.62)	-
Loss on sale of investment	8.19	
(Profit)/loss on sale of PPE and assets written off	(12.91)	5.13
<b>Operating profit before working capital changes</b>	<b>2,780.38</b>	<b>1,748.01</b>
<b>Adjustments for working capital changes :</b>		
(Increase)/decrease in Inventories	(171.65)	(2,319.87)
Increase/ (decrease) in trade payables	(946.28)	2,128.14
(Increase)/ decrease in trade receivables	2,649.79	(2,096.51)
(Increase)/ decrease in other financial assets	(346.92)	230.20
(Increase)/ decrease in loans and other current assets	7.86	(1,811.29)
Increase/ (decrease) in provisions	(194.15)	26.03
Increase/ (decrease) in other financial liabilities	(192.81)	44.91
Increase/ (decrease) in other current liabilities	1,541.74	1,147.55
<b>Cash generated from operations</b>	<b>5,127.95</b>	<b>(902.83)</b>
Direct taxes (paid)/refund	(451.63)	281.78
<b>Net cash from operating activities</b>	<b>4,676.32</b>	<b>(621.05)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of PPE and Intangible assets	(212.51)	(177.00)
Proceeds from sale of PPE and Intangible assets	15.18	2.29
Proceeds/(deposit made) from fixed deposits(net)	(953.61)	417.07
Purchase of non current investments	(1,312.82)	(411.06)
Purchase of current investments	(3,101.38)	(550.45)
Proceeds from sale of investments	380.58	-
Loan given to other parties	(121.46)	-
Proceeds from loans to other parties	2,150.00	(500.00)
Interest received	208.80	298.87
Profit/(Loss) on investment in Financial Instruments	19.33	19.15
<b>Net cash used in investing activities</b>	<b>(2,927.89)</b>	<b>(901.14)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from/(repayment of) short term borrowings(net)	(880.58)	1,685.55
Repayment of principal on lease liability	(83.64)	(92.39)
Proceeds from long term borrowings	340.00	(0.24)
Finance cost	(540.87)	(258.05)
Dividend paid	-	(257.32)
Repayment of Interest on lease liabilities	(11.39)	-
<b>Net cash from / ( used in) financing activities</b>	<b>(1,176.49)</b>	<b>1,077.55</b>
<b>Net increase in cash and cash equivalents ( A+B+C)</b>	<b>571.58</b>	<b>(444.63)</b>
<b>Cash and cash equivalents ( Opening Balance)</b>	<b>824.47</b>	<b>1,269.10</b>
<b>Cash and cash equivalents ( Closing Balance)*</b>	<b>1,396.04</b>	<b>824.47</b>
<b>Change in cash &amp; cash equivalents</b>	<b>571.58</b>	<b>(444.63)</b>
Components of cash & cash equivalents		
Balances with banks		
- in Current accounts	1,158.10	580.69
- Deposits with original maturity of less than 3 months	232.91	233.69
Cash on hand	5.03	10.10
	<b>1,396.04</b>	<b>824.47</b>



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Net cash & cash equivalents

Particulars	Opening balance as at 01.04.2021	Cash Flows	Non Cash	Closing balance as at 31.03.2022
Short term borrowings	3,353.70	(880.58)	-	2,473.12
Interest Accrued on Borrowings	2.44	(2.44)	-	-
Lease Liability	126.02	(95.03)	46.51	77.50

Particulars	Opening balance as at 01.04.2020 (Recognition of Lease Liability)	Cash Flows	Non Cash	Closing balance as at 31.03.2021
Short term borrowings	1,663.45	1,690.25	-	3,353.70
Interest Accrued on Borrowings	-	2.44	-	2.44
Lease Liability	191.85	(92.39)	26.56	126.02

#### Note:

- Cash & cash equivalents components are as per Note 9.2
- Statement of Cash flows has been prepared under the indirect method as set out in IndAS-7 "Statement of Cash flows"

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

As per our report of even date  
For and on behalf of  
S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN: 000756N

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

**NEERAJ BANSAL**  
Partner  
Membership No: 095960  
PLACE: NEW DELHI  
DATE: MAY 24, 2022

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958  
PLACE: COIMBATORE  
DATE: MAY 24, 2022

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial Officer

**NISHANT RAMAKRISHNAN**  
Company Secretary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ in lakhs. Unless otherwise stated)

### A. Equity share capital

BALANCE AS AT APRIL 1, 2021	CHANGE IN EQUITY SHARE CAPITAL DUE TO PRIOR PERIOD ERRORS	RESTATED BALANCE AT THE BEGINNING OF 01.04.2021	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT MARCH 31, 2022
306.69	-	306.69	-	306.69

BALANCE AS AT APRIL 1, 2020	CHANGE IN EQUITY SHARE CAPITAL DUE TO PRIOR PERIOD ERRORS	RESTATED BALANCE AT THE BEGINNING OF 01.04.2020	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT MARCH 31, 2021
306.69	-	306.69	-	306.69

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ in lakhs. Unless otherwise stated)

## B. Other equity

PARTICULARS	RESERVES AND SURPLUS					EQUITY IN SUBSIDIARY	SHARE OF PROFIT / (LOSS) OF ASSOCIATE	OTHER COMPREHENSIVE INCOME		EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY	NON CONTROLLING INTEREST	TOTAL EQUITY
	CAPITAL RESERVE	CONSOLIDATION ADJUSTMENT RESERVE	LEGAL / STATUTORY RESERVE	GENERAL RESERVE	RETAINED EARNINGS			FOREIGN CURRENCY TRANSLATION RESERVE	ACTUARIAL GAIN / (LOSS)			
Balance as at 1st April 2021	1.49	165.61	69.26	5,544.35	11,865.96	(5.54)	74.80	138.99	128.51	17,983.43	921.07	18,904.50
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of 1st April 2021	1.49	165.61	69.26	5,544.35	11,865.96	(5.54)	74.80	138.99	128.51	17,983.43	921.07	18,904.50
Total Comprehensive Income for the current year	-	-	-	-	1,326.55	-	(6.46)	33.60	5.66	1,359.36	30.22	1,389.58
Amount received from SCTILLP towards share of profit	-	-	-	-	-	-	(74.80)	-	-	(74.80)	-	(74.80)
Balance as at 31st March 2022	1.49	165.61	69.26	5,544.35	13,192.51	(5.54)	(6.46)	172.59	134.18	19,267.99	951.29	20,219.28

PARTICULARS	RESERVES AND SURPLUS					EQUITY IN SUBSIDIARY	SHARE OF PROFIT / (LOSS) OF ASSOCIATE	OTHER COMPREHENSIVE INCOME		EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY	NON CONTROLLING INTEREST	TOTAL EQUITY
	CAPITAL RESERVE	CONSOLIDATION ADJUSTMENT RESERVE	LEGAL / STATUTORY RESERVE	GENERAL RESERVE	RETAINED EARNINGS			FOREIGN CURRENCY TRANSLATION RESERVE	ACTUARIAL GAIN / (LOSS)			
Balance as at 1st April 2021	1.49	165.61	69.26	5,544.35	11,337.81	(5.54)	-	156.45	119.97	17,389.40	2,131.76	19,521.16
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of 1st April 2021	1.49	165.61	69.26	5,544.35	11,337.81	(5.54)	-	156.45	119.97	17,389.40	2,131.76	19,521.16
Total Comprehensive Income for the current year	-	-	-	-	528.15	-	74.80	(17.46)	8.54	594.03	(1,210.69)	(616.66)
Balance as at 31st March 2022	1.49	165.61	69.26	5,544.35	11,865.96	(5.54)	74.80	138.99	128.51	17,983.43	921.07	18,904.50

Also refer Note 12, 13 & 14

### Nature of reserves

- Capital reserve represents funds to be utilised for specific purposes
- The Subsidiary Company at Muscat, had transferred retained earnings to the Share Capital as per the local laws applicable on 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".
- Statutory/legal reserve is created as per the local laws of the country of incorporation of the subsidiary company.
- General reserve represents the statutory reserve, this is in accordance with Indian Corporate Law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer the amount before a company can declare dividend. However under Companies Act 2013, transfer of any amount to general reserve is at the discretion of the Company.
- Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the requirement of the Companies Act, 2013.
- The Holding company has given a corporate guarantee for securing non-fund based credit facilities from one of the indian banks to its subsidiary. The holding company has accounted for this corporate guarantee in its book of account in terms of Ind AS 109.
- Exchange differences relating to the translation of results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Rupees) are recognised directly in the other comprehensive income and accumulated in foreign translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.
- Other comprehensive income (OCI) reserve represent the balance in equity for items to be accounted in OCI. OCI is classified into (i) items that will not be reclassified to profit and loss, and (ii) items that will be reclassified to statement of profit and loss.

As per our report of even date  
For and on behalf of  
S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN: 000756N

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

**NEERAJ BANSAL**  
Partner  
Membership No: 095960  
PLACE: NEW DELHI  
DATE: MAY 24, 2022

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958  
PLACE: COIMBATORE  
DATE: MAY 24, 2022

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**NISHANT RAMAKRISHNAN**  
Company Secretary

## 1. Basis of accounting and preparation of Financial Statements

### A. Corporate overview

Revathi Equipment Limited (the 'Company'), including its subsidiaries and joint venture collectively referred to as ("the group") was incorporated as a private company is registered under the Companies Act, 1956 on May 13, 1977. The company was subsequently converted to a public company registered on November 4, 1977 and is currently listed on Bombay stock exchange and National Stock exchange. The company is preliminary engaged in the manufacturing and sales of drilling rigs and spares thereof. These financial statements are presented in Indian Rupees (Rs).

These financial statements were approved and adopted by board of directors of the Company in their meeting held on May 24, 2022.

### B. Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended from time to time.

### C. Basis of preparation of accounts

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (Note no.50)
- Defined benefit plans as per actuarial valuation

### D. Operating cycle

Operating cycle is the time between the acquisition of assets for providing services and their realisation in Cash and cash equivalents. Based on the nature of services provided by the company, its normal operating cycle is not clearly identifiable, therefore it is assumed to be twelve months for the purpose of current / non-current classification of assets and liabilities as specified in the Schedule-III to the Companies Act, 2013 (as amended).

### E. Functional and presentation currency

The financial statements are presented in Indian rupees (Rs), which is the functional currency of the parent Group. All the financial information presented in Indian rupees (Rs), has been rounded to the nearest thousand.

### F. Use of estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

#### a. Property, plant and equipment and intangible assets

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

#### b. Recognition and measurement of defined benefit obligations

The cost of the leave encashment, defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are periodically reviewed at each reporting date.

#### c. Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in activate markets, their fair value is measured using valuation technique. The input to these models are taken from the observable market where possible, but this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumptions could affect the fair value of financial instrument.

#### d. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

#### ***e. Impairment of financial and non-financial assets***

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group assesses at each reporting date whether there is an indication that a Non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount which is higher of an asset's or CGU's fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### **G. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Assets and liabilities are recognised once but measured at fair value on recurring basis. The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

## **2. Significant accounting policies**

### **A. Basis of consolidation**

The Consolidated Financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Act.

#### **Principles of consolidation**

##### **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

- i The Subsidiary which has been included in the consolidated Financial Statements along with the Company's holdings therein are given below:

NAME OF THE COMPANY	COUNTRY OF INCORPORATION	% VOTING POWER	
		2021-22	2020-21
Semac Consultants Pvt Ltd including subsidiaries	India	95.86%	95.44%
Semac & Partners LLC	Muscat	65%	65%

- ii. The company has acquired 50% share during previous year in Semac Construction Technologies India LLP ('SCTILLP') for Rs. 2,520 lakhs.

iii. 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. 2,000 lakhs towards its share of contribution in the capital of AOP for undertaking a real estate project as joint venture (JV) for construction of residential complexes in Chembur, Mumbai. Pursuant to an agreement (including modification and Memorandum of Understanding) ("the agreement") entered into in this respect, the company will be entitled to 54% of the profits and surplus of the said JV. In respect of the residential complexes, it will be entitled to obtain minimum of 50000 sq. ft. of constructed area against the investment made in AOP. The company will also be entitled to the additional area based on actual measurement in case of delay in completion of the project, as per terms and conditions specified in the agreement.

The Company has entered into a Memorandum of Understanding (MOU) on 17th December, 2015 with the AOP partner to sell 10,795 sq. ft. out of the Company's entitlement of constructed area as stated above. As per the Memorandum of Understanding (MOU) on 17th December 2015 the company's entitlement is limited to above-mentioned built up area only and no other economic benefits and hence not construed as Joint Venture.

## B. Property, plant and equipment

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses. The cost of an asset includes the purchase cost of materials including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of cost of the asset until such time that the asset is ready for its intended use. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When significant part of the property, plant and equipment are required to replace at intervals, the Group derecognized the replaced part and recognized the new parts with its own associated useful life and it depreciated accordingly. Likewise when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred.

Internally manufactured property, plant and equipment are capitalised at factory cost including excise duty and or GST whatever is applicable.

Capital work in progress include property plant & equipment under installation/under development as at the balance sheet date and are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost and are transferred to respective capital asset when they are available for use.

Property, plant and equipment are derecognised from the financial statement, either on disposal or when no economic benefits are expected from its use or disposal. Gain or losses arising from disposal of property, plant and equipment are a recognized in the statement of profit and loss in the year of occurrence.

## C. Investment Property

Investment properties are properties, either land or building or both, held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised.

## D. Intangible assets

- (a) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The

estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**(b) Internally-generated intangible assets- research and development expenditure**

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**(c) De-recognition**

Gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit & loss when the asset is derecognised.

**E. Depreciation and amortization**

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The useful life of property, plant and equipment is consistent with the useful life of asset specified in Schedule II of the Companies Act, 2013. Property, Plant and Equipment which are added / disposed off during the year, depreciation is

provided pro-rata basis with reference to the month of addition / deletion except for assets costing Rs 5,000 or below which are fully depreciated in the year of addition.

The useful lives of intangible asset are assessed as either finite or indefinite. Intangible asset with a finite useful life are amortized over a period of 3 to 5 years on a straight-line basis & technical knowhow are amortised over the period of three years on straight-line basis and are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible asset with indefinite useful lives, if they are not amortised, but are tested for impairment either individually or at the cash generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. Currently there are no intangible assets with indefinite useful life.

**F. Impairment of Non-financial assets**

Property, plant and equipment, intangible assets, except goodwill and intangible asset with indefinite useful life, are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of profit and loss.

**G. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

*Where the Group is the lessee*

The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A



contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows.

*Where the Group is the lessor*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the escalation of lease rentals is in line with the expected general inflation so as to compensate the lessor for expected inflationary cost, the increases in the rentals is not straight lined.

#### **H. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

#### **I. Segment accounting and reporting**

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Group as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers.

Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Group's intermediate and final products and estimated realisable value in case of by-products.

- Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on direct and/ or on a reasonable basis, have been disclosed as "Unallocable"

#### **J. Employee benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting

Standard (Ind AS)-19 - 'Employee Benefits'.

**a. Short-term employee benefits**

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered

**b. Defined contribution plan**

Retirement benefits in the form of provident fund, pension fund and ESI are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund/trust.

**c. Defined benefit plan**

The Group's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Group has an Employee Gratuity Fund managed by Life Insurance Corporation. The provision made during the year is recognized as a liability.

The Group's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (Ind AS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

**K. Inventories**

- a. Work in progress, Finished goods and traded goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on First in First out basis
- b. Raw materials, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on a first in first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**L. Non-current assets held for sale and discontinued operations**

Non-current asset and disposable groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and are measured at the lower of its carrying amount and fair value less costs to sell. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of such classification.

Discontinued operation are excluded from the results of continuing operation and are presented as a single amount as profit or loss after tax from discontinued operation in the statement of profit & loss. Asset and liabilities classified as held for distribution are presented separately from other asset and liabilities in balance sheet.

A disposable group qualified as discontinued operation if it is a component of the Group that either has been disposed off, or is classified as held for sale, and

- Represents a separate major line of business or geographical area of operation.
- Is a part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation,

Or

- Is as subsidiary acquired exclusively with a view to sale.

An entity shall not depreciate (or amortize) a non-current asset while it is classified as held for sale or while it is a part of a disposal group classified as held for sale.

## **M. Financial Instruments**

### **(a) Financial Assets**

#### ***i. Classification***

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and contractual cash flow characteristics of the financial asset.

#### ***ii. Initial recognition and measurement***

The Group recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets (except for certain trade receivables) are recognized initially at fair value plus, for financial asset not subsequently measured at FVTPL, transaction costs that are directly attributable to the acquisition of financial assets. Trade receivables that do not contain a significant financing component (determined in accordance with IND AS 115 – Revenue Recognition) are initially measured at their transaction price and not at fair value.

#### ***iii. Subsequent Measurement***

For the purpose of subsequent measurement the financial assets are classified in three categories:

- At amortised cost - For debt instruments only.
- At fair value through profit & loss account
- At fair value through other comprehensive income

#### ***iv. Debt instruments at amortized cost***

A Financial Asset i.e. a debt instrument is measured at the amortized cost if both the following condition are met.

- The assets is held within a business model whose objective is to hold assets for collecting contractual cash flow (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are subsequently measurement at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount and premium and fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

#### ***v. Debt instruments at Fair value through other comprehensive income***

A financial asset should be measured at FVTOCI if both the following condition are met:

- The assets is held within a business model in which asset are managed both in order to collect contractual cash flows and for sale (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are measured at Fair value with changes in fair value recognized in OCI except for:

- (a) Interest calculated using EIR
- (b) Foreign exchange gain and losses; and
- (c) Impairment losses and gains

#### ***vi. Debt instrument at Fair value through Profit or loss***

Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognised in the statement of profit and loss.

#### ***vii. Equity investments***

All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Group makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then fair value changes on the instrument, excluding dividends, are recognised in other compressive income (OCI). There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of such investments.

Equity instrument includes within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit or loss.

#### **viii. Derecognition**

A financial assets (or, where applicable, a part of a financial asset) is primarily derecognised when:

- The right to receive cash flows from the assets have expired or
- The Group has transferred substantially all the risks and rewards of the assets, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

#### **ix. Impairment of financial assets**

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses

### **(b) Financial Liabilities & Equity**

#### **i. Classification**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **ii. Initial recognition and measurement of Financial Liability**

The Group recognizes financial liability when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, for financial liability not subsequently measured at FVTPL, transaction costs that are directly attributable to the issue of financial liability.

#### **iii. Subsequent Measurement of Financial Liability**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### **iv. Financial Liability at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) Method. Gain and losses are recognised in statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction cost. The EIR amortization is included as finance cost in the statement of profit and loss.

This category generally applies to loans & Borrowings.

#### **v. Financial Liability at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability

#### **vi. Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### **vii. Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an

existing liability are, substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognised in the Statement of Profit and loss.

#### **viii. Offsetting of financial instrument**

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### **N. Investments in Subsidiaries, Joint venture & Associate**

Investments in equity shares of Subsidiaries, Joint Ventures & Associates are recorded at cost and reviewed for impairment at each balance sheet date.

### **O. Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers.

#### ***Sale of goods***

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue from the sale of goods is measured at the transaction price, which is adjusted for, net of returns and allowances, trade discounts and volume rebates/claims etc. Sales exclude Value added tax/sales tax / Service Tax / Goods & Service Tax

#### ***Sale of Services***

Revenues from sale of services are recognized as per the term of contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

### **P. Other Income**

#### ***Interest Income***

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### ***Dividends***

Dividend income is recognised when the right to receive is established, which is generally when shareholders approve the dividend.

### **Q. Product warranty cost**

Product warranty costs are accrued at the time related revenues are recorded in the Statement of Profit and Loss for the drill equipment. The Group estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

### **R. Foreign currency translation/conversion**

Standalone financial statements have been presented in Indian Rupees (₹), which is the Group's functional and presentation currency.

#### **■ Initial recognition**

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

#### **■ Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### **■ Exchange differences**

The gain or loss arising on translation of monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss

is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

## S. Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### *Deferred tax*

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

MAT credit is recognized as deferred tax assets as its part of Deferred tax.

## T. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares

## U. Provisions, contingent liabilities and contingent assets

### *General*

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

### *Contingent liability is disclosed in the notes in case of:*

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### *Onerous contracts*

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Group recognizes impairment



on the assets with the contract.

***Contingent assets***

Contingent assets are not recognized in the financial statements.

**V. Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Group's cash management.

### 3. Property, plant & equipment

PARTICULARS	Tangible asset											Total tangible asset				
	Lease hold improvements	Land Freehold	Buildings	Plant & Machinery	Production Tooling	Electrical installation	Data Processing Equipment	Computer (End - User Device)	Computers (Servers & Networks)	Furniture & Fixtures	Office equipment		Vehicles			
<b>Gross Block</b>																
As at March 31, 2020	40.85	9.28	225.97	245.32	5.06	18.00	64.43	475.25	12.58	254.24	247.95	481.72	2,080.64			
Addition	-	-	32.51	20.88	-	-	28.48	2.66	-	2.93	3.60	34.21	125.27			
Disposals / Adjustments	-	-	(2.88)	(2.88)	-	-	(9.60)	(0.36)	-	(9.60)	(0.36)	(18.36)	(31.20)			
<b>As at March 31, 2021</b>	<b>40.85</b>	<b>9.28</b>	<b>258.48</b>	<b>263.32</b>	<b>5.06</b>	<b>18.00</b>	<b>92.91</b>	<b>477.91</b>	<b>12.58</b>	<b>247.57</b>	<b>251.19</b>	<b>497.57</b>	<b>2,174.71</b>			
Addition	-	-	3.54	11.96	-	-	15.61	19.11	-	10.38	5.45	134.38	200.43			
Disposals / Adjustments	-	-0.01	-	-	-	-	-2.58	(0.85)	-	-	-	(22.85)	(26.29)			
<b>As at March 31, 2022</b>	<b>40.85</b>	<b>9.27</b>	<b>262.02</b>	<b>275.28</b>	<b>5.06</b>	<b>18.00</b>	<b>105.94</b>	<b>496.17</b>	<b>12.58</b>	<b>257.95</b>	<b>256.64</b>	<b>609.10</b>	<b>2,348.85</b>			
<b>Depreciation</b>																
As at March 31, 2020	36.86	-	84.62	125.95	4.58	17.49	33.36	453.83	11.56	193.95	231.89	339.16	1,533.25			
Charge for the year	-	-	10.19	12.20	-	-	19.16	20.38	-	6.82	-5.69	38.90	101.96			
Disposals	-	-	-	(2.88)	-	-	-	-	-	-	(1.06)	(19.83)	(23.77)			
Adjustment - FCTR	-	-	-	-	-	-	-	0.29	-	(1.52)	-	1.61	0.38			
<b>As at March 31, 2021</b>	<b>36.86</b>	<b>-</b>	<b>94.81</b>	<b>135.27</b>	<b>4.58</b>	<b>17.49</b>	<b>52.52</b>	<b>474.50</b>	<b>11.56</b>	<b>199.25</b>	<b>225.14</b>	<b>359.84</b>	<b>1,611.82</b>			
Charge for the year	1.66	-	12.01	15.65	-	0.08	18.86	6.90	0.45	14.30	8.53	50.44	128.86			
Disposals	-	-	-	-	-	-	-2.21	-	-	(0.97)	-	(19.84)	(23.02)			
Adjustment - FCTR	-	-	-	-	-	-	-	0.16	-	(6.31)	6.17	0.62	0.64			
<b>As at March 31, 2022</b>	<b>38.52</b>	<b>-</b>	<b>106.82</b>	<b>150.92</b>	<b>4.58</b>	<b>17.57</b>	<b>69.17</b>	<b>481.56</b>	<b>12.01</b>	<b>206.27</b>	<b>239.83</b>	<b>391.07</b>	<b>1,718.31</b>			
<b>Net Block</b>																
As at 31st March, 2021	3.97	9.28	163.56	127.96	0.48	0.51	40.39	3.42	1.01	54.96	19.86	136.30	561.71			
As at 31st March, 2022	2.33	9.27	155.19	124.36	0.48	0.43	36.77	14.60	0.57	51.68	16.80	218.04	630.82			

### 3.1 Intangible Assets

PARTICULARS	Intangible asset	
	Computer software	Total
<b>Gross Block</b>		
As at March 31, 2020	573.53	573.53
Addition	50.27	50.27
Disposals / Adjustments	(0.37)	(0.37)
<b>As at March 31, 2021</b>	<b>623.43</b>	<b>623.43</b>
Addition	12.08	12.08
Disposals / Adjustments	-	-
<b>As at March 31, 2022</b>	<b>635.51</b>	<b>635.51</b>
<b>Depreciation</b>		
As at March 31, 2020	541.57	541.57
Charge for the year	18.74	18.74
Disposals	(0.18)	(0.18)
Adjustment - FCTR	0.00	0.00
<b>As at March 31, 2021</b>	<b>559.55</b>	<b>559.55</b>
Charge for the year	27.73	27.73
Disposals	-	-
Adjustment - FCTR	-	-
<b>As at March 31, 2022</b>	<b>587.29</b>	<b>587.29</b>
<b>Net Block</b>		
As at 31st March, 2021	63.65	63.65
As at 31st March, 2022	48.23	48.23

Foreign currency translation reserve on account of exchange difference arising due to different conversion rate taken for the opening balance and addition/ deletion considered on average exchange rates. The same is included in Adjustment - FCTR

### 3.2. Right-of-use assets

Particulars	Category of ROU
	Lease hold Building
Balance as at April 1, 2020	
Reclassified on Adoption of IndAS 116	-
Additions	21.36
Disposal	4.27
Balance as at April 1, 2021	282.79
Addition	39.07
Disposal	2.01
Balance as at 31 March 2022	319.85

#### Provision for Depreciation

Particulars	Category of ROU
	Lease hold Building
Balance as at 1 April, 2020	68.80
Reclassified on Adoption of IndAS 116	-
Charge for the year	84.67
Disposal	-
Balance as at 1 April, 2021	153.48
Charge for the year	83.45
Disposal	-
Balance as at 31 March 2022	236.93
Net Carrying Value as at 31 March 2022	82.95

Group has taken office & residential premises on lease. These are accounted as per IND AS 116 and the management has consider all relevant facts and circumstances to classify some of the leases into short term. As a result Group elects not to apply the requirements of INDAS 116

and recognise the lease payments associated with those leases on straight-line basis over the lease term.

Interest charge for the year on lease liabilities	11.39
Total cash outflow (payment) for leases	
Leases for which Right of use assets is recognised	94.49
Leases considered as short term	71.67

**Movement in Lease liabilities for the year ended March 31, 2022:-**

Particulars	Amount
Balance as at 1 April, 2020	191.86
Addition	18.68
Finance cost accrued during the period	20.78
Deletion	4.22
Payment of lease liability	101.08
Balance as at 1 April, 2021	126.02
Addition	37.11
Finance cost accrued during the period	11.39
Deletion	1.99
Payment of lease liability	96.92
Balance at the end	77.50

Classification of Lease Liabilities

Non Current Lease Liabilities	-
Current Lease Liabilities	77.50

The Group has adopted Ind AS 116 “Leases” effective from April 1, 2019 and applied the same to lease contracts existing on April 1, 2019 with right of use asset recognised to an amount equal to adjusted lease liability.

**4. Investment property**

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Capital contribution in Panch Tatva Realty	1,662.65	1,662.65
Investment in Agricultural Land (Indore)	87.22	87.22
<b>TOTAL</b>	<b>1,749.87</b>	<b>1,749.87</b>

The company along with Tridhaatu Realty Infra Private Ltd (Tridhaatu) formed an Association of Persons (AOP) namely Panchtatva Realty for constructing a residential building in Chembur, Mumbai and made an investment of Rs. 2,000 Lakhs in the AOP. Out of its entitlement of 64,000 square feet, the company sold 10,795 square feet to the AOP member - Tridhaatu vide deed of modification dated December 17, 2015. The Company's entitlement is limited to above mentioned built up area only and no other economic benefits and hence not construed as Joint Venture.

The valuation of the capital contribution in Panch Tatva Realty had been conducted by an independent valuer as on Sep19 and the market value estimated at Rs.3,848 Lakhs. Till the construction/ development of the property, no rental income shall accrue to the company other than disposal of the entitlement. There is no restriction on the realisability of investment property or the remittance of income and proceeds of disposal. Investment property is not subject to any depreciation till construction / development of the said property.

## 5. Financial asset : Non current

### 5.1 Investments

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>INVESTMENT AT COST</b>		
<b>i) Investments in Associates (at cost)</b>		
50% share in Semac Construction Technologies India LLP	100.00	100.00
<b>(ii) Other Long term Investments</b>		
a. 7.81% share in Purple Orchid LLP	1,100.61	-
b. 4021 Preferential shares of Rs.10/- each in Webklipper Technologies Pvt Ltd	100.00	-
c. Grand Anicut GAAF Vyaapar II - 1,00,000 units	100.00	-
<b>TOTAL</b>	<b>1,400.61</b>	<b>100.00</b>

Aggregate amount of unquoted investments 1,400.61 100.00

### 5.2 Other financial assets

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Security deposits		
Unsecured, considered good		
- Rent deposit *	109.37	64.32
- Deposits with statutory authorities	10.25	0.25
Retention money receivable	234.43	-
Other receivable	12.57	245.16
<b>TOTAL</b>	<b>366.61</b>	<b>309.73</b>

\* Rent deposit with related parties amounts to Rs. 51.61 Lacs

## 6. Non Current Tax Assets ( Net)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Advance payment of taxes (net)	276.58	60.84
<b>TOTAL</b>	<b>276.58</b>	<b>60.84</b>

## 7. Other non current assets

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Unsecured considered good		
Gratuity prepaid	6.58	-
<b>TOTAL</b>	<b>6.58</b>	<b>-</b>

## 8. Inventories

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Raw materials	1,685.12	1,389.09
Work-in-progress	1,474.32	2,659.81
Finished Goods	868.29	-
Stock-in-trade	740.99	548.15
<b>TOTAL</b>	<b>4,768.71</b>	<b>4,597.05</b>

## 9. Financial Assets: Current

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Investments</b>		
<b>Quoted Investments</b>		
9250 equity shares of Zee Entertainment Enterprises of Rs 268.66 each	26.67	-
967 equity shares of India Mart Intermesh Limited of Rs 4390.54 each	41.80	-
<b>Unquoted Investments</b>		
Investment in financial institutions	3,578.15	925.83
Total	<b>3,646.63</b>	<b>925.83</b>
Refer note 50		

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>9.1 Trade receivables</b>		
Trade receivable considered good-unsecured	4,022.88	7,244.33
Trade receivable which have significant increase in credit risk	-	-
Trade receivable-credit impaired	1,320.56	746.82
Less provision for ECL	(1,320.56)	(746.82)
<b>TOTAL</b>	<b>4,022.88</b>	<b>7,244.33</b>

**Trade Receivables ageing schedule as on Mar'22**

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	789.29	2562	562.24				<b>3,913.53</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired		-	1,087.68	17.18	43.06	224.81	<b>1,372.73</b>
(iv) Disputed Trade Receivables–considered good		-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired		-	-	-	-	-	-
<b>Total</b>	<b>789.29</b>	<b>2,562.00</b>	<b>1,649.92</b>	<b>17.18</b>	<b>43.06</b>	<b>224.81</b>	<b>5,286.26</b>
Less : Allowance for doubtful trade receivables - Billed							<b>(1,320.56)</b>
							<b>3,965.70</b>
<b>Trade receivables - Unbilled</b>							<b>57.17</b>
<b>Total</b>							<b>4,022.88</b>

**Trade Receivables ageing schedule as on Mar'21**

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1830.91	4195.76	892.33	-	-	-	<b>6,919.00</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired		-	623.56	55.56	62.82	272.48	<b>1,014.42</b>
(iv) Disputed Trade Receivables–considered good		-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired		-	-	-	-	-	-
<b>Total</b>	<b>,830.91</b>	<b>4,195.76</b>	<b>1,515.89</b>	<b>55.56</b>	<b>62.82</b>	<b>272.48</b>	<b>7,933.42</b>
Less : Allowance for doubtful trade receivables - Billed							<b>(746.82)</b>
							<b>7,186.60</b>
<b>Trade receivables - Unbilled</b>							<b>57.73</b>
<b>Total</b>							<b>7,244.33</b>



PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>9.2 Cash &amp; cash equivalents</b>		
Balances with banks		
- in Current Accounts	1,158.10	580.69
- in Fixed deposit with maturity of upto 3 months	232.90	233.69
Cash on hand	5.03	10.10
<b>TOTAL</b>	<b>1,396.04</b>	<b>824.47</b>
Refer note 50		
<b>9.3 Bank balance</b>		
Balances with banks		
- in Fixed deposit with maturity of up to 3-12 months	1,962.20	996.14
Earmarked balances		
- Margin money	204.58	217.02
<b>TOTAL</b>	<b>2,166.77</b>	<b>1,213.16</b>

Note:- Fixed deposit and Margin money deposit is under lien with banks against bank guarantee and letter of credit. Refer note 50

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>9.4 Loans</b>		
<b>Unsecured, considered good unless otherwise stated</b>		
Loans to:		
- Employees	63.98	56.93
- Others (refer note (i) & (ii))	267.82	2,150.00
<b>TOTAL</b>	<b>331.80</b>	<b>2,206.93</b>

(i) Loan of Rs 21.50 Crore was given to Third Lake Advisors LLP, a limited liability partnership during November, 2020 (Rs. 20 Crores) & January 2021 (1.50 Crores) for general corporate purposes at interest rate of 10% per annum and has been repaid during January 2022 (Rs 2.5 Cr) and March-22 (Rs 19 Cr).

(ii) Loan of Rs 267.82 lacs was given to Simpark Infrastructure Private limited during the year. This loan carries rate of interest of 13% per annum and is due for repayment in December, 2022.

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>9.5 Other financial asset</b>		
Interest accrued on		
- Deposits with bank	14.36	20.24
- Loan to Others	263.81	97.59
SCTILLP - Current account	2,013.54	2,494.80
Unbilled Contract Revenue	882.70	375.47
Security deposit		
Earnest money deposit		27.49
Others.	19.02	8.99
Advance to employees	6.98	-
Dividend Receivable	5.64	-
<b>TOTAL</b>	<b>3,206.05</b>	<b>3,024.58</b>

#### 10. Current tax asset (net)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Advance payment of tax (net of provision)	97.77	181.73
<b>TOTAL</b>	<b>97.77</b>	<b>181.73</b>

#### 11. Other current assets

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Prepaid expenses	190.81	109.07
Advances to suppliers/contractors	1,190.62	879.09
Balance with statutory authorities	415.30	760.02
Other advances	77.10	140.11
<b>TOTAL</b>	<b>1,873.82</b>	<b>1,888.29</b>

## 12. Equity share capital

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Authorised share capital</b> 35,00,000 (March 31, 2021: 35,00,000 shares) Equity shares of Rs. 10 /- each	350.00	350.00
<b>TOTAL</b>	<b>350.00</b>	<b>350.00</b>
<b>Issued, subscribed and fully paid up</b> 30,66,943 (March 31, 2021: 30,66,943 shares) Equity shares of Rs. 10 /- each	306.69	306.69
<b>TOTAL</b>	<b>306.690</b>	<b>306.69</b>

### (i) Reconciliation of number and amount of equity shares outstanding:

PARTICULARS	NO. OF SHARES	AMOUNT
As at March 31, 2020	30,66,943	306.69
Addition during the year	-	-
As at March 31, 2021	30,66,943	306.69
Addition during the year	-	-
As at March 31, 2022	30,66,943	306.69

### (ii) Details of shareholders holding more than 5 % shares in the company

PARTICULARS	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
Equity shares of Rs 10 each fully paid				
Renaissance Advanced Consultancy Limited (RACL)	17,68,953	57.68%	17,68,953	57.68%
Renaissance Stock Ltd (Wholly owned subsidiary of RACL)	4,57,000	14.90%	4,57,000	14.90%

### (iii) Details of Promoters holding shares in the company

Shares held by Promoters at the end of the year	AS AT MARCH 31, 2022			AS AT MARCH 31, 2021		
	NO. OF SHARES	% OF CHANGES DURING THE YEAR	% OF HOLDING	NO. OF SHARES	% OF CHANGES DURING THE YEAR	% OF HOLDING
Promoters Name						
Renaissance Advanced consultancy Limited (RACL)	17,68,953	-	57.68%	17,68,953	-	57.68%
Renaissance Stock Ltd (Wholly owned subsidiary of RACL)	4,57,000	-	14.90%	4,57,000	-	14.90%
	22,25,953	-	72.58%	22,25,953	-	72.58%

### (iv) Details of shares held by holding company

PARTICULARS	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
Equity shares of Rs 10 each fully paid				
Renaissance Advanced consultancy Limited (RACL)	17,68,953	57.68%	17,68,953	57.68%

### (v) Rights, preferences and restrictions attached to equity shares

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

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

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

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

### 13. Other Equity

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>A. Reserves &amp; Surplus</b>		
<b>Capital Reserve</b>		
Opening balance	1.49	1.49
Changes during the year	-	-
Closing balance	<b>1.49</b>	<b>1.49</b>
<b>General Reserve</b>		
Opening balance	5,544.35	5,544.35
Changes during the year	-	-
Closing balance	<b>5,544.35</b>	<b>5,544.35</b>
<b>Consolidation Adjustment Reserve</b>		
Opening balance	165.61	165.61
Changes during the year	-	-
Closing balance	<b>165.61</b>	<b>165.61</b>
<b>Legal reserve</b>		
Opening balance	69.26	69.26
Changes during the year	-	-
Closing Balance	<b>69.26</b>	<b>69.26</b>
<b>Retained Earnings</b>		
Opening balance	11,865.96	11,337.81
Profit / (Loss) during the year	1,326.55	528.15
Dividend Paid	-	-
Closing balance	<b>13,192.51</b>	<b>11,865.96</b>
<b>B. Equity in Subsidiary</b>		
Opening balance	(5.54)	(5.54)
Changes during the year	-	-
Closing balance	<b>(5.54)</b>	<b>(5.54)</b>
<b>C. Share of Profit / (Loss) from Associate</b>		
Opening balance	74.80	74.80
Changes during the year	(81.26)	-
Closing balance	<b>(6.46)</b>	<b>74.80</b>
<b>D. Other Comprehensive Income</b>		
<b>Foreign currency translation reserve (FCTR)</b>		
Opening balance	138.99	156.45
Additions during the period	33.60	(17.46)
Balance at the end of the year	<b>172.59</b>	<b>138.99</b>
<b>Actuarial Gain or Loss</b>		
Opening balance	128.51	119.97
Changes during the year	5.66	8.54
Closing balance	<b>134.18</b>	<b>128.51</b>

### 14. Non-Controlling Interest

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Opening balance	921.07	2,131.76
Changes during the year	30.22	(1,210.69)
Closing balance	<b>951.29</b>	<b>921.07</b>

## 15. Financial liability : non current

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>15.1 Borrowings</b>		
<b>Secured at amortised cost</b>		
<b>Term Loan:</b>		
- from bank	340	-
Less: Current maturity of long term borrowings	-	-
<b>Total</b>	<b>340</b>	<b>-</b>

a. The Company has availed Guaranteed Emergency Credit Line loan facility from Bank of India. The details of securities are as follows:

### Primary

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

b. The term loan is repayable in 60 installments with a moratorium of 24 months at interest rate of 7.50% per annum

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>15.2 Other Financial Liability</b>		
Retention Money Payable	286.05	293.87
<b>Total</b>	<b>286.05</b>	<b>293.87</b>

Refer note 50

## 16. Non Current Provision

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Provision for employee benefits (Refer note 43)</b>		
- Gratuity	236.03	256.01
- Leave Encashment	69.30	94.69
<b>TOTAL</b>	<b>305.33</b>	<b>350.69</b>

## 17. Deferred tax asset

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
MAT Credit Entitlement	490.55	745.70
Deferred tax liability (Net)	779.17	721.83
<b>TOTAL</b>	<b>1,269.72</b>	<b>1,467.53</b>

### (i) Movement in deferred tax items

FOR THE FINANCIAL YEAR MARCH 31, 2022	MOVEMENT DURING THE YEAR			
	BALANCE AS AT APRIL 1, 2021	RECOGNISED IN STATEMENT OF PROFIT & LOSS	RECOGNISED IN OTHER COMPREHENSIVE INCOME	BALANCE AS AT MARCH 31, 2022
<b>Deferred tax liability / (asset) on account of:</b>				
Expenses allowable on payment basis and others	293.97	(38.33)		255.64
Carry forward losses and unabsorbed depreciation	298.44	(45.36)		253.08
Right of use assets net off Lease Liabilities	0.68	2.58		3.26
Security Deposit Rent	9.78	6.95		16.73
Remeasurement of Defined Benefit Obligations	(9.07)	-	(6.65)	(15.71)
Depreciation difference	3.46	(15.38)		(11.91)
Provision for doubtful debt	124.59	153.05		277.65
Net deferred tax liability / (asset)	721.83	63.51	(6.65)	779.17
MAT credit entitlement	745.70	(255.15)		490.55
<b>TOTAL</b>	<b>1,467.53</b>	<b>(191.64)</b>	<b>(6.65)</b>	<b>1,269.72</b>

FOR THE FINANCIAL YEAR MARCH 31, 2021	BALANCE AS AT APRIL 1, 2020	RECOGNISED IN STATEMENT OF PROFIT AND LOSS	RECOGNISED IN OTHER COMPREHENSIVE INCOME	BALANCE AS AT MARCH 31, 2021
<b>Deferred tax liability / (asset) on account of:</b>				
Expenses allowable on payment basis and others	158.42	135.55		293.97
Carry forward losses and unabsorbed depreciation	376.90	(78.46)		298.44
Right of use assets net off Lease Liabilities	1.58	(0.90)		0.68
Security Deposit Rent	8.86	0.92		9.78
Remeasurement of Defined Benefit Obligations	(29.22)	-	20.15	(9.07)
Depreciation difference	8.71	(5.25)		3.46
Provision for doubtful debt	29.06	95.53		124.59
Net deferred tax liability / (asset)	554.31	147.38	20.15	721.83
MAT Credit Entitlement	868.62	(122.92)		745.70
<b>TOTAL</b>	<b>1,422.93</b>	<b>24.46</b>	<b>20.15</b>	<b>1,467.53</b>

## 18. Financial liability : current

### 18.1 Short term borrowings

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>Secured - at amortised cost</b>		
<b>Bank</b>		
- Cash credit / WCDL	2,473.11	3,353.70
<b>TOTAL</b>	<b>2,473.11</b>	<b>3,353.70</b>

Also refer note 50 & 51

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

#### **Primary**

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

#### **Collateral**

Second charge on fixed assets of the Holding Company except Agricultural Land at Indore, Madhya Pradesh.

- b. The Working Capital Limits to Semac Consultants (P) Ltd (Overdraft of ₹ 50 lakhs and Non Fund based of ₹ 2,950 lakhs) were sanctioned from ICICI Bank Ltd and (Overdraft of ₹ 50 lakhs and Non Fund based of ₹ 1,950 lakhs) were sanctioned from HDFC Bank Ltd.

#### **Security**

1. Paripassu charge on the entire current asset of the subsidiary company both present and future.

2. Paripassu charge on FDR amounting to ₹ 1,676.98 lakhs in case of ICICI Bank and ₹ 12.50 Lakhs (50% of ₹ 25 Lakhs) in case of HDFC Bank.

3. Corporate guarantee given by the Holding Company (Revathi Equipment Limited)

#### **Terms of repayment of loan, repayment of loan and rate of interest thereon**

Working Capital loan from ICICI Bank and HDFC Bank is repayable on demand and it carries interest rate of 8.85% (Repo rate 4% plus Spread 4.85%) and 7.50% (Repo rate 4% plus Spread 3.50%) respectively.

There is no default in payment of interest during the year. Since, as at March 31, 2022 the overdraft accounts have debit balances therefore classified under cash & cash equivalents.

- c. The Cash Credit is repayable on demand and carries floating interest rate which ranges from 8% to 9.457%.

### 18.2 Trade payables

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
a. Micro and small enterprises* - Refer note 37	305.08	406.97
b. Others	2,780.01	3,662.14
<b>TOTAL</b>	<b>3,085.09</b>	<b>4,069.11</b>

**Trade payables ageing schedule as at 31st March 2022**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
(i) MSME*	287.36	9.1	1.5	7.15	305.08
(ii) Others	2408.74	105.87	120	145.65	2,780.01
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>2,696.10</b>	<b>114.99</b>	<b>121.20</b>	<b>152.80</b>	<b>3,085.09</b>

**Trade payables ageing schedule as at 31st March 2021**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
(i) MSME*	386.28	14.66	5.78	0.25	406.97
(ii) Others	3410.47	3.1	58.11	190.49	3,662.14
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>3,796.75</b>	<b>17.73</b>	<b>63.89</b>	<b>190.74</b>	<b>4,069.11</b>

Also refer note 49 & 50

\* MSME as per Micro, Small and Medium Enterprise development Act 2006

**18.3 Other financial liabilities**

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Security Deposit Received	0.40	0.40
Other Payables	464.20	580.24
Employee related dues	105.50	165.24
Financial Gurantee Liability	2.22	3.33
<b>TOTAL</b>	<b>572.33</b>	<b>749.21</b>

Also refer note 49 & 50

**19. Other current Liability**

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Advances from customers	2,369.57	526.50
Withholding and other taxes	713.88	729.81
Other Liabilities	12.48	
Employee related dues	290.03	318.66
Contract Liability	173.35	435.43
<b>TOTAL</b>	<b>3,559.32</b>	<b>2,010.40</b>

**20. Current provision**

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Provision for employee benefits (Refer note 43)		
- Gratuity	19.55	38.27
- Leave Encashment	22.26	27.34
Provision for Warranty claims	25.04	173.30
Provision for Income tax	9.85	
Provision for contingency*	124.00	124.00
<b>TOTAL</b>	<b>200.71</b>	<b>362.91</b>

\*Claim made by a client which is under dispute.



### Information about warranty claims

The holding Company provides warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications/replacements based on best estimate considering the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

### 21. Current Tax Liabilities (net)

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Income tax provision (net of advance tax)	403.28	508.17
<b>TOTAL</b>	<b>403.28</b>	<b>508.17</b>

### 22. Revenue from operations

#### Revenue from contracts with customers

#### (i) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
<b>Segment</b>		
<b>(a) Type of goods or services:</b>		
Sale of products (Finished Goods)		
- Drills / construction equipments	5,044.50	3,710.71
- Spares	4,341.97	3,998.96
Sale of services		
Engineering consultancy and project management charges	3,907.95	3,544.18
Work contract services	4,760.83	1,959.22
Sale of scrap	25.00	10.45
Export incentives	25.95	-
<b>Total revenue from contracts with customers</b>	<b>18,106.20</b>	<b>13,223.52</b>
<b>(b) Location:</b>		
India	14,126.86	9,670.29
Outside India	3,979.34	3,553.22
<b>Total revenue from contracts with customers</b>	<b>18,106.20</b>	<b>13,223.52</b>
<b>(c) Timing of revenue recognition:</b>		
Goods transferred at a point in time	9,437.43	7,335.13
Services provided at a point in time	4,617.20	4,699.75
Services provided over the period of time	4,051.58	1,188.63
<b>TOTAL</b>	<b>18,106.20</b>	<b>13,223.52</b>

### 23. Other Income

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Interest income	137.81	102.05
Interest income on income tax refund	8.73	61.55
Interest income on Loans & Advances	231.08	173.09
Interest income on security deposit lease	0.66	0.90
Divident Income	0.72	-
Income from investments	31.62	11.15
Provision/liabilities no longer required written back	181.43	85.73
Tender document charges received	62.36	80.01
Profit on sale of property, plant and equipment	12.91	1.87
Profit on sale of Financial instruments	-	19.15
Share of Profit from SCTILLP	74.80	-
Gain on Investments at FVTPL (Ind AS 109)	75.76	20.64
Gaurantee Income	1.10	1.11
Gain on foreign exchange fluctuation	25.83	-
Miscellaneous income	11.00	18.05
<b>TOTAL</b>	<b>855.81</b>	<b>575.29</b>

### 24. Cost of Material consumed

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Material Purchased through Subcontractors	377.49	328.17
Other materials:		
Works Contract Expenses	2,960.02	897.24
Under Carriage assemblies	212.38	233.49
Compressors and accessories	222.72	56.20
Electrical components	271.75	384.41
Hydraulic components	706.14	979.04
Pipes and valves	648.55	378.27
Gear/chain assemblies	423.89	525.92
Others	1,413.19	2,118.61
<b>TOTAL</b>	<b>7,236.13</b>	<b>5,901.35</b>

### 25. Purchases of stock in trade

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Consumption of Spares	577.11	726.00
<b>Change In stock in trade</b>		
Add: Closing Stock	740.99	548.15
Less: Opening Stock	(548.15)	(397.44)
<b>Purchases during the year</b>	<b>769.95</b>	<b>876.71</b>

**26. Changes in inventories of finished goods, stock - in - trade & work - in - progress**

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Inventories at the beginning of the year		
Work-in-process	2,659.81	857.58
Stock-in-trade	548.15	397.44
Finished goods		
	3,207.96	1,255.02
Less - Inventories at the end of the year		
Work-in-Process	1,474.32	2,659.81
Stock-in-trade	740.99	548.15
Finished Goods	868.29	-
	3,083.59	3,207.96
<b>Changes in inventories of finished goods, stock - in - trade &amp; work - in - progress</b>	<b>124.36</b>	<b>(1,952.94)</b>

**27. Employee benefits expenses**

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Salaries, wages, allowances & commission	4,084.52	3,822.05
Contribution to Gratuity, Provident & Other funds	211.44	217.41
Staff welfare expenses	199.57	149.33
<b>TOTAL</b>	<b>4,495.53</b>	<b>4,188.79</b>

**28. Finance costs**

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Interest on		
a. Loan	395.10	189.17
b. Statutory due delay	36.01	39.95
c. Others	12.22	23.01
Other borrowing cost	84.30	35.19
<b>TOTAL</b>	<b>527.64</b>	<b>287.31</b>

**29. Depreciation and amortization expense**

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
i. Depreciation	128.86	134.68
ii. Amortisation	27.73	15.20
iii. Depreciation on Right of Use asset	83.45	84.48
<b>TOTAL</b>	<b>239.94</b>	<b>234.37</b>

### 30. Other expenses

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Consumption of stores and spare parts	43.54	58.55
Power and fuel Consumption	53.83	60.56
Repair and maintenance		
-Machinery	7.41	10.29
-Buildings	4.51	49.03
- Vehicle	55.26	58.38
-Others	127.33	123.15
Rent	126.28	118.40
Rates and Taxes	107.81	29.51
Travelling and conveyance	595.44	422.17
Freight, clearing and packing	148.85	98.80
Legal and professional	530.58	572.43
Directors' sitting fees	11.20	19.80
Directors' Commission	54.00	113.23
Payment to auditor (refer note 36)	40.93	36.67
Selling commission	339.47	190.72
Impairment loss on financial assets - Trade Receivables	666.43	406.09
Balances written off	34.21	552.76
Bank Charges	56.72	89.52
Service Charges	74.23	63.35
Corporate social responsibilities	37.01	20.00
Product Development Expenses	52.27	40.76
Loss on sale of property, plant & equipment	-	7.00
Loss on foreign exchange fluctuation	68.21	41.83
Loss on reclassification of FCTR **	49.95	-
Telephone & Postage expenses	72.30	70.29
Printing & Stationery expenses	23.69	29.73
Advertisement expenses	28.01	13.60
Security Charges	26.23	31.47
Insurance	160.55	158.68
Miscellaneous expenses	186.02	138.91
<b>TOTAL</b>	<b>3,782.27</b>	<b>3,625.66</b>

\*\* Amount of FCTR has been reclassified to statement of profit and loss because of closure of operation at Dubai branch

### 31. Tax expense

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
<b>Current Tax</b>		
Current year	531.52	596.52
MAT credit entitlement	-	(7.53)
Income Tax pertaining to earlier years	-	9.97
	531.52	598.96
<b>Deferred tax</b>		
Deferred tax	(63.51)	(147.39)
	(63.51)	(147.39)
<b>TOTAL</b>	<b>468.01</b>	<b>451.56</b>

Refer note 17

**(i) Income tax recognised in other comprehensive income**

Deferred tax related to items recognised in other comprehensive income during the year:

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Items that will not be reclassified to profit or loss	-	-
- Remeasurement of defined benefit obligations	7.07	18.43
Total income tax expense recognised in other comprehensive income	7.07	18.43
<b>Total income tax expense recognised</b>	<b>475.08</b>	<b>470.00</b>

**(ii) Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:**

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
Profit / (loss) before tax	29.120%	29.120%
Income tax expense calculated at 29.120% (including surcharge and education cess)	1,792.06	625.70
Effect of income chargeable at different rate of tax	520.58	195.40
Additional deduction on research and development expenditure	0.48	(0.07)
Effect of temporary differences	-	-
Effect of expenses that are non-deductible in determining taxable profit	(89.38)	100.93
Effect of brought forward losses set off during the year on which no deferred tax asset was recognised	(36.14)	(16.08)
Other adjustments including earlier year tax provision	(21.77)	174.58
Effect due to change in rate and deferred tax	39.04	23.42
	34.72	(147.38)
	<b>447.52</b>	<b>330.78</b>

**32. Other comprehensive income**

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
<b>Item that will be reclassified to profit or loss</b>		
Foreign currency translation reserve	33.60	(30.24)
<b>Item that will not be reclassified to profit or loss</b>		
Actuarial gain / (loss) on defined benefit obligation	12.31	(11.89)
Income tax relating to items that will not be reclassified to profit or loss	(6.65)	20.15
<b>Total Other Comprehensive Income</b>	<b>39.26</b>	<b>(21.98)</b>

**33. Earning per share**

PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
<b>Face value of equity Shares (in Rs.)</b>	10	10
Total number of equity shares outstanding	30,66,943	30,66,943
Weighted average number of equity shares in calculating basic and diluted EPS	30,66,943	30,66,943
Net profit for calculation of basic and diluted EPS	1,311.72	260.80
EPS (Basic & Diluted)	42.77	8.50
Total Operations		
Net profit for calculation of basic and diluted EPS (Rs. In '000)	1,311.72	260.80
EPS ( Basic & Diluted)	0.42	0.08

**34. Contingent liabilities (not provided for) in respect of:**

S.NO.	PARTICULARS	FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
a)	Performance Bank Guarantees	3,131.85	2,344.09
b)	Sales tax / VAT & Service tax demands	58.99	58.99
c)	TDS demands	4.78	13.44
	<b>TOTAL</b>	<b>3,194.92</b>	<b>2,415.62</b>

- Based on contractual agreements with customers the company has issued bank guarantees. The management believes that none of the bank guarantees will be encashed by any of the customers.

- The Honourable Supreme Court, has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Subsidiary Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

**35. Financial Liability:**

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
Semac Consultants Private Ltd - Corporate Guarantee	6,500	1,500
<b>TOTAL</b>	<b>6,500</b>	<b>1,500</b>

The holding company has given corporate guarantee to Lakshmi Vilas Bank on behalf Semac Consultants Pvt Ltd (subsidiary company). Fixed deposit of Rs.5 Crores was under lien till June, 2020.

Name of the bank	Amt. in Lakhs
DBS bank (formerly Lakshmi Vilas Bank)	1,500
ICICI Bank	3,000
HDFC Bank	2,000
<b>Total</b>	<b>6,500</b>

**36. Remuneration paid to auditors:**

PARTICULARS	2021-22	2020-21
Statutory audit/Limited review	29.35	27.08
Certification	6.82	4.80
Reimbursement of expenses	4.75	4.75
<b>TOTAL</b>	<b>40.92</b>	<b>36.63</b>

**37. Details of dues to micro and small enterprises as per MSMED Act, 2006 to the extent of information available with the Group**

S. NO.	PARTICULARS	2021-22	2020-21
a)	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	289.16	395.70
b)	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c)	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	12.18	13.99
d)	The amount of interest accrued and remaining unpaid at the end of accounting year; and	4.64	10.92
e)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-
	<b>TOTAL</b>	<b>305.98</b>	<b>420.61</b>



### 38. CIF value of imports

S.NO.	PARTICULARS	2021-22	2020-21
a)	Raw materials & Components	994.64	1,633.81
b)	Spares	417.54	412.72
	<b>TOTAL</b>	<b>1,412.18</b>	<b>2,046.53</b>

### 39. Expenses in foreign currency:

PARTICULARS	2021-22	2020-21
Commission, consultancy, travelling and others	2,296.59	2,776.52

### 40. Earnings in foreign currency (accrual basis):

PARTICULARS	2021-22	2020-21
Export of goods at FOB value	4,038.21	3,272.35

### 41. Details regarding imported and indigenous materials consumed during the year:

PARTICULARS		IMPORTED		INDIGENOUS		VALUE OF TOTAL CONSUMPTION
		VALUE	% TO TOTAL CONSUMPTION	VALUE	% TO TOTAL CONSUMPTION	VALUE
Raw Materials	For the year ended March 31, 2022	940	18%	4,231	82%	5,170
	For the year ended March 31, 2021	1,433.30	29%	3,570.70	71%	5,004.00
Stores, Spares Parts and Components	For the year ended March 31, 2022	-	-	43.54	100%	43.54
	For the year ended March 31, 2021	-	-	58.55	100%	58.55

### 42. Segment Information

#### (i) General Disclosure

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015). For management purposes, the Group is organized into business units based on its products and services and has two reportable segments as follows:

#### a) Operating segments

- Manufacturing of equipments
- Engineering, Construction and Design services

#### b) Identification of Segments

The Board of Directors monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of product / services and have been identified as per the quantitative criteria specified in the Ind AS.

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable"

Segment assets and segment liabilities represent assets and liabilities in respective segments. Assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as unallocable.

## Summary of Segmental Information

S.NO.	PARTICULARS	YEAR ENDED MARCH 31, 2022	YEAR ENDED MARCH 31, 2021
<b>1</b>	<b>Segment Revenue (Gross)</b>		
a)	Manufacturing of equipments	10,146.67	8,473.60
b)	Engineering, Construction and Design services	7,959.53	4,749.92
	<b>TOTAL</b>	<b>18,106.20</b>	<b>13,223.51</b>
	Less: Inter Segment Revenue	-	-
	Total income from operations (net)	18,106.20	13,223.51
<b>2</b>	<b>Segment Results</b>		
	Profit (+)/Loss(-) before interest and tax from each segment		
a)	Manufacturing of equipments	2,140.48	1,893.97
b)	Engineering, Construction and Design services	173.34	(969.10)
	<b>TOTAL</b>	<b>2,313.82</b>	<b>924.87</b>
	Add: Exceptional Item		
	Less: Interest	527.64	287.31
	<b>Total Profit before tax &amp; Profit / (Loss) of Associate</b>	<b>1,786.19</b>	<b>637.56</b>
	<b>Add : Profit / (Loss) of Associate</b>	<b>(6.46)</b>	<b>74.80</b>
	<b>Total Profit/(loss) before tax</b>	<b>1,779.73</b>	<b>712.36</b>
<b>3.</b>	<b>Segment assets</b>		
a)	Manufacturing of equipments	16,394.22	17,792.72
b)	Engineering, Construction and Design services	10,948.22	9,203.74
	Total segment assets	27,342.44	26,996.46
	Less: Inter segment assets	-	(447.44)
	Add: Unallocable assets	-	-
	<b>Total assets</b>	<b>27,342.44</b>	<b>26,549.02</b>
	<b>Segment liabilities -</b>		
a)	Manufacturing of equipments	6,315.55	8,768.40
b)	Engineering, Construction and Design services	4,987.17	3,503.11
	Total segment liabilities	11,302.72	12,271.51
	Less: Inter segment liabilities	-	(447.44)
	Add: unallocable liabilities	-	-
	<b>Total liabilities</b>	<b>11,302.72</b>	<b>11,824.07</b>
<b>4</b>	<b>Revenues from sale of products to external customers</b>		
	India	14,127.00	9,766.00
	Outside India	3,979.00	2,913.00

### 5. Segment assets

Total of non-current assets other than financial instruments, investment in subsidiaries, joint ventures and associate and deferred tax assets broken down by location of the assets, is shown below:

PARTICULARS	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
India	2,421.00	6,831.25
Outside India	20.62	47.15

### 6. Information about major customers:

Revenue from customers contributing more than 10% of company's revenue is Rs 7,942 Lakhs.

Customer name	Amount
Central Coal Fields	1016
Mahanadhi Coal Fields	1569
Bull shot Propreitary Limited	1687
The Supreme Industries Ltd	1266
Procter & Gamble Home Products Pvt Ltd	1251
Dhunseri Poly Films Pvt Ltd	1153
<b>Total</b>	<b>7942</b>

### 43. Employee benefit obligations

The Company has in accordance with Ind AS 19 "Employee Benefits" calculated the various benefits provided to employees as under

#### Defined Contribution Plan :

- Provident Fund
- Employee State Insurance Plan

The Provident Fund and the Employee state insurance defined contribution plan are operated by the Regional Provident Fund Commissioner and Regional Director of ESIC respectively.

## Defined benefit plans

### Gratuity

Employees are entitled to gratuity computed as fifteen days salary for every completed year of service or part thereof in excess of six months and is payable on retirement/ termination. The benefit vests after five years of continuous service. The company has taken a group Gratuity Policy in LIC of India and makes contributing to LIC of India to fund its plan

### Leave Encashment

Leave Encashment is payable to eligible employees who have earned leaves during the employment and/or on separation as per the Company's policy. Liability has been accounted for on the basis of actuarial valuation certificate for the balance of earned leaves at the credit of employees at the end of the year

For summarizing the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans, the details are as under

#### A. Statement of profit and loss

##### Net employee benefit expense

PARTICULARS	2021-22		2020-21	
	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT
Current Service cost	46.73	51.26	50.58	25.73
Net Interest cost	13.13	5.29	19.25	4.08
Expected return on plan assets	1.80	-	-	-
Net actuarial (gain) / loss to be recognized	-	(26.06)	9.41	(4.03)
Past service cost (vested benefits)	-	-	-	-
<b>Expenses recognized in the statement of profit &amp; loss</b>	<b>61.66</b>	<b>30.50</b>	<b>79.24</b>	<b>25.78</b>

#### B. Balance Sheet

##### (i) Details of plan assets/ (liabilities) for gratuity and leave encashment

PARTICULARS	2021-22		2020-21	
	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT
Defined benefit obligation	(125.88)	55.69	493.95	141.44
Fair value of plan assets	195.30	-	186.64	-
Net liability recognized in the Balance Sheet	(321.19)	55.69	307.31	141.44

##### (ii) Changes in the present value of the defined benefit obligation are as follows:

PARTICULARS	2021-22		2020-21	
	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT
Opening defined benefit obligation	480.92	59.28	500.54	68.73
Interest cost	26.11	3.96	20.51	4.08
Current service cost	46.74	19.20	50.58	25.73
Benefit paid	(96.90)	(7.87)	(87.07)	1.83
Actuarial (gains)/losses on obligation	(12.58)	3.89	1.95	5.76
Closing defined benefit obligation	444.29	78.47	493.95	96.34

##### (iii) Changes in the fair value of plan assets (gratuity) are as follows:

PARTICULARS	2021-22		2020-21	
	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT
Opening fair value of plan assets	186.71		173.74	
Actual return on Plan Assets	13.11		10.19	
Contribution during the year	(18.70)		83.96	
Benefit paid	(1.80)		(82.12)	
Actuarial gains / (losses) on plan asset	(0.39)		(0.53)	
Closing fair value of plan assets	195.30		186.65	

(iv) The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

PARTICULARS	2021-22	2020-21
Discount rate (%)	6.88% to 7.03%	6.3% to 6.5%
Expected salary increase (%)	5%	5%
Average Age (years)	37.00	
Average past service (years)	8%	
Demographic Assumptions		
Retirement Age (year)	58 / 60	58 / 60
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
Attrition rate	8% to 10%	8% to 10%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

(v) Contribution to defined contribution plans:

PARTICULARS	2021-22	2020-21
Provident fund	123.72	124.30

(vi) Sensitivity analysis of the defined benefit obligation:

PARTICULARS	2021-22		2020-21	
	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT
<b>Impact of the change in discount rate</b>				
Impact due to increase of 1% (PY - 0.50%)	298.13	88.29	490.27	94.72
Impact due to decrease of 1% (PY - 0.50%)	(2.63)	(57.84)	(497.92)	(98.06)
<b>Impact of the change in salary increase</b>				
Impact due to increase of 1% (PY - 0.50%)	335.00	95.48	501.16	98.43
Impact due to decrease of 1% (PY - 0.50%)	<b>(3.39)</b>	<b>(53.31)</b>	<b>(486.99)</b>	<b>(94.33)</b>

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

(vii) Other comprehensive income (OCI):

PARTICULARS	2021-22		2020-21	
	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT	GRATUITY (PARTLY FUNDED)	LEAVE ENCASHMENT
Actuarial (gain)/loss for the year on PBO	(12.58)	(1.87)	(1,370.80)	(87.82)
Actuarial (gain)/loss for the year on plan asset	0.28	-	134.30	-
Unrecognized actuarial (gain)/loss at the end of the year	-	-	0.29	-
Total actuarial (gain)/loss at the end of the year	(12.30)	(1.87)	(1,236.21)	(87.82)

#### 44. Related Party Transaction

##### a) List of Related Parties

##### i. Holding company

Renaissance Advanced Consultancy Ltd

##### ii. Subsidiary of the Holding Company

Renaissance Stocks limited

##### iii. Subsidiary Company

Semac Consultants Private Ltd

##### iv. Associate of the Company

Semac Construction Technologies India LLP (SCTILLP), formerly known as Renaissance Construction Technologies India LLP (RCTILLP) (Associate w.e.f 31.03.2020)

**v. Key Management Personnel of the Company**

Name	Status
Mr. Abhishek Dalmia	Executive Chairman
Ms. Deepali Dalmia	Director
Mr. Harivansh Dalmia	Director (upto 31.03.2021)
Mr. B.V.Ramanan	Independent Director
Mr. Kishore Sidwani	Independent Director (upto 13.11..2021)
Mr. V.V.Subramanian	Independent Director
Mr. Gandhimathinathan	Independent Director (w.e.f. 18.06.2021)
Mr. Sellappa Gounder Sundarasamy	Independent Director (w.e.f. 12.11.2021)
Mr. R. Sudhir	Chief Financial Officer
Mr. K. Maheswaran	Company Secretary (Upto 15.12.2021)
Mr. Nishant Ramakrishnan	Company Secretary (w.e.f. 11.02.2022)

**vi. Enterprises where Key managerial personnel or close members of the family have significant influence:**

- SWBI Design Informatics Private Limited
- Semac Construction Technologies India LLP (SCTILLP), formerly known as Renaissance Construction Technologies India LLP (RCTILLP) (Associate w.e.f 31.03.2020)
- Hilltop Metals Ltd
- Radha Madhav Trust
- Livia Polymer Product Private Ltd.

**vii. Relatives of KMP**

Name	Status
Mr. Harivansh Dalmia	Management Trainee (w.e.f. 01.04.2021)

**b) The following transactions were carried out with related parties in the ordinary course of business:**

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year ended	
			31-Mar-22	31-Mar-21
Subsidiary Company	Semac Consultants Pvt Ltd	Corporate guarantee for obtaining Non Fund Based credit facility from ICICI Bank.	3,000	-
		Corporate guarantee for obtaining Non Fund Based credit facility from HDFC Bank.	2,000	-
Associate Company	Semac Construction Technologies India LLP (SCTILLP)	Receipt on account of current account	474.80	
		Trade Receivable	18.29	89.56
		Trade Payable	80.05	93.73
		Unsecured loans and advances taken	198.87	248.00
		Unsecured loans and advances repaid	198.87	248.00
Key managerial personnel		Short term employee benefits	175.15	196.33
		Post employment benefits	18.74	18.76
		Sitting fees	11.20	19.80
		Professional fees	7.92	3.33
Enterprises where Key managerial personnel or close members of the family have significant influence:	Third Alpha LLP	Loan given to Third Alpha	-	500.00
		Loan repaid by Third Alpha	-	500.00
		Interest received	-	3.70
	SWBI Design Informatics Private Limited	Office Rent, Maintenance, Power & Utility Payable	76.24	65.06
	Hilltop Metals Limited	Professional Charges ( Expenses)	20.40	24.29
	Radha Madhav Trust	Office Rent, Maintenance, Power & Utility Payable	52.35	56.38
Livia Polymer Product Private Ltd.	Design Fees (Income)	15.00	-	
Parent Company	Renaissance Advanced Consultancy Ltd	Sale of Fixed Assets	0.02	-

**c) Balances outstanding at year end:**

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year ended	
			31-Mar-22	31-Mar-21
Key Managerial Personnel	Sudhir Iyer	Professional Fees	-	0.39
Subsidiary Company	Semac Consultants Private Limited	Corporate guarantee for obtaining Non Fund Based credit facility from Lakshmi Vilas Bank Ltd.	1500.00	1500.00
		Corporate guarantee for obtaining Non Fund Based credit facility from ICICI Bank.	3000.00	-
		Corporate guarantee for obtaining Non Fund Based credit facility from HDFC Bank.	2000.00	-
Associate Company	Semac Construction Technologies India LLP (SCTILLP)	Trade Receivable	-	14.64
		Trade Payable	68.95	105.63
Enterprises where Key managerial personnel or close members of the family have significant influence	SWBI Design Informatics Private Limited	Office Rent, Maintenance, Power & Utility Payable	0.70	0.41
		Security Deposit for rent & maintenance recoverable (Debit balance)	29.67	29.67
	Hilltop Metals Limited	Trade Payable	1.84	38.98
	Radha Madhav Trust	Security Deposit for rent & maintenance recoverable	21.94	21.94

**45. Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets :**

Particulars	Opening Balance	Additions	Utilisation	Reversed	Closing Balance
Warranty Provision	173.30	71.24	82.46	137.04	25.04

There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Ind As 'Provisions, Contingent Liabilities & Contingent Assets except as given under

Due to ongoing legal proceeding with the Semac Qatar W.L.L. , a joint venture with a controlling share of 49 %, the company has created the provision for the loan and receivables in accordance with the requirement of Ind AS 37.

**46. Research & development expenditure**

EXPENSES	2021-22	2020-21
Salary & wages	99.65	91.73
Consumables Stores	0.00	0.00
Power	-	-
Repair & maintenance	21.31	22.33
Sponsorship to Meeting	0.38	-
Travel & conveyance	19.16	5.60
Legal & professional expenses	15.10	37.62
Stationery expenses	4.34	2.22
Postage & telephone expenses	0.71	3.76
Books and periodicals	0.12	0.32
Service Charges	0.28	-
Product development expenses	52.19	4.65
<b>TOTAL</b>	<b>213.24</b>	<b>168.23</b>

**47. Information related to Consolidated financial statements**

The Holding Company is listed on stock exchange in India. The Holding Company has prepared consolidated financial statements as required under IND AS 110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statements is available on Holding Company's web site for public use.

**48.** The company has received "No objection" from the SEBI and the Stock Exchanges i.e., National Stock Exchange of India Limited(NSE) on 2nd May,2022 and BSE Limited on 4th May,2022 to the Composite Scheme of Arrangement in terms of Regulation 94 of SEBI (LODR) Regulations, 2015. The Company is going to file an application for the composite Scheme of Arrangement amongst Renaissance Advanced Consultancy Limited ("RACL") and Renaissance Consultancy Services Limited ("RCSL") and Renaissance Stocks Limited ("RSL") and Revathi Equipment Limited ("REL") and Semac Consultants Private Limited ("SCPL") and Renaissance Corporate Consultants Limited ("RCCL") with National Company Law Tribunal (NCLT), Chennai Bench under the provisions of section 230-232 read with Section 66 of Companies Act, 2013 (the Act) and the rules made thereunder



## 49. Financial risk management

### Financial risk factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise appropriate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives

#### A Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions. The Company is exposed to following key market risks:

##### i Interest Rate Risk :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations in the nature of cash credit.

PARTICULARS	FIXED RATE BORROWING	VARIABLE RATE BORROWING	TOTAL BORROWING
As at March 31, 2022	340.00	2,473	2,813.10
As at March 31, 2021	-	3,354	3,353.70

Sensitivity analysis - Since the Group does not have any variable rate borrowings, the analysis is not required to be given.

##### ii. Foreign currency risk :

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Foreign trade receivables and payables.

The details of foreign currency exposure is as follows:

PARTICULARS	TRADE RECEIVABLE		TRADE PAYABLES	
	In FC	₹ in lakhs	In FC	₹ in lakhs
<u>Unhedged foreign currency exposures</u>				
Foreign Exposure as at 31st March 2022				
US Dollars	8,10,078	613.98	12,26,709	929.95
Euro	-	-	54,872	46.25
Omani Rial	2,185	4.30	-	-
Foreign Exposure as at 31st March 2021				
US Dollars	8,10,078	593.22	23,37,337	1,730.86
Euro	-	-	15,145	13.03
Omani Rial	3,685	6.99	5,985	11.63

#### Rate Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

PARTICULARS	INCREASE / DECREASE IN BASIS POINTS	IMPACT ON STATEMENT OF PROFIT AND LOSS *	
		FOR THE YEAR ENDED MARCH 31, 2022	FOR THE YEAR ENDED MARCH 31, 2021
USD Sensitivity	+ 50 basis points	0.03	1.14
	- 50 basis points	(0.03)	(1.14)
Euro Sensitivity	+ 50 basis points	(0.01)	(0.23)
	- 50 basis points	0.01	0.23
Omani Rial Sensitivity	+ 50 basis points	10.93	(11.50)
	- 50 basis points	(10.93)	11.50

\* Holding all other variable constant

## B. Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits and other financial instruments.

To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer. Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

The ageing of trade receivable is given below:

PARTICULARS	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
	UPTO 6 MONTHS	MORE THAN 6 MONTHS	UPTO 6 MONTHS	MORE THAN 6 MONTHS
Gross carrying amount (A)	3,351.29	1,992.15	5,945.48	1,987.93
Expected credit losses (B)	-	(1,320.56)	-	(746.82)
Net Carrying Amount (A-B)	3,351.29	671.59	5,945.48	1,241.12

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 is the carrying amounts

## C. Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's cash flow is a mix of cash flow from collections from customers on account of sale of drill equipments & engineering services. The other main component in liquidity is timing to call loans/ funds and optimization of repayments of loans installment, interest payments.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 are as follows

PARTICULARS	LESS THAN 3 MONTHS	3MONTHS TO 1 YEAR	MORE THAN 1 YEAR	TOTAL
Trade Payables	2,505.98	331.23	247.89	3,085.09
Other Financials Liabilities	507.75	135.71	286.05	929.50

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 are as follows

PARTICULARS	LESS THAN 3 MONTHS	3MONTHS TO 1 YEAR	MORE THAN 1 YEAR	TOTAL
Trade Payables	2,990.81	434.72	643.51	4,069.04
Other Financials Liabilities	1,211.78	86.33	336.88	1,634.99

## 50. Financial Instrument - Disclosure

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

### Financial assets

SL. NO	PARTICULARS	FAIR VALUE HIERARCHY	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
			CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
1.	<b>Financial asset at FVTPL</b> <b>CURRENT</b>					
	Investments in Mutual Funds	Level 3	1,456.73	1,456.73	205.19	205.19
	Investment in Financial Instrument	Level 2	2,121.39	2,121.39	720.64	720.64
	Investments in equity shares - Quoted	Level 1	68.47	68.47	-	-
2.	<b>Financial assets designated at Amortised cost</b> <b>NON CURRENT</b>					
a)	Others Financial Asset	Level 3	366.61	366.61	309.73	309.73
	<b>CURRENT</b>					
a)	Trade receivables	Level 3	4,022.88	4,022.88	7,244.33	7,244.33
b)	Cash and cash equivalents	Level 3	1,396.04	1,396.04	824.47	824.47
c)	Bank Balances	Level 3	2,166.77	2,166.77	1,213.16	1,213.16
d)	Loans	Level 3	331.80	331.80	2,206.93	2,206.93
e)	Others Financial Asset	Level 3	3,206.05	3,206.05	3,024.58	3,024.58
	<b>TOTAL</b>		<b>15,136.75</b>	<b>15,136.75</b>	<b>15,749.04</b>	<b>15,749.04</b>

### Financial liabilities

SL. NO	PARTICULARS	FAIR VALUE HIERARCHY	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021	
			CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
1.	<b>Financial liability designated at amortised cost</b> <b>NON CURRENT</b>					
a)	Borrowings	Level 3	340	340	-	-
b)	Lease Liability	Level 3	-	-	43.01	43.01
c)	Other Financial Liability	Level 3	286.05	286.05	293.87	293.87
	<b>CURRENT</b>					
a)	Borrowings	Level 3	2,497.11	2,497.11	3,377.70	3,377.70
b)	Lease Liability	Level 3	77.50	77.50	83.01	83.01
c)	Trade payables*	Level 3	3,085.09	3,085.09	4,069.11	4,069.11
d)	Other financial liabilities	Level 3	548.33	548.33	1,191.07	1,191.07
	<b>TOTAL</b>		<b>6,834.09</b>	<b>6,834.09</b>	<b>9,057.77</b>	<b>9,057.77</b>

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

\* The carrying amounts are considered to be the same as their fair values due to short term nature.

### Fair value hierarchy

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

## 51. Capital Management

For the purpose of the Group's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Particulars	As at March 31, 2022	As at March 31, 2021
Debt (i) [Also refer note 18.1]	2,813.11	3,353.70
Cash & bank balances [Also refer note 9.2 & 9.3]	3,562.81	2,037.63
Net Debt	(749.70)	1,316.07
Total Equity	19,575	18,290
Net debt to equity ratio (Gearing Ratio)	(0.04)	0.07

Debt is defined as long term and short term borrowings

## 52 Expenditure incurred on Corporate Social Responsibilities

Gross amount required to be spent by the Company during the year is Rs.29 Lakhs

Particulars	Paid in Cash	Yet to be paid in cash	Total
Construction / Acquisition of any assets	-	-	-
Purposes other than above	37.01	-	37.01
Total	37.01	-	37.01

## Corporate Social Responsibility

S.No	Particulars	Year ended 31st March 2022	Year ended 31st March 2021
1	Amount required to be spent by the company during the year	37.01	20.00
2	Amount of expenditure incurred on:		
	(a) Hare Rama Hare Krishna Movement - Hunger Reduction	35.00	20.00
	(b) Bharatiya Vidhya Bhavan - Education	1.01	0
	(c) Rotary club - Social service	1.00	0
3	Shortfall at the end of the year	0	0
4	Total of previous years shortfall	0	0
5	Reason for shortfall	-	
6	Nature of CSR activities	As per S.No. 2 of above	As per S.No. 2 of above

## 53. Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

Name of entity	March 31, 2022							
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent Subsidiary Indian</b>								
Semac Consultants Private Limited	24.45%	5,018.40	6.70%	87.89	-28.09%	(11.03)	5.69%	76.86
<b>Parent Subsidiary foreign</b>								
Semac & Partners LLC	3.27%	671.88	7.56%	99.18	85.58%	33.60	9.83%	132.78
Minority Share Holders	4.63%	951.29	3.15%	41.33	31.10%	12.21	3.96%	53.54

Name of entity	March 31, 2021							
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent Subsidiary Indian</b>								
Semac Consultants Private Limited	25.42%	4,884.09	-106.52%	(277.80)	(74.20)%	16.31	-109.49%	(261.48)
<b>Parent Subsidiary foreign</b>								
Semac & Partners LLC	4.28%	823.14	-269.56%	(703.01)	166.19%	(36.53)	-309.66%	(739.54)
Minority Share Holders	4.79%	921.07	-100.03%	(260.89)	59.66%	(13.11)	-114.73%	(274.00)

#### 54. Information on details of loans under section 186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014

Particulars	Purpose of the loan given	Outstanding as at 31st March 2022	Maximum Amount Outstanding during 2021-22	Outstanding as at 31st March 2021	Maximum Amount Outstanding during 2020-21
Inter Corporate Loans (including Interest)					
Daga World LLP	Working capital	-	-	-	301.51
Trans Metalite India Ltd.	Working capital	35.33	35.33	32.10	432.10
Third Lake Advisors LLP	Working capital	199.48	2,328.18	2,208.77	2,226.44
Third Alpha LLP	Working capital	-	4.80	4.80	2,043.07
Simpark Infrastructure Private Limited	Working capital	295.17	295.17	-	-

55. The audited GST return of the group for the year ended March 31, 2022 is pending for the filing as due date for filing December 31, 2022. The Company is in process of reconciling the data of GSTR 2A with GSTR 3B. In view of the management on final reconciliation the impact will not be material.

#### 56. Additional Regulatory and statutory Information

- (i) All the Title deeds of Immovable Properties are held in name of the Company.
- (ii) The company has not revalued any Property, Plant and Equipment including Right of Use Asset during the year
- (iii) The company has not revalued any Intangible asset during the year.
- (iv) The company has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- (v) The company does not have any Capital work in progress during the year end.
- (vi) The company does not have any intangible asset under development during the year end.
- (vii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (viii) Borrowings secured against current assets - The company has filed the quarterly returns or statements of current assets with banks and in agreement with the books of accounts.
- (ix) The lender of the company has not declared company as wilful defaulter and also company has not defaulted in loan repayment of loan to the lender.
- (x) The Company does not have any transactions with any companies struck off.
- (xi) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (xii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (xiii) The company has gone for a Scheme of Arrangement as per Section 230 to 232 which is pending with Securities Exchange Board of India for their approval.
- (xiv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding whether (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or (b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(xv) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

(xvi) There is no transaction which are not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the income

## 57. Recent Accounting Pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated 23rd March 2022. Given below are the amendment made in brief and their possible impact on the financial statements of the company. The company will be apply the amendments from 1 April 2022 being the effective date of the amendments:

### (i) Ind AS 101 – First-time adoption of Indian Accounting Standards:

The amendment removes the conflict between the requirements of paragraph D16(a) of Ind AS 101 which provides exemptions where a subsidiary adopts Ind AS later than its parent and the exemptions on cumulative translation differences. The amendment permits the subsidiary to measure cumulative translation differences at the carrying amount included in the parent's consolidated financial statements. Similar exemption is available to associate and joint venture that uses the exemption in paragraph D16(a) of Ind AS 101. Paragraph D16(a) of Ind AS 101 provides that the subsidiary can measure its assets and liabilities at the carrying amounts in parent's consolidated financial statements. The amendment is applicable for entities adopting Ind AS from 1 April 2022. As the company has already adopted Ind AS, there is no impact of this amendment on the company.

### (ii) Ind AS 103 – Business Combinations:

The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after 1 April 2022.

### (iii) Ind AS 109 – Financial Instruments:

The amendments clarify that only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf will be included in calculating the discounted present value of the cash flow under the new terms on modification of financial liability. The amendment is applicable for modification / exchange of financial liabilities on or after 1 April 2022. The amendment has no impact on the financial statements of the company.

### (iv) Ind AS 16 – Property, Plant and Equipment:

The amendment creates a carve-out from IAS 16. IAS 16 requires any sale proceeds and cost of samples produced when testing whether the asset is functioning properly to be recognised in profit or loss whereas the amendment clarifies that the same shall be deducted from the cost of the property, plant and equipment. No transition provisions have been specified and therefore, this amendment shall be applicable retrospectively. The company has been following the practice as clarified by the amendment and hence no impact on the financial statements of the company.

### (v) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

The paragraph clarifies what cost needs to be considered in the costs to fulfil a contract while determining whether the contract is onerous. Changes previous practice of considering only incremental costs in the costs to fulfil a contract for determination of onerous contract. Now apart from incremental costs, the costs to fulfil a contract includes an allocation of directly attributable costs. The amendments apply to unfulfilled onerous contracts as on 1 April 2022. As the company does not have any onerous contract, the said amendment has no impact on the financial statements of the company.

### (vi) Ind AS 41 – Agriculture:

The amendment removes taxation cash flows from paragraph 22 indicating tax cash flows must be included in the fair value less costs to sell. The amendment is applicable to fair value measurements on or after 1 April 2022. Ind AS 41 is not applicable to the company and hence has no impact on the financial statements of the company.

As per our report of even date  
For and on behalf of  
S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN: 000756N

**NEERAJ BANSAL**  
Partner  
Membership No: 095960  
PLACE: NEW DELHI  
DATE: MAY 24, 2022

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

**ABHISHEK DALMIA**  
Chairman and Managing Director  
DIN: 00011958  
PLACE: COIMBATORE  
DATE: MAY 24, 2022

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**NISHANT RAMAKRISHNAN**  
Company Secretary



Dear Shareholder,

Date: 13.08.2022

## **Sub: Help us preserve our planet for future generations**

We wish to inform you that Pursuant to Section 20, 101, 136 and other applicable provisions of the Companies Act, 2013 read with relevant Rules made there under, the companies can send various documents including notice calling Annual General Meeting, directors report and financial statements (annual report) through electronic mode to the email address/address of the shareholders as registered with the company/share transfer agent or Depository participants (DP) of the shareholders.

As a company, we would like to save paper as far as possible. As our partners in progress, we request you as shareholders to join us in this journey of preserving our planet's health for our future generations.

Towards achieving the above, we would like to send all the documents, required to be sent to shareholders directly to your email address.

Kindly note, shareholders holding 90.0% shares have already given us their email addresses and are getting notice calling Annual General Meeting, financial statements, etc. through electronic mode from us.

In case you have not yet provided us with your email address, we request you to kindly register your email address with our Registrar and Share Transfer Agent – S.K.D.C. Consultants Ltd by sending through email to [info@skdc-consultants.com](mailto:info@skdc-consultants.com) or by post by filling in the below mentioned format to the following address :

S.K.D.C. Consultants Ltd  
Unit: Revathi Equipment Ltd.  
Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road Coimbatore – 641 028  
Phone: +91 422 4958995, 2539835-836

In case of you hold shares in physical mode

Name of the shareholder:

Folio No:

Email id.:

Contact/ Mobile No:

In case of you hold shares in Demat mode, kindly validate your email address with your DPs

Members holding shares in physical form are also requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares. Kindly note that shareholders holding 98.6% have already dematerialized their shares. We are aiming to reach 100.0% dematerialization during this year. Please do extend your support.

We keenly look forward to your cooperation in this initiative.

Yours faithfully  
For Revathi Equipment Limited

Nishant Ramakrishnan  
Company Secretary & Compliance Officer





## DESIGN

Semac is one of the oldest Architectural and Engineering Design firms set up in 1969 in Bangalore. We offer one stop solution for **ASMEPF** (Architectural, Structural, Mechanical, Electrical, Plumbing, Fire suppression, Air conditioning, IT systems, access control, security systems, etc.) services.

Over the last five decades, we have worked with Indian as well as multinational clients on projects located in India and abroad. We have over 300 people handling various disciplines, working out of six offices spread across India (Mumbai, New Delhi, Hyderabad, Bangalore) and Middle East (Muscat and Dubai).

## DESIGN BUILD

A few years ago, leveraging our vast experience of executing industrial projects, we started a Design Build vertical. We offer a turnkey solution, wherein the client need not worry about coordination with multiple agencies to execute their project on time and on budget. Semac acts as the "Owner's Engineer", taking full responsibility for turnkey execution of your project.

# OUR CLIENTS

## DESIGN



## DESIGN BUILD







**LM WIND (NOW GE)BENGALURU, BARODA**  
Construction of wind mill blades manufacturing unit  
Built-up area: 80,000 and 163,000 square feet respectively











**REGISTERED OFFICE :**  
**REVATHI EQUIPMENT LIMITED**  
CIN NO. L29120TZ1977PLC000780

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