



REVATHI EQUIPMENT LIMITED

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

01.09.2021

**Sub: Submission of Annual Report for the year 2020 - 21.**

Pursuant to regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith attached soft copy of the Annual Report of the company for the year 2020 -21.

Kindly take the same on your records.

Thanking You,

**For Revathi Equipment Limited**

**K. Maheswaran**  
**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](mailto:compliance.officer@revathi.in) Website: [www.revathi.in](http://www.revathi.in)

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

**NOTICE TO MEMBERS**

**NOTICE** is hereby given that the 44<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held on Friday, 24<sup>th</sup> September, 2021 at 2:00 PM Indian Standard Time (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") without the in-person presence of shareholders to transact the following business(es):

**Ordinary Business:**

1. To receive, consider and adopt the standalone and consolidated audited financial statements including statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the financial year ended 31<sup>st</sup> March, 2021, the balance sheet as at that date, the reports of the board of directors and the auditors thereon.
2. To appoint a Director in the place of Mrs. Deepali Dalmia (DIN: 00017415) who retires by rotation and being eligible offers herself 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 the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr.P.Gandhimathinathan (DIN: 00013687) who was appointed by the Board of Directors as an Additional Director of the Company at the Board Meeting held on 18<sup>th</sup> June, 2021 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended) and upon the recommendation of the Nomination and Remuneration Committee and Board of Directors at their respective meetings held on 17<sup>th</sup> June, 2021, Mr.V.V.Subramanian (DIN: 05232247), Independent Non-Executive Director of the Company who had submitted a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and whose name is included in the databank as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the officer of director, be and is hereby re-appointed as an

Independent Non-Executive Director of the Company to hold office for a second term of five (5) consecutive years with effect from close of business hours on 29<sup>th</sup> May, 2022, and is not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors (including committees thereof) and / or Company Secretary of the Company be and are hereby authorized to take all such steps 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.

## **STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 3**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 18<sup>th</sup> June, 2021 appointed Mr. P. Gandhimathinathan (DIN: 00013687) as an Additional Director of the Company with effect from 18<sup>th</sup> June, 2021. In accordance with the provisions of Section 161(1) of the Companies Act, 2013, he holds office as Director of the Company up to the date of this Annual General Meeting.

Brief profile of Mr. P. Gandhimathinathan and his other directorships has been included in this Notice.

Further, a notice has been received from a member signifying his intention to propose Mr. P. Gandhimathinathan as a candidate for the office of Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as a Non-Executive Director of the Company.

### **ITEM NO. 4**

Mr.V.V.Subramanian (DIN: 05232247) was appointed as an Independent Non-Executive Director of the Company by the Shareholders at the 40<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> May, 2017 to hold office for a term of five (5) consecutive years upto 28<sup>th</sup> May, 2022.

As per Section 149 (10) of the Companies Act, 2013 ("the Act"), an Independent Director shall hold office for a term of five consecutive years on the Board of a Company but shall be eligible for re-appointment upon passing of a Special Resolution by the Company for another term of five consecutive years.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the performance evaluation report of Mr.V.V.Subramanian, have recommended his re-appointment as an Independent Director for a second term of five (5) consecutive years with effect from 29<sup>th</sup> May, 2022. Further, the Board of Directors is of the opinion that the continued association of Mr.V.V.Subramanian would be immensely beneficial to the Company.

Mr.V.V.Subramanian is not disqualified from being appointed as Director in terms of Section 164 of the Act and is not debarred from holding the office of Director by virtue of any Securities Exchange Board of India ("SEBI") order or any other such authority. He has given his consent to act as Director along with the declaration to the effect that he meets the criteria of independence as prescribed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and his name is included in the databank of Independent Directors as required under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, Mr.V.V.Subramanian fulfills the conditions as specified under the Act read with the Rules made thereunder and the Listing Regulations for his re-appointment as an Independent non-Executive Director of the Company and is also independent of the Management.

The Company has also received a notice in writing from a Member as specified under Section 160 of the Act proposing the candidature of Mr.V.V.Subramanian for the office of Independent Director of the Company.

A copy of the draft Appointment Letter to be issued to Mr.V.V.Subramanian upon his re-appointment as an Independent Non-Executive Director, containing the terms and conditions of such re-appointment, would be available to Members for inspection at the Registered Office of the Company during the normal business hours (9:00 am, India Standard Time ("IST") to 4:00 pm IST) on any business day without payment of fee.

Accordingly, the Board recommends the Special Resolution in relation to eligibility and re-appointment of Mr.V.V.Subramanian as an Independent Director for another term of five (5) consecutive years, for approval by the Shareholders of the Company.

The disclosures as required under Regulation 36 of Listing Regulations and Secretarial Standard 2 are furnished and form a part of this Notice.

Except Mr.V.V.Subramanian being the appointee, none of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution as set out as Item No.4 of the accompanying Notice of the AGM.

#### NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5<sup>th</sup> May, 2020 read with circulars dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020, 15<sup>th</sup> June, 2020, 28<sup>th</sup> September, 2020, 31<sup>st</sup> December, 2020 and 13<sup>th</sup> January, 2021 (collectively referred to as "MCA Circulars") permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The same has been acknowledged by the Securities and Exchange Board of India vide their circulars dated 12<sup>th</sup> May, 2020 and 15<sup>th</sup> January, 2021 (collectively referred to as "SEBI Circulars"). The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") MCA Circulars and SEBI Circulars the AGM of the Company is being held through VC / OAVM. Members desirous of participating in the meeting through VC/OAVM, may refer to the procedures mentioned below.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to mds@mdsassociates.in with a copy marked to the Company at compliance.officer@revathi.in and to its RTA at info@skdc-consultants.com.

4. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 18.09.2021 to 24.09.2021 (both days inclusive).
5. 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. Members are encouraged to convert their holding to electronic mode.
6. Securities and Exchange Board of India has mandated that the transfer of securities held in physical form, except in case of transmission or transposition, shall not be processed by the listed entities / Registrars and Share Transfer Agents with effect from 1<sup>st</sup> April, 2019. Therefore, members holding share(s) in physical form are requested to immediately dematerialize their shareholding in the Company. Necessary prior intimation in this regard was provided to the shareholders.
7. **Change of Address:** Members are requested to notify any change of address and bank details to their Depository Participants in respect of their holdings in electronic form and in respect of shares held in physical form, to the Secretarial Department at the registered office of the Company or to M/s SKDC Consultants Limited, “Surya” 35, May Flower Avenue, II Floor, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028, the Registrar and Share Transfer Agent of the Company.
8. Non-Resident Indian (“NRI”) Members are requested to inform the Company or its RTA or to the concerned Depository Participants, as the case may be, immediately:
  - a. the change in the residential status on return to India for permanent settlement or
  - b. the particulars of the NRE/NRO Account with a Bank in India, if not furnished earlier.
9. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members may file nomination forms in respect of their physical shareholdings. Any member willing to avail this facility may submit to the company's registrar & share transfer agent in the prescribed statutory form. Should any assistance be desired, members should get in touch with the company's registrar and share transfer agent.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent, for consolidation into a single folio.
11. Members are requested to forward their communications in connection with shares held by them directly to the Registrar and Share Transfer Agent of the Company M/s SKDC Consultants Limited, “Surya”, 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028 by quoting the Folio No or the Client ID No with DP ID No.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

13. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his / her queries to the Company seven working days prior to the meeting. The same will be replied by the Company suitably.
14. 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. K Maheswaran, Company Secretary, is the Nodal Officer of the Company for the purpose of verification of such claims.
15. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the financial year 2020-21 is being sent only through electronic mode to those Members whose email address is registered with the Company/ Depositories. Members may note that the Notice and Annual Report for the financial year 2020-21 will also be available on the Company's website <http://www.revathi.in>, 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, and on the website of Link Intime India Private Limited (LIPL) at [instavote.linkintime.co.in](http://instavote.linkintime.co.in). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
16. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited (LIPL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by LIPL.
17. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
18. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

19. 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 25<sup>th</sup> 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 44<sup>th</sup> Annual General Meeting. The Board of Directors at their Meeting held on 12<sup>th</sup> November, 2020, based on the recommendation of the Audit Committee have fixed an amount of ₹12,37,500/- (exclusive of applicable taxes and reimbursement of out of pocket expenses incurred in connection with the Statutory Audit) as remuneration payable to Statutory Auditors for the financial year 2021-22.
20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
21. 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 the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to the Company or Registrar and Share Transfer Agent.
22. Brief resume, details of shareholding and Directors' inter-se relationship of Directors seeking election/re-election as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2, are provided as Annexure to this Notice.
23. The shareholders are advised to register/update their e-mail address with the Company/RTA in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in electronic form in order to enable the Company to serve documents in electronic mode.
24. Annual financial statements and related details of the subsidiary companies are posted on the Company's website and is also kept for inspection at the Registered Office of the Company and at the subsidiary Company. A copy of the same will be provided to the members on request.
25. Soft copies 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.
26. Registration of email ID and Bank Account details:
  - (i) In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent (RTA)/Depositories, log in details for e-voting are being sent on the registered email address.
  - (ii) In case the shareholders has not registered his/her/their email address with the Company/its RTA/ Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions are to be followed:
    - a. In case of shares held in physical form, kindly provide the required details to M/s SKDC Consultants Limited, "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028 or to the Company at Pollachi Road, Malumichampatti P.O, Coimbatore - 641021 (or)
    - b. In the case of Shares held in Demat mode, the shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

## 27. VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended) (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS - 2), the Company is providing its Members with the facility to cast their vote electronically from a place other than venue of the Annual General Meeting (“remote evoting”) using an electronic voting system provided by Link Intime India Private Limited (‘LIPL’), for all members of the Company to enable them to cast their votes electronically, on all the business items set forth in the Notice of Annual General Meeting and the business may be transacted through such remote e-voting. The instructions to e-voting, as given below, explain the process and manner for casting of vote(s) in a secure manner.

- I. 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. Friday, 17<sup>th</sup> September, 2021, 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.
- II. The Members who have cast their vote by remote evoting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- III. The voting period begins on Tuesday, 21<sup>st</sup> September, 2021 at 9.00 AM and ends on Thursday, 23<sup>rd</sup> September, 2021 at 5.00 PM. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 17<sup>th</sup> September, 2021 may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.

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

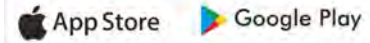


Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email ID in their demat accounts to access e-Voting facility.

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

| Type of shareholders  | Login Method   |
|---|--|
| <b>Individual Shareholders holding securities in demat mode with NSDL</b> | <ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services 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-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• 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 and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul> |



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| <p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p> | <ul style="list-style-type: none"> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.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://www.evoting.nSDL.com/">https://www.evoting.nSDL.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 held 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 and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</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> </ul> <div data-bbox="456 863 828 1094" style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div> |
| <p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p> | <ul style="list-style-type: none"> <li>• Users who have opted for CDSL Easi / Easiest Facility, 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>• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-Voting service provider (ESP) name to cast your vote.</li> <li>• 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>• 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 where the E Voting is in progress.</li> </ul>   |

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|--|--|
| <p><b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b></p> | <ul style="list-style-type: none"> <li>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>Once login, you will be able to see e-Voting option. Once you 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 and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>  |
| <p><b>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINKINTIME.</b></p>    | <ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></li> </ol> <ul style="list-style-type: none"> <li>Click on <b>“Sign Up”</b> under <b>“SHARE HOLDER”</b> tab and register with your following details: <ol style="list-style-type: none"> <li><b>User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li><b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).</li> <li><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><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 <b>“Confirm”</b> (Your password is now generated).</li> </ul> |
|  | <ul style="list-style-type: none"> <li>Click on <b>“Login”</b> under <b>“SHARE HOLDER”</b> tab.</li> <li>Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on <b>“Submit”</b>.</li> <li>After successful login, you will be able to see the notification for e-voting. Select <b>“View”</b> icon.</li> <li>E-voting page will appear.</li> <li>Refer the Resolution description and cast your vote by selecting your desired option <b>“Favour / Against”</b> (If you wish to view the entire Resolution details, click on the <b>“View Resolution”</b> file link).</li> <li>After selecting the desired option i.e. Favour / Against, click on <b>“Submit”</b>. A confirmation box will be displayed. If you wish to confirm your vote, click on <b>“Yes”</b>, else to change your vote, click on <b>“No”</b> and accordingly modify your vote.</li> </ul>   |

**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.

**Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINKINTIME, have forgotten the password:**

- Click on **“Login”** under **“SHARE HOLDER”** tab and further Click **“forgot password?”**
- Enter **“User ID”**, select **“Mode”** and Enter Image Verification (CAPTCHA) Code and Click on **“Submit”**.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members 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.

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

Shareholders/ members 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”**.

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

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e., NSDL/ CDSL, they may contact the respective helpdesk given below:

| 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. |

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

**InstaVote Support Desk  
Link Intime India Private Limited**

**Process for those shareholders whose email address is not registered with the Company/depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:**

1. For physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in).
2. For Demat shareholders - Members are requested to update their email address with the depository participants by following the procedure advised by them and then follow the instructions as detailed above to login for e-voting.

**Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:**

- a. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 (Thirty) minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
- b. Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 30 (Thirty) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

**Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:**

- i. Open the internet browser and launch the URL for InstaMeet <https://instameet.linkintime.co.in> and register with your following details:
  - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
  - b. PAN: Enter your 10 digit Permanent Account Number (PAN) (members who have not updated their PAN with the Depository Participant or Company shall use the sequence number provided to you, if applicable)
  - c. Enter your Mobile No
  - d. Enter your Email ID, as recorded with your DP/company

ii. Click "Go to Meeting"

**Note:**

- iii. Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- iv. Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- v. Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- vi. In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : ( 022-49186175).

**InstaMeet Support Desk**

**Link Intime India Private Limited**

**Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:**

- Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id & mobile number at compliance.officer@revathi.in on or before Thursday, 23<sup>rd</sup> September 2021 at 12.00 pm.
- The first 20 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.
- Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name, demat account number/folio number, email id & mobile number at compliance.officer@revathi.in. The same will be replied by the company suitably.

**Note:**

- Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.
- Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

**Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email ID) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.
5. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
6. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
7. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call us: - Tel : (022-49186175)

**InstaMeet Support Desk****Link Intime India Private Limited**

28. 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 17<sup>th</sup> September 2021.
29. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote by remote e-voting shall not vote by e-voting conducted during the Annual General Meeting.
30. The Company has appointed Mr. M.D. Selvaraj, FCS of MDS & Associates, Company Secretaries, Coimbatore, has been appointed as the Scrutinizer to scrutinize the voting and remote evoting process in a fair and transparent manner.
31. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow e-voting for all those members who are present at the Annual General Meeting by electronic means but have not cast their votes by availing the remote e-voting facility.
32. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes casted during the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two 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.
33. The results shall be declared within 2 days from the conclusion of the Annual General Meeting. The results declared along with the 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 be communicated to the Stock Exchanges, where the shares of the Company are listed by the Chairman or a person authorised by him.

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

| Name  | Mrs.Deepali Dalmia   | Mr. P. Gandhimathinathan   | Mr. V.V. Subramanian   |
|---|--|--|--|
| DIN   | 00017415   | 00013687   | 05232247   |
| Date of Birth/<br>Nationality                                 | 29.10.1970/Indian  | 31.05.1963/Indian  | 19.07.1955/Indian  |
| Date of<br>appointment on<br>the Board                        | 08.08.2014   | 18.06.2021   | 29.05.2017   |
| Inter-se<br>relationship with<br>other directors              | She is related to Mr. Abhishek Dalmia, Chairman & Managing Director of the Company | 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  |
| Qualification   | B A History (Hons)   | B.Sc (Chemistry), B.L, MBA   | B. Com, ACA, ACS, ACMA   |
| Experience/<br>Expertise in<br>functional areas               | Business Strategist  | 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. |
| No. of shares held  | Nil  | Nil  | Nil  |
| Board position held   | Director   | Director   | Independent Director   |
| Terms and<br>conditions of<br>appointment /<br>re-appointment | Retire by rotation   | Retire by rotation   | Re-appointment as Independent Director   |
| Remuneration<br>sought to be paid                             | Sitting fees   | Sitting fees   | Sitting fees   |
| Remuneration last<br>drawn                                    | Sitting fees of Rs. 4 Lakhs  | NIL  | Sitting fees of Rs. 4.40 Lakhs   |
| Number of Board<br>meetings attended<br>during the year       | 8 (Eight)  | Not Applicable   | 8 (Eight)  |

|  |   |     |  |
|--|---|-----|--|
| <b>Directorships held in other companies</b> | <ol style="list-style-type: none"><li>1. Revathi Equipment Ltd</li><li>2. Priyadarshany Agri Farms Private Limited</li><li>3. Renaissance Stocks Limited</li><li>4. SWBI Design Informatics Pvt Ltd</li><li>5. Renaissance Advanced Consultancy Ltd</li><li>6. Renaissance Consultancy Services Limited</li><li>7. Renaissance Corporate Consultants Limited</li><li>8. Semac Consultants Private Limited</li></ol> | NIL | <ol style="list-style-type: none"><li>1. Revathi Equipment Ltd</li><li>2. Renaissance Corporate Consultants Limited</li><li>3. Semac Consultants Private Limited</li></ol> |
| <b>Membership in other Committees</b>        | NIL   | NIL | NIL  |

By Order of the Board  
For Revathi Equipment Limited

Place: New Delhi  
Date: 18.06.2021

**K Maheswaran**  
Company Secretary





REVATHI EQUIPMENT LIMITED



44<sup>TH</sup>

# ANNUAL REPORT 2020-21





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# **CHAIRMAN'S LETTER 2020-21**





Our increase in consolidated net worth at the end of FY21 was Rs.78 million, which increased the per share book value by 4.4%. Over the last nineteen years (that is, since the present owners took over) per share book value, has grown from Rs.151 to Rs.596 (Rs.673 after ignoring the effect of goodwill write-offs), which, after factoring in dividend paid during this period, works out to a rate of 9.8% (10.6%) compounded annually.

The Drilling Solutions business had a decent year despite all the disruptions caused by the ongoing pandemic. Though we would have liked to push our plans forward a bit more than we actually did, under the circumstances, I do not feel disappointed with the overall outcome.

Old timers would know that the public sector business, which has been our mainstay, has been a cash cow. While it creates most of our profit, it does not grow at all. However, there has been the concentration risk of depending too much on a few customers as well as strategic risk of focusing too much on fossil fuels.

Historically, we tried a few different things to diversify away from these risks. Unfortunately, those experiments did not go very well. Those experiments were mainly around a whole new business (concreting equipment, about which I wrote in some detail in the FY16 letter) or around developing new products for new markets (again a bit riskier than selling existing products into new markets). This strategy should have worked better than it did. The main reason it did not was that we spent more effort on product development than on selling the products that were developed. Until FY19, we were mainly focused on generating cash to clean up the balance sheet. The pain from carrying and servicing large amounts of debt was just too high to think about anything else in a meaningful way.

After turning debt free in FY19, we turned our gaze back towards growing the business. To pursue that agenda, we created three verticals namely Public Sector, Private Sector and Exports, each headed by a seasoned Revathi hand. These new leaders have done a lot of work to create new growth engines for our company. A brief commentary on some of the work done follows.

The Exports team has been preparing the foundation to build our exports business. These steps include upgrading our marketing collaterals, participating in trade fairs, appointing dealers in multiple target markets, etc. Like any new initiative, developing new markets is a journey which involves getting multiple things right. These include, product specifications and quality (which may be different from the domestic market that we have been used to serving), finding the right target markets (which have significant mining activity, light regulation, relatively low competitive intensity, etc.), appointing the right dealers (who have an understanding of the industry and have relevant customer relationships), finding the right customers (who deal honestly and fairly and who have the money to pay for our equipment), etc.

It is not easy to walk into a new market and expect a new customer to start trusting a new supplier. This task becomes doubly difficult when meeting customers becomes impossible due to pandemic induced travel bans. Despite

these challenges, our team won an order from the largest cement producer in Africa. After getting stuck en route to the port in March 2020, these machines were finally dispatched during the year. Additionally, several ongoing conversations with potential customers makes me confident that we will win many more orders in the coming years.

While the sales team has been busy with the above work, we have also been working to upgrade product quality and add technical specifications to meet expectations of global customers. We have also hired and trained service engineers to make sure our equipment delivers the performance that the customers expect at a cost cheaper than what they end up paying for machines supplied by our competitors.

The Private vertical is mainly focused on two industries, which have a large mining component – cement (limestone) and steel (iron ore). We have had Tata Steel as a long-standing customer. During the year, we added an international player in the Indian cement industry. This is just a start and at the close of the year, we had several ongoing conversations with potential clients. We hope to convert some of these dialogs to orders in the next year. We are also talking to some mining contractors working for cement companies as well as some steel companies. Breaking into new customers for capital goods takes time but we are quite hopeful of making inroads into some clients very soon.

Both, the Export and Private verticals, should help us in achieving our objectives of growth, diversification out of a single customer and diversifying out of fossil fuels.

I would also like to mention a few “startup costs” associated with some of these new initiatives. The export markets usually expect fast deliveries after placing orders. As a result, we have to build inventory in anticipation of order booking unlike our public sector customers. Given we are new to this game, often a customer delays placing orders or delays in closing the financing for the order, etc. This leads to us holding inventories in anticipation. Similarly, if we draw pre-shipment credit from the bank for exports but are unable to export within the time limit specified in the facility, the concessional rate of interest does not apply. Both these are material to our Balance Sheet and P&L statements. We have suffered on both these counts but are hopeful that as things get streamlined, both these issues will fade away.

Following on from FY20, Semac had another soft year. In the middle of a pandemic, most put their capex plans on hold, which significantly impacted our business this year.

I had mentioned in last year's letter that our wins in Design Build had been stalling. I had also mentioned that slowing wins has a direct impact on Revenues, with a lag of a quarter or two and that this would mean that we will have a tough year in FY21. Unfortunately, my prediction came true this year.



Several additional factors made things even worse than I had anticipated. The pandemic shock meant that most industries went into cash preservation mode and mothballed even their ongoing capex plans. That meant the jobs we had on hand got executed slower, leading to lower billing. The recurring lockdowns meant that prospecting for new clients to rebuild the order book became tougher. Convincing new clients to try a new service provider over their existing provider is as it is hard. Trying to do this without being able to meet them in person is even harder.

The slowing pipeline even before we got hit by the pandemic followed by the new normal of trying to win new clients without a physical meeting forced us to revisit our sales approach. A brief commentary follows.

When we acquired the business, each office was a standalone office, with no collaboration happening across offices. After the last Principal left in 2016, we gradually reorganized the company by business vertical (India Design – designing the project and, in some cases, project management; Design Build – turnkey execution including design and construction and Oman Design). One person was responsible for the P&L of each vertical. This worked well for a period of time and we were able to build a robust Design Build business from scratch in a short span of four years.

This organization structure ran its course and we started to stall as new Design Build orders started to shrink last year. In response, during the year, we reorganized a second time to create a corporate structure. Under this structure, we had one person take charge of Operations and another take charge of Sales, with the Oman operation remaining unchanged. This meant that each person would now focus on what they are best at doing, without worrying about other aspects of the business. Of course, each shift in role does mean some disruption. Humans are humans and require a bit of time to adapt to the new role. While this new organization structure should hold us in good stead over the next few years, the short-term pain created by a drying pipeline and the team adjusting to the new role will have to be borne.

We also made a few strategic shifts during the year. The Dubai market was never an industrial market. In the Indian market, we had decided to become a player focused on only industrial projects in 2017. But we continued the Dubai office due to legacy reasons. Applying the 80/20 principle of focusing on fewer things that deliver most of our profits and which will be our growth driver, we decided to shut our Dubai office after over a decade of being there. We also decided to discontinue the pure play Project Management business, where we took up project management for clients like Ashoka University, BITS Pilani, IIM Bangalore, etc. It is never easy to shut down profit making divisions. But in our quest to create ever tighter focus on what matters the most for our results, we decided to minimize our distractions.

This rejig led to some senior level exits, mostly expected. I would like to place on record the contributions of the seniors who decided to move on. Though such departures create a temporary void, I firmly believe that this helps in organizational renewal. Everyone contributes till the point they can. When sometimes, the role outgrows the capability of someone, it is best that they move on. It is also good for the organization, since this allows us to find new talent who would do justice to the new requirements of the role.

We also used the difficult year to clean up our books. This included writing off the money invested in building the Africa business several years ago. While we are still doing some projects in parts of Africa, we had shut our Africa office down some years ago. These investments were made by the Oman office to open up a new market for its own growth. Unfortunately, it didn't work as planned and we had to shut it down. Similarly, the investments made in the Dubai office were written off during the year. Both these write-offs totaled to Rs.7.31 crores. We also provided for and wrote-off some old receivables adding up to Rs.5.5 crores. These were accumulated over several years. We had been trying to collect these old receivables for some time now and were able to collect some of it. Whatever we could not collect we decided to write off.

After taking out these non-cash charges debited to this year's P&L, our cash loss for the year was Rs.97 lacs. This compared with a cash profit of Rs.5.68 crores last year. We have had a few tough years at Semac but each crisis just makes our resolve stronger.

I will leave you with some good news. Despite all, our treasury grew by Rs.9 crores during the year. This was the outcome of tight collections and also getting some long pending tax refund. During the pandemic year, though our P&L was in bad shape, we still managed to grow our treasury.

The treasury has been invested in multiple products, most of which deliver high single-digit to low double-digit pre-tax returns. The intent is to build some cushion on the balance sheet that gives us some options to grow the business as and when an opportunity arises. Until then, the plan is to use the treasury to earn some money for our shareholders.

It has been a difficult year for everyone, but especially for our people. Staying focused, despite massive disruptions to "life as usual" requires sincere effort. Semac adopted the digital life in 2017, which made the transition from coming to office, to working from home, a bit smoother. But it took some getting used to nevertheless. I would like to thank our people for their commitment to keeping the engine running.



# CORPORATE DATA

## **BOARD OF DIRECTORS**

ABHISHEK DALMIA

*Chairman and Managing Director*

DEEPALI DALMIA

HARIVANSH DALMIA

B.V.RAMANAN

KISHORE SIDHWANI

V.V.SUBRAMANIAN

P.GANDHIMATHINATHAN

## **CHIEF FINANCIAL OFFICER**

R.SUDHIR

## **COMPANY SECRETARY**

K.MAHESWARAN

## **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

## ACQUISITION CRITERIA

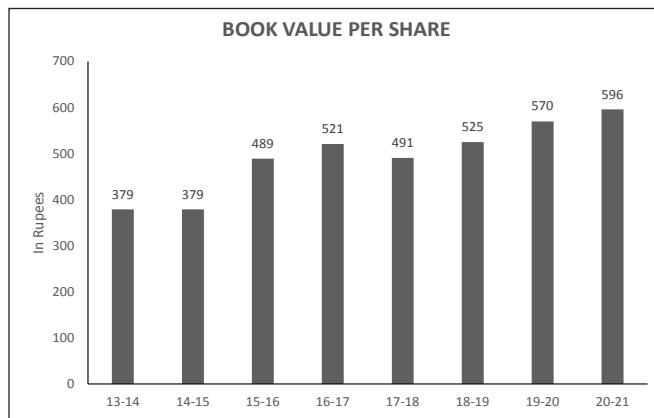
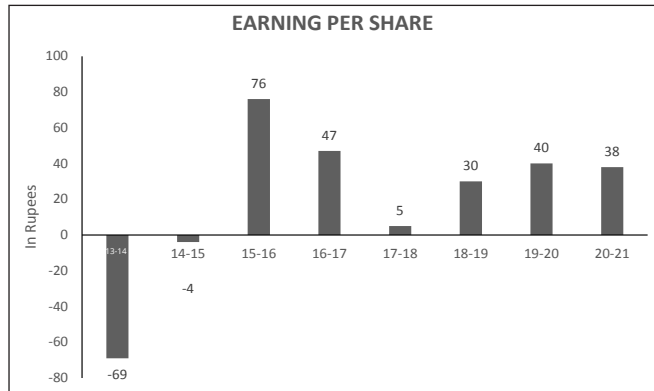
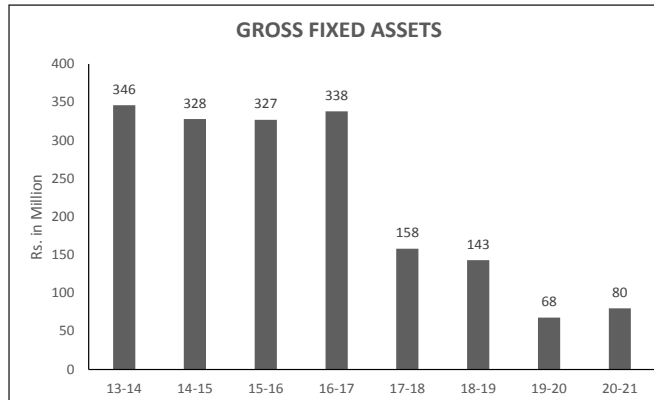
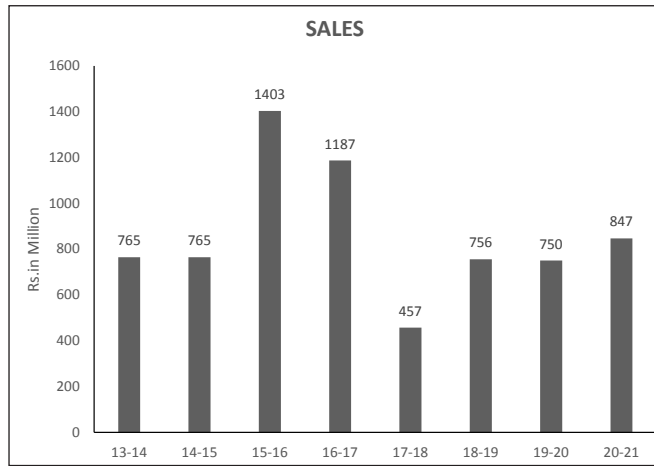
We use this space to communicate with potential sellers and their representatives, what we look for in a potential acquisition. If you, the reader, have no personal connection with a business that might be of interest to us but have a friend who does, perhaps you could pass this message on to him.

### 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.

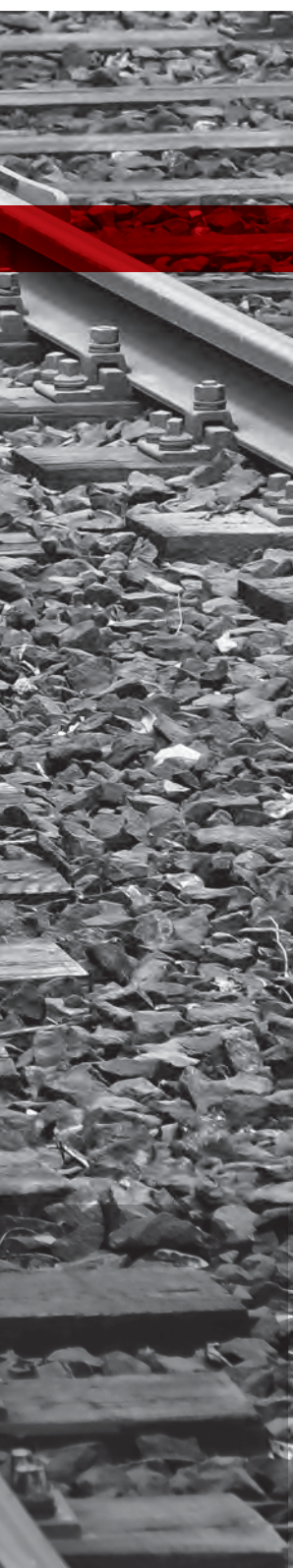
We will not engage in unfriendly takeovers. We can promise complete confidentiality and a very fast as to whether we are interested. We prefer to buy for cash, but will consider issuing stock when we receive as much in intrinsic business value as we give.

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%           |
| Average Annual Gain (FY03 - FY21) | 9.8%                                | 16.1%                               | -6.3%            |
| Overall gain (FY03 - FY21)        | <b>305.4%</b>                       | <b>1599.5%</b>                      | <b>-1294.1%</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.

# REPORT OF DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS

## – FOR FINANCIAL YEAR 2020-21

Dear Shareholders,

Your directors have pleasure in presenting the 44<sup>th</sup> Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2021.

### FINANCIAL HIGHLIGHTS

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

(₹ in Lakhs)

| Particulars                  | 31.03.2021 | 31.03.2020 |
|------------------------------|------------|------------|
| Total Income                 | 8,626      | 7,754      |
| Total Expenditure            | 6,983      | 6,023      |
| Profit before Tax            | 1,643      | 1,731      |
| Less: Tax expense            | 476        | 511        |
| Profit/(loss) for the period | 1,167      | 1,220      |

### OPERATIONS / PERFORMANCE REVIEW

The Company has achieved total revenue of Rs.8,626 Lakhs as compared to Rs.7,754 Lakhs in the previous year. During the year under review, the Company has earned a net profit after tax of Rs.1,167 Lakhs as against Rs.1,220 Lakhs in the previous year. Profits for the year were lower despite increase in turnover, due to certain onetime expenses incurred in the course of the business, and provisions made for some slow moving inventory as per the company's policy.

There was no change in the nature of business of the company during the financial year ended 31<sup>st</sup> March 2021.

### OVERVIEW OF THE ECONOMY

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its strong demographics and partnerships.

After a contraction in FY21, economy is expected to grow at a modest pace in the first half of FY22. Growth is projected to reach 11.7% in FY22 in baseline scenario. That said, slow recovery in a couple of quarters will likely have an impact on next year's numbers as well. In FY23, growth of 6.9% is foreseen. Five drivers may steer growth over the next two years:

- The rapid pace of vaccination and low death rates despite high infection
- Strong growth in private investment, and its rebound stimulated by reforms and schemes.
- Pent-up demand backed by savings made by high- and mid-income consumers who are waiting to spend.
- Fiscal spending on building assets and infrastructure (that have a high multiplier effect on income, jobs, and private investments) that will likely start gaining momentum on the ground.
- Global economic rebound in late 2021, especially driven by the United States, as predicted by US economists.

India's real gross domestic product (GDP) at current prices stood at Rs.195.86 lakh crore (US\$ 2.71 trillion) in FY21, as per the second advance estimates (SAE). India recorded real GDP (gross domestic product) growth of 0.4% in the third quarter of FY21, as per the NSO's (National Statistical Office) second advance estimates. This rise indicates V-shaped recovery progression that started in the second quarter of FY21.

As per Economic Survey of FY21, India's real GDP growth for FY22 is projected at 11%. The January 2021 World Economic Outlook of the IMF forecasts a 11.5% increase in FY22 and a 6.8% rise in FY23. According to the IMF, in the next two years, India is also expected to emerge as the fastest-growing economy.

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have 100 unicorns and will create 1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'. India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.



Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like 'Make in India' and 'Digital India'. Mr. Narendra Modi, Prime Minister of India, launched 'Make in India' initiative with an aim to boost country's manufacturing sector and increase 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.

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 have plans to increase its renewable energy capacity from to 175 gigawatts (GW) by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

## **BUSINESS ENVIRONMENT, OUTLOOK & PROSPECTS FOR FY22**

**Domestic:** Coal India Limited (CIL) projected a target of 640 Million Tonnes (MT) for the year 2020-21. However, due to Covid-19 disruptions the production is estimated be only around 596 MT with off take of around 577MT. CIL has cleared 32 projects out of which 24 are expansion from existing projects yielding an incremental production around 81 MT a year by FY24.

Singareni Collieries Company Limited (SCCL) has set a target of 70 MT of coal production for FY22. However, they are likely to close at about 51 MT, being badly affected due to Covid -19 pandemic. SCCL is set to open 8 open cast mines in next 5 years. Their vision is to reach 85 MT by the year 2023-24.

National Mineral Development Corporation (NMDC)'s current iron ore mining capacity is 43 MT. NMDC has set a target of 35MT for FY22, and 100MT Iron ore production by 2030. Resumption of mining operation at Donimalai mine after 2 years will help enhance NMDC in meeting its production target, with 7 MT expected to be produced at Donimalai mines.

All of the above bode well in terms of requirements for drilling equipment.

**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 market, which presents a large potential, requires equipment to be made and stocked to be ready for inspection and dispatch. Accordingly, 5 nos of fast moving models of the equipment have been stocked. Some are in pipeline also. Even though Covid restrictions did not allow international travel for most part of the year, the appointed distributors of different markets were busy in bringing in lot of enquiries / tenders etc. We are expecting a good traction for export sale this year.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **a) Industry Structure and Developments:**

REL is in the business of designing, manufacturing, and marketing of high-power range 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 India. 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.

### **b) Opportunities & Threats:**

#### **OPPORTUNITIES**

- Coal is a prime source of energy for electricity in India.
- Huge potential for drilling equipment in the export markets.
- Sufficient reserves and surplus available for expansion of business in domestic and export markets.

#### **THREATS**

- Alternate sources of energy – Natural gas, solar and wind power may replace coal over a period of time.
- Commercial mining may bring stiff competition.
- Stringent Environment and Conservation Laws may create operational difficulties.

### **c) Segment – wise performance**

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

### **d) Outlook**

The Indian economy is projected to grow more than 10% in FY22 as per various institutional estimates, making it one of the fastest-growing economies. India's growth journey could be the result of a culmination of favorable tailwinds like consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, reforms and an efficient roll-out of the vaccine, among others. However, the surge in Covid-19 in the first quarter of the current financial year that could affect sale of our products / services in FY22.

### **e) Risks and Concerns:**

Prevailing COVID 19 pandemic is the main risk which could affect the operations of the business.

**f) 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.

**g) 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:** (Values in Lakhs)

| Particulars  | 2020-21 | 2019-20 | Growth % |
|--------------|---------|---------|----------|
| Gross Sales  | 8,626   | 7,754   | 11       |
| Less: Levies | 1,342   | 1,370   | (2)      |
| Net Sales    | 9,968   | 9,124   | 9        |
| Other Income | 153     | 249     | (63)     |
| Total Income | 10,121  | 9,373   | 8        |

**Break up of major heads of Expenditures:**

| Particulars                                  | 2020-21      | 2019-20      | Growth      |            |
|--|--------------|--------------|-------------|------------|
|  |              |              | Absolute    | % age      |
| Cost of materials consumed                   | 5,005        | 3,337        | 1,668       | 50         |
| Purchase of stock in trade                   | 876          | 863          | 13          | 1.5        |
| Changes in inventory                         | (1,953)      | (559)        | (1,394)     | (249)      |
| Employee benefit expense                     | 1,165        | 1,015        | 150         | 15         |
| Finance Cost                                 | 251          | 71           | 180         | 253        |
| Depreciation/ Impairment                     | 85           | 65           | 20          | 31         |
| Other expenses                               | 1,555        | 1,230        | 325         | 26         |
| <b>Total Comprehensive Income Before tax</b> | <b>1,643</b> | <b>1,731</b> | <b>(88)</b> | <b>(5)</b> |
| <b>Total Comprehensive Income after tax</b>  | <b>1,165</b> | <b>1,228</b> | <b>(63)</b> | <b>(5)</b> |

The growth in sales during the year was aided in part by the sale of a high value 311 mm drill to Northern Coalfields Ltd and by exports to the South African market. On the other hand, Other Income registered a sharp drop due to the one time compensation received by the company in the previous year for the acquisition of land by the state highway authorities.

Finance cost increased substantially during the year because of the higher inventory holding for exports. During the year the company had availed the services of external consultants for a restructuring program that was contemplated, resulting in some one-time incurrence of professional fees. In addition, provision has been made in the books for some slow / nonmoving inventory as per the company's policy. 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.

**Cash Flows:**

| Particulars                           | 31.03.2021 | 31.03.2020 |
|---------------------------------------|------------|------------|
| Opening Cash & Cash equivalents       | 32.90      | 128.11     |
| Net cash from operating activities    | 112.56     | 932.89     |
| Net cash from investing activities    | (1,511.88) | (2,609.58) |
| Net cash used in financing activities | 1,393.50   | 1,581.49   |
| Change in Cash and cash equivalents   | (5.82)     | (95.21)    |
| Closing cash & cash equivalents       | 27.09      | 32.90      |

**h) Material Developments in Human Resources / Industrial Relations front:**

The Man power strength as on 31<sup>st</sup> March, 2021 against the previous year is as under:

| As on      | Executive | Non-Executive | Total |
|------------|-----------|---------------|-------|
| 31.03.2021 | 67        | 118           | 185   |
| 31.03.2020 | 59        | 110           | 169   |

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.

**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.

**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.

**Key Financial Ratios:**

| S. No | Description   | 31.03.2021 | 31.03.2020 |
|-------|---|------------|------------|
| 1.    | Debtors Turnover  | 0.56       | 0.55       |
| 2.    | Inventory Turnover  | 0.62       | 1.04       |
| 3.    | Interest Coverage Ratio                                   | 8.22       | 25.49      |
| 4.    | Current ratio   | 1.40       | 1.61       |
| 5.    | Debt Equity ratio   | 0.17       | 0.05       |
| 6.    | Operating Profit Margin %                                 | 22%        | 24%        |
| 7.    | Net Profit Margin (%) or sector specific equivalent ratio | 19%        | 23%        |
| 8.    | Return on Net worth                                       | 0.06       | 0.07       |

**TRANSFER TO RESERVES**

The Company has not transferred any amount to its reserves during the year under review. However, the net profit of Rs.1,167 Lakhs has been carried forward under the head 'Retained Earnings'.

**DIVIDEND**

No dividend has been declared keeping in view the requirements of funds for future growth.

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

Since there was no unpaid/unclaimed Dividend, the provisions of Section 124 & 125 of the Companies Act, 2013 relating to transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF) are not applicable.

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 equity shares of Rs.10/- each on which dividend had remained unclaimed for a period of 7 years have been transferred to the credit of Demat Account identified by the IEPF Authority during the year under review.

**SHARE CAPITAL**

The issued, subscribed and paid-up share capital of the Company as at 31.03.2021 stood at Rs.3,06,69,430/- divided into 30,66,943 equity shares of Rs.10/- each. During the year under review the Company has not made any fresh issue of shares.

**WEB LINK OF ANNUAL RETURN**

The Annual Return of the Company for the financial year 2020-21 as required under Section 92(3) of the Companies

Act, 2013 is available on the website of the Company and can be accessed on the Company's website at the link <http://www.revathi.in/investor-relations/financials/annual-return/>.

**BOARD MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW**

During the year under review, 8 Meetings of the Board of Directors, 5 Meetings of the Audit Committee, 4 Meetings of the Nomination and Remuneration Committee, 5 Meetings of the Stakeholders Relationship Committee and 3 meetings of the Corporate Social Responsibility Committee were held. Further, details of the same have been enumerated in the Corporate Governance Report annexed herewith.

**STATEMENT ON COMPLIANCE WITH SECRETARIAL STANDARDS**

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 meeting of the Board of Directors (SS-1) and General Meeting (SS-2).

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

**DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.

## DECLARATION OF INDEPENDENT DIRECTORS

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) read with Regulation 25 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. During the year, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of directors and Committee(s). The details of remuneration and / or other benefits of the Independent director are mentioned in the Corporate Governance Report.

Based on the confirmation / disclosures received from the Directors and on the evaluation of the relationships disclosed, the following Non-Executive Directors are independent:

Mr. B.V. Ramanan, Mr. Kishore Sidhwani and Mr. V. V. Subramanian

Pursuant to Companies (Appointment and Qualification of Directors) Rules, 2014, the Certificate of Registration received from all the Independent Directors of the Company were taken note of by the Board of Directors.

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

During the year 2020-21, there were no appointment/re-appointment of the Independent Directors. However, the Board of Directors opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is satisfactory..

## 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. The same is also available on the Company website at <http://www.revathi.in/investor-relations/familiarization-programme/>

## 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 the diversity of the Board and provides the mechanism for performance evolution of the Directors. The details of this policy are furnished in **Annexure - A** and forms part of this report and can also 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)

## COMMENTS ON AUDITOR'S REPORT:

- 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 1<sup>st</sup> April, 2020 to 14<sup>th</sup> June, 2020, the Board of Directors wish to state that it had taken appropriate steps to appoint an additional director well prior to 01<sup>st</sup> April, 2020. The Board had considered the proposal to appoint Mr. Harivansh Dalmia (DIN: 08750555) as Additional Director at its meeting dated 13<sup>th</sup> February, 2020 and passed appropriate resolution. But unfortunately the appointment got delayed till 14<sup>th</sup> June, 2020 due to the COVID 19 pandemic. This has been duly conveyed to the statutory authorities who have accepted our explanation and closed the issue.

## MAINTENANCE OF COST RECORDS UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records. Accordingly, the company has duly made and maintained the cost records as mandated by the Central Government.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, the company has increased its investment in subsidiary company M/s.Semac Consultants Private Limited from 79.24% to 95.44%. The details in respect of Investments and Corporate Guarantee provided by the Company have been disclosed in the Notes to the financial statements. During the year under review, the Company has granted the following loans that are covered under Section 186 of the Companies Act, 2013: (1) Rs.4.45 Crores to its subsidiary company M/s. Semac Consultants Private Limited and (2) Rs. 5.00 Crores to M/s. Third Lake Advisors LLP. Barring the above mentioned two cases, there are no other transactions to report.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year 2020-21 were in the ordinary course of business and on an arm's length basis. Since there are no transactions which are not on an arm's length basis and material in nature, the requirement of disclosure of such related party transactions in Form AOC 2 does not arise.

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

The continued aftermath of COVID-19 pandemic between the end of the financial year of the Company to which the financial statements relate and the date of the report is likely to have an impact on the turnover and profitability of the Company.

Other than this, there were no material changes and

commitments, affecting the financial position of the Company.

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

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

### **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company has a structured risk management policy which is continuously reviewed by the Risk Management Committee that has been constituted comprising of two independent directors and Chief Financial Officer. The Risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed 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, through its Risk Management Committee, 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.

### **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Corporate Social Responsibility (CSR) Committee comprises of three Directors namely: 1. Mr. Abhishek Dalmia, 2. Mr. B.V. Ramanan and 3. Mr. V.V. Subramanian, as members. 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 CSR activities has been given in **Annexure - C**. The CSR policy may be accessed on the Company's website [www.revathi.in/](http://www.revathi.in/)

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

In accordance with the evaluation criteria and procedure suggested by the Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of non-independent directors and the Board as a whole based on various criteria. The performance of each independent Director was evaluated by the entire board of directors on various parameters like engagement, leadership, analysis, decision making, communication, governance etc. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

The performances of all the Committees were evaluated by the Board having regard to various criteria such as committee composition, committee processes, committee dynamics, degree of fulfillment of key responsibilities, effectiveness of meetings, etc. The Board was of the unanimous view that all the committees were performing their functions satisfactorily.

### **DIRECTORS & KEY MANAGERIAL PERSONNEL**

Mrs. Deepali Dalmia (holding DIN: 00017415), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

During the year under review, Mr. Harivansh Dalmia (DIN: 08750555) was appointed as an Additional Director (Non-Executive) of the Company with effect from 15<sup>th</sup> June, 2020 and was subsequently appointed as a Non-Executive Director of the Company by the members at the 43<sup>rd</sup> Annual General Meeting held on 25<sup>th</sup> September, 2020.

Subsequently, Mr. Harivansh Dalmia (DIN: 08750555) has resigned from the Directorship of the Company with effect from 1<sup>st</sup> April, 2021. The Board wishes to place on record its appreciation for the services rendered by Mr. Harivansh Dalmia during his tenure of office as Director of the Company.

The members of the Company at its Annual General Meeting held on 25<sup>th</sup> September, 2020 has re-appointed Mr. Abhishek Dalmia (DIN: 00011958) as Chairman and Managing Director of the Company (instead of his existing position of Executive Chairman & Whole-time Director) for a further period of five years with effect from 1<sup>st</sup> April, 2021.

Mr. P. Gandhimathinathan (DIN: 00013687) was appointed as Additional Director of the Company by the Board of Directors with effect from 18<sup>th</sup> June, 2021 and holds office up to the date of this Annual General Meeting. Accordingly, necessary resolution proposing the appointment of Mr. P. Gandhimathinathan as Additional Director of the Company has been included in the Agenda of the Notice convening the Annual General Meeting for the approval of the members.

Key Managerial Personnel of the Company as required pursuant to Section 2(51) and 203 of the Companies Act, 2013 are Mr. Abhishek Dalmia, Chairman and Managing Director, Mr. R. Sudhir, Chief Financial Officer and Mr. K. Maheswaran, Company Secretary.

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE 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 – step down subsidiary. The company itself is a subsidiary of M/s. Renaissance Advanced Consultancy Limited. Further the company has one Associate viz M/s. Semac Construction Technologies India LLP.

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

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

#### **FIXED DEPOSITS**

Since the Company has not accepted any fixed deposit covered under Chapter V of the Companies Act, 2013, there are no deposits remaining unclaimed or unpaid as on 31<sup>st</sup> March, 2021 and accordingly, the question of default in repayment of deposits or payment of interest thereon during the year does not arise.

#### **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.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

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. Further, the Board annually reviews the effectiveness of the Company's internal control system. The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

#### **AUDITORS**

##### **Statutory auditors**

Pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. S.S. Kothari Mehta & Co (Firm Registration No. 000756N), Chartered Accountants, New Delhi, were appointed as the Statutory Auditors of the Company at the 43<sup>rd</sup> Annual General Meeting held on 25<sup>th</sup> September, 2020 for a period of 5 consecutive years from the conclusion of the 43<sup>rd</sup> Annual General Meeting till the conclusion of the 48<sup>th</sup> Annual General Meeting to be held in the year 2025.

The Company has obtained necessary consent and certificate from M/s. S.S. Kothari Mehta & Co, Chartered Accountants, New Delhi, to the effect that their appointment, would be in conformity with the provisions of the Companies Act, 2013.

##### **Secretarial auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr.M.D.Selvaraj of MDS & Associates, Company Secretaries in

Practice to undertake the Secretarial Audit of the Company. The report of the Secretarial Auditor is annexed as **Annexure - E** to this report.

#### **PARTICULARS OF EMPLOYEES**

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

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

The Company has been employing women employees in various cadres within the Office / factory premises. The Company has in place an Anti -harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no complaint from any employee during the financial year 2020-21 and hence no complaint is outstanding as on 31.03.2021 for redressal.

#### **CORPORATE GOVERNANCE**

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

#### **AUDIT COMMITTEE**

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.

#### **VIGIL MECHANISM (WHISTLE BLOWER POLICY)**

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

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

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

#### **HUMAN RESOURCES**

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

#### **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.

**PLACE :** New Delhi

**DATE :** 18.06.2021

**CAUTIONARY NOTE**

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

**APPRECIATION**

The Directors express their sincere appreciation of dedicated efforts put in by the company's employees. The Directors also place on record their appreciation of the continued support and recognition provided by the company's esteemed customers and bankers.

By Order of the Board  
For Revathi Equipment Limited

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

## NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

**DEFINITIONS:**

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

“Key Managerial Personnel” means:

- i) the Chief Executive Officer or the managing director or the Manager;
- ii) the Company Secretary;
- iii) the Whole-time director;
- iv) the Chief Financial Officer, and
- v) such other officer as may be prescribed.

“Senior Managerial Personnel” or “Senior Management” means the officers / personnel of the company who are members of its core management team excluding Board of Directors and comprises of all members of management one level below the Chief Executive Officer / Managing Director / Whole-time Director / Manager including Chief Executive Officer / Manager, in case they are not part of the Board, and including Company Secretary, Chief Financial Officer and all functional heads.

**OBJECTIVE:**

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to evaluate the performance of the members of the Board and Provide necessary report to the Board for further evaluation of the Board.
- c) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

**ROLE OF THE COMMITTEE:**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director’s performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.

- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

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

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company’s Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

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

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

**Independent Director:**

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

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



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

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

#### **Evaluation**

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

#### **Removal**

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

#### **Retirement**

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

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

#### **1) Remuneration to Managing Director / Whole-time Directors:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

#### **2) Remuneration to Non- Executive / Independent Directors:**

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

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

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

- i) The Services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

#### **3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay/ commission/ incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund etc. as decided from to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

### **IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may delegate any of its powers to one or more of its members.

The Nomination and Remuneration Policy has been reviewed and approved at the Board Meeting held on 29<sup>th</sup> January, 2019.

By Order of the Board  
For Revathi Equipment Limited

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

**PLACE :** New Delhi  
**DATE :** 18.06.2021

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

**CONSERVATION OF ENERGY**

(i) Steps Taken for conservation of Energy:

As regards conservation of energy, company continued its efforts by elimination of waste, improvement in power factor and by good maintenance of various equipments.

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

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

(iii) Capital Investment on energy conservation equipment:

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

**TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT**

Technology Absorption, Adaptation and Innovation:

- 1) Efforts made towards technology absorption, adaptation and innovation:  
NIL
- 2) Benefits derived as a result of the above efforts:  
Not applicable
- 3) Information of Imported Technology (imported during the last 5 years from the beginning of the Financial Year)  
Not applicable

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

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

- C650H – DTH with 9M Single pass Autonomous drill suitable for remote operation
- C650H – DTH with 9M Single pass with Mechanical engine & pilot operation control
- C650H – DTH with 9M Single pass with Electronic engine & joystick controls
- C850E – 311mm Rotary drill Optimisation
- C750E – 250mm Rotary drill Optimisation & Improved product safety and reliability
- 4 ½" Class Jack less drill meant for Limestone mine

2) Benefits derived as a result of the above R&D

- New product indigenously manufactured.
- Increase our market presence in mining and construction segment.
- New product development for global customer.
- Better product quality and reliability.

3) Future Plan of Action

- 311 mm Drill - Diesel version with 65ft single pass capacity
- C650H - Rotary with 12 m single pass capacity
- C625H Jack less with autonomous
- C610 Top hammer drill
- C615 Top hammer drill
- C650H - Rotary with 13 m single pass capacity and cold weather kit

4) Expenditure incurred on Research & Development:

(₹ in Lakhs)

| Expenditure on R&D                          | 2020-21 | 2019-20 |
|---|---------|---------|
| Capital                                     | -       | -       |
| Revenue                                     | 168.23  | 106.92  |
| Total                                       | 168.23  | 106.92  |
| R&D Expenditure as a percentage of Turnover | 1.95    | 1.42    |

**FOREIGN EXCHANGE EARNINGS & OUTGO**

(₹ in Lakhs)

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

| Particulars               | 2020-21  | 2019-20 |
|---------------------------|----------|---------|
| Foreign Exchange Earnings | 1,138.46 | 27.23   |
| Foreign Exchange Outgo    | 32.50    | 484.85  |

By Order of the Board  
For Revathi Equipment Limited

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

PLACE : New Delhi  
DATE : 18.06.2021

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

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

The Company has been proactively engaged in Corporate Social Responsibility activities over the years. As required under the Companies Act, 2013, the Company has formulated a CSR Policy which is in line with the activities mentioned in Schedule VII of the Companies Act, 2013. The CSR policy of the Company is 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, training to promote rural sports, rural development projects.

2. Composition of CSR Committee

The 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) | 3  | -  |
| 2       | Mr. B.V.Ramanan     | Non-Executive Independent Director (Member)              | 3  | 3  |
| 3       | Mr. V.V.Subramanian | Non-Executive Independent Director (Member)              | 3  | 3  |

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 web-link where the Composition of the CSR Committee is disclosed on the website of the Company is "<http://www.revathi.in/wp-content/themes/rel/pdf/Composition-Committees-BOD-19.pdf>"

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

The web-link where the CSR projects approved by the board are disclosed on the website of the Company is <http://www.revathi.in/wp-content/themes/rel>

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 Company has not carried out Impact assessment of CSR projects in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as the same 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

There is no amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and hence disclosure under this clause is not applicable to the Company.

6. Average Net Profit of the Company as per Section 135(5): Rs.967.37 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): Rs.19.34 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: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs.19.35 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. |
| 20,00,000   | 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.      | NA                  | Eradicating hunger, poverty and malnutrition and Promoting Education | No                  | Uttar Pradesh           | Mathura      | 20,00,000                             | No                                       | Hare Krishna Movement Vrindavan                      | NA                      |
|         |                     |  |                     |                         | <b>Total</b> | <b>20,00,000</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. 20 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)                                      | 19,35,000       |
| (ii)    | Total amount spent for the Financial Year   | 20,00,000       |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | 65,000          |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil             |
| (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:

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):

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:

The company has not created or acquired any capital asset through CSR spending in the financial year and hence reporting under this clause does not arise.

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 : New Delhi  
DATE : 18.06.2021

**DEEPALI DALMIA**  
Director  
DIN: 00017415

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

[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**

(Values in INR)

| S. No. | Particulars   | Details   |   |
|--------|---|---|---|
| 1.     | Name of the subsidiary  | Semac Consultants Pvt Ltd   | Semac and Partners, LLC   |
| 2.     | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | The reporting period of the subsidiary is same as that of the holding company | The reporting period of the subsidiary is same as that of the holding company |
| 3.     | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA  | Omani Riyal / Exchange rate (1 OMR=Rs. 189.699)                               |
| 4.     | Share capital   | 1,82,08,920   | 6,62,800  |
| 5.     | Reserves & Surplus  | 47,03,41,734  | 9,83,95,677   |
| 6.     | Total assets  | 70,65,40,384  | 17,00,90,461  |
| 7.     | Total Liabilities   | 70,65,40,384  | 17,00,90,461  |
| 8.     | Investments   | 6,62,800  | -   |
| 9.     | Turnover  | 22,51,11,657  | 23,07,15,556  |
| 10.    | Profit before taxation  | 2,72,45,671   | (6,59,73,585)   |
| 11.    | Provision for taxation  | 1,50,46,857   | 43,26,918   |
| 12.    | Profit after taxation   | 1,21,98,815   | (7,03,00,503)   |
| 13.    | Proposed Dividend   | -   | -   |
| 14.    | % of shareholding   | 95.44%  | 65.0%   |

**Notes:**

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

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

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

| Name of Associate / Joint Venture  | M/s. Semac Construction Technologies India LLP |
|--|--|
| 1. Latest audited Balance Sheet Date   | 31 <sup>st</sup> March , 2021                  |
| 2. Shares of Associate/Joint Ventures held by the company on the year end    |  |
| No.of Shares   | 50.0%  |
| Amount of Investment in Associates/Joint Venture                             | Rs.25.20 Crores                                |
| Extend of Holding %  | 49.0%  |
| 3. Description of how there is significant influence                         | Holding control of more than 20%               |
| 4. Reason why the associate/joint venture is not consolidated                | NA   |
| 5. Networth attributable to Shareholding as per latest audited Balance Sheet | Rs. 16.85 Crores                               |
| 6. Profit / Loss for the year  |  |
| i. Considered in Consolidation   | Rs. 74.80 Lakhs                                |
| ii. Not Considered in Consolidation  | Rs. 74.80 Lakhs                                |

**Notes:**

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

By Order of the Board  
For Revathi Equipment Limited

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

PLACE : New Delhi  
DATE : 18.06.2021

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

[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, 2021** 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, 2021 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 1<sup>st</sup> April, 2020 to 14<sup>th</sup> June, 2020 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) Regulations 2014;

- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

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 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 payment of commission to non-executive directors of the Company through postal ballot on 17<sup>th</sup> December, 2020.

I further report that during the audit period, the resolution proposed by the Company through Postal ballot vide notice dated 22<sup>nd</sup> January, 2021 seeking approval of the members for "Voluntary Delisting of the Equity Shares of the Company from the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE")" was not approved by the shareholders, since the requisite majority votes were not obtained.

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.
- Merger / Amalgamation / Reconstruction etc.
- Foreign technical collaborations.

**PLACE** : Coimbatore

**DATE** : 18.06.2021

**M D SELVARAJ**

MDS & Associates

Company Secretaries

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

Peer Review No. 985/2020

UDIN : F000960C000478789

*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** : 18.06.2021

**M D SELVARAJ**

MDS & Associates

Company Secretaries

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

Peer Review No. 985/2020

UDIN : F000960C000478789



# SECRETARIAL AUDIT REPORT OF MATERIAL UNLISTED SUBSIDIARY

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

[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, 2021 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, 2021 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) Regulations 2014;
  - 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, 2009; and
  - ix. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

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. There were no changes in the composition of the Board of Directors during the period under review.

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

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

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

I further report that during the audit period, the company has obtained necessary approval of the members at the Extra Ordinary General Meeting held on 7<sup>th</sup> July, 2020 for the following instance(s);

- Consent to the board of directors to lease or mortgage or to create charge on the Companies properties / undertakings pursuant to Section 180(1)(a) of Companies Act, 2013.
- Authorise board of directors of the Company to borrow moneys in excess of paid up capital and free reserves of the Company pursuant to Section 180(1)(c) of Companies Act, 2013.
- Approval to make loans and or give guarantee or provide securities to M/s.Third Alpha LLP pursuant to the provisions of Section 185 of Companies Act, 2013.
- Approval to make investments, loans, give guarantee or provide security in excess of the limit prescribed under section 186 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
- Merger / Amalgamation / Reconstruction etc.
- Foreign technical collaborations.

**PLACE** : Coimbatore

**DATE** : 18.06.2021

**M D SELVARAJ**

MDS & Associates

Company Secretaries

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

Peer Review no. 985/2020

UDIN : F000960C000478932

*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** : 18.06.2021

**M D SELVARAJ**  
MDS & Associates  
Company Secretaries  
FCS No.: 960, C P No.: 411  
Peer Review no. 985/2020  
UDIN : F000960C000478932

## ANNEXURE - F

### 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 | 15:1  |
| Mrs. Deepali Dalmia                              | Director           | 0.8:1 |
| Mr.B.V.Ramanan                                   | Director           | 0.8:1 |
| Mr.Kishore Sidhwani                              | Director           | 0.7:1 |
| Mr. V.V. Subramanian                             | Director           | 0.8:1 |
| Mr. Harivansh Dalmia<br>(Resigned on 01.04.2021) | Director           | 0.7:1 |

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 |
|----------------------|-------------------------|----------|
| Mrs. Deepali Dalmia  | Director                | 50%      |
| Mr. V.V. Subramanian | Director                | 340%     |
| Mr. B.V. Ramanan     | Director                | 110%     |
| Mr. Kishore Sidhwani | Director                | 85%      |
| Mr. R. Sudhir        | Chief Financial Officer | 8%       |
| Mr. K. Maheswaran    | Company Secretary       | 19%      |

3. The percentage increase in the median remuneration of employees in the financial year: 54.61%
4. The number of permanent employees on the rolls of company: 201
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 increase in remuneration of Directors and KMP's was 0%. For employees of Revathi Equipment Ltd, the increase was 18%.
6. Your directors affirm that the remuneration is as per the remuneration policy of the Company.

By Order of the Board  
For Revathi Equipment Limited

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

PLACE : New Delhi  
DATE : 18.06.2021

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. Abhisek Dalmia           | Executive Chairman                 | 80,25,051                             | B.Com (H), FCA, AICWA./27 years | 01/03/2003      | 51  | Utkal Investments Ltd., New Delhi. | NIL                | Related to Mrs Despali Dalmia                            |
| 2  | Mr. R. Ravindran             | GM – Exports                       | 34,85,550                             | B.E (EEE), M.B.A/30 years       | 20/06/1991      | 52  | NIL                                | NIL                | NIL  |
| 3  | Mr. S. Balasundaram          | GM – Marketing                     | 31,98,696                             | B.E (Mech), PGDip Marketing Mgt | 20/06/1991      | 56  | NIL                                | NIL                | NIL  |
| 4  | Mr. R. Sudhir                | CFO                                | 31,79,072                             | B.Com., CA / 12 Years           | 07/09/2017      | 37  | SA Rawther Spices Pvt Ltd.,        | NIL                | NIL  |
| 5  | Mr. S. Chandrasekaran        | AGM (Egg)                          | 29,61,248                             | DME, AIME – 35 years            | 01/06/2016      | 55  | Sandvik Asia Pvt Ltd, Pune         | NIL                | NIL  |
| 6  | Mr. Hara Prasad Chakaraporty | AGM – Marketing (Private)          | 27,39,268                             | DME., AMIE                      | 01/08/2016      | 53  | Suchita Earthmoving Solutions      | NIL                | NIL  |
| 7  | Mr. K.R. Selvaraj            | AGM – Product Support              | 24,25,973                             | B. Tech (Auto Engg)             | 22/08/2012      | 52  | Tractors India Pvt Ltd, Kolkata    | NIL                | NIL  |
| 8  | Mr. Mohan Kumar N            | GM - Operations                    | 18,66,680                             | BE (Mechanical Engineering)     | 21/08/2020      | 56  | Revathi Equipment Limited          | NIL                | NIL  |
| 9  | Mr. A. Hari Shankar Davey    | Sr. Manager- Finance & Accounts    | 16,59,449                             | M.Com                           | 26/04/2017      | 46  | TVS Training and Services Limited  | NIL                | NIL  |
| 10 | Mr. A. Sivakumar             | Sr. Manager- Materials             | 15,38,528                             | DME, B.S.(ENGG TECH)            | 03/11/1996      | 49  | Achali Leafspring Pvt Ltd          | NIL                | NIL  |

By Order of the Board  
For Revathi Equipment Limited

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

**PLACE :** New Delhi  
**DATE :** 18.06.2021

## REPORT ON CORPORATE GOVERNANCE FOR FY 2020-21

[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 Directors including 2 Executive and 4 Non-Executive Directors of which 3 are Independent Directors and 1 Women Director. The Directors are professionals who have expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The Board is headed by Chairman & Managing Director.

The details of composition of Board, no. of other directorships in other public companies, chairmanship and membership in committees of other public companies as held by the directors of the company, attendance of directors at board meetings and last annual general meetings are given below:

| Name of the Directors  | Category of Directorships                      | Attendance particulars |          | No. of other Directorship held * in public limited companies | No of committee positions held in other companies ** |        |
|--|--|------------------------|----------|--|--|--------|
|  |  | Board Meeting          | Last AGM |  | Chairman   | Member |
| Mr. Abhishek Dalmia<br>(DIN: 00011958)   | Chairman & Managing Director / Non-Independent | 8                      | Yes      | 8  | 0  | 0      |
| Mrs. Deepali Dalmia<br>(DIN: 00017415)   | Non-Executive / Non-Independent                | 8                      | Yes      | 5  | 0  | 0      |
| Mr. B.V. Ramanan<br>(DIN: 00934602)  | Non-Executive / Independent                    | 8                      | No       | 1  | 0  | 1      |
| Mr. Kishore Sidhwani<br>(DIN: 02428735)  | Non-Executive / Independent                    | 7                      | No       | 1  | 0  | 1      |
| Mr. V V Subramanian<br>(DIN: 05232247)   | Non-Executive / Independent                    | 8                      | Yes      | 2  | 1  | 0      |
| Mr.P.Gandhimathinathan<br>(DIN 00013687)<br>Appointed on 18 <sup>th</sup> June, 2021 | Non-Executive / Non-Independent                | NA                     | NA       | 0  | 0  | 0      |
| Mr.Harivansh Dalmia<br>(DIN: 08750555)<br>Resigned on 1 <sup>st</sup> April, 2021    | Non-Executive / Non-Independent                | 7                      | No       | 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 and Mr.Harivansh Dalmia Non-Executive Directors. 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 17A 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     | 15.06.2020            | 6                         |
| 2     | 30.06.2020            | 6                         |
| 3     | 14.08.2020            | 6                         |
| 4     | 12.11.2020            | 5                         |
| 5     | 12.12.2020            | 6                         |
| 6     | 07.01.2021            | 5                         |
| 7     | 22.01.2021            | 6                         |
| 8     | 12.02.2021            | 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<br>(DIN: 00011958)  | Rajratan Global Wire Limited<br>Ashiana Housing Limited                    | Non-Executive and Non- Independent<br>Non-Executive and Independent Director |
| Mrs. Deepali Dalmia<br>(DIN: 00017415)  | NIL  | NIL  |
| Mr. B.V. Ramanan<br>(DIN: 00934602)   | NIL  | NIL  |
| Mr. Kishore Sidhwani<br>(DIN: 02428735)   | NIL  | NIL  |
| Mr. V.V. Subramanian<br>(DIN: 05232247)   | NIL  | NIL  |
| Mr.P.Gandhimathinathan<br>(DIN: 00013687)<br>Appointed on 18 <sup>th</sup> June, 2021 | NIL  | NIL  |
| Mr.Harivansh Dalmia<br>(DIN: 08750555)<br>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, 2021.

| S. No. | Name of Director   | No. of equity Shares held<br>(as on March 31, 2021) |
|--------|--|---|
| 1      | Mrs. Deepali Dalmia  | NIL   |
| 2      | Mr. B.V. Ramanan   | NIL   |
| 3      | Mr. Kishore Sidhwani   | 1519  |
| 4      | Mr. V.V. Subramanian   | NIL   |
| 5      | Mr. Harivansh Dalmia (Resigned on 1 <sup>st</sup> April, 2021) | 1   |

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

**(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.

The list of core skills / expertise / competency identified by the Board of Directors as required in the context of its business(es) and sector(s) for functioning effectively and those already available with the Board are as follows:

| Core Skill/Expertise/Competencies  | Whether available with the Board or Not |
|--|---|
| <b>Industry knowledge/experience</b><br>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><br>Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company   | YES                                     |
| <b>Management Skills</b><br>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<br>(DIN: 00011958)  | ✓                                 | ✓                 | ✓                 | ✓                               | ✓                               |
| Mrs. Deepali Dalmia<br>(DIN: 00017415)  | ✓                                 | ✓                 | ✓                 | ✓                               | -                               |
| Mr. B.V. Ramanan<br>(DIN: 00934602)   | ✓                                 | ✓                 | ✓                 | ✓                               | -                               |
| Mr. Kishore Sidhwani<br>(DIN: 02428735)   | ✓                                 | ✓                 | ✓                 | ✓                               | ✓                               |
| Mr. V.V. Subramanian<br>(DIN: 05232247)   | ✓                                 | ✓                 | ✓                 | ✓                               | -                               |
| Mr. Harivansh Dalmia<br>(DIN: 08750555)<br>Resigned on 1 <sup>st</sup> April, 2021      | ✓                                 | ✓                 | ✓                 | ✓                               | -                               |
| Mr. P. Gandhimathinathan<br>(DIN: 00013687)<br>Appointed on 18 <sup>th</sup> June, 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, none of the Independent Directors has resigned before the expiry of the tenure

**(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 12<sup>th</sup> February, 2021, 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 for the year under review, inter alia are as follows:

- (i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) The recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. modified opinion(s) in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- (viii) Approval or any subsequent modification of transactions of the company with related parties.
- (ix) Scrutiny of inter-corporate loans and investments.
- (x) Valuation of undertakings or assets of the company, wherever it is necessary.
- (xi) Evaluation of internal financial controls and risk management systems.
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (xiv) Discussion with internal auditors of any significant findings and follow up there on.
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (xviii) To review the functioning of the Whistle Blower mechanism.

- (xix) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- (xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (xxi) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
- (xxii) Examination of the financial statement and the Auditors' report thereon.
- (xxiii) The following information is reviewed by the Audit Committee.
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

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

During the year under review, the Committee met 5 (Five) times on 15<sup>th</sup> June, 2020, 30<sup>th</sup> June, 2020, 14<sup>th</sup> August, 2020, 11<sup>th</sup> November, 2020 and 11<sup>th</sup> February, 2021. 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<br>(Chairman) | Non-Executive and Independent Director | 5                                    | 5                        |
| Mr. B.V. Ramanan<br>(Member)       | Non-Executive and Independent Director | 5                                    | 4                        |
| Mr.Kishore Sidhwani<br>(Member)    | Non-Executive and Independent Director | 5                                    | 2                        |

The Chairman of the Audit Committee attended the Annual General Meeting held on 25<sup>th</sup> September, 2020.

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 for the year under review, inter alia are as follows:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of directors, key managerial personnel and other employees.
- (ii) Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- (iii) Devising a policy on diversity of board of directors.
- (iv) Identifying the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of the performance evaluation of independent directors.
- (vi) Recommend to the board, all remuneration, in whatever form, payable to senior management

The Nomination and Remuneration policy is annexed to the Board's Report and can also be accessed on Company's website at [www.revathi.in](http://www.revathi.in).

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

During the year under review, the Committee met 4 (Four) times on 15<sup>th</sup> June, 2020, 14<sup>th</sup> August, 2020, 12<sup>th</sup> November, 2020 and 12<sup>th</sup> February, 2021. 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 | 4                                    | 4                        |
| Mr. B.V. Ramanan (Member)       | Non-Executive and Independent Director | 4                                    | 4                        |
| Mr. Kishore Sidhwani (Member)   | Non-Executive and Independent Director | 4                                    | 1                        |

The Chairman of the Nomination and Remuneration Committee had attended the Annual General Meeting held on 25<sup>th</sup> September, 2020.

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

**(iii) Performance Evaluation of non-executive and Independent Directors**

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

**5. REMUNERATION OF DIRECTORS**

Details of remuneration paid to the directors for the year ended March 31, 2021 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 01.04.2016 | 48,17,311 | 15,96,269                      | 16,11,471                     | 80,00,000              | 1,60,25,051        |

**(ii) Non-Executive Directors**

Sitting fees for attending Board / Committee meetings paid and Commission payable to Non-Executive directors for financial year 2020-21 are given below:

| S. No. | Name of the Directors                  | Sitting Fees Paid (Rs) | Commission (Rs) |
|--------|--|------------------------|-----------------|
| 1      | Mrs. Deepali Dalmia                    | 4,00,000               | 5,00,000        |
| 2      | Mr. B.V. Ramanan                       | 4,20,000               | -               |
| 3      | Mr. Kishore Sidhwani                   | 3,70,000               | 3,75,000        |
| 4      | Mr. V.V. Subramanian                   | 4,40,000               | 3,75,000        |
| 5      | Mr. Harivansh Dalmia (Upto 01.04.2021) | 3,50,000               | -               |

(iii) The criteria of making payments to Non – Executive Directors is appearing on the website of the company at [www.revathi.in](http://www.revathi.in)

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

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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

The Stakeholders Relationship Committee 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 5 (Five) times on 15<sup>th</sup> June, 2020, 30<sup>th</sup> June, 2020, 14<sup>th</sup> August, 2020, 12<sup>th</sup> November, 2020 and 12<sup>th</sup> February, 2021. 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 | 5                                    | 5                        |
| Mr. B.V. Ramanan (Member)       | Non-Executive and Independent Director | 5                                    | 5                        |
| Mr.Kishore Sidhwani (Member)    | Non-Executive and Independent Director | 5                                    | 1                        |

The Chairman of the Stakeholders Relationship Committee had attended the Annual General Meeting held on 25<sup>th</sup> September, 2020.

Mr. K. Maheswaran, 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 half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

**(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. During the year 2020-21, the Company had received no complaints from the shareholders and there were no outstanding complaints as on 31.03.2021.

**7. 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:

- 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:
- To recommend the amount of expenditure to be incurred on the activities referred to in clause A:
- To monitor the CSR policy of the Company from time to time:
- 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 3 (Three) times on 30<sup>th</sup> June,, 2020, 14<sup>th</sup> August, 2020 and 11<sup>th</sup> February, 2021. 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                     | 3                                    | -                        |
| Mr. V.V. Subramanian (Member)  | Non-Executive and Independent Director | 3                                    | 3                        |
| Mr. B.V. Ramanan (Member)      | Non-Executive and Independent Director | 3                                    | 3                        |

## 8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

## 9. GENERAL BODY MEETINGS:

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

| Year      | Date       | Time    | Venue   | Special Resolutions Passed   |
|-----------|------------|---------|---|--|
| 2019-2020 | 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>  |
| 2018-2019 | 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> |
| 2017-2018 | 25.09.2018 | 2.00 pm | Pollachi Road, Malumachampatti Post, Coimbatore – 641 050.        | <ul style="list-style-type: none"> <li>■ Appointment of Mr. Sunil Puri (DIN: 08088386) as Executive Director of the Company for a period of 5 years</li> <li>■ Adoption of new set of Articles of Association</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 12<sup>th</sup> November 2020 for obtaining the approval of the members for payment of commission to non-executive directors of the Company. 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 payment of commission to non-executive directors of the Company | Special Resolution | 22,98,986                 | 22,26,655            | 96.85      | 72,331             | 3.15       | Passed as a Special Resolution with requisite majority |

Further, the Company had conducted a Postal Ballot vide Notice dated 22<sup>nd</sup> January, 2021 for obtaining the approval of the members for Voluntary Delisting of the Equity Shares of the Company from the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). 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 Voluntary Delisting of the Equity Shares of the Company from the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") | Special Resolution | 98,086                    | 228                  | 0.23       | 97,858             | 99.77      | Not passed since the requisite majority was not obtained. However, the promoters of the company have not voted on this resolution. |

Mr. 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.

#### 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 2021-22.

#### 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 12<sup>th</sup> November, 2020 and 22<sup>nd</sup> January, 2021 (as specified above) were transacted through Postal Ballot / e-voting.

The Company had engaged the services of Central Depository Services (India) Limited ("CDSL") for the Postal Ballot Notice dated 12<sup>th</sup> November, 2020 and Link Intime India Private Limited (LIPL) for the Postal Ballot Notice dated 22<sup>nd</sup> January, 2021 for providing e-voting facility to the members.

In respect of the Postal Ballot Notice dated 12<sup>th</sup> November, 2020, the members holding shares as on the cut-off date of Friday, 13<sup>th</sup> November, 2020 were provided the option of exercising their right to vote on the said resolution through postal ballot / e-voting during the period commencing from Wednesday, 18<sup>th</sup> November, 2020 to Thursday, 17<sup>th</sup> December 2020. Upon completion of the voting period, the scrutinizer completed the scrutiny of votes cast and submitted his report to the Executive Chairman. The results of the voting were declared on Friday, 18<sup>th</sup> December, 2020 on the website of the Stock Exchanges, Company and CDSL.

In respect of the Postal Ballot Notice dated 22<sup>nd</sup> January, 2021, the members holding shares as on the cut-off date of Friday, 22<sup>nd</sup> January, 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 Friday, 29<sup>th</sup> January, 2021 to Saturday, 27<sup>th</sup> February, 2021. Upon completion of the voting period, the scrutinizer completed the scrutiny of votes cast and submitted his report to the Executive Chairman. The results of the voting were declared on Monday, 1<sup>st</sup> March, 2021 on the website of the Stock Exchanges, Company and LIPL.

## 10. MEANS OF COMMUNICATION

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

#### General Shareholder Information

##### (i) 44<sup>th</sup> Annual General Meeting:

Date : 24.09.2021  
Time : 2.00 P.M.  
Venue : The meeting is being convened through video conferencing / other audio-visual means and hence the registered office of the Company will be deemed to be the venue of the AGM.

##### (ii) Financial Calendar:

Financial Year : April 01, 2020 to March 31, 2021  
Date of Book closure from 18.09.2021 to 24.09.2021 (Both days inclusive)

(iii) Dividend payment date: The Directors have not recommended any Dividend for the year ended 31<sup>st</sup> March, 2021.

**(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.

**(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 : INE617A01013  
(Fully paid Rs. 10/- each)

The Company has paid the Listing Fees for the financial year 2021-2022 to the above Stock Exchanges.

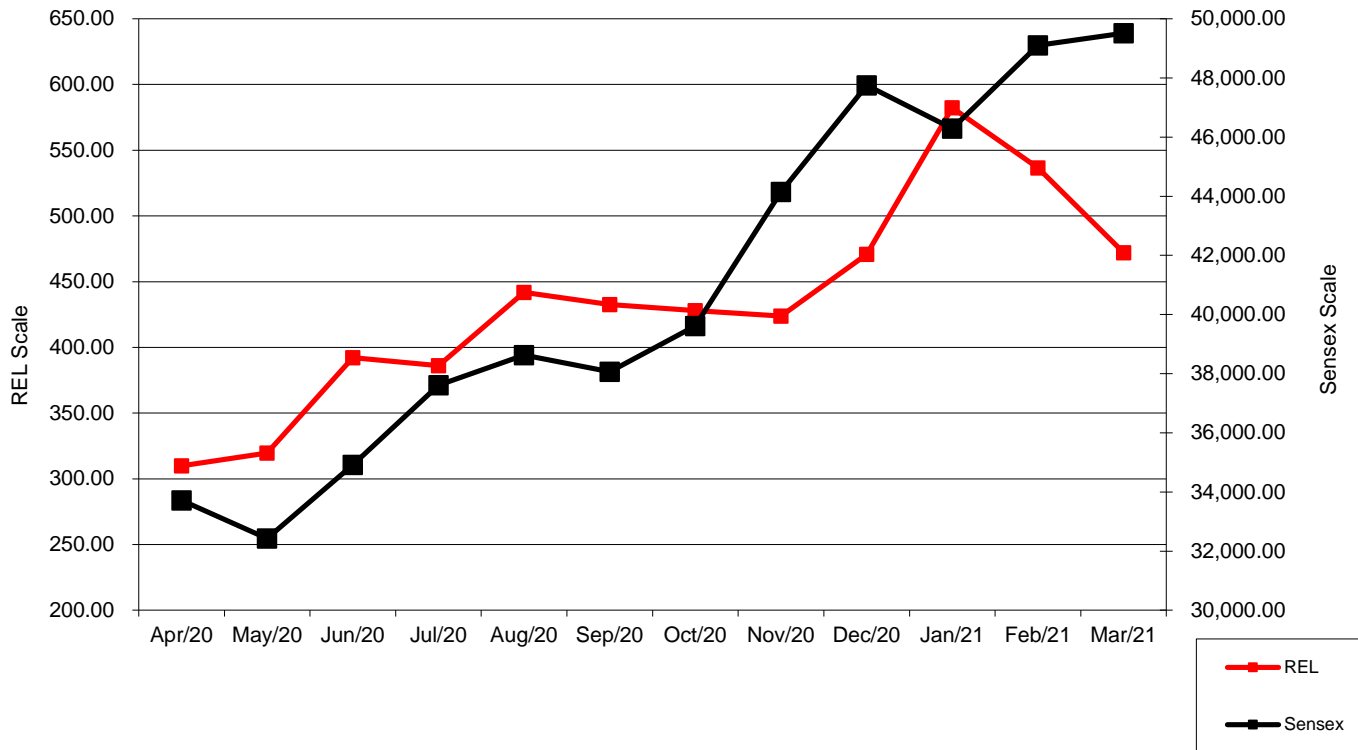
**(vi) Share Price Movements (Monthly High & Low)**

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

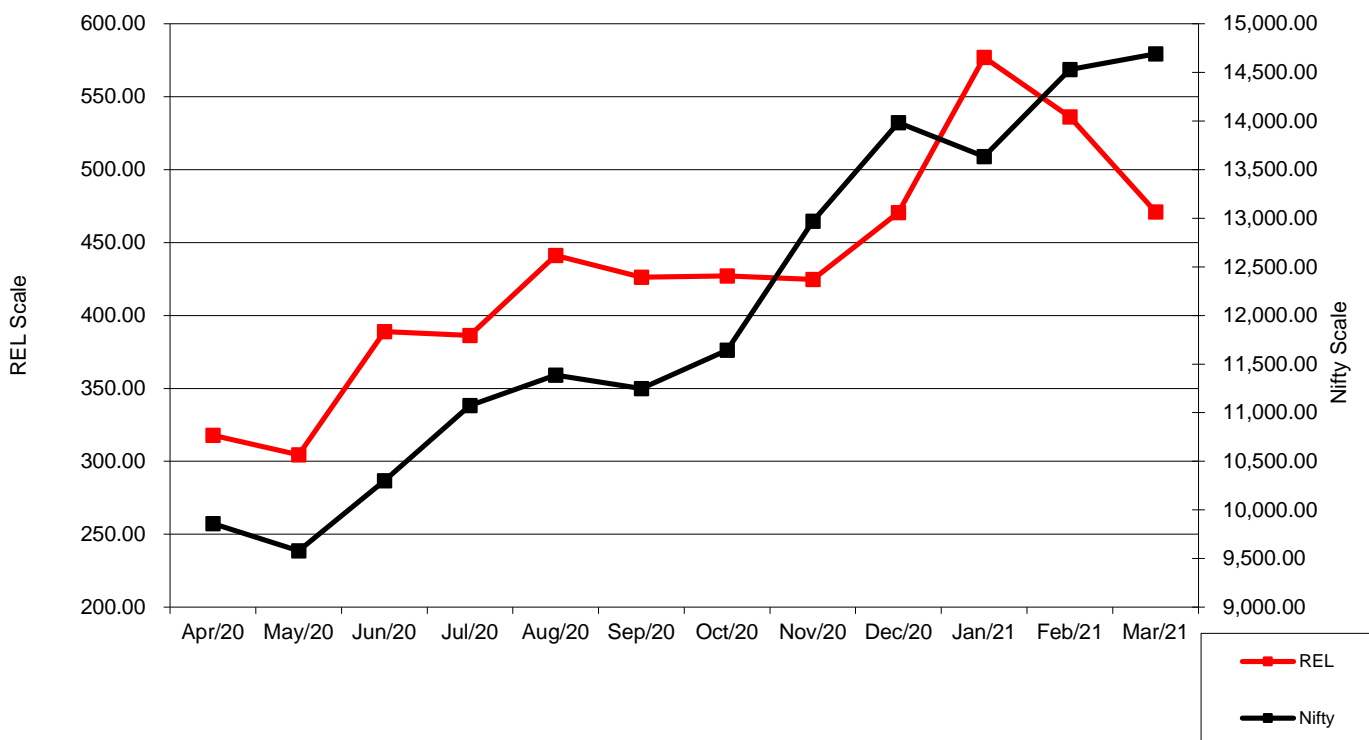
| Period         | BSE Limited   |              | National Stock Exchange of India Limited |              |
|----------------|---------------|--------------|--|--------------|
|                | High (in Rs.) | Low (in Rs.) | High (in Rs.)                            | Low (in Rs.) |
| April 2020     | 359.95        | 284.05       | 353.15                                   | 270.00       |
| May 2020       | 340.00        | 280.00       | 329.80                                   | 272.35       |
| June 2020      | 417.10        | 300.00       | 438.25                                   | 299.95       |
| July 2020      | 427.45        | 369.40       | 432.05                                   | 375.60       |
| August 2020    | 554.50        | 382.95       | 554.00                                   | 382.25       |
| September 2020 | 484.95        | 415.35       | 490.90                                   | 406.30       |
| October 2020   | 460.00        | 410.00       | 460.00                                   | 410.00       |
| November 2020  | 480.00        | 401.90       | 487.30                                   | 406.95       |
| December 2020  | 529.80        | 419.05       | 527.00                                   | 412.50       |
| January 2021   | 678.75        | 458.60       | 667.25                                   | 460.00       |
| February 2021  | 612.20        | 534.00       | 624.95                                   | 485.80       |
| March 2021     | 556.40        | 455.50       | 559.95                                   | 457.20       |

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

Movement of Share Price - BSE during 2020 - 2021



Movement of Share Price - NSE during 2020 - 2021





**(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. K. Maheswaran

Revathi Equipment Limited, Pollachi Road, Malumachampatti P O, Coimbatore – 641 050,  
e-mail: compliance.officer@revathi.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                    | 22,25,954        | 72.6         |
| Financial institutions/banks | 100              | 0.0          |
| Directors and relatives      | 1,519            | 0.1          |
| Bodies Corporate             | 37,070           | 1.2          |
| Non -Resident Indians        | 21,708           | 0.7          |
| Public                       | 7,80,592         | 25.4         |
| <b>TOTAL</b>                 | <b>30,66,943</b> | <b>100.0</b> |

**(xii) Distribution of Shareholding**

| Range of Shareholding | No. of Shareholders | % of Shareholding | No. of Shares    | % of Shareholding |
|-----------------------|---------------------|-------------------|------------------|-------------------|
| 01 - 500              | 4,795               | 95.4              | 3,48,477         | 11.4              |
| 501 - 1000            | 123                 | 2.5               | 91,698           | 2.9               |
| 1001 - 2000           | 61                  | 1.2               | 92,550           | 3.0               |
| 2001 - 3000           | 18                  | 0.4               | 46,222           | 1.5               |
| 3001 - 4000           | 5                   | 0.1               | 17,674           | 0.6               |
| 4001 - 5000           | 7                   | 0.1               | 32,825           | 1.1               |
| 5001 - 10000          | 5                   | 0.1               | 36,167           | 1.2               |
| 10001 and above       | 11                  | 0.2               | 24,01,328        | 78.3              |
| <b>Total</b>          | <b>5,025</b>        | <b>100.0</b>      | <b>30,66,943</b> | <b>100.0</b>      |

Number of Shareholders as on March 31, 2021: 5,025

**(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 2020-21, 1950 (0.06%) shares were dematerialized. As on 31<sup>st</sup> March, 2021, total shares in demat form is 3023631 shares and 43312 shares in physical form. This represents 98.59% shares of the company are in demat form and 1.41% shares are in physical form. The shares are compulsorily tradable in demat form with effect from 26<sup>th</sup> June 2000 for all investors.

With effect from 1<sup>st</sup> 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. K. Maheswaran

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

**(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 have been denied access to the Audit Committee.

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

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

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

The Company has adopted the following non-mandatory requirements.

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

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

Policy for determining material subsidiaries and Policy on dealing with Related Party Transactions has been disclosed on the website of the Company at [www.revathi.in](http://www.revathi.in).

**Material Unlisted Subsidiary**

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

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 Company has voluntarily constituted Risk Management Committee with three members, to assess and examine the risk associated with the business of the company. The Risk Management Committee have periodically examined the associated risk in the company.

**(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.15.48 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. During the year 2020-21, no complaint was received by the committee. As such, there are no complaints pending as at the end of the financial year.

(xi) 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.

(xii) 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, except 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 1<sup>st</sup> April, 2020. However, the Company has appointed Mr.Harivansh Dalmia as a Non-Executive Non-Independent Director with effect from 15<sup>th</sup> June, 2020.

### 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 18<sup>th</sup> June, 2021 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 Executive Chairman'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 2020-2021.

By Order of the Board  
For Revathi Equipment Limited

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

**PLACE :** New Delhi  
**DATE :** 18.06.2021

To The Members of

**Revathi Equipment Limited**

(CIN: L29120TZ1977PLC000780)

Pollachi Road, Malumichampatti P.O.,

Coimbatore – 641 021.

Tamilnadu, India

1. We, S S Kothari Mehta & Company, Chartered Accountants, the Statutory Auditor of **Revathi Equipment Limited** (“the Company”) have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March, 2021, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’).

**Managements’ Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor’s Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), to the extent relevant, the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31<sup>st</sup> March, 2021, except that as per the (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the requirement of composition of minimum six directors in Board with effect from 1<sup>st</sup> April, 2020, has been complied by the Company from 15<sup>th</sup> June, 2020.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Restriction on use**

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

For **S. S. KOTHARI MEHTA & Co.**

Chartered Accountants

FRN - 000756N

**NEERAJ BANSAL**

Partner

Membership No. 095960

UDIN : 21095960AAAAFV5618

**Place:** New Delhi

**Date:** 18.06.2021

## 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 – 641 021 (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 31<sup>st</sup> March 2021 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<br>(Executive Chairman) | 00011958 | 01-04-2011                     |
| 2      | Mrs. Deepali Dalmia                         | 00017415 | 08-08-2014                     |
| 3      | Mr. Venkata Ramanan Bapoo                   | 00934602 | 20-01-2010                     |
| 4      | Mr. Kishore Nanik Sidhwani                  | 02428735 | 25-11-2014                     |
| 5      | Mr. Venkatachalam Venkata Subramanian       | 05232247 | 29-05-2017                     |
| 6      | Mr. Harivansh Dalmia                        | 08750555 | 15-06-2020                     |

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:** 18.06.2021

**M D SELVARAJ**  
MDS & Associates  
Company Secretaries  
FCS No.: 960; C P No.: 411  
Peer Review No. 985/2020  
UDIN:F000960C000478811

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, 2021, the Statement of Profit and Loss (including Other Comprehensive Loss), 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, 2021, 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. And Director's Report including its annexures which is one of component of the Annual Report, which we obtained prior to the date of the 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 other than Director's report including its annexures, 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, management 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

management 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, 2016 ('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, 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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure - B";



g. With respect to the other matters to be included in the Auditor's Report in accordance with 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 31 to the standalone financial statements;
- ii) there has been no material foreseeable losses on long term contracts including derivative contracts, therefore the Company 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 Company;

For S. S. KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN - 000756N

**NEERAJ BANSAL**  
Partner

Membership No. 095960  
UDIN: 21095960AAAAFL7474

Place: New Delhi

Date: 18.06.2021

## Annexure A to the Independent Auditor's Report to the members of Revathi Equipment Limited

Referred to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on the financial statement of even date,

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment (fixed assets);
- (b) The property, plant and equipment (fixed assets) physically verified by the management according to a phased manner program designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and based on the records, the title deeds of immovable properties are held in the name of the Company. As explained by the management, one land at Coimbatore is pledged with bank;
- (ii) According to the information and explanations given to us, inventories have been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventories by the management.
- (iii) As per the information and explanation given to us and on the basis of our examination of the records, the Company has not granted any loans, secured or unsecured to firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

And, the Company has granted loans during the year to one company and one Limited Liability Partnership. Further, the terms and conditions of the grant of such loans are not prejudicial to the company's interest; the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular; and there are no overdue amounts as at the reporting date;

- (iv) In our opinion and according to the information and explanation given to us, provisions of sections 185 and 186 of the Act, as applicable, in respect loans to Directors, including entities in which they are interested and in respect of loans and advances given, investments made and guarantees given, have been complied with by the company;
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder;
- (vi) We have broadly reviewed the books of account relating to materials, Labour and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not made a detailed examination of the records with a view to determine whether they are accurate and complete;
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, customs duty, Goods and

Services Tax, Cess and other material statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at year end for a period of more than six months from the date they became payable;

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, custom duty, Goods and Service Tax, Cess and other material statutory dues which have not been deposited on account of any dispute;
- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted on repayment of loans to banks and financial institutions. And, the Company has neither taken loan from the government nor has it issued any debentures;
- (ix) As per the information and explanation given to us and on the basis of our examination of the records, the company has not raised any money by way of initial public offer, further public offer or term loan during the financial year;
- (x) In our opinion and according to the information and explanations given to us, no cases of fraud by the Company or fraud on the Company by its officers or employees has been noticed or reported during the year;
- (xi) In our opinion and according to the information and explanation given to us, managerial remuneration has been paid or provided as specified by the provisions of Section 197 of the Act read with Schedule V to the Act;
- (xii) In our opinion and according to the information and explanation given to us, the company is not a Nidhi Company, therefore provision clause (xii) of paragraph 3 of the order is not applicable to the company;
- (xiii) As per the information and explanation given to us and on the basis of our examination of the records, the company has transacted with the related parties which are in compliance with section 177 and section 188 of Companies Act, 2013 and the details have been disclosed in the standalone financial statements as required by the Ind As 24 Related Party Disclosures - Refer note no. 40 to the standalone financial statements;
- (xiv) According to the information and explanations given to us and overall examination of the books of account, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence not commented upon;
- (xv) According to the information and explanation given to us and based on the examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act. Accordingly, clause (xv) of paragraph 3 of the order is not applicable to the company;
- (xvi) In our opinion and on the basis of information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S. S. KOTHARI MEHTA & COMPANY

Chartered Accountants

FRN - 000756N

**NEERAJ BANSAL**

Partner

Membership No. 095960

UDIN: 21095960AAAAFL7474

Place: New Delhi

Date: 18.06.2021

## 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, 2021 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:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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
- 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, 2021 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: 21095960AAAAFL7474

Place: New Delhi

Date: 18.06.2021

**S**TANDALONE  
FINANCIAL  
STATEMENT





# BALANCE SHEET AS AT MARCH 31, 2021

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

| PARTICULARS   | NOTE  | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|---|-------|----------------------|----------------------|
| <b>A. ASSETS</b>  |       |                      |                      |
| <b>(1) Non current assets</b>                           |       |                      |                      |
| (a) Property, plant and equipment                       | 3     | 512.98               | 457.17               |
| (b) Right of use asset                                  | 4     | 15.96                | 17.71                |
| (c) Investment property                                 | 5     | 1,662.65             | 1,662.65             |
| (d) Other intangible assets                             | 3     | 16.79                | 8.91                 |
| <b>(e) Financial assets</b>                             |       |                      |                      |
| (i) Investments   | 6.1   | 11,839.55            | 11,428.49            |
| (ii) Loans  | 6.2   | 98.80                | 78.98                |
| (f) Deferred tax assets (net)                           | 7     | 790.06               | 840.45               |
| (g) Other non - current assets                          | 8     | -                    | 16.26                |
|   |       | <b>14,936.78</b>     | <b>14,510.62</b>     |
| <b>(2) Current assets</b>                               |       |                      |                      |
| (a) Inventories   | 9     | 4,597.05             | 2,277.18             |
| (b) Financial assets                                    | 10    |                      |                      |
| (i) Investments   | 10.1  | 720.64               | 40.00                |
| (ii) Trade receivables                                  | 10.2  | 4,372.88             | 3,251.74             |
| (iii) Cash and cash equivalents                         | 10.3  | 27.09                | 32.90                |
| (iv) Bank balances other than above                     | 10.4  | 217.02               | 772.32               |
| (v) Loans   | 10.5  | 972.79               | 32.24                |
| (vi) Others financial asset                             | 10.6  | 80.41                | 100.19               |
| (c) Other current assets                                | 11    | 1,112.80             | 497.40               |
|   |       | <b>12,100.68</b>     | <b>7,003.97</b>      |
| <b>TOTAL ASSETS</b>                                     |       | <b>27,037.46</b>     | <b>21,514.60</b>     |
| <b>B. EQUITY AND LIABILITIES</b>                        |       |                      |                      |
| <b>Equity</b>   |       |                      |                      |
| (a) Equity share capital                                | 12    | 306.69               | 306.69               |
| (b) Other equity  | 13    | 17,962.37            | 16,797.33            |
|   |       | <b>18,269.06</b>     | <b>17,104.02</b>     |
| <b>(1) Non - current liabilities</b>                    |       |                      |                      |
| Financial liabilities                                   |       |                      |                      |
| (a) Lease Liability                                     | 4     | 7.14                 | 11.61                |
| (b) Provisions  | 14    | 82.13                | 59.29                |
|   |       | <b>89.27</b>         | <b>70.90</b>         |
| <b>(2) Current liabilities</b>                          |       |                      |                      |
| (a) Financial liabilities                               | 15    |                      |                      |
| (i) Borrowings  | 15.1  | 3,310.35             | 1,663.45             |
| (ii) Trade payables:                                    |       |                      |                      |
| - Due to Micro, Small and Medium Enterprises            | 15.2  | 345.94               | 64.57                |
| - Due to other than Micro, Small and Medium Enterprises | 15.2  | 2,868.65             | 1,454.00             |
| (iii) Other financial liabilities                       | 15.3  | 416.25               | 380.11               |
| (iv) Lease Liabilities                                  | 4     | 8.42                 | 6.52                 |
| (b) Other current liabilities                           | 16    | 1,008.43             | 480.91               |
| (c) Provisions  | 17    | 212.93               | 44.51                |
| (d) Current tax liabilities (net)                       | 18    | 508.16               | 245.61               |
|   |       | <b>8,679.13</b>      | <b>4,339.68</b>      |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>                   |       | <b>27,037.46</b>     | <b>21,514.60</b>     |
| Significant Accounting Policies                         | 1 & 2 |                      |                      |

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: JUNE 18, 2021

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

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**K. MAHESWARAN**  
Company Secretary

# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

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

| PARTICULARS   | NOTE  | YEAR ENDED<br>MARCH 31, 2021 | YEAR ENDED<br>MARCH 31, 2020 |
|---|-------|------------------------------|------------------------------|
| <b>INCOME</b>   |       |                              |                              |
| Revenue from operations   | 19    | 8,473.60                     | 7,504.39                     |
| Other income  | 20    | 152.55                       | 249.39                       |
| <b>TOTAL INCOME</b>   |       | <b>8,626.15</b>              | <b>7,753.78</b>              |
| <b>EXPENSES</b>   |       |                              |                              |
| Cost of materials consumed  | 21    | 5,004.11                     | 3,337.27                     |
| Purchases of stock in trade   | 22    | 876.71                       | 863.18                       |
| Changes in inventories of finished goods, stock - in - trade and work - in - progress | 23    | (1,952.94)                   | (558.51)                     |
| Employee benefits expense   | 24    | 1,164.72                     | 1,015.33                     |
| Finance costs   | 25    | 250.83                       | 70.69                        |
| Depreciation and amortization expense   | 26    | 85.04                        | 65.13                        |
| Other expenses  | 27    | 1,554.54                     | 1,229.79                     |
| <b>TOTAL EXPENSES</b>   |       | <b>6,983.01</b>              | <b>6,022.88</b>              |
| Profit / (loss) before tax  |       | 1,643.14                     | 1,730.90                     |
| Tax expense   | 28    |                              |                              |
| (1) Current Tax   |       | 555.68                       | 478.79                       |
| (2) Deferred Tax  |       | (79.34)                      | 32.08                        |
| <b>TOTAL TAX EXPENSE</b>  |       | <b>476.34</b>                | <b>510.87</b>                |
| Profit / (loss) for the year  |       | <b>1,166.80</b>              | <b>1,220.03</b>              |
| Other comprehensive income  |       |                              |                              |
| A (i) Items that will be reclassified to profit or loss                               |       | -                            | -                            |
| (ii) Income tax relating to items that will be reclassified to profit or loss         |       | -                            | -                            |
| B (i) Items that will not be reclassified to profit or loss                           | 28    | (2.48)                       | 10.81                        |
| (ii) Income tax relating to items that will not be reclassified to profit or loss     | 29    | 0.72                         | (3.15)                       |
|   |       | <b>(1.76)</b>                | <b>7.66</b>                  |
| Total comprehensive income for the year   |       | <b>1,165.04</b>              | <b>1,227.68</b>              |
| Earnings per equity share (basic& diluted)<br>(Face value of Rs 10 each)              | 30    | 38.04                        | 39.78                        |
| Significant Accounting Policies   | 1 & 2 |                              |                              |

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

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

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**K. MAHESWARAN**  
Company Secretary

PLACE: NEW DELHI  
DATE: JUNE 18, 2021

# STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

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

| PARTICULARS  | 2020-21           | 2019-20           |
|--|-------------------|-------------------|
| <b>A. Cash flow from operating activities</b>                |                   |                   |
| <b>Net profit before tax</b>                                 | 1,643.14          | 1,730.90          |
| Adjustments:   |                   |                   |
| Depreciation / amortization                                  | 85.04             | 65.13             |
| Insurance Claim received                                     | -                 | (0.35)            |
| Impairment loss on financial assets - Trade Receivables      | 45.22             | -                 |
| Finance cost   | 250.83            | 70.69             |
| Interest Income  | (64.98)           | (80.61)           |
| Profit on investment in Financial Instruments                | (19.15)           | 10.12             |
| (Profit)/Loss on sale of fixed assets and assets written off | (1.87)            | (153.72)          |
| <b>Operating profit before working capital changes</b>       | <b>1,938.23</b>   | <b>1,642.16</b>   |
| <b>Adjustments for working capital changes :</b>             |                   |                   |
| Inventories  | (2,319.87)        | (961.00)          |
| Trade and other payables                                     | 2,460.05          | 703.86            |
| Trade and other receivables                                  | (1,715.86)        | (231.69)          |
| <b>Cash generated from operations</b>                        | <b>362.54</b>     | <b>1,153.32</b>   |
| Direct taxes (paid)/refund                                   | (242.74)          | (220.43)          |
| <b>Net cash from operating activities</b>                    | <b>119.80</b>     | <b>932.90</b>     |
| <b>B Cash flow from investing activities</b>                 |                   |                   |
| Purchase of fixed assets                                     | (137.12)          | (123.52)          |
| Proceeds from sale of fixed assets                           | 1.87              | 153.72            |
| Proceeds from maturity of fixed deposits                     | 555.30            | (64.62)           |
| Purchase of non current investments                          | (411.06)          | (2,655.78)        |
| Purchase of current investments                              | (660.00)          | -                 |
| Loans and Advances   | (945.00)          | -                 |
| Profit on investment in Financial Instruments                | 19.15             | -                 |
| Interest received  | 64.98             | 80.61             |
| <b>Net cash used in investing activities</b>                 | <b>(1,511.88)</b> | <b>(2,609.58)</b> |
| <b>C Cash flow from financing activities</b>                 |                   |                   |
| Proceeds from short term borrowings                          | 1,646.90          | 1,663.45          |
| Repayment of long term borrowings                            | -                 | (11.70)           |
| Right of Use Asset   | -                 | (17.71)           |
| Repayment of Lease Liabilities                               | (12.54)           | 18.13             |
| Finance cost   | (248.09)          | (70.69)           |
| <b>Net cash from / (used in) financing activities</b>        | <b>1,386.27</b>   | <b>1,581.49</b>   |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>     | <b>(5.81)</b>     | <b>(95.21)</b>    |
| <b>Cash and cash equivalents (Opening Balance)</b>           | <b>32.90</b>      | <b>128.11</b>     |
| <b>Cash and cash equivalents (Closing Balance)*</b>          | <b>27.09</b>      | <b>32.90</b>      |
| <b>Change in cash &amp; cash equivalents</b>                 | <b>(5.81)</b>     | <b>(95.21)</b>    |
| <b>Components of cash &amp; cash equivalents</b>             |                   |                   |
| <b>Balances with banks</b>                                   |                   |                   |
| - in Current accounts  | 24.07             | 30.25             |
| Cash on hand   | 3.03              | 2.65              |
| <b>Net cash &amp; cash equivalents</b>                       | <b>27.09</b>      | <b>32.90</b>      |



## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

| 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                         |
| Current Maturities of long term debts | -                                | -          | -        | -                                |
| Lease Liability                       | 18.13                            | (12.54)    | 9.97     | 15.56                            |

| 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   | -        | 1,663.45                         |
| Current Maturities of long term debts | 11.70                            | (11.70)    | -        | -                                |
| Lease Liability                       | 24.75                            | (7.83)     | 1.21     | 18.13                            |

**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: JUNE 18, 2021

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

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**K. MAHESWARAN**  
Company Secretary

# STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2021

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

## A. Equity share capital

| PARTICULARS          | AS AT MARCH 31, 2019 | CHANGES DURING THE YEAR | AS AT MARCH 31, 2020 | CHANGES DURING THE YEAR | AS AT MARCH 31, 2021 |
|----------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|
| Equity share capital | 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 INCOME | TOTAL     |
|-----------------------------|----------------------------|-----------------|-----------------|-------------------|--|-------------------------------------|-----------|
|                             | CAPITAL REDEMPTION RESERVE | CAPITAL RESERVE | GENERAL RESERVE | RETAINED EARNINGS |  | ACTUARIAL GAIN / (LOSS)             |           |
| As at March 31, 2019        | 31.11                      | 1.49            | 4,568.99        | 10,967.40         | -  | 6.19                                | 15,575.19 |
| Additions during the period | (31.11)                    | -               | 31.11           | 1,220.03          | (5.54)                                       | 7.66                                | 1,222.14  |
| As at March 31, 2020        | -                          | 1.49            | 4,600.10        | 12,187.43         | (5.54)                                       | 13.85                               | 16,797.33 |
| Additions during the period | -                          | -               | -               | 1,166.80          | -  | (1.76)                              | 1,165.04  |
| As at March 31, 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 redemption reserve was created consequent to redemption of preference share capital, as required under the provisions of the Companies Act, 1956.
  - 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.
- B. During the previous year, the company has transferred the Capital Redemption Reserve amounting to Rs. 31.11 lakhs to General Reserve.

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: JUNE 18, 2021

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

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

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**K. MAHESWARAN**  
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 June 18, 2021.

### 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

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 principal or the most advantageous market must be accessible by the Company.

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 recognized once but measured at fair value in the financial statements on a 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.

Intangible asset with indefinite useful lives, 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.

### 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 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 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 recognized 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 the basis of Weighted Average Method.

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 the basis of Weighted Average Method.

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 and intangible assets

(Rs. in Lakhs)

| PARTICULARS                             | Tangible Assets |           |                   |                    |                           |                      |                  |          |                | Intangible asset  |              | Total 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 April 1, 2019</b>  | 96.63           | 148.74    | 163.13            | 5.06               | 31.33                     | 27.24                | 25.12            | 54.59    | <b>551.84</b>  | 24.12             | <b>24.12</b> | <b>575.96</b> |
| Addition                                | -               | -         | 15.95             | -                  | 33.10                     | 0.42                 | 4.49             | 45.98    | <b>99.94</b>   | 8.60              | <b>8.60</b>  | 108.54        |
| Disposals / adjustments                 | (0.13)          | -         | -                 | -                  | -                         | -                    | (0.07)           | -        | <b>(0.20)</b>  | -                 | -            | (0.20)        |
| <b>as at March 31, 2020</b>             | 96.50           | 148.74    | 179.08            | 5.06               | 64.43                     | 27.66                | 29.54            | 100.57   | <b>651.58</b>  | 32.72             | <b>32.72</b> | <b>684.30</b> |
| Addition                                | -               | 32.51     | 20.88             | -                  | 28.48                     | 1.00                 | 2.85             | 34.21    | <b>119.93</b>  | 17.19             | <b>17.19</b> | 137.12        |
| Disposals / adjustments                 | -               | -         | (2.88)            | -                  | -                         | -                    | (0.36)           | (18.36)  | <b>(21.60)</b> | -                 | -            | (21.60)       |
| <b>as at March 31, 2021</b>             | 96.50           | 181.25    | 197.08            | 5.06               | 92.91                     | 28.66                | 32.03            | 116.42   | <b>749.91</b>  | 49.91             | <b>49.91</b> | <b>799.82</b> |
| <b>Depreciation as at March 1, 2019</b> | -               | 28.79     | 55.64             | 4.38               | 20.81                     | 6.32                 | 12.95            | 14.96    | <b>143.85</b>  | 16.27             | <b>16.27</b> | <b>160.12</b> |
| Charge for the year                     | -               | 9.87      | 12.17             | 0.20               | 12.55                     | 2.64                 | 4.82             | 8.31     | <b>50.56</b>   | 7.54              | <b>7.54</b>  | 58.10         |
| Disposals                               | -               | -         | -                 | -                  | -                         | -                    | -                | -        | -              | -                 | -            | -             |
| <b>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> | <b>218.22</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>  | 73.43         |
| Disposals                               | -               | -         | (2.88)            | -                  | -                         | -                    | (0.36)           | (18.36)  | <b>(21.60)</b> | -                 | -            | (21.60)       |
| <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> | <b>270.05</b> |
| <b>Net Block as at March 31, 2020</b>   | 96.50           | 110.08    | 111.27            | 0.48               | 31.07                     | 18.70                | 11.77            | 77.30    | <b>457.17</b>  | 8.91              | <b>8.91</b>  | 466.08        |
| <b>as at March 31, 2021</b>             | 96.50           | 132.40    | 119.95            | 0.48               | 40.39                     | 17.02                | 8.90             | 97.34    | <b>512.98</b>  | 16.79             | <b>16.79</b> | 529.77        |

### 4. Right-of-use assets

| Particulars                         | Category of ROU     |
|-------------------------------------|---------------------|
|                                     | Lease hold Building |
| <b>Balance as at April 1, 2019</b>  | -                   |
| Additions                           | 24.75               |
| Disposal                            | 3.90                |
| <b>Balance as at March 31, 2020</b> | <b>20.85</b>        |
| Additions                           | 14.13               |
| Disposal                            | 4.27                |
| <b>Balance as at March 31, 2021</b> | <b>30.71</b>        |

### Provision for depreciation

| Particulars                                    | Category of ROU     |
|--|---------------------|
|  | Lease hold Building |
| <b>Balance as at April 1, 2019</b>             | -                   |
| Charge for the year                            | 7.04                |
| Disposal                                       | 3.90                |
| <b>Balance as at April 1, 2020</b>             | <b>3.14</b>         |
| Charge for the year                            | 11.61               |
| Disposal                                       | -                   |
| <b>Balance as at March 31, 2021</b>            | <b>14.75</b>        |
| <b>Net Carrying Value as at March 31, 2021</b> | <b>15.96</b>        |

Company has taken office & residential premises on lease. These are accounted as per INDAS 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  | 2.74 |
| Total cash outflow (payment) for leases            |      |
| Leases for which Right to use assets is recognised | 9.72 |
| Leases considered as short term                    | 5.55 |

## Movement in Lease liabilities for the year ended March 31, 2021:-

| Particular                             | Total        |
|--|--------------|
| <b>Balance as at April 1, 2019</b>     |              |
| Addition                               | 24.75        |
| Finance cost accrued during the period | 1.21         |
| Deletion                               | -            |
| Payment of lease liability             | 7.83         |
| <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 March 31, 2021</b>    | <b>15.56</b> |

### Classification of Lease Liabilities

|                               |      |
|-------------------------------|------|
| Non Current Lease Liabilities | 7.14 |
| Current Lease Liabilities     | 8.42 |

## 5. Investment property

| PARTICULARS                                | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|--|----------------------|----------------------|
| Capital contribution in Panch Tatva Realty | 1,662.65             | 1,662.65             |
| <b>TOTAL</b>                               | <b>1,662.65</b>      | <b>1,662.65</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 investment property had been conducted by an independent valuer during the previous year with its 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, 2021 | AS AT MARCH 31, 2020 |
|--|----------------------|----------------------|
| <b>Unquoted investment</b>   |                      |                      |
| <b>i) Investments in subsidiaries (at cost)</b>  |                      |                      |
| 17,37,897 (March 31, 2020: 14,42,774) Equity shares of Rs 10 each fully paid up in Semac Consultants Private Limited * | 9,319.55             | 8,908.49             |
| <b>ii) Investments in associates (at cost)</b>   |                      |                      |
| 50% share in Semac Construction Technologies India LLP   | 2,520.00             | 2,520.00             |
| <b>TOTAL</b>   | <b>11,839.55</b>     | <b>11,428.49</b>     |
| Aggregate amount of unquoted investments   | 11,839.55            | 11,428.49            |

\* During the year, company has increased stake in Semac Consultants Private Limited by acquiring 297753 shares from existing shareholders out of which demat transfer is pending for 2630 shares which is not included in the above 1737897 shares.

### 6.2 Loans

| PARTICULARS       | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|-------------------|----------------------|----------------------|
| Security deposits | 98.80                | 78.98                |
| <b>TOTAL</b>      | <b>98.80</b>         | <b>78.98</b>         |

## 7. Deferred tax

| PARTICULARS                            | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|--|----------------------|----------------------|
| MAT credit entitlement                 | 641.58               | 772.03               |
| Deferred tax asset / (liability) (net) | 148.48               | 68.41                |
| <b>TOTAL</b>                           | <b>790.06</b>        | <b>840.44</b>        |

### i. Movement in deferred tax items

| 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  | (0.35)                      | 0.24                                       | -  | (0.11)                               |
| Net Deferred tax liability / (asset)                                       | (69.10)                     | (79.34)                                    | (0.72)                                   | (149.16)                             |
| MAT credit entitlement   | 772.03                      | (130.45)                                   | -  | 641.58                               |

| FY 19-20   | MOVEMENT DURING THE YEAR    |  |  |                                      |
|--|-----------------------------|--|--|--------------------------------------|
|  | BALANCE AS AT APRIL 1, 2019 | RECOGNISED IN STATEMENT OF PROFIT AND LOSS | RECOGNISED IN OTHER COMPREHENSIVE INCOME | CLOSING BALANCE AS AT MARCH 31, 2020 |
| Deferred tax liability / (asset) on account of Property, plant & equipment | (45.07)                     | 9.98                                       | -  | (35.09)                              |
| Payment of gratuity  | (4.64)                      | 3.94                                       | 3.15                                     | 2.45                                 |
| Provision of leave encashment / sick leave                                 | (23.84)                     | 2.61                                       | -  | (21.23)                              |
| Provision of doubtful debts  | (30.09)                     | 7.37                                       | -  | (22.72)                              |
| Provision for Warranty   | -                           | 8.30                                       | -  | 8.30                                 |
| Lease Liability  | -                           | (0.12)                                     | -  | (0.12)                               |
| Net Deferred tax liability / (asset)                                       | (103.64)                    | 32.08                                      | 3.15                                     | (68.41)                              |
| MAT credit entitlement   | 804.07                      | (32.04)                                    | -  | 772.03                               |

### 8. Other non current assets

| PARTICULARS               | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|---------------------------|----------------------|----------------------|
| Unsecured considered good |                      |                      |
| Capital advances          | -                    | 14.98                |
| Advance lease rent        | -                    | 1.28                 |
| <b>TOTAL</b>              | <b>-</b>             | <b>16.26</b>         |

### 9. Inventories

| PARTICULARS      | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|------------------|----------------------|----------------------|
| Raw materials    | 1,389.09             | 687.42               |
| Work-in-progress | 2,659.81             | 857.58               |
| Finished Goods   | -                    | 334.74               |
| Stock-in-trade   | 548.15               | 397.44               |
| <b>TOTAL</b>     | <b>4,597.05</b>      | <b>2,277.18</b>      |

### 10. Financial Assets: Current

| PARTICULARS   | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|---|----------------------|----------------------|
| <b>10.1 Investments</b>                               |                      |                      |
| <b>Quoted Investments</b>                             |                      |                      |
| Investment in Mutual fund - White Space Alpha         | 720.64               | -                    |
| SBI Arbitrage opportunities fund (no of units 403831) | -                    | 40.00                |
| <b>TOTAL</b>  | <b>720.64</b>        | <b>40.00</b>         |
| Aggregate market value of quoted investments          | 720.64               | 40.00                |

| PARTICULARS                                | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|--|----------------------|----------------------|
| <b>10.2 Trade Receivables</b>              |                      |                      |
| Trade receivable considered good-unsecured | 4,372.88             | 3,251.74             |
| Trade receivable-credit impaired           | 123.26               | 78.04                |
| Less provision for ECL                     | (123.26)             | (78.04)              |
| <b>TOTAL</b>                               | <b>4,372.88</b>      | <b>3,251.74</b>      |
| <b>10.3 Cash &amp; cash equivalents</b>    |                      |                      |
| Balances with banks                        |                      |                      |
| - in Current Accounts                      | 24.06                | 30.25                |
| Cash on hand                               | 3.03                 | 2.65                 |
| <b>TOTAL</b>                               | <b>27.09</b>         | <b>32.90</b>         |
| <b>10.4 Bank balance</b>                   |                      |                      |
| Other balances                             |                      |                      |
| - in Fixed deposit *                       | -                    | 531.12               |
| - Margin money **                          | 217.02               | 241.20               |
| <b>TOTAL</b>                               | <b>217.02</b>        | <b>772.32</b>        |

Note:-

\* Fixed deposits under Lien with Lakshmi Vilas Bank against the corporate guarantee given by the company on behalf of Semac Consultants Pvt Ltd for non fund based facilities till June 2020.

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

| PARTICULARS                            | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|--|----------------------|----------------------|
| <b>10.5 Loans</b>                      |                      |                      |
| Unsecured, considered good             |                      |                      |
| Loans to                               |                      |                      |
| - Employees                            | 26.26                | 30.71                |
| - Subsidiaries                         | 445.00               | -                    |
| - Others                               | 500.00               | -                    |
| - Security deposits                    | 1.53                 | 1.53                 |
| <b>TOTAL</b>                           | <b>972.79</b>        | <b>32.24</b>         |
| <b>10.6 Other financial asset</b>      |                      |                      |
| Interest accrued on Deposits with bank | 22.68                | 35.04                |
| Contract Asset                         | 57.73                | 65.15                |
| <b>TOTAL</b>                           | <b>80.41</b>         | <b>100.19</b>        |

## 11. Other current assets

| PARTICULARS                         | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|-------------------------------------|----------------------|----------------------|
| Other advances                      | 91.42                | 62.23                |
| Prepaid expenses                    | 25.20                | 20.89                |
| Advances to suppliers/contractors   | 446.31               | 310.55               |
| Balances with statutory authorities | 549.87               | 103.74               |
| <b>TOTAL</b>                        | <b>1,112.80</b>      | <b>497.41</b>        |

## 12. Equity share capital

| PARTICULARS  | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|--|----------------------|----------------------|
| <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 |
|--------------------------|---------------|--------|
| As at March 31, 2019     | 30,66,943     | 306.69 |
| Movement during the year | -             | -      |
| As at March 31, 2020     | 30,66,943     | 306.69 |
| Movement during the year | -             | -      |
| As at March 31, 2021     | 30,66,943     | 306.69 |

**(ii) Details of shareholders holding more than 5% shares in the company**

| PARTICULARS   | AS AT MARCH 31, 2021 |              | AS AT MARCH 31, 2020 |              |
|---|----------------------|--------------|----------------------|--------------|
|   | NO. OF SHARES        | % OF HOLDING | NO. OF SHARES        | % OF HOLDING |
| Equity shares of Rs 10 each fully paid                  | 17,68,953            | 57.7%        | 17,68,953            | 57.7%        |
| Renaissance advanced consultancy limited                | 4,57,000             | 14.9%        | 4,57,000             | 14.9%        |
| Renaissance Stock Ltd (Wholly owned subsidiary of RACL) |                      |              |                      |              |

**(iii) Details of shares held by holding company**

| PARTICULARS                                | AS AT MARCH 31, 2021 |              | AS AT MARCH 31, 2020 |              |
|--|----------------------|--------------|----------------------|--------------|
|  | NO. OF SHARES        | % OF HOLDING | NO. OF SHARES        | % OF HOLDING |
| Equity shares of Rs 10 each fully paid     | 17,68,953            | 57.7%        | 17,68,953            | 57.7%        |
| Renaissance advanced consultancy limited   |                      |              |                      |              |
| Terms and rights attached to equity shares |                      |              |                      |              |

**(iv) 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.

**(v) 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, 2021 | AS AT MARCH 31, 2020 |
|---|----------------------|----------------------|
| <b>A. Reserves &amp; Surplus</b>                            |                      |                      |
| <b>Capital Redemption Reserve</b>                           |                      |                      |
| Opening balance   | -                    | 31.11                |
| Changes during the year                                     | -                    | (31.11)              |
| Closing balance   | -                    | -                    |
| <b>Capital Reserve</b>                                      |                      |                      |
| Opening balance   | 1.49                 | 1.49                 |
| Changes during the year                                     | -                    | -                    |
| Closing balance   | 1.49                 | 1.49                 |
| <b>General Reserve</b>                                      |                      |                      |
| Opening balance   | 4,600.10             | 4,568.99             |
| Changes during the year                                     | -                    | 31.11                |
| Closing balance   | 4,600.10             | 4,600.10             |
| <b>Retained Earnings</b>                                    |                      |                      |
| Opening balance   | 12,187.43            | 10,967.40            |
| Changes during the year                                     | 1,166.80             | 1,220.03             |
| Closing balance   | 13,354.23            | 12,187.43            |
| <b>B. Equity in Subsidiary</b>                              |                      |                      |
| Opening balance   | (5.54)               | -                    |
| Changes during the year                                     | -                    | (5.54)               |
| Closing balance   | (5.54)               | (5.54)               |
| <b>C. Other Comprehensive Income</b>                        |                      |                      |
| Remeasurement of the net defined benefit liability or asset |                      |                      |
| Opening balance   | 13.85                | 6.19                 |
| Changes during the year                                     | (1.76)               | 7.66                 |
| Closing balance   | 12.09                | 13.85                |



#### 14. Non current provision

| PARTICULARS   | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|---|----------------------|----------------------|
| Provision for employee benefits (refer note 39)<br>- Leave encashment | 82.13                | 59.29                |
| <b>TOTAL</b>  | <b>82.13</b>         | <b>59.29</b>         |

#### 15. Financial liability : Current

| PARTICULARS   | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|---|----------------------|----------------------|
| <b>15.1 Short term borrowings</b>   |                      |                      |
| Secured from Banks  |                      |                      |
| Cash credit / WCDL  | 3,310.35             | 1,663.45             |
| <b>TOTAL</b>  | <b>3,310.35</b>      | <b>1,663.45</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:<br>Primary<br>First pari-passu charge on entire current assets of the Company.<br>Collateral<br>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 14%.   |                      |                      |
| <b>15.2 Trade payables</b>  |                      |                      |
| a) Micro, small and medium enterprises (Refer Note No. 33)  | 345.94               | 64.57                |
| b) Others   | 2,868.65             | 1,454.00             |
| <b>TOTAL</b>  | <b>3,214.59</b>      | <b>1,518.57</b>      |
| Also refer note 47 & 48   |                      |                      |
| <b>15.3 Other financial liabilities</b>   |                      |                      |
| Security deposits received  | 0.40                 | 0.20                 |
| Expenses payables   | 247.28               | 271.40               |
| Employee related dues   | 165.24               | 104.08               |
| Financial Gaurantee liability   | 3.33                 | 4.43                 |
| <b>TOTAL</b>  | <b>416.25</b>        | <b>380.11</b>        |
| Also refer note 47 & 48   |                      |                      |

#### 16. Other current liability

| PARTICULARS                 | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|-----------------------------|----------------------|----------------------|
| Advances from customers     | 496.06               | 274.92               |
| Withholding and other taxes | 512.37               | 205.99               |
| <b>TOTAL</b>                | <b>1,008.43</b>      | <b>480.91</b>        |

#### 17. Provision (current)

| PARTICULARS                                     | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|---|----------------------|----------------------|
| Provision for employee benefits (Refer Note 39) |                      |                      |
| - Gratuity                                      | 16.14                | 2.39                 |
| - Leave encashment                              | 23.49                | 13.61                |
| Provision for warranty claims (Refer Note 41)   | 173.30               | 28.51                |
| <b>TOTAL</b>                                    | <b>212.93</b>        | <b>44.51</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.

#### 18. Current tax liabilities (net)

| PARTICULARS                               | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|---|----------------------|----------------------|
| Income tax provision (net of advance tax) | 508.16               | 245.61               |
| <b>TOTAL</b>                              | <b>508.16</b>        | <b>245.61</b>        |

## 19. 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<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| <b>(a) Type of goods or services:</b>              |                                      |                                      |
| Sale of products (finished goods):                 |                                      |                                      |
| - Drills / construction equipments                 | 3,710.71                             | 3,133.12                             |
| - Spares   | 3,998.96                             | 3,660.72                             |
| Sale of services                                   | 753.48                               | 692.46                               |
| Sale of scrap                                      | 10.45                                | 18.09                                |
| <b>Total revenue from contracts with customers</b> | <b>8,473.60</b>                      | <b>7,504.39</b>                      |
| <b>(b) Location:</b>                               |                                      |                                      |
| India  | 7,335.13                             | 7,477.16                             |
| Outside India                                      | 1,138.46                             | 27.23                                |
| <b>Total revenue from contracts with customers</b> | <b>8,473.60</b>                      | <b>7,504.39</b>                      |
| <b>(c) Timing of revenue recognition:</b>          |                                      |                                      |
| Goods transferred at a point in time               | 7,720.12                             | 6,811.93                             |
| Services provided at a point in time               | 753.48                               | 692.46                               |
|  | <b>8,473.60</b>                      | <b>7,504.00</b>                      |

## 20. Other income

| PARTICULARS                                     | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Interest income on deposits                     | 40.27                                | 42.58                                |
| Interest income on income tax refund            | -                                    | 10.15                                |
| Profit on sale of property, plant and equipment | 1.87                                 | 153.72                               |
| Interest on Loans & Advances                    | 23.81                                | 0.00                                 |
| Interest income on security deposit lease       | 0.90                                 | 0.69                                 |
| Insurance claim received                        | -                                    | 0.35                                 |
| Provision no longer required Write back         | 44.46                                | 0.00                                 |
| Profit on Investment in Financial Instruments   | 19.15                                | 37.31                                |
| Gaurantee Income                                | 1.11                                 | 1.11                                 |
| Net Gain on Investments at FVTPL (Ind AS 109)   | 20.64                                | -                                    |
| Miscellaneous Income                            | 0.34                                 | 3.48                                 |
| <b>TOTAL</b>                                    | <b>152.55</b>                        | <b>249.39</b>                        |

## 21. Cost of material consumed

| PARTICULARS                               | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Material purchased through subcontractors | 328.17                               | 257.88                               |
| Other materials:                          |                                      |                                      |
| Under carriage assemblies                 | 233.49                               | 310.16                               |
| Compressors and accessories               | 56.20                                | 70.81                                |
| Electrical components                     | 384.41                               | 333.57                               |
| Hydraulic components                      | 979.04                               | 715.60                               |
| Pipes and valves                          | 378.27                               | 916.30                               |
| Gear/chain assemblies                     | 525.92                               | 350.22                               |
| Others                                    | 2,118.61                             | 382.73                               |
| <b>TOTAL</b>                              | <b>5,004.11</b>                      | <b>3,337.27</b>                      |

## 22. Purchases of stock in trade

| PARTICULARS                      | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Consumption of spares            | 726.00                               | 792.05                               |
| Change In stock                  |                                      |                                      |
| Add: Closing stock               | 548.15                               | 397.44                               |
| Less: Opening stock              | (397.44)                             | (326.31)                             |
| <b>Purchases during the year</b> | <b>876.71</b>                        | <b>863.18</b>                        |

### 23. Changes in inventories of finished goods, stock - in - trade & work - in - progress

| PARTICULARS  | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| Inventories at the beginning of the year   |                                      |                                      |
| Work-in-process  | 857.58                               | 370.20                               |
| Stock-in-trade   | 397.44                               | 326.31                               |
|  | 1,255.02                             | 696.51                               |
| Less - Inventories at the end of the year  |                                      |                                      |
| Work-in-process  | 2,659.81                             | 857.58                               |
| Stock-in-trade   | 548.15                               | 397.44                               |
|  | 3,207.96                             | 1,255.02                             |
| <b>Changes in inventories of finished goods, stock - in - trade &amp; work - in - progress</b> | <b>(1,952.94)</b>                    | <b>(558.51)</b>                      |

### 24. Employee benefits expenses

| PARTICULARS                                       | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Salaries, wages, allowances & commission          | 983.97                               | 846.66                               |
| Contribution to gratuity, provident & other funds | 91.44                                | 88.36                                |
| Staff welfare expenses                            | 89.31                                | 80.31                                |
| <b>TOTAL</b>                                      | <b>1,164.72</b>                      | <b>1,015.33</b>                      |

### 25. Finance costs

| PARTICULARS             | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|-------------------------|--------------------------------------|--------------------------------------|
| Interest on             |                                      |                                      |
| a. Working capital loan | 191.60                               | 34.44                                |
| b. Statutory due delay  | 24.38                                | 9.89                                 |
| c. Others               | 4.96                                 | 7.87                                 |
| Other borrowing cost    | 29.89                                | 18.49                                |
| <b>TOTAL</b>            | <b>250.83</b>                        | <b>70.69</b>                         |

### 26. Depreciation and amortization expense

| PARTICULARS                             | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| i. Depreciation                         | 64.12                                | 50.55                                |
| ii. Amortisation                        | 9.31                                 | 7.54                                 |
| iii. Depreciation on Right of Use asset | 11.61                                | 7.04                                 |
| <b>TOTAL</b>                            | <b>85.04</b>                         | <b>65.13</b>                         |

### 27. Other expenses

| PARTICULARS   | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Travelling and conveyance                               | 316.66                               | 382.05                               |
| Selling commission                                      | 190.72                               | 149.63                               |
| Legal and professional                                  | 176.06                               | 108.69                               |
| Directors' Commission                                   | 113.23                               | 81.27                                |
| Freight, clearing and packing                           | 98.80                                | 70.46                                |
| Service charges   | 63.35                                | 66.91                                |
| Miscellaneous expenses                                  | 62.58                                | 38.80                                |
| Consumption of stores and spare parts                   | 58.55                                | 32.21                                |
| Repair and maintenance -Others                          | 57.67                                | 39.41                                |
| Bank charges  | 56.73                                | 48.92                                |
| Repair and maintenance -Buildings                       | 49.03                                | 6.00                                 |
| Impairment loss on financial assets - Trade Receivables | 45.22                                | -                                    |
| Product development expenses                            | 40.76                                | 13.31                                |
| Power and fuel consumption                              | 35.39                                | 36.55                                |
| Loss on foreign exchange fluctuation                    | 27.36                                | 12.10                                |
| Security Charges  | 26.85                                | 26.52                                |
| Telephone & Postage expenses                            | 20.62                                | 19.45                                |
| CSR expenditure ( Refer Note no.43)                     | 20.00                                | 18.00                                |
| Directors' sitting fees                                 | 19.80                                | 7.00                                 |
| Payment to auditor (Refer note 32)                      | 15.48                                | 10.40                                |
| Advertisement expenses                                  | 13.60                                | 12.53                                |
| Printing & Stationery expenses                          | 13.42                                | 13.42                                |
| Insurance   | 10.30                                | 4.54                                 |

| PARTICULARS                       | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Repair and maintenance -Machinery | 10.29                                | 3.56                                 |
| Rates and taxes                   | 7.59                                 | 11.34                                |
| Rent                              | 4.51                                 | 16.73                                |
| <b>TOTAL</b>                      | <b>1,554.54</b>                      | <b>1,229.79</b>                      |

## 28. Tax expense

| PARTICULARS  | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| <b>Current tax</b>   |                                      |                                      |
| Current year   | 555.68                               | 478.79                               |
|  | 555.68                               | 478.79                               |
| <b>Deferred tax</b>  |                                      |                                      |
| Deferred tax   | (79.34)                              | 32.08                                |
|  | (79.34)                              | 32.08                                |
| <b>TOTAL</b>   | <b>476.34</b>                        | <b>510.87</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   | (0.72)                               | 3.15                                 |
| Total income tax expense recognised in other comprehensive income  | (0.72)                               | 3.15                                 |
| <b>Total income tax expense recognised</b>   | <b>475.62</b>                        | <b>514.02</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   | 1,640.66                             | 1,741.71                             |
| Income tax expense calculated at 29.120% (including surcharge and education cess) (March 31, 2020: 29.120%)  | 477.76                               | 507.19                               |
| Effect of income chargeable at different rate of tax   | (0.07)                               | (0.27)                               |
| Additional deduction on research & development expenditure   | -                                    | (16.26)                              |
| Effect of temporary differences  | 61.19                                | (9.58)                               |
| Effect of expenses that are non-deductible in determining taxable profit                                     | (16.08)                              | (2.62)                               |
| Other adjustments  | 32.88                                | 0.33                                 |
| Effect due to charge in rate and deferred tax  | (79.34)                              | 32.08                                |
| <b>Total income tax expense recognised in Statement of profit and loss</b>                                   | <b>476.34</b>                        | <b>510.87</b>                        |

## 29. Other comprehensive income

| PARTICULARS   | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Item that will not be reclassified to profit or loss  |                                      |                                      |
| Actuarial gain / (loss) on defined benefit obligation | (2.48)                               | 10.81                                |
| <b>Total other comprehensive income</b>               | <b>(2.48)</b>                        | <b>10.81</b>                         |

### 30. Earning per Share

| PARTICULARS   | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| <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)            | 1,166.80                             | 1,220.03                             |
| EPS ( Basic & Diluted)  | 38.04                                | 39.78                                |

### 31. Contingent Liabilities (not provided for) in respect of:

| S.N. | PARTICULARS                 | 2020-21         | 2019-20         |
|------|-----------------------------|-----------------|-----------------|
| a)   | Performance Bank Guarantees | 1,718.90        | 1,543.85        |
|      | <b>TOTAL</b>                | <b>1,718.90</b> | <b>1,543.85</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.

#### 31.1 Financial Liability:

| PARTICULARS   | 2020-21         | 2019-20         |
|---|-----------------|-----------------|
| Semac Consultants Private Ltd - Corporate Guarantee | 1,500.00        | 1,500.00        |
| <b>TOTAL</b>  | <b>1,500.00</b> | <b>1,500.00</b> |

The 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.

### 32. Remuneration paid to auditors:

| PARTICULARS                    | 2020-21      | 2019-20      |
|--------------------------------|--------------|--------------|
| Statutory audit/Limited review | 9.30         | 7.65         |
| Certification                  | 3.30         | 0.80         |
| Reimbursement of expenses      | 2.88         | 2.25         |
| <b>TOTAL</b>                   | <b>15.48</b> | <b>10.70</b> |

### 33. 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   | 2020-21       | 2019-20      |
|-------|---|---------------|--------------|
| 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;   | 331.94        | 64.57        |
| 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);  | 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>345.94</b> | <b>64.57</b> |

### 34. CIF value of imports

| S.NO. | PARTICULARS                | 2020-21         | 2019-20       |
|-------|----------------------------|-----------------|---------------|
| a)    | Raw materials & Components | 1,633.81        | 274.29        |
| b)    | Spares                     | 412.72          | 164.88        |
|       | <b>TOTAL</b>               | <b>2,046.53</b> | <b>439.17</b> |

**35. Expenditure in foreign currency (accrual basis):**

| PARTICULARS                                    | 2020-21 | 2019-20 |
|--|---------|---------|
| Commission, consultancy, travelling and others | 32.50   | 45.68   |

**36. Earnings in foreign currency (accrual basis):**

| PARTICULARS                  | 2020-21 | 2019-20 |
|------------------------------|---------|---------|
| Export of goods at FOB value | 1,138   | 27.23   |

**37. 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, 2021 | 1,433                | 29%                    | 3,571                | 71%                    | 5,004                      |
|                                     | For the year ended March 31, 2020 | 1,261                | 41%                    | 1,818                | 59%                    | 3,079                      |
| Stores, Spares Parts and Components | For the year ended March 31, 2021 | -                    | 0%                     | 59                   | 100%                   | 59                         |
|                                     | For the year ended March 31, 2020 | -                    | 0%                     | 32                   | 100%                   | 32                         |

**38. 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, 2021 | FOR THE YEAR ENDED MARCH 31, 2020 |
|---------------|-----------------------------------|-----------------------------------|
| India         | 7,335.13                          | 7,477.16                          |
| Outside India | 1,138.46                          | 27.23                             |

**(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, 2021 | FOR THE YEAR ENDED MARCH 31, 2020 |
|---------------|-----------------------------------|-----------------------------------|
| India         | 2,208.37                          | 2,162.70                          |
| Outside India | -                                 | -                                 |

**(iii) Information about major customers:**

Revenue from 4 customers contributing more than 10% of company's revenue is Rs. 4,842 Lakhs.

**39. 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   | 2020-21                     |                     | 2019-20                     |                     |
|---|-----------------------------|---------------------|-----------------------------|---------------------|
|   | GRATUITY<br>(PARTLY FUNDED) | LEAVE<br>ENCASHMENT | GRATUITY<br>(PARTLY FUNDED) | LEAVE<br>ENCASHMENT |
| Current Service cost                                    | 13.5                        | 16.98               | 11.98                       | 4.18                |
| Net Interest cost                                       | 10.05                       | 2.78                | 1.22                        | 3.94                |
| Net actuarial (gain)/loss recognised during the period  | -                           | 5.76                | -                           | (11.44)             |
| Expenses Recognized in the Statement of Profit and Loss | 23.55                       | 25.52               | 13.20                       | (3.32)              |

### B. Balance Sheet

#### (i) Details of Plan assets/ (liabilities) for gratuity and leave encashment

| PARTICULARS                                   | 2020-21                     |                     | 2019-20                     |                     |
|---|-----------------------------|---------------------|-----------------------------|---------------------|
|   | GRATUITY<br>(PARTLY FUNDED) | LEAVE<br>ENCASHMENT | GRATUITY<br>(PARTLY FUNDED) | LEAVE<br>ENCASHMENT |
| Defined benefit obligation                    | 174.87                      | 106                 | 154.80                      | 72.90               |
| Fair value of plan assets                     | 158.73                      | -                   | 152.40                      | -                   |
| Net liability recognized in the Balance Sheet | 16.14                       | 106                 | 2.40                        | 72.90               |

#### (ii) Changes in the present value of the defined benefit obligation are as follows:

| PARTICULARS                            | 2020-21                     |                     | 2019-20                     |                     |
|--|-----------------------------|---------------------|-----------------------------|---------------------|
|  | GRATUITY<br>(PARTLY FUNDED) | LEAVE<br>ENCASHMENT | GRATUITY<br>(PARTLY FUNDED) | LEAVE<br>ENCASHMENT |
| Opening defined benefit obligation     | 154.80                      | 42.87               | 166.57                      | 53.87               |
| Interest cost                          | 10.05                       | 2.78                | 12.19                       | 3.94                |
| Current service cost                   | 13.50                       | 16.98               | 11.98                       | 4.18                |
| Benefit paid                           | (5.43)                      | (7.87)              | (23.68)                     | (7.68)              |
| Actuarial (gains)/losses on obligation | 1.95                        | 5.76                | (12.26)                     | (11.44)             |
| Closing defined benefit obligation     | 174.87                      | 60.52               | 154.80                      | 42.87               |

#### (iii) Changes in the fair value of plan assets (gratuity) are as follows:

| PARTICULARS                              | 2020-21                     |                     | 2019-20                     |                     |
|--|-----------------------------|---------------------|-----------------------------|---------------------|
|  | GRATUITY<br>(PARTLY FUNDED) | LEAVE<br>ENCASHMENT | GRATUITY<br>(PARTLY FUNDED) | LEAVE<br>ENCASHMENT |
| Opening fair value of plan assets        |                             | 152.41              |                             | 149.89              |
| Expected return on Plan Assets           |                             | 9.90                |                             | 10.96               |
| Contribution during the year             |                             | 2.38                |                             | 16.68               |
| Benefit paid                             |                             | (5.42)              |                             | (23.68)             |
| Actuarial gains / (losses) on plan asset |                             | (0.53)              |                             | (1.44)              |
| Closing fair value of plan assets        |                             | 158.74              |                             | 152.41              |

(iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

| PARTICULARS   | 2020-21<br>%             | 2019-20<br>%             |
|---|--------------------------|--------------------------|
| Discount rate (%)                                     | 6.35%                    | 6.50%                    |
| Expected salary increase (%)                          | 5.00%                    | 5.00%                    |
| Average Age (years)                                   | 36.59                    | 37.02                    |
| Average past service (years)                          | 7.69                     | 8.16                     |
| Demographic Assumptions                               |                          |                          |
| 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    | 2020-21 | 2019-20 |
|----------------|---------|---------|
| Provident fund | 56.45   | 50.64   |

(vi) Sensitivity analysis of the defined benefit obligation:

| PARTICULARS  | 2020-21                     |                     | 2019-20                     |                     |
|--|-----------------------------|---------------------|-----------------------------|---------------------|
|  | GRATUITY<br>(PARTLY FUNDED) | LEAVE<br>ENCASHMENT | GRATUITY<br>(PARTLY FUNDED) | LEAVE<br>ENCASHMENT |
| Impact of the change in discount rate                  |                             |                     |                             |                     |
| Present value of obligation at the end of the year     |                             |                     |                             |                     |
| Impact due to increase of 0.50%                        | 169.60                      | 58.72               | 150.02                      | 41.61               |
| Impact due to decrease of 0.50%                        | (180.44)                    | (62.42)             | (159.84)                    | (44.19)             |
| Current Service cost for the year ended March 31, 2021 |                             |                     |                             |                     |
| Impact due to increase of 0.50%                        | 12.99                       | 16.42               | 11.59                       | 4.07                |
| Impact due to decrease of 0.50%                        | (14.03)                     | 17.58               | (12.40)                     | (4.31)              |
| Impact of the change in salary increase                |                             |                     |                             |                     |
| Present value of obligation at the end of the year     |                             |                     |                             |                     |
| Impact due to increase of 0.50%                        | 180.49                      | 62.43               | 159.89                      | 44.21               |
| Impact due to decrease of 0.50%                        | (169.51)                    | (58.69)             | (149.93)                    | (41.59)             |
| Current Service cost for the year ended March 31, 2021 |                             |                     |                             |                     |
| Impact due to increase of 0.50%                        | 14.04                       | 17.59               | 12.41                       | 4.31                |
| Impact due to decrease of 0.50%                        | (12.98)                     | (16.40)             | (11.58)                     | (4.07)              |

(vii) Other comprehensive income (OCI):

| PARTICULARS   | 2020-21                     | 2019-20                     |
|---|-----------------------------|-----------------------------|
|   | GRATUITY<br>(PARTLY FUNDED) | GRATUITY<br>(PARTLY FUNDED) |
| Actuarial (gain)/loss for the year on PBO                 | 1.95                        | (12.26)                     |
| Actuarial (gain)/loss for the year on plan asset          | 0.53                        | 1.44                        |
| Unrecognized actuarial (gain)/loss at the end of the year | -                           | -                           |
| Total actuarial (gain)/loss at the end of the year        | 2.48                        | (10.82)                     |



#### 40. Related party transaction

a) List of related parties

- i. Holding company  
Renaissance Advanced Consultancy Ltd
- ii. Subsidiaries of the Company  

|                                   |                      |
|-----------------------------------|----------------------|
| <b>Name</b>                       | <b>Status</b>        |
| Semac Consultants Private Limited | Subsidiary company   |
| Semac & Partners LLC              | 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  
Associate company (w.e.f 31.03.2020)
- v. Key Management Personnel of the Company  

|                      |                                |
|----------------------|--------------------------------|
| <b>Name</b>          | <b>Status</b>                  |
| Mr. Abhishek Dalmia  | Chairman and Managing Director |
| Ms. Deepali Dalmia   | Director                       |
| Mr. Harivansh Dalmia | Director (w.e.f 01.04.2020)    |
| Mr.B.V.Ramanan       | Independent Director           |
| Mr.Kishore Sidwani   | Independent Director           |
| Mr.V.V.Subramanian   | Independent Director           |
| Mr. R. Sudhir        | Chief Financial Officer        |
| Mr. K. Maheswaran    | Company Secretary              |
- 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-21                    | 31-MAR-20 |
| Subsidiary Company  | Semac Consultants Private Limited         | Investments                  | 411.06                       | 132.30    |
|   |   | Corporate Guarantee          | -                            | 1,500.00  |
|   |   | Loan given to SCPL           | 580.00                       | -         |
|   |   | Loan repaid by SCPL          | 135.00                       | -         |
| Associate Company   | Semac Construction Technologies India LLP | Investments                  | -                            | 2,520.00  |
| 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                         | -         |
| Key Managerial Personnel  | Mr. Abhishek Dalmia                       | Short term employee benefits | 144.14                       | 64.14     |
|   |   | Post employment benefits     | 16.11                        | 16.11     |
|   | Ms. Deepali Dalmia                        | Short term employee benefits | 9.00                         | 2.00      |
|   |   | Mr.B.V.Ramanan               | Short term employee benefits | 4.20      |
|   | Mr.Kishore Sidwani                        | Short term employee benefits | 7.45                         | 2.00      |
|   | Mr.V.V.Subramanian                        | Short term employee benefits | 8.15                         | 1.00      |
|   | Mr. Harivansh Dalmia                      | Short term employee benefits | 3.50                         | -         |
|   |   | Mr. R. Sudhir - CFO          | Short term employee benefits | 31.09     |
|   |   | Post employment benefits     | 1.96                         | 1.47      |
|   | Mr. K. Maheswaran - CS                    | Short term employee benefits | 8.60                         | 7.82      |
| Post employment benefits  |   | 0.69                         | 0.66                         |           |

c) Balances Outstanding at year end:

| NATURE OF RELATIONSHIP | NAME OF RELATED PARTY             | NATURE OF TRANSACTION   | FOR THE YEAR ENDED |           |
|------------------------|-----------------------------------|---|--------------------|-----------|
|                        |                                   |   | 31-MAR-21          | 31-MAR-20 |
| Subsidiary Company     | Semac Consultants Private Limited | Corporate guarantee for obtaining Non Fund Based credit facility from Lakshmi Vilas Bank Ltd. | 1,500              | -         |
|                        |                                   | Loan Outstanding  | 445                | -         |
|                        |                                   | Interest receivable   | 2                  | -         |

#### 41. Disclosures as required by Indian Accounting Standard (Ind AS) 37:- Provisions, Contingent liabilities and Contingent assets :

| PARTICULARS        | OPENING BALANCE | ADDITIONS | UTILISATION | CLOSING BALANCE |
|--------------------|-----------------|-----------|-------------|-----------------|
| Warranty Provision | 28.51           | 204.18    | 59.39       | 173.30          |

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.

#### 42. Research & Development Expenditure

| PARTICULARS                   | 2020-21 | 2019-20 |
|-------------------------------|---------|---------|
| Salary & Wages                | 91.73   | 84.05   |
| Consumables Stores            | 0.00    | 0.00    |
| Power                         | -       | 1.07    |
| Repair & Maintenance          | 22.33   | 4.63    |
| Sponsorship to Meeting        |         | 0.58    |
| Travel & Conveyance           | 5.60    | 9.08    |
| Legal & Professional Expenses | 37.62   | 1.78    |
| Stationery Expenses           | 2.22    | 1.50    |
| Postage & Telephone Expenses  | 3.76    | 0.38    |
| Books and Periodicals         | 0.32    | 0.30    |
| Product Development Expenses  | 4.65    | 3.55    |
|                               | 168.23  | 106.92  |

#### 43. Expenditure incurred on Corporate Social Responsibilities

Gross amount required to be spent by the Company during the year is ₹ 20 lakhs

| PARTICULARS                              | PAID IN CASH | YET TO BE PAID IN CASH | TOTAL |
|--|--------------|------------------------|-------|
| Construction / Acquisition of any assets | -            | -                      | -     |
| Purposes other than above                | 20           | -                      | 20    |
| TOTAL                                    | 20           | -                      | 20    |

Payment has been made to M/s Round Table India Trust and International Foundation for Research and Education

#### 44. Disclosure required by SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015

There is no reportable amount of Loans and Advances (excluding advance towards equity) in the nature of loans given to Subsidiaries, Associates and Joint Ventures as per Regulation 53 of LODR.

#### 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. Events occurring After the Balance Sheet date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements

#### 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, 2021 | -                    | -                       | -               |
| As at March 31, 2020 | -                    | -                       | -               |

Sensitivity analysis - Since the company 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 |
| Unhedged foreign currency exposures   |                  |            |                |            |
| Foreign Exposure as at March 31, 2021 |                  |            |                |            |
| US Dollars                            | -                | -          | 15,30,884      | 1,125.20   |
| Euro                                  | -                | -          | 15,145         | 13.03      |
| Foreign Exposure as at March 31, 2020 |                  |            |                |            |
| US Dollars                            | 515.03           | 38.99      | 1,880.42       | 142.37     |
| Euro                                  | -                | -          | -              | -          |

##### 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, 2021 | FOR THE YEAR ENDED MARCH 31, 2020 |
|---------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| USD Sensitivity                       | + 50 basis points                   | (0.00)                            | (0.00)                            |
|                                       | - 50 basis points                   | 0.00                              | 0.00                              |
| Euro Sensitivity                      | + 50 basis points                   | (0.00)                            | -                                 |
|                                       | - 50 basis points                   | 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, 2021 |                    | AS AT MARCH 31, 2020 |                    |
|----------------------------------|----------------------|--------------------|----------------------|--------------------|
|                                  | UPTO 6 MONTHS        | MORE THAN 6 MONTHS | UPTO 6 MONTHS        | MORE THAN 6 MONTHS |
| Gross carrying amount (A)        | 4,051.25             | 444.89             | 2,701.54             | 628.24             |
| Expected credit losses (B)       | -                    | (123.26)           | -                    | (78.04)            |
| <b>Net Carrying Amount (A-B)</b> | <b>4,051.25</b>      | <b>321.63</b>      | <b>2,701.54</b>      | <b>550.20</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, 2021 and March 31, 2020 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, 2021 are as follows

| PARTICULARS                  | LESS THAN 3 MONTHS | 3MONTHS TO 1 YEAR | MORE THAN 1 YEAR | TOTAL    |
|------------------------------|--------------------|-------------------|------------------|----------|
| Trade Payables               | 2,628.45           | 402.68            | 183.45           | 3,214.58 |
| Other Financials Liabilities | 424.67             | -                 | 7.14             | 431.82   |

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 are as follows

| PARTICULARS                  | LESS THAN 3 MONTHS | 3MONTHS TO 1 YEAR | MORE THAN 1 YEAR | TOTAL    |
|------------------------------|--------------------|-------------------|------------------|----------|
| Trade Payables               | 1,098.54           | 420.03            | -                | 1,518.57 |
| Other Financials Liabilities | 380.11             | -                 | 11.61            | 391.72   |

#### 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, 2021 |              | AS AT MARCH 31, 2020 |              |
|--------|--|----------------------|----------------------|--------------|----------------------|--------------|
|        |  |                      | CARRYING AMOUNT      | FAIR VALUE   | CARRYING AMOUNT      | FAIR VALUE   |
| 1      | <b>Financial asset at FVTPL</b><br><b>Current</b><br>Investments in Mutual Funds | Level 1              | 721                  | 721          | 40                   | 40           |
| 2      | <b>Financial assets designated at amortised cost</b><br><b>Non current</b>       |                      |                      |              |                      |              |
| a)     | Loans  | Level 3              | 99                   | 99           | 79                   | 79           |
| b)     | Others financial asset   | Level 3              | -                    | -            | -                    | -            |
|        | <b>Current</b>   |                      |                      |              |                      |              |
| a)     | Trade receivables*   | Level 3              | 4,373                | 4,373        | 3,252                | 3,252        |
| b)     | Cash and cash equivalents  | Level 3              | 27                   | 27           | 33                   | 33           |
| c)     | Bank balances  | Level 3              | 217                  | 217          | 772                  | 772          |
| d)     | Loans  | Level 3              | 973                  | 973          | 32                   | 32           |
| e)     | Others Financial Asset   | Level 3              | 80                   | 80           | 100                  | 100          |
| 3      | <b>Investment in subsidiary companies and associate (At cost)</b>                | Level 3              | 11,840               | -            | 11,428               | -            |
|        | <b>TOTAL</b>   |                      | <b>17,609</b>        | <b>5,769</b> | <b>15,697</b>        | <b>4,268</b> |

##### Financial liabilities

| SL. NO | PARTICULARS   | FAIR VALUE HIERARCHY | AS AT MARCH 31, 2021 |              | AS AT MARCH 31, 2020 |              |
|--------|---|----------------------|----------------------|--------------|----------------------|--------------|
|        |   |                      | CARRYING AMOUNT      | FAIR VALUE   | CARRYING AMOUNT      | FAIR VALUE   |
| 1      | <b>Financial liability designated at amortised cost</b><br><b>NON CURRENT</b> |                      |                      |              |                      |              |
| a)     | Lease Liability   | Level 3              | 7                    | 7            | 12                   | 12           |
|        | <b>CURRENT</b>  |                      |                      |              |                      |              |
| a)     | Borrowings  | Level 3              | 3,310                | 3,310        | 1,663                | 1,663        |
| b)     | Lease Liability   | Level 3              | 8                    | 8            | 7                    | 7            |
| c)     | Trade payables*   | Level 3              | 3,215                | 3,215        | 1,519                | 1,519        |
| d)     | Other financial liabilities   | Level 3              | 416                  | 416          | 380                  | 380          |
|        | <b>TOTAL</b>  |                      | <b>6,957</b>         | <b>6,957</b> | <b>3,580</b>         | <b>3,580</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<br>MARCH 31, 2021 | AS AT<br>MARCH 31, 2020 |
|--|-------------------------|-------------------------|
| Debt (i) [Also refer note 15.1]                            | 3,310                   | 1,663                   |
| Cash & bank balances [Also refer note 10.3 & 10.4]         | 244                     | 805                     |
| Net Debt   | 3,066                   | 858                     |
| Total Equity   | 18,269                  | 17,104                  |
| Net debt to equity ratio (Gearing Ratio)                   | 0.17                    | 0.05                    |
| (i) Debt is defined as long-term and short-term borrowings |                         |                         |

50. The audited GST return for the year ended March 31, 2021 is pending for the filing as due date for filing December 31, 2021. 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. Recent Accounting Pronouncements

On March 24, 2021, the MCA through a notification, amended Schedule III of the Companies Act, 2013. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are as under and these amendments are applicable from April 1, 2021.

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.
- Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.
- Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio is excess of 25% compared to preceding year.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

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: JUNE 18, 2021

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

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

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**K. MAHESWARAN**  
Company Secretary

To the Members of REVATHI EQUIPMENT LIMITED

## Report on 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, 2021, and the Consolidated Statement of Profit and Loss (including other comprehensive loss), 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, 2021, 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.

### Emphasis of Matter

We draw attention to the note no. 55 to the consolidated financial statements which describes the management's assessment of the impact of uncertainties arising because of COVID-19 Pandemic and its consequential effects on the Group.

Our opinion is not modified in respect of this matter.

### 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 is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated 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. And Director's Report including its annexures which is one of component of the Annual Report, which we obtained prior to 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 Annual Report other than Directors' Report including its annexures, 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 scepticism 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 Matters

- a. We did not audit the financial statements and other financial information, in respect of one subsidiary (incorporated outside India) whose financial statements/ financial information include total assets of Rs. 1667.97 lakhs as at March 31, 2021, total revenue of Rs. 2307.16 lakhs and net cash outflow amounting to Rs. 157.59 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 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.
- b. We did not audit the financial statements and other financial information, in respect of one branch (situated outside India) of the subsidiary company whose financial statements/financial information include total assets of Rs. Nil as at March 31, 2021, total revenue of 94.33 lakhs and net cash outflow amounting to Rs. 5.24 lakhs for the year ended on that date. 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 branch, 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 branch is based solely on the report of the branch auditor

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

#### Report on Other Legal and Regulatory Requirements

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, 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-A";
- 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, 2021, 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, 2021, 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 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.

For S. S. KOTHARI MEHTA & COMPANY  
Chartered Accountants  
FRN - 000756N  
**NEERAJ BANSAL**  
Partner  
Membership No. 095960  
UDIN : 21095960AAAAFN3795

Place: New Delhi  
Date: 18.06.2021

## **"ANNEXURE – A" 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, 2021 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 company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over

financial reporting 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 (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, 2021 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".

Place: New Delhi

Date: 18.06.2021

For S. S. KOTHARI MEHTA & COMPANY

Chartered Accountants

FRN - 000756N

**NEERAJ BANSAL**

Partner

Membership No. 095960

UDIN : 21095960AAAAFN3795



**C**ONSOLIDATED  
FINANCIAL  
STATEMENT



# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

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

| PARTICULARS   | NOTE NO | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|---|---------|----------------------|----------------------|
| <b>A. ASSETS</b>  |         |                      |                      |
| <b>1. Non current assets</b>                            |         |                      |                      |
| (a) Property, plant and equipment                       | 3       | 648.93               | 662.05               |
| (b) Right of use asset                                  | 3.1     | 129.31               | 196.71               |
| (c) Investment property                                 | 4       | 1,662.65             | 1,662.65             |
| (d) Other Intangible assets                             | 3       | 63.65                | 32.10                |
| (e) Goodwill  |         | 4,486.25             | 4,486.25             |
| <b>(f) Financial assets</b>                             |         |                      |                      |
| (i) Investments   | 5.1     | 2,594.80             | 2,523.48             |
| (ii) Loans  | 5.2     | 309.73               | 78.98                |
| (iii) Others financial asset                            | 5.3     | -                    | 62.62                |
| (g) Non current tax asset                               | 6       | 60.84                | 424.06               |
| (h) Deferred tax assets (net)                           | 17      | 1,467.53             | 1,422.90             |
| (i) Other non - current assets                          | 7       | -                    | 16.26                |
|   |         | <b>11,423.69</b>     | <b>11,568.06</b>     |
| <b>2. Current assets</b>                                |         |                      |                      |
| (a) Inventories   | 8       | 4,597.05             | 2,277.18             |
| <b>(b) Financial assets</b>                             |         |                      |                      |
| (i) Investments   | 9       | 925.83               | 345.33               |
| (ii) Trade receivables                                  | 9.1     | 7,186.60             | 6,557.56             |
| (iii) Cash and cash equivalents                         | 9.2     | 824.47               | 1,269.10             |
| (iv) Bank balances                                      | 9.3     | 1,213.16             | 1,630.22             |
| (v) Loans   | 9.4     | 2,243.42             | 1,138.72             |
| (vi) Others financial asset                             | 9.5     | 551.03               | 371.99               |
| Current tax asset (net)                                 | 10      | 181.73               | 343.01               |
| Other current assets                                    | 11      | 1,888.29             | 817.88               |
|   |         | <b>19,611.57</b>     | <b>14,750.99</b>     |
|   |         | <b>31,035.27</b>     | <b>26,319.05</b>     |
| <b>TOTAL ASSETS</b>                                     |         |                      |                      |
| <b>B. EQUITY AND LIABILITIES</b>                        |         |                      |                      |
| <b>Equity</b>   |         |                      |                      |
| (a) Equity share capital                                | 12      | 306.69               | 306.69               |
| (b) Other equity  | 13      | 17,983.43            | 17,204.13            |
|   |         | <b>18,290.12</b>     | <b>17,510.82</b>     |
| <b>Non controlling interest</b>                         |         |                      |                      |
|   | 14      | 921.07               | 2,133.38             |
| <b>1. Non - current liabilities</b>                     |         |                      |                      |
| Financial liabilities                                   |         |                      |                      |
| Other financial liability                               | 15      | 293.87               | 486.33               |
| Lease Liability   | 3.1     | 43.01                | 185.34               |
| Provisions  | 16      | 350.69               | 383.91               |
|   |         | <b>687.57</b>        | <b>1,055.58</b>      |
| <b>2. Current liabilities</b>                           |         |                      |                      |
| (a) Financial liabilities                               |         |                      |                      |
| (i) Borrowings  | 18.1    | 3,353.70             | 1,663.45             |
| (ii) Trade payables:                                    |         |                      |                      |
| - Due to Micro, Small and Medium Enterprises            | 18.2    | 406.97               | 139.22               |
| - Due to other than Micro, Small and Medium Enterprises | 18.2    | 3,662.14             | 1,873.38             |
| (iii) Other financial liabilities                       | 18.3    | 1,215.07             | 625.65               |
| (iv) Lease liabilities                                  | 3.1     | 83.01                | 6.52                 |
| (b) Other current liabilities                           | 19      | 1,544.53             | 871.30               |
| (c) Provisions  | 20      | 362.92               | 194.14               |
| (d) Current tax liabilities (net)                       | 21      | 508.17               | 245.61               |
|   |         | <b>11,136.52</b>     | <b>5,619.27</b>      |
|   |         | <b>31,035.27</b>     | <b>26,319.05</b>     |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>                   |         |                      |                      |
| Significant Accounting Policies                         |         |                      |                      |
|   | 1 & 2   |                      |                      |

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

As per our report of even date  
For and on behalf of  
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

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

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**K. MAHESWARAN**  
Company Secretary

PLACE: NEW DELHI  
DATE: JUNE 18, 2021

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

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

| PARTICULARS   | NOTE NO | YEAR ENDED MARCH 31, 2021 | YEAR ENDED MARCH 31, 2020 |
|---|---------|---------------------------|---------------------------|
| <b>INCOME</b>   |         |                           |                           |
| Revenue from operations   | 22      | 13,223.52                 | 15,891.16                 |
| Other income  | 23      | 575.29                    | 631.05                    |
| <b>Total income</b>   |         | <b>13,798.81</b>          | <b>16,522.21</b>          |
| <b>EXPENSES</b>   |         |                           |                           |
| Cost of materials consumed  | 24      | 5,901.35                  | 5,704.10                  |
| Purchases of stock in trade   | 25      | 876.71                    | 863.18                    |
| Changes in inventories of finished goods, stock - in - trade and work - in - progress | 26      | (1,952.94)                | (558.51)                  |
| Employee benefits expenses  | 27      | 4,188.79                  | 4,603.53                  |
| Finance costs   | 28      | 287.31                    | 99.63                     |
| Depreciation and amortization expenses  | 29      | 234.37                    | 241.22                    |
| Other expenses  | 30      | 3,625.66                  | 3,423.36                  |
| <b>Total expenses</b>   |         | <b>13,161.25</b>          | <b>14,376.52</b>          |
| Profit/(Loss) before exceptional items and tax  |         | 637.56                    | 2,145.70                  |
| Exceptional items   |         | -                         | -                         |
| <b>Profit/(Loss) before Tax and Share of Profit/(Loss) of Associates</b>              |         | <b>637.56</b>             | <b>2,145.70</b>           |
| Share of Profit/(Loss) of Associates  |         | 74.80                     | -                         |
| <b>Profit/(Loss) before Tax</b>   |         | <b>712.36</b>             | <b>2,146</b>              |
| <b>Tax expense</b>  | 31      |                           |                           |
| Current tax   |         | 588.98                    | 513.25                    |
| Deferred tax  |         | (147.39)                  | 13.72                     |
| Tax for earlier years   |         | 9.97                      | 7.28                      |
| <b>Total tax expense</b>  |         | <b>451.56</b>             | <b>534.25</b>             |
| <b>Profit/(Loss) for the year</b>   |         | <b>260.80</b>             | <b>1,611.45</b>           |
| Other comprehensive income  |         |                           |                           |
| A (i) Items that will be reclassified to profit or loss                               | 31      | (11.89)                   | 71.26                     |
| (ii) Income tax relating to items that will be reclassified to profit or loss         | 32      | 20.15                     | (14.76)                   |
| B (i) Items that will not be reclassified to profit or loss                           |         | (30.24)                   | 20.93                     |
| (ii) Income tax relating to items that will not be reclassified to profit or loss     |         | -                         | -                         |
|   |         | <b>(21.98)</b>            | <b>77.43</b>              |
| <b>Profit attributable to</b>   |         |                           |                           |
| Equity shareholders   |         | 521.68                    | 1,500.53                  |
| Non Controlling interest  |         | (260.89)                  | 110.92                    |
| <b>Total comprehensive income for the period</b>                                      |         |                           |                           |
| Equity shareholders   |         | 512.82                    | 1,548.83                  |
| Non Controlling interest  |         | (274.00)                  | 140.04                    |
|   |         | <b>238.82</b>             | <b>1,688.87</b>           |
| Earnings per equity share (basic & diluted)   | 33      | 8.50                      | 52.54                     |
| Significant Accounting Policies   | 1 & 2   |                           |                           |

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

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

**NEERAJ BANSAL**  
Partner  
Membership No: 095960  
PLACE: NEW DELHI  
DATE: JUNE 18, 2021

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

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

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**K. MAHESWARAN**  
Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

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

| PARTICULARS   | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| <b>A. Cash flow from operating activities</b>                 |                                      |                                      |
| <b>Net profit before tax</b>                                  | <b>637.56</b>                        | <b>2,145.69</b>                      |
| Adjustments:  |                                      |                                      |
| Depreciation / amortization                                   | 234.37                               | 241.22                               |
| Profit of Redemption of Mutual Fund                           | (19.15)                              | (0.35)                               |
| Impairment loss on financial assets - Trade Receivables       | 406.09                               | 22.20                                |
| Sundry Balance Written off                                    | 359.79                               | 301.13                               |
| Bad debts/ advances written off                               | 192.97                               | 75.10                                |
| Liabilities & provision written back                          | 209.56                               | 64.80                                |
| Finance cost  | (26.07)                              | (51.68)                              |
| Interest Income   | (272.61)                             | (134.99)                             |
| Foreign currency fluctuation                                  | 31.50                                | 26.45                                |
| Profit on sale of investment                                  | (11.15)                              | (0.75)                               |
| Loss on sale of Investment                                    | -                                    | 2.49                                 |
| (Profit)/ Loss on sale of fixed assets and assets written off | 5.13                                 | (162.46)                             |
| <b>Operating profit before working capital changes</b>        | <b>1,748.01</b>                      | <b>2,528.84</b>                      |
| <b>Adjustments for working capital changes :</b>              |                                      |                                      |
| Inventories   | (2,319.87)                           | (961.00)                             |
| Trade and other payables                                      | 3,346.95                             | (1,140.82)                           |
| Trade and other receivables                                   | (3,677.92)                           | 537.72                               |
| <b>Cash generated from operations</b>                         | <b>(902.83)</b>                      | <b>964.74</b>                        |
| Direct taxes (paid)/refund                                    | 281.78                               | 357.58                               |
| <b>Net cash from operating activities</b>                     | <b>(621.05)</b>                      | <b>1,322.32</b>                      |
| <b>B. Cash Flow from Investing Activities</b>                 |                                      |                                      |
| Purchase of fixed assets                                      | (177.00)                             | (257.76)                             |
| Proceeds from sale of fixed assets                            | 2.29                                 | 695.96                               |
| Proceeds from maturity of fixed deposits                      | 417.07                               | (682.21)                             |
| (Purchase)/ sale of non current investments                   | (411.06)                             | (2,957.52)                           |
| (Purchase)/ sale of current investments                       | (550.45)                             | -                                    |
| Loans and Advances  | (500.00)                             | -                                    |
| Interest received   | 298.87                               | 263.66                               |
| Profit of Redemption of Mutual Fund                           | 19.15                                | -                                    |
| <b>Net cash used in investing activities</b>                  | <b>(901.14)</b>                      | <b>(2,937.87)</b>                    |
| <b>C. Cash flow from financing activities</b>                 |                                      |                                      |
| Proceeds from short term borrowings                           | 1,685.55                             | 1,663.45                             |
| Repayment of principal on lease liability                     | (92.39)                              | (418.15)                             |
| Repayment of long term borrowings                             | (0.24)                               | (14.99)                              |
| Finance cost  | (258.05)                             | (99.63)                              |
| Dividend Paid   | (257.32)                             | -                                    |
| <b>Net cash from / ( used in) financing activities</b>        | <b>1,077.55</b>                      | <b>1,130.68</b>                      |
| <b>Net increase in cash and cash equivalents ( A+B+C)</b>     | <b>(444.63)</b>                      | <b>(484.87)</b>                      |
| <b>Cash and cash equivalents ( Opening Balance)</b>           | <b>1,269.10</b>                      | <b>1,754.09</b>                      |
| <b>Cash and cash equivalents ( Closing Balance)*</b>          | <b>824.47</b>                        | <b>1,269.22</b>                      |
| <b>Change in cash &amp; cash equivalents</b>                  | <b>(444.63)</b>                      | <b>(484.87)</b>                      |
| Components of cash & cash equivalents                         |                                      |                                      |
| Balances with banks   |                                      |                                      |
| - in Current accounts   | 580.69                               | 1,021.09                             |
| - Deposits with original maturity of less than 3 months       | 233.69                               | 236.90                               |
| Cash on hand  | 10.10                                | 11.11                                |
|   | <b>824.47</b>                        | <b>1,269.10</b>                      |



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

| 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                         | 1,685.55   | -        | 3,349.00                         |
| Interest Accrued on Borrowings        | -                                | 2.44       |          | 2.44                             |
| Current maturities of Long term Debts | -                                | -          | -        | -                                |
| Lease Liability                       | 191.85                           | (101.08)   | 35.24    | 126.02                           |

| 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   | -        | 1,663.45                         |
| Current maturities of Long term Debts | 11.70                            | (11.70)    | -        | -                                |
| Lease Liability                       | 253.36                           | (85.64)    | 24.14    | 191.85                           |

**Note:**

- i. Cash & cash equivalents components are as per Note 9.2
- ii. The 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: JUNE 18, 2021

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

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**K. MAHESWARAN**  
Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

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

## A. Equity share capital

| PARTICULARS          | AS AT MARCH 31, 2019 | CHANGES DURING THE YEAR | AS AT MARCH 31, 2020 | CHANGES DURING THE YEAR | AS AT MARCH 31, 2021 |
|----------------------|----------------------|-------------------------|----------------------|-------------------------|----------------------|
| Equity share capital | 306.69               | -                       | 306.69               | -                       | 306.69               |

Also refer Note 13

## B. Other equity

| PARTICULARS               | RESERVES AND SURPLUS       |                 |                                  |                           |                 |                   | OTHER COMPREHENSIVE INCOME |                                       |                                      |                         | TOTAL     | NON CONTROLLING INTEREST |
|---------------------------|----------------------------|-----------------|----------------------------------|---------------------------|-----------------|-------------------|----------------------------|---------------------------------------|--------------------------------------|-------------------------|-----------|--------------------------|
|                           | CAPITAL REDEMPTION RESERVE | CAPITAL RESERVE | CONSOLIDATION ADJUSTMENT RESERVE | LEGAL / STATUTORY RESERVE | GENERAL RESERVE | RETAINED EARNINGS | EQUITY IN SUBSIDIARY       | SHARE OF PROFIT / (LOSS) OF ASSOCIATE | FOREIGN CURRENCY TRANSLATION RESERVE | ACTUARIAL GAIN / (LOSS) |           |                          |
| As at March 31, 2019      | 31.11                      | 1.49            | 165.61                           | 69.26                     | 5,513.24        | 9,788.98          | -                          | -                                     | 153.99                               | 71.14                   | 15,794.82 | 1,991.72                 |
| Additions during the year | (31.11)                    | -               | -                                | -                         | 31.11           | 1,548.83          | (5.54)                     | -                                     | 2.46                                 | 48.83                   | 1,594.58  | 140.04                   |
| As at March 31, 2020      | -                          | 1.49            | 165.61                           | 69.26                     | 5,544.35        | 11,337.81         | (5.54)                     | -                                     | 156.45                               | 119.97                  | 17,389.40 | 2,131.76                 |
| Additions during the year | -                          | -               | -                                | -                         | -               | 528.15            | -                          | 74.80                                 | (17.46)                              | 8.54                    | 594.03    | (1,210.69)               |
| As at March 31, 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                   |

Also refer Note 14

### Nature of reserves

- During the previous year, the company has transferred the Capital Redemption Reserve amounting to Rs. 31.11 lakhs to General Reserve
- 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

**NEERAJ BANSAL**  
Partner  
Membership No: 095960

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

**ABHISHEK DALMIA DEEPALI DALMIA SUDHIR. R. K. MAHESWARAN**  
Executive Chairman Director Chief Financial Company Secretary  
DIN: 00011958 DIN: 00017415 Officer

PLACE: NEW DELHI  
DATE: JUNE 18, 2021

## 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 June 18, 2021.

### 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

These financial statements have been prepared complying in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rule, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended from time to time. The financial statements comply with IND AS notified by Ministry of Corporate Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation of financial statements of all the periods presented.

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
- 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 (Cash Generating Unit) 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 |         |
|--|--------------------------|----------------|---------|
|  |                          | 2020-21        | 2019-20 |
| Semac Consultants Pvt Ltd including subsidiaries | India                    | 95.44%         | 79.23%  |
| Semac & Partners LLC                             | Muscat                   | 65%            | 65%     |

- ii. The company has acquired 50% share during the 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 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 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 and intangible assets

| PARTICULARS                 | Tangible asset |              |               |             |              |              |               |              |               |               | Intangible asset  |                 | Total asset   |               |                 |  |  |
|-----------------------------|----------------|--------------|---------------|-------------|--------------|--------------|---------------|--------------|---------------|---------------|-------------------|-----------------|---------------|---------------|-----------------|--|--|
|                             |                |              |               |             |              |              |               |              |               |               | Computer software | Total           |               |               |                 |  |  |
| <b>Gross Block</b>          |                |              |               |             |              |              |               |              |               |               |                   |                 |               |               |                 |  |  |
| As at March 31, 2019        | 38.37          | 96.63        | 267.30        | 5.06        | 18.00        | 31.33        | 471.85        | 12.58        | 274.40        | 293.11        | 561.84            | 2,296.43        | 649.80        | 649.80        | 2,946.23        |  |  |
| Addition                    | 7.46           | (0.13)       | 15.95         | -           | -            | 33.10        | 6.85          | -            | 28.24         | 16.02         | 115.83            | 223.45          | 19.34         | 19.34         | 242.79          |  |  |
| Disposals / Adjustments     | -              | 96.50        | (37.94)       | -           | -            | -            | -             | -            | (0.18)        | (0.25)        | (102.17)          | (140.67)        | -             | -             | (140.67)        |  |  |
| <b>As at March 31, 2020</b> | <b>45.83</b>   | <b>96.50</b> | <b>245.31</b> | <b>5.06</b> | <b>18.00</b> | <b>64.43</b> | <b>478.70</b> | <b>12.58</b> | <b>302.46</b> | <b>308.88</b> | <b>575.50</b>     | <b>2,379.21</b> | <b>669.14</b> | <b>669.14</b> | <b>3,048.35</b> |  |  |
| Addition                    | -              | -            | 20.80         | -           | -            | 28.48        | 3.04          | -            | 2.93          | 4.69          | 34.21             | 126.65          | 50.27         | 50.27         | 176.92          |  |  |
| Disposals / Adjustments     | (5.00)         | 96.50        | (2.88)        | -           | -            | -            | (3.82)        | -            | (9.60)        | (6.70)        | (33.17)           | (61.17)         | (0.37)        | (0.37)        | (61.54)         |  |  |
| <b>As at March 31, 2021</b> | <b>40.83</b>   | <b>96.50</b> | <b>263.23</b> | <b>5.06</b> | <b>18.00</b> | <b>92.91</b> | <b>477.92</b> | <b>12.58</b> | <b>295.79</b> | <b>306.87</b> | <b>576.53</b>     | <b>2,444.70</b> | <b>719.04</b> | <b>719.04</b> | <b>3,163.73</b> |  |  |
| <b>Depreciation</b>         |                |              |               |             |              |              |               |              |               |               |                   |                 |               |               |                 |  |  |
| As at March 31, 2019        | 30.04          | -            | 140.68        | 4.38        | 17.21        | 20.81        | 444.73        | 9.05         | 219.80        | 268.11        | 482.23            | 1,707.88        | 620.54        | 620.54        | 2,328.42        |  |  |
| Charge for the year         | 6.83           | -            | 17.54         | 0.20        | 0.16         | 12.55        | 7.94          | 1.66         | 23.37         | 20.91         | 48.79             | 151.84          | 16.50         | 16.50         | 168.34          |  |  |
| Disposals                   | -              | -            | (35.47)       | -           | -            | -            | (0.16)        | -            | (0.16)        | (0.18)        | (102.17)          | (137.97)        | -             | -             | (137.97)        |  |  |
| Adjustment - FCTR           | -              | -            | -             | -           | -            | -            | (1.39)        | -            | (0.25)        | 0.41          | (3.37)            | (4.60)          | (0.00)        | (0.00)        | (4.60)          |  |  |
| <b>As at March 31, 2020</b> | <b>36.87</b>   | <b>-</b>     | <b>122.75</b> | <b>4.58</b> | <b>17.37</b> | <b>33.36</b> | <b>451.28</b> | <b>10.71</b> | <b>242.76</b> | <b>289.25</b> | <b>425.48</b>     | <b>1,717.15</b> | <b>637.04</b> | <b>637.04</b> | <b>2,354.19</b> |  |  |
| Charge for the year         | 4.98           | -            | 15.40         | -           | 0.11         | 19.16        | 23.22         | 0.86         | 17.00         | (1.85)        | 40.19             | 131.25          | 18.74         | 18.74         | 149.99          |  |  |
| Disposals                   | (4.99)         | -            | (2.88)        | -           | -            | -            | -             | -            | (12.80)       | (6.57)        | (26.46)           | (53.70)         | (0.39)        | (0.39)        | (54.10)         |  |  |
| Adjustment - FCTR           | -              | -            | -             | -           | -            | -            | -             | -            | (6.13)        | 6.18          | 1.02              | 1.07            | 0.00          | 0.00          | 1.07            |  |  |
| <b>As at March 31, 2021</b> | <b>36.85</b>   | <b>-</b>     | <b>135.26</b> | <b>4.58</b> | <b>17.49</b> | <b>52.52</b> | <b>474.50</b> | <b>11.57</b> | <b>240.83</b> | <b>287.01</b> | <b>440.23</b>     | <b>1,795.77</b> | <b>655.38</b> | <b>655.38</b> | <b>2,451.15</b> |  |  |
| <b>Net Block</b>            |                |              |               |             |              |              |               |              |               |               |                   |                 |               |               |                 |  |  |
| As at 31st March, 2020      | 8.96           | 96.50        | 122.56        | 0.48        | 0.63         | 31.07        | 27.42         | 1.87         | 59.70         | 19.63         | 150.02            | 662.06          | 32.11         | 32.11         | 694.16          |  |  |
| As at 31st March, 2021      | 3.97           | 96.50        | 127.96        | 0.48        | 0.51         | 40.39        | 3.42          | 1.01         | 54.96         | 19.86         | 136.30            | 648.93          | 63.66         | 63.66         | 712.58          |  |  |

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

### 3.1. Right-of-use assets

| Particulars                           | Category of ROU     |
|---------------------------------------|---------------------|
|                                       | Lease hold Building |
| Balance as at April 1, 2019           | 16.24               |
| Reclassified on Adoption of IndAS 116 | 253.36              |
| Additions                             | 3.90                |
| Disposal                              | 265.70              |
| Balance as at April 1, 2020           | 21.36               |
| Addition                              | 4.27                |
| Disposal                              | 282.79              |
| Balance as at 31 March 2021           |                     |

### Provision for Depreciation

| Particulars                             | Category of ROU     |
|---|---------------------|
|   | Lease hold Building |
| Balance as at 1 April, 2019             | -                   |
| Reclassified on Adoption of IndAS 116   | -                   |
| Charge for the year                     | 72.89               |
| Disposal                                | 3.90                |
| Balance as at 1 April, 2020             | 69.00               |
| Charge for the year                     | 84.68               |
| Disposal                                | -                   |
| Balance as at 31 March 2021             | 153.68              |
| Net Carrying Value as at March 31, 2021 | 129.31              |

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  | 20.78 |
| Total cash outflow (payment) for leases            |       |
| Leases for which Right of use assets is recognised | 89.57 |
| Leases considered as short term                    | 80.14 |

#### Movement in Lease liabilities for the year ended March 31, 2021:-

| Particulars                            | Amount |
|--|--------|
| Balance as at 1 April, 2019            | -      |
| Addition                               | 253.36 |
| Finance cost accrued during the period | 24.14  |
| Deletion                               | -      |
| Payment of lease liability             | 85.64  |
| Balance as at 1 April, 2020            | 191.85 |
| Addition                               | 18.68  |
| Finance cost accrued during the period | 20.78  |
| Deletion                               | 4.22   |
| Payment of lease liability             | 101.08 |
| Balance at the end                     | 126.02 |

#### Classification of Lease Liabilities

|                               |       |
|-------------------------------|-------|
| Non Current Lease Liabilities | 43.01 |
| Current Lease Liabilities     | 83.01 |

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, 2021 | AS AT MARCH 31, 2020 |
|--|----------------------|----------------------|
| Capital contribution in Panch Tatva Realty | 1,662.65             | 1,662.65             |
| <b>TOTAL</b>                               | <b>1,662.65</b>      | <b>1,662.65</b>      |

The holding 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 holding 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 investment property had been conducted by an independent valuer during the previous year with its market value estimated at Rs.3,848 Lakhs. Till the construction/ development of the property, no rental income shall accrue to the holding 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, 2021 | AS AT MARCH 31, 2020 |
|--|----------------------|----------------------|
| <b>INVESTMENT AT COST</b>                              |                      |                      |
| <b>Unquoted Investments</b>                            |                      |                      |
| <b>i) Investments in Associates</b>                    |                      |                      |
| 50% share in Semac Construction Technologies India LLP | 2,594.80             | 2,523.48             |
| <b>TOTAL</b>   | <b>2,594.80</b>      | <b>2,523.48</b>      |

Aggregate amount of unquoted investments 2,594.80 2,523.48

### 5.2 Loans

| PARTICULARS                           | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|---------------------------------------|----------------------|----------------------|
| Security Deposits                     |                      |                      |
| Unsecured, considered good            |                      |                      |
| - Rent deposit *                      | 64.32                | 78.73                |
| - Deposits with statutory authorities | 0.25                 | 0.25                 |
| - Others                              | 245.16               |                      |
| <b>TOTAL</b>                          | <b>309.73</b>        | <b>78.98</b>         |

\* Rent deposits with related parties amounts to Rs. 51.61 (in 'Lac)

### 5.3 Other financial assets

| PARTICULARS   | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|---------------|----------------------|----------------------|
| Rent deposits | -                    | 62.62                |
| <b>TOTAL</b>  | <b>-</b>             | <b>62.62</b>         |

## 6. Non Current Tax Assets ( Net)

| PARTICULARS                    | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|--------------------------------|----------------------|----------------------|
| Advance payment of taxes (net) | 60.84                | 424.06               |
| <b>TOTAL</b>                   | <b>60.84</b>         | <b>424.06</b>        |

### 7. Other non current assets

| PARTICULARS               | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|---------------------------|----------------------|----------------------|
| Unsecured considered good |                      |                      |
| Capital Advance           | -                    | 14.98                |
| Advance lease rent        | -                    | 1.28                 |
| <b>TOTAL</b>              | <b>-</b>             | <b>16.26</b>         |

### 8. Inventories

| PARTICULARS      | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|------------------|----------------------|----------------------|
| Raw materials    | 1,389.09             | 687.42               |
| Work-in-progress | 2,659.81             | 857.58               |
| Finished Goods   | -                    | 334.74               |
| Stock-in-trade   | 548.15               | 397.44               |
| <b>TOTAL</b>     | <b>4,597.05</b>      | <b>2,277.18</b>      |



## 9. Financial Assets: Current

| PARTICULARS  | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|--|----------------------|----------------------|
| <b>Investments</b>   |                      |                      |
| <b>Quoted Investments</b>  |                      |                      |
| Investment in Mutual fund -  |                      |                      |
| SBI Arbitrage oppurtunities fund   | -                    | 40.00                |
| White Space Alpha  | 720.64               | -                    |
| Alpha Alterntives  | 205.19               | -                    |
| HDFC liquid fund (growth)  | -                    | 305.33               |
| <b>Total</b>   | <b>925.83</b>        | <b>345.33</b>        |
| Aggregate amount of quoted investments   | 925.83               | 345.33               |
| Aggregate market value of quoted investments   | 925.83               | 345.33               |
| <b>9.1 Trade receivables</b>   |                      |                      |
| Trade receivable considered good-unsecured   | 7,186.60             | 6,557.56             |
| Trade receivable-credit impaired   | 746.82               | 352.50               |
| Less provision for ECL   | (746.82)             | (352.50)             |
| <b>TOTAL</b>   | <b>7,186.60</b>      | <b>6,557.56</b>      |
| <b>9.2 Cash &amp; cash equivalents</b>   |                      |                      |
| Balances with banks  |                      |                      |
| - in Current Accounts  | 580.69               | 1,021.09             |
| - in Fixed deposit with maturity of upto 3 months  | 233.68               | 236.90               |
| Cash on hand   | 10.10                | 11.11                |
| <b>TOTAL</b>   | <b>824.47</b>        | <b>1,269.10</b>      |
| <b>9.3 Bank balance</b>  |                      |                      |
| Balances with banks  |                      |                      |
| - in Fixed deposit with maturity of up to 3-12 months  | 996.14               | 1,389.03             |
| Earmarked balances   |                      |                      |
| - Margin money   | 217.02               | 241.19               |
| <b>TOTAL</b>   | <b>1,213.16</b>      | <b>1,630.22</b>      |
| Note:- Fixed deposit and Margin money deposit is under lien with banks against bank guarantee and letter of credit.  |                      |                      |
| <b>9.4 Loans</b>   |                      |                      |
| <b>Unsecured, considered good unless otherwise stated</b>  |                      |                      |
| Loans to employees   | 56.94                | 36.42                |
| <b>Loans to others (refer note (i))</b>  | 2,150.00             | 1,059.87             |
| Security deposit   |                      |                      |
| - Earnest money deposit  | 27.49                | 27.99                |
| - Others   | 8.99                 | 14.43                |
| <b>TOTAL</b>   | <b>2,243.42</b>      | <b>1,138.72</b>      |
| (i) Loan of Rs 21.50 Crores was given to Third Lake Advisors LLP, a limited liability partnership from the group for general corporate purposes at interest rate of 10% per annum. |                      |                      |
| <b>9.5 Other financial asset</b>   |                      |                      |
| Interest accrued on  |                      |                      |
| - Deposits with bank   | 20.24                | 76.40                |
| - Loan to Others   | 97.59                | 15.07                |
| Contract Asset   | -                    | 65.15                |
| Unbilled Contract Revenue  | 433.20               | 215.38               |
| <b>TOTAL</b>   | <b>551.03</b>        | <b>372.00</b>        |

## 10. Current tax asset (net)

| PARTICULARS                               | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|---|----------------------|----------------------|
| Advance payment of tax (net of provision) | 181.73               | 343.01               |
| <b>TOTAL</b>                              | <b>181.73</b>        | <b>343.01</b>        |

## 11. Other current assets

| PARTICULARS                        | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|------------------------------------|----------------------|----------------------|
| Other advances                     | 140.08               | 62.26                |
| Prepaid expenses                   | 109.10               | 108.23               |
| Advances to suppliers/contractors  | 879.09               | 423.73               |
| Balance with statutory authorities | 760.02               | 223.66               |
| <b>TOTAL</b>                       | <b>1,888.29</b>      | <b>817.88</b>        |

## 12. Equity share capital

| PARTICULARS   | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|---|----------------------|----------------------|
| <b>Authorised share capital</b><br>35,00,000 (March 31, 2020: 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><br>30,66,943 (March 31, 2020: 30,66,943 shares) 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              | AS AT MARCH 31, 2021 |        |
|--------------------------|----------------------|--------|
|                          | NO. OF SHARES        | AMOUNT |
| As at March 31, 2019     | 30,66,943            | 306.69 |
| Addition during the year | -                    | -      |
| As at March 31, 2020     | 30,66,943            | 306.69 |
| Addition during the year | -                    | -      |
| As at March 31, 2021     | 30,66,943            | 306.69 |

### (ii) Details of shareholders holding more than 5.0% shares in the company

| PARTICULARS   | AS AT MARCH 31, 2021 |              | AS AT MARCH 31, 2020 |              |
|---|----------------------|--------------|----------------------|--------------|
|   | NO. OF SHARES        | % OF HOLDING | NO. OF SHARES        | % OF HOLDING |
| Equity shares of Rs 10 each fully paid                  | 17,68,953            | 57.68%       | 17,68,953            | 57.68%       |
| Renaissance Advanced Consultancy Limited (RACL)         | 4,57,000             | 14.90%       | 4,57,000             | 14.90%       |
| Renaissance Stock Ltd (Wholly owned subsidiary of RACL) |                      |              |                      |              |

### (iii) Details of shares held by holding company

| PARTICULARS                                     | AS AT MARCH 31, 2021 |              | AS AT MARCH 31, 2020 |              |
|---|----------------------|--------------|----------------------|--------------|
|   | NO. OF SHARES        | % OF HOLDING | NO. OF SHARES        | % OF HOLDING |
| Equity shares of Rs 10 each fully paid          | 17,68,953            | 57.68%       | 17,68,953            | 57.68%       |
| Renaissance Advanced consultancy Limited (RACL) |                      |              |                      |              |

### (iv) 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.

### (v) 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, 2021 | AS AT MARCH 31, 2020 |
|--|----------------------|----------------------|
| <b>A. Reserves &amp; Surplus</b>                   |                      |                      |
| <b>Capital Redemption Reserve</b>                  |                      |                      |
| Opening balance                                    | -                    | 31.11                |
| Changes during the year                            | -                    | (31.11)              |
| Closing balance                                    | -                    | -                    |
| <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             | 5,513.24             |
| Changes during the year                            | -                    | 31.11                |
| 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                                    | 11,337.81            | 9,788.98             |
| Profit / (Loss) during the year                    | 528.15               | 1,548.83             |
| Dividend Paid                                      | -                    | -                    |
| Closing balance                                    | <b>11,865.96</b>     | <b>11,337.81</b>     |
| <b>B. Equity in Subsidiary</b>                     |                      |                      |
| Opening balance                                    | (5.54)               | -                    |
| Changes during the year                            | -                    | (5.54)               |
| Closing balance                                    | <b>(5.54)</b>        | <b>(5.54)</b>        |
| <b>C. Other Comprehensive Income</b>               |                      |                      |
| <b>Foreign currency translation reserve (FCTR)</b> |                      |                      |
| Opening balance                                    | 156.45               | 153.99               |
| Additions during the period                        | (17.46)              | 2.46                 |
| Balance at the end of the year                     | 138.99               | 156.45               |
| <b>Actuarial Gain or Loss</b>                      |                      |                      |
| Opening balance                                    | 119.97               | 71.14                |
| Changes during the year                            | 8.54                 | 48.83                |
| Closing balance                                    | <b>128.51</b>        | <b>119.97</b>        |

### 14. Non-Controlling Interest

| PARTICULARS             | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|-------------------------|----------------------|----------------------|
| Opening balance         | 2,131.76             | 1,991.72             |
| Changes during the year | (1,210.69)           | 140.04               |
| Closing balance         | 921.07               | 2,131.76             |

### 15. Financial liability : non current

#### Other Financial Liability

| PARTICULARS             | AS AT MARCH 31, 2021 | AS AT MARCH 31, 2020 |
|-------------------------|----------------------|----------------------|
| Retention Money Payable | 293.87               | 486.33               |
| <b>TOTAL</b>            | <b>293.87</b>        | <b>486.33</b>        |

## 16. Non Current Provision

| PARTICULARS  | AS AT<br>MARCH 31, 2021 | AS AT<br>MARCH 31, 2020 |
|--|-------------------------|-------------------------|
| <b>Provision for employee benefits (Refer note 43)</b> |                         |                         |
| - Gratuity   | 256.01                  | 303.42                  |
| - Leave Encashment                                     | 94.68                   | 80.50                   |
| <b>TOTAL</b>   | <b>350.69</b>           | <b>383.91</b>           |

## 17. Deferred tax asset

| PARTICULARS                  | AS AT<br>MARCH 31, 2021 | AS AT<br>MARCH 31, 2020 |
|------------------------------|-------------------------|-------------------------|
| MAT Credit Entitlement       | 745.70                  | 868.59                  |
| Deferred tax liability (Net) | 721.83                  | 554.31                  |
| <b>TOTAL</b>                 | <b>1,467.53</b>         | <b>1,422.90</b>         |

### (i) Movement in deferred tax items

| FOR THE FINANCIAL YEAR MARCH 31, 2021                  | MOVEMENT DURING THE YEAR             |   |   |                                       |
|--|--------------------------------------|---|---|---------------------------------------|
|  | BALANCE<br>AS AT<br>APRIL 1,<br>2020 | RECOGNISED<br>IN STATEMENT<br>OF PROFIT &<br>LOSS | RECOGNISED<br>IN OTHER<br>COMPREHEN-<br>SIVE INCOME | BALANCE<br>AS AT<br>MARCH 31,<br>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>                       |

| FOR THE FINANCIAL YEAR MARCH 31, 2020                  | BALANCE<br>AS AT<br>APRIL 1,<br>2019 | RECOGNISED<br>IN STATEMENT<br>OF PROFIT<br>AND LOSS | RECOGNISED<br>IN OTHER<br>COMPREHEN-<br>SIVE INCOME | BALANCE<br>AS AT<br>MARCH 31,<br>2020 |
|--|--------------------------------------|---|---|---------------------------------------|
| <b>Deferred tax liability / (asset) on account of:</b> |                                      |   |   |                                       |
| Expenses allowable on payment basis and others         | 178.29                               | (19.87)   |   | 158.42                                |
| Carry forward losses and unabsorbed depreciation       | 365.48                               | 11.42   |   | 376.90                                |
| Right of use assets net off Lease Liabilities          | -                                    | 1.58  |   | 1.58                                  |
| Security Deposit Rent                                  | -                                    | 8.86  |   | 8.86                                  |
| Remeasurement of Defined Benefit Obligations           | (10.52)                              | (3.94)  | (14.76)   | (29.22)                               |
| Depreciation difference                                | 12.86                                | (4.15)  |   | 8.71                                  |
| Provision for doubtful debt                            | 36.67                                | (7.61)  |   | 29.06                                 |
| Net deferred tax liability / (asset)                   | 582.78                               | (13.71)   | (14.76)   | 554.31                                |
| MAT Credit Entitlement                                 | 804.07                               | 64.55   |   | 868.62                                |
| <b>TOTAL</b>   | <b>1,386.85</b>                      | <b>50.84</b>  | <b>(14.76)</b>                                      | <b>1,422.93</b>                       |

## 18. Financial liability : current

### 18.1 Short term borrowings

| PARTICULARS                        | AS AT<br>MARCH 31, 2021 | AS AT<br>MARCH 31, 2020 |
|------------------------------------|-------------------------|-------------------------|
| <b>Secured - at amortised cost</b> |                         |                         |
| <b>Bank</b>                        |                         |                         |
| - Cash credit / WCDL               | 3,353.70                | 1,663.45                |
| <b>TOTAL</b>                       | <b>3,353.70</b>         | <b>1,663.45</b>         |

Also refer note 49 & 50

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 Cash Credit is repayable on demand and carries floating interest rate which ranges from 8% to 14%.

### 18.2 Trade payables

| PARTICULARS                            | AS AT<br>MARCH 31, 2021 | AS AT<br>MARCH 31, 2020 |
|--|-------------------------|-------------------------|
| a. Micro, small and medium enterprises | 406.97                  | 139.22                  |
| b. Others                              | 3,662.14                | 1,873.38                |
| <b>TOTAL</b>                           | <b>4,069.11</b>         | <b>2,012.60</b>         |

Also refer note 49 & 50

### 18.3 Other financial liabilities

| PARTICULARS                                | AS AT<br>MARCH 31, 2021 | AS AT<br>MARCH 31, 2020 |
|--|-------------------------|-------------------------|
| Current maturities of long term borrowings | -                       | 0.24                    |
| Security Deposit Received                  | 0.40                    | 0.20                    |
| Advance from Customers                     | 30.43                   | -                       |
| Contract Liability                         | 435.43                  | -                       |
| Other Payables                             | 580.24                  | 516.69                  |
| Employee related dues                      | 165.24                  | 104.08                  |
| Financial Gurantee Liability               | 3.33                    | 4.44                    |
| <b>TOTAL</b>                               | <b>1,215.07</b>         | <b>625.65</b>           |

Also refer note 49 & 50

## 19. Other current Liability

| PARTICULARS                 | AS AT<br>MARCH 31, 2021 | AS AT<br>MARCH 31, 2020 |
|-----------------------------|-------------------------|-------------------------|
| Advances from customers     | 496.07                  | 274.92                  |
| Withholding and other taxes | 729.81                  | 262.99                  |
| Employee related dues       | 318.65                  | 312.47                  |
| Dividend Payable            | -                       | 20.91                   |
| <b>TOTAL</b>                | <b>1,544.53</b>         | <b>871.29</b>           |

## 20. Current provision

| PARTICULARS                                     | AS AT<br>MARCH 31, 2021 | AS AT<br>MARCH 31, 2020 |
|---|-------------------------|-------------------------|
| Provision for employee benefits (Refer note 43) |                         |                         |
| - Gratuity                                      | 38.28                   | 23.37                   |
| - Leave Encashment                              | 27.34                   | 18.26                   |
| Provision for Warranties claims                 | 173.30                  | 28.51                   |
| Provision for contingency*                      | 124.00                  | 124.00                  |
| <b>TOTAL</b>                                    | <b>362.92</b>           | <b>194.14</b>           |

\*Claim made by a client which is under dispute.

### (i) 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.

### (ii) Movement in provision for warranty claims

| PARTICULARS                 | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Opening balance             | 28.51                                | 40.59                                |
| Provided during the year    | 204.18                               | 31.33                                |
| Utilization during the year | (59.39)                              | (43.41)                              |
| <b>Closing balance</b>      | <b>173.30</b>                        | <b>28.51</b>                         |

## 21. Current Tax Liabilities (net)

| PARTICULARS                               | AS AT<br>MARCH 31, 2021 | AS AT<br>MARCH 31, 2020 |
|---|-------------------------|-------------------------|
| Income tax provision (net of advance tax) | 508.17                  | 245.61                  |
| <b>TOTAL</b>                              | <b>508.17</b>           | <b>245.61</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<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| <b>Segment</b>   |                                      |                                      |
| <b>(a) Type of goods or services:</b>                  |                                      |                                      |
| Sale of products (Finished Goods)                      |                                      |                                      |
| - Drills / construction equipments                     | 3,710.71                             | 3,133.12                             |
| - Spares   | 3,998.96                             | 3,660.72                             |
| Sale of services                                       |                                      |                                      |
| Engineering consultancy and project management charges | 3,544.18                             | 4,487.81                             |
| Work contract services                                 | 1,959.22                             | 4,591.42                             |
| Sale of scrap  | 10.45                                | 18.09                                |
| <b>Total revenue from contracts with customers</b>     | <b>13,223.52</b>                     | <b>15,891.16</b>                     |
| <b>(b) Location:</b>                                   |                                      |                                      |
| India  | 9,670.30                             | 12,978.02                            |
| Outside India  | 3,553.22                             | 2,913.14                             |
| <b>Total revenue from contracts with customers</b>     | <b>13,223.52</b>                     | <b>15,891.15</b>                     |

| PARTICULARS                               | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| <b>(c) Timing of revenue recognition:</b> |                                      |                                      |
| Goods transferred at a point in time      | 7,335.14                             | 6,811.93                             |
| Services provided at a point in time      | 4,699.75                             | 5,180.27                             |
| Services provided over the period of time | 1,188.63                             | 3,898.96                             |
| <b>TOTAL</b>                              | <b>13,223.52</b>                     | <b>15,891.16</b>                     |

### 23. Other Income

| PARTICULARS   | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Interest income                                       | 102.05                               | 95.38                                |
| Interest income on income tax refund                  | 61.55                                | 39.54                                |
| Interest income on Loans & Advances                   | 173.09                               | 52.79                                |
| Interest income on security deposit lease             | 0.90                                 | -                                    |
| Income from investments                               | 11.15                                | 4.57                                 |
| Provision/liabilities no longer required written back | 85.73                                | 5.89                                 |
| Tender document charges received                      | 80.01                                | 83.06                                |
| Profit on sale of property, plant and equipment       | 1.87                                 | 164.35                               |
| Profit on sale of Financial instruments               | 19.15                                | 0.75                                 |
| Bad debts recovered                                   | -                                    | 0.40                                 |
| Profit on sale of mutual funds                        | -                                    | 37.31                                |
| Gain on Investments at FVTPL (Ind AS 109)             | 20.64                                | -                                    |
| Gaurantee Income                                      | 1.11                                 | 1.11                                 |
| Gain on foreign exchange fluctuation                  | -                                    | 68.59                                |
| Miscellaneous income                                  | 18.05                                | 77.31                                |
| <b>TOTAL</b>  | <b>575.29</b>                        | <b>631.05</b>                        |

### 24. Cost of Material consumed

| PARTICULARS                               | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Material Purchased through Subcontractors | 328.17                               | 257.88                               |
| Other materials:                          |                                      |                                      |
| Works Contract Expenses                   | 897.24                               | 2,366.83                             |
| Under Carriage assemblies                 | 233.49                               | 310.16                               |
| Compressors and accessories               | 56.20                                | 70.81                                |
| Electrical components                     | 384.41                               | 333.57                               |
| Hydraulic components                      | 979.04                               | 715.60                               |
| Pipes and valves                          | 378.27                               | 916.30                               |
| Gear/chain assemblies                     | 525.92                               | 350.22                               |
| Others                                    | 2,118.61                             | 382.73                               |
| <b>TOTAL</b>                              | <b>5,901.35</b>                      | <b>5,704.10</b>                      |

### 25. Purchases of stock in trade

| PARTICULARS                      | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Consumption of Spares            | 726.00                               | 792.05                               |
| <b>Change In stock in trade</b>  |                                      |                                      |
| Add: Closing Stock               | 548.15                               | 397.44                               |
| Less: Opening Stock              | (397.44)                             | (326.31)                             |
| <b>Purchases during the year</b> | <b>876.71</b>                        | <b>863.18</b>                        |

**26. Changes in inventories of finished goods, stock - in - trade & work - in - progress**

| PARTICULARS  | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| Inventories at the beginning of the year   |                                      |                                      |
| Work-in-Process  | 857.58                               | 370.20                               |
| Finished Goods   | 397.44                               | 326.31                               |
|  | 1,255.02                             | 696.51                               |
| Less - Inventories at the end of the year  |                                      |                                      |
| Work-in-Process  | 2,659.81                             | 857.58                               |
| Finished Goods   | 548.15                               | 397.44                               |
|  | 3,207.96                             | 1,255.02                             |
| <b>Changes in inventories of finished goods, stock - in - trade &amp; work - in - progress</b> | <b>(1,952.94)</b>                    | <b>(558.51)</b>                      |

**27. Employee benefits expenses**

| PARTICULARS                                       | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Salaries, wages, allowances & commission          | 3,822.05                             | 4,208.34                             |
| Contribution to Gratuity, Provident & Other funds | 217.41                               | 231.40                               |
| Staff welfare expenses                            | 149.33                               | 163.80                               |
| <b>TOTAL</b>                                      | <b>4,188.79</b>                      | <b>4,603.53</b>                      |

**28. Finance costs**

| PARTICULARS            | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|------------------------|--------------------------------------|--------------------------------------|
| Interest on            |                                      |                                      |
| a. Loan                | 189.16                               | 34.71                                |
| b. Statutory due delay | 39.95                                | 15.63                                |
| c. Others              | 23.01                                | 7.87                                 |
| Other borrowing cost   | 35.19                                | 41.41                                |
| <b>TOTAL</b>           | <b>287.31</b>                        | <b>99.63</b>                         |

**29. Depreciation and amortization expense**

| PARTICULARS                             | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| i. Depreciation                         | 134.69                               | 151.82                               |
| ii. Amortisation                        | 15.20                                | 16.50                                |
| iii. Depreciation on Right of Use asset | 84.48                                | 72.90                                |
| <b>TOTAL</b>                            | <b>234.37</b>                        | <b>241.22</b>                        |



### 30. Other expenses

| PARTICULARS   | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| Legal and professional                                  | 572.43                               | 891.61                               |
| Balances written off                                    | 552.76                               | 321.81                               |
| Travelling and conveyance                               | 422.17                               | 630.74                               |
| Impairment loss on financial assets - Trade Receivables | 406.09                               | 22.20                                |
| Selling commission                                      | 190.72                               | 149.63                               |
| Insurance   | 158.68                               | 165.94                               |
| Miscellaneous expenses                                  | 138.91                               | 232.14                               |
| Repair and maintenance - Others                         | 123.15                               | 108.39                               |
| Rent  | 118.40                               | 131.37                               |
| Directors' Commission                                   | 113.23                               | 81.27                                |
| Freight, clearing and packing                           | 98.80                                | 70.46                                |
| Bank Charges  | 89.52                                | 74.10                                |
| Telephone & Postage expenses                            | 70.29                                | 68.55                                |
| Service Charges   | 63.35                                | 66.91                                |
| Power and fuel Consumption                              | 60.56                                | 75.11                                |
| Consumption of stores and spare parts                   | 58.55                                | 32.21                                |
| Repair and maintenance - Vehicle                        | 58.38                                | 53.47                                |
| Repair and maintenance - Buildings                      | 49.03                                | 6.00                                 |
| Loss on foreign exchange fluctuation                    | 41.83                                | 12.10                                |
| Product Development Expenses                            | 40.76                                | 13.31                                |
| Payment to auditor (refer note 36)                      | 36.67                                | 25.75                                |
| Security Charges  | 31.47                                | 36.75                                |
| Printing & Stationery expenses                          | 29.73                                | 39.92                                |
| Rates and Taxes   | 29.51                                | 52.56                                |
| Corporate social responsibilities                       | 20.00                                | 33.00                                |
| Directors' sitting fees                                 | 19.80                                | 7.00                                 |
| Advertisement expenses                                  | 13.60                                | 12.53                                |
| Repair and maintenance - Machinery                      | 10.29                                | 3.56                                 |
| Loss on sale of property, plant & equipment             | 7.00                                 | 1.89                                 |
| Training, seminar expense & other HR expense            | 0.00                                 | 0.38                                 |
| Interest on delayed MSME payments                       | 0.00                                 | 2.71                                 |
| <b>TOTAL</b>  | <b>3,625.66</b>                      | <b>3,423.36</b>                      |

### 31. Tax expense

| PARTICULARS                            | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| <b>Current Tax</b>                     |                                      |                                      |
| Current year                           | 596.52                               | 570.33                               |
| MAT credit entitlement                 | (7.53)                               | (57.08)                              |
| Income Tax pertaining to earlier years | 9.97                                 | 7.28                                 |
|  | 598.96                               | 520.53                               |
| <b>Deferred tax</b>                    |                                      |                                      |
| Deferred tax                           | (147.39)                             | 13.72                                |
| Minimum Alternate Tax                  | -                                    | -                                    |
|  | (147.39)                             | 13.72                                |
| <b>TOTAL</b>                           | <b>451.56</b>                        | <b>534.25</b>                        |

#### (i) Income tax recognised in other comprehensive income

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                    | 18.43         | (14.76)    |
| Total income tax expense recognised in other comprehensive income | 18.43         | (14.76)    |
| <b>Total income tax expense recognised</b>                        | <b>470.00</b> | <b>519</b> |

(ii) Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:

| PARTICULARS  | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| Profit / (loss) before tax   | 29.120%                              | 29.120%                              |
| Income tax expense calculated at 29.120% (including surcharge and education cess)                      | 625.70                               | 2,216.95                             |
| Effect of income chargeable at different rate of tax   | 195.40                               | 639.40                               |
| Additional deduction on research and development expenditure   | (0.07)                               | (0.27)                               |
| Effect of temporary differences  | -                                    | (16.26)                              |
| Effect of expenses that are non-deductible in determining taxable profit                               | 100.93                               | (14.12)                              |
| Effect of brought forward losses set off during the year on which no deferred tax asset was recognised | (16.08)                              | (2.62)                               |
| Other adjustments including earlier year tax provision   | 174.58                               | (104.71)                             |
| Effect due to change in rate and deferred tax  | 23.42                                | 61.43                                |
|  | (147.38)                             | 13.72                                |
|  | <b>330.78</b>                        | <b>576.57</b>                        |

**32. Other comprehensive income**

| PARTICULARS  | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|--|--------------------------------------|--------------------------------------|
| <b>Item that will be reclassified to profit or loss</b>                      |                                      |                                      |
| Foreign currency translation reserve   | (30.24)                              | 20.93                                |
| <b>Item that will not be reclassified to profit or loss</b>                  |                                      |                                      |
| Actuarial gain / (loss) on defined benefit obligation                        | (11.89)                              | 71.26                                |
| Income tax relating to items that will not be reclassified to profit or loss | 20.15                                |                                      |
| <b>Total Other Comprehensive Income</b>                                      | <b>(21.98)</b>                       | <b>92.19</b>                         |

**33. Earning per share**

| PARTICULARS   | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|---|--------------------------------------|--------------------------------------|
| <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                           | 260.80                               | 1,611.45                             |
| EPS (Basic & Diluted)   | 8.50                                 | 52.54                                |

**34. Contingent liabilities (not provided for) in respect of:**

| S.NO. | PARTICULARS                           | FOR THE YEAR ENDED<br>MARCH 31, 2021 | FOR THE YEAR ENDED<br>MARCH 31, 2020 |
|-------|---------------------------------------|--------------------------------------|--------------------------------------|
| a)    | Performance Bank Guarantees           | 2,344.09                             | 1,716.77                             |
| b)    | Sales tax / VAT & Service tax demands | 58.99                                | 58.99                                |
| c)    | TDS demands                           | 13.44                                | 14.21                                |
| d)    | Employee Visa Guarantee               | -                                    | 8.57                                 |
|       | <b>TOTAL</b>                          | <b>2,415.82</b>                      | <b>1,797.65</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<br>MARCH 31, 2021 | AS AT<br>MARCH 31, 2020 |
|---|-------------------------|-------------------------|
| Semac Consultants Private Ltd - Corporate Guarantee | 1,500                   | 1,500                   |
| <b>TOTAL</b>  | <b>1,500</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.

**36. Remuneration paid to auditors:**

| PARTICULARS                    | 2020-21      | 2019-20      |
|--------------------------------|--------------|--------------|
| Statutory audit/Limited review | 27.08        | 19.35        |
| Certification                  | 4.80         | 2.00         |
| Reimbursement of expenses      | 4.75         | 3.75         |
| <b>TOTAL</b>                   | <b>36.63</b> | <b>25.10</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   | 2020-21       | 2019-20       |
|--------|---|---------------|---------------|
| 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;   | 395.70        | 100           |
| 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);  | 24.91         | 2.71          |
| 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>420.61</b> | <b>102.26</b> |

**38. CIF value of imports**

| S.NO. | PARTICULARS                | 2020-21         | 2019-20       |
|-------|----------------------------|-----------------|---------------|
| a)    | Raw materials & Components | 1,633.81        | 274.29        |
| b)    | Spares                     | 412.72          | 164.88        |
|       | <b>TOTAL</b>               | <b>2,046.53</b> | <b>439.17</b> |

**39. Expenses in foreign currency:**

| PARTICULARS                                    | 2020-21  | 2019-20  |
|--|----------|----------|
| Commission, consultancy, travelling and others | 2,738.94 | 2,776.52 |

**40. Earnings in foreign currency (accrual basis):**

| PARTICULARS                  | 2020-21  | 2019-20  |
|------------------------------|----------|----------|
| Export of goods at FOB value | 3,272.35 | 3,213.91 |

**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, 2021 | 1,433.30 | 29%                    | 3,570.70   | 71%                    | 5,004.00                   |
|                                     | For the year ended March 31, 2020 | 1,261.08 | 41%                    | 1,818.31   | 59%                    | 3,079.39                   |
| Stores, Spares Parts and Components | For the year ended March 31, 2021 | -        | 0%                     | 58.55      | 100%                   | 58.55                      |
|                                     | For the year ended March 31, 2020 | -        | -                      | 32.21      | 100%                   | 32.21                      |

**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, 2021 | YEAR ENDED MARCH 31, 2020 |
|----------|---|---------------------------|---------------------------|
| <b>1</b> | <b>Segment Revenue (Gross)</b>                                    |                           |                           |
| a)       | Manufacturing of equipments                                       | 8,473.60                  | 7,504.39                  |
| b)       | Engineering, Construction and Design services                     | 4,749.92                  | 8,386.77                  |
|          | <b>TOTAL</b>  | <b>13,223.51</b>          | <b>15,891.16</b>          |
|          | Less: Inter Segment Revenue                                       | -                         | -                         |
|          | Total income from operations (net)                                | 13,223.51                 | 15,891.16                 |
| <b>2</b> | <b>Segment Results</b>  |                           |                           |
|          | Profit (+)/Loss(-) before interest and tax from each segment      |                           |                           |
| a)       | Manufacturing of equipments                                       | 1,893.97                  | 1,801.59                  |
| b)       | Engineering, Construction and Design services                     | (969.10)                  | 443.73                    |
|          | <b>TOTAL</b>  | <b>924.87</b>             | <b>2,245.32</b>           |
|          | Add: Exceptional Item   |                           |                           |
|          | Less: Interest  | 287.31                    | 99.63                     |
|          | <b>Total Profit before tax &amp; Profit / (Loss) of Associate</b> | <b>637.56</b>             | <b>2,145.69</b>           |
|          | <b>Add : Profit / (Loss) of Associate</b>                         | <b>74.80</b>              | <b>-</b>                  |
|          | <b>Total Profit/(loss) before tax</b>                             | <b>712.36</b>             | <b>2,145.69</b>           |

| S.NO.     | PARTICULARS   | YEAR ENDED<br>MARCH 31, 2021 | YEAR ENDED<br>MARCH 31, 2020 |
|-----------|---|------------------------------|------------------------------|
| <b>3.</b> | <b>Segment assets</b>                                       |                              |                              |
| a)        | Manufacturing of equipments                                 | 17,792.72                    | 8,423.45                     |
| b)        | Engineering, Construction and Design services               | 9,203.74                     | 9,402.22                     |
|           | Total segment assets  | 26,996.46                    | 17,825.67                    |
|           | Less: Inter segment assets                                  | (447.44)                     | -                            |
|           | Add: Unallocable assets                                     | 4,486.25                     | 4,486.00                     |
|           | <b>Total assets</b>   | <b>31,035.27</b>             | <b>22,311.67</b>             |
|           | <b>Segment liabilities -</b>                                |                              |                              |
| a)        | Manufacturing of equipments                                 | 8,768.40                     | 4,410.57                     |
| b)        | Engineering, Construction and Design services               | 3,503.11                     | 2,264.26                     |
|           | Total segment liabilities                                   | 12,271.51                    | 6,674.83                     |
|           | Less: Inter segment liabilities                             | (447.44)                     | -                            |
|           | Add: unallocable liabilities                                | -                            | -                            |
|           | <b>Total liabilities</b>                                    | <b>11,824.07</b>             | <b>6,674.83</b>              |
| <b>4</b>  | <b>Revenues from sale of products to external customers</b> |                              |                              |
|           | India   | 9,766.00                     | 13,197.26                    |
|           | Outside India   | 2,913.00                     | 3,075.56                     |

### 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<br>MARCH 31, 2021 | AS AT<br>MARCH 31, 2020 |
|---------------|-------------------------|-------------------------|
| India         | 6,831.25                | 6,786.01                |
| Outside India | 47.15                   | 91.00                   |

### 6. Information about major customers:

Revenue from 5 customers contributing more than 10.0% of company's revenue is Rs 6,832.94 lakhs.

### 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 seperation 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  | 2020-21                     |                  | 2019-20                     |                  |
|--|-----------------------------|------------------|-----------------------------|------------------|
|  | GRATUITY<br>(PARTLY FUNDED) | LEAVE ENCASHMENT | GRATUITY<br>(PARTLY FUNDED) | LEAVE ENCASHMENT |
| Current Service cost   | 50.58                       | 25.73            | 63.03                       | 6.39             |
| Net Interest cost  | 19.25                       | 4.08             | 22.58                       | 8.46             |
| Expected return on plan assets                                   | -                           | -                | (1.92)                      | -                |
| Net actuarial (gain) / loss to be recognized                     | 9.41                        | (4.03)           | (60.44)                     | (58.21)          |
| Past service cost (vested benefits)                              | -                           | -                | -                           | 0.44             |
| <b>Expenses recognized in the statement of profit &amp; loss</b> | <b>79.24</b>                | <b>25.78</b>     | <b>23.25</b>                | <b>(42.91)</b>   |

## B. Balance Sheet

### (i) Details of plan assets/ (liabilities) for gratuity and leave encashment

| PARTICULARS                                   | 2020-21                     |                  | 2019-20                     |                  |
|---|-----------------------------|------------------|-----------------------------|------------------|
|   | GRATUITY<br>(PARTLY FUNDED) | LEAVE ENCASHMENT | GRATUITY<br>(PARTLY FUNDED) | LEAVE ENCASHMENT |
| Defined benefit obligation                    | 493.95                      | 141.44           | 500.54                      | 98.76            |
| Fair value of plan assets                     | 186.64                      | -                | 173.73                      | -                |
| Net liability recognized in the Balance Sheet | 307.31                      | 141.44           | 326.80                      | 98.76            |

### (ii) Changes in the present value of the defined benefit obligation are as follows:

| PARTICULARS                            | 2020-21                     |                  | 2019-20                     |                  |
|--|-----------------------------|------------------|-----------------------------|------------------|
|  | GRATUITY<br>(PARTLY FUNDED) | LEAVE ENCASHMENT | GRATUITY<br>(PARTLY FUNDED) | LEAVE ENCASHMENT |
| Opening defined benefit obligation     | 500.54                      | 68.73            | 577.56                      | 119.32           |
| Interest cost                          | 20.51                       | 4.08             | 33.55                       | 8.46             |
| Current service cost                   | 50.58                       | 25.73            | 63.03                       | 6.39             |
| Past service cost (vested benefits)    | -                           | -                | 2.98                        | 44.40            |
| Benefit paid                           | (87.07)                     | 1.83             | (85.18)                     | (54.45)          |
| Actuarial (gains)/losses on obligation | 1.95                        | 5.76             | (91.40)                     | (11.44)          |
| Closing defined benefit obligation     | 493.95                      | 96.34            | 500.54                      | 68.73            |

### (iii) Changes in the fair value of plan assets (gratuity) are as follows:

| PARTICULARS                              | 2020-21 | 2019-20  |
|--|---------|----------|
| Opening fair value of plan assets        | 173.74  | 175.21   |
| Actual return on Plan Assets             | 10.19   | 12.88    |
| Contribution during the year             | 83.96   | 93.30    |
| Benefit paid                             | (82.12) | (105.14) |
| Actuarial gains / (losses) on plan asset | (0.53)  | (2.49)   |
| Closing fair value of plan assets        | 186.65  | 173.74   |

### (iv) The principal assumptions used in determining gratuity obligations for the Group's plans are shown below:

| PARTICULARS   | 2020-21                  | 2019-20                  |
|---|--------------------------|--------------------------|
| Discount rate (%)                                     | 6.3% to 6.5%             | 6% to 8%                 |
| Expected salary increase (%)                          | 5%                       | 5% to 8%                 |
| <b>Demographic Assumptions</b>                        |                          |                          |
| 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    | 2020-21 | 2019-20 |
|----------------|---------|---------|
| Provident fund | 124.30  | 134.67  |

**(vi) Sensitivity analysis of the defined benefit obligation:**

| PARTICULARS                                    | 2020-21                     |                  | 2019-20                     |                  |
|--|-----------------------------|------------------|-----------------------------|------------------|
|  | GRATUITY<br>(PARTLY FUNDED) | LEAVE ENCASHMENT | GRATUITY<br>(PARTLY FUNDED) | LEAVE ENCASHMENT |
| <b>Impact of the change in discount rate</b>   |                             |                  |                             |                  |
| Impact due to increase of 0.50%                | 490.27                      | 94.72            | 151.75                      | 41.74            |
| Impact due to decrease of 0.50%                | (497.92)                    | (98.06)          | (161.57)                    | (44.32)          |
| <b>Impact of the change in salary increase</b> |                             |                  |                             |                  |
| Impact due to increase of 0.50%                | 501.16                      | 98.43            | 161.62                      | 44.34            |
| Impact due to decrease of 0.50%                | <b>(486.99)</b>             | <b>(94.33)</b>   | <b>(151.66)</b>             | <b>(41.72)</b>   |

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

**(vii) Other comprehensive income (OCI):**

| PARTICULARS   | 2020-21                     |                  | 2019-20                     |                  |
|---|-----------------------------|------------------|-----------------------------|------------------|
|   | GRATUITY<br>(PARTLY FUNDED) | LEAVE ENCASHMENT | GRATUITY<br>(PARTLY FUNDED) | LEAVE ENCASHMENT |
| Actuarial (gain)/loss for the year on PBO                 | (1,370.80)                  | (87.82)          | 133.59                      | (87.82)          |
| Actuarial (gain)/loss for the year on plan asset          | 134.30                      | -                | 2.49                        | -                |
| Unrecognized actuarial (gain)/loss at the end of the year | 0.29                        | -                | -                           | -                |
| Total actuarial (gain)/loss at the end of the year        | (1,236.21)                  | (87.82)          | 136.08                      | (87.82)          |

**44. Related Party Transaction****a) List of Related Parties****i. Holding company**

Renaissance Advanced Consultancy Ltd

**ii. Subsidiaries of the Holding Company**

Renaissance Stocks limited

**iii. Associates 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)

**iv. Key Management Personnel of the Company**

| Name                 | Status                      |
|----------------------|-----------------------------|
| Mr. Abhishek Dalmia  | Executive Chairman          |
| Ms. Deepali Dalmia   | Director                    |
| Mr. Harivansh Dalmia | Director (w.e.f 01.04.2020) |
| Mr. B.V.Ramanan      | Independent Director        |
| Mr. Kishore Sidwani  | Independent Director        |
| Mr. V.V.Subramanian  | Independent Director        |
| Mr. R. Sudhir        | Chief Financial Officer     |
| Mr. K. Maheswaran    | Company Secretary           |

**v. 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

**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-21          | 31-Mar-20 |
| Associate Company  | Semac Construction Technologies India LLP (SCTILLP) | Investment  | -                  | 2,520.00  |
| 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               | -         |
|  | Semac Construction Technologies India LLP (SCTILLP) | Trade Receivable  | 89.56              | 48.42     |
|  |   | Trade Payable   | 93.73              | 526.25    |
|  |   | Unsecured loans and advances taken  | 248.00             | -         |
|  |   | Unsecured loans and advances repaid   | 248.00             | -         |
|  | SWBI Design Informatics Private Limited             | Office Rent, Maintenance, Power & Utility Payable (last year Debit balance) | 65.06              | 73.22     |
|  | Hilltop Metals Limited                              | Professional Charges (Expenses)   | 24.29              | -         |
|  | Radha Madhav Trust                                  | Office Rent, Maintenance, Power & Utility Payable                           | 56.38              | 46.90     |
| Security Deposit for rent & maintenance recoverable                                      |   | -   | 21.94              |           |
| Key Management Personnel   | Mr. Abhishek Dalmia                                 | Short term employee benefits  | 144.14             | 64.14     |
|  |   | Post employment benefits  | 16.11              | 16.11     |
|  | Ms. Deepali Dalmia                                  | Short term employee benefits  | 9.00               | 2.00      |
|  | Mr. B.V.Ramanan                                     | Short term employee benefits  | 4.20               | 2.00      |
|  | Mr. Kishore Sidwani                                 | Short term employee benefits  | 7.45               | 2.00      |
|  | Mr. V.V.Subramanian                                 | Short term employee benefits  | 8.15               | 1.00      |
|  | Mr. Harivansh Dalmia                                | Short term employee benefits  | 3.50               | -         |
|  |   | Short term employee benefits  | 34.42              | 27.94     |
|  | Mr. R. Sudhir - CFO                                 | Post employment benefits  | 1.96               | 1.47      |
|  |   | Short term employee benefits  | 8.60               | 7.82      |
| Mr. K. Maheswaran - CS   | Post employment benefits                            | 0.69  | 0.66               |           |

**c) Balances outstanding at year end:**

| NATURE OF RELATIONSHIP   | NAME OF RELATED PARTY                               | NATURE OF TRANSACTION                               | FOR THE YEAR ENDED |           |
|--|---|---|--------------------|-----------|
|  |   |   | 31-Mar-21          | 31-Mar-20 |
| Key Managerial Personnel   | Sudhir Iyer   | Professional Fees                                   | 0.39               | 0.00      |
| Enterprises where Key managerial personnel or their relatives have significant influence | Semac Construction Technologies India LLP (SCTILLP) | Trade Receivable                                    | 14.64              | 15.41     |
|  |   | Trade Payable                                       | 105.63             | 121.71    |
|  | SWBI Design Informatics Private Limited             | Office Rent, Maintenance, Power & Utility Payable   | 0.41               | 16.64     |
|  |   | Security Deposit for rent & maintenance recoverable | 29.67              | 29.67     |
|  | Hilltop Metals Limited                              | Trade Payable                                       | 38.98              | 0.00      |
|  | Radha Madhav Trust                                  | Office Rent, Maintenance, Power & Utility Payable   | 0.00               | 11.85     |
|  |   | 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 :

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                      | 2020-21       | 2019-20       |
|-------------------------------|---------------|---------------|
| Salary & wages                | 91.73         | 84.05         |
| Consumables Stores            | 0.00          | 0.00          |
| Power                         | -             | 1.07          |
| Repair & maintenance          | 22.33         | 4.63          |
| Sponsorship to meeting        | -             | 0.58          |
| Travel & conveyance           | 5.60          | 9.08          |
| Legal & professional expenses | 37.62         | 1.78          |
| Stationery expenses           | 2.22          | 1.50          |
| Postage & telephone expenses  | 3.76          | 0.38          |
| Books and periodicals         | 0.32          | 0.30          |
| Product development expenses  | 4.65          | 3.55          |
| <b>TOTAL</b>                  | <b>168.23</b> | <b>106.92</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. Events occurring after the balance sheet date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements

#### 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, 2021 | -                    | -                       | -               |
| As at March 31, 2020 | 0.24                 | -                       | 0.24            |

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 |            |
|--|------------------|------------|----------------|------------|
|  | FC               | ₹ in lakhs | FC             | ₹ in lakhs |
| Unhedged foreign currency exposures    |                  |            |                |            |
| Foreign Exposure as at 31st March 2021 |                  |            |                |            |
| US Dollars                             | 8,10,078         | 593.22     | 23,37,337      | 1730.86    |
| Euro                                   | -                | -          | 15,145         | 13.03      |
| Omani Rial                             | 3,685            | 6.99       | 5,985          | 11.63      |
| Foreign Exposure as at 31st March 2020 |                  |            |                |            |
| US Dollars                             | 52,309           | 64,465.35  | 1,88,148       | 22,184.63  |
| Euro                                   | -                | -          | 45             | 3,777.34   |
| Omani Rial                             | 6                | 1,163.30   | -              | -          |

**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, 2021        | FOR THE YEAR ENDED MARCH 31, 2020 |
| USD Sensitivity        | + 50 basis points                   | 1.14                                     | 1.14                              |
|                        | - 50 basis points                   | (1.14)                                   | (1.14)                            |
| Euro Sensitivity       | + 50 basis points                   | (0.23)                                   | (0.23)                            |
|                        | - 50 basis points                   | 0.23                                     | 0.23                              |
| Omani Rial Sensitivity | + 50 basis points                   | (11.50)                                  | -                                 |
|                        | - 50 basis points                   | 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, 2021 |                    | AS AT MARCH 31, 2020 |                    |
|----------------------------|----------------------|--------------------|----------------------|--------------------|
|                            | UPTO 6 MONTHS        | MORE THAN 6 MONTHS | UPTO 6 MONTHS        | MORE THAN 6 MONTHS |
| Gross carrying amount (A)  | 5,945.48             | 1,987.93           | 4,494.31             | 2,415.76           |
| Expected credit losses (B) | -                    | (746.82)           | -                    | (352.50)           |
| Net Carrying Amount (A-B)  | 5,945.48             | 1,241.12           | 4,494.31             | 2,063.26           |

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, 2021 and March 31, 2020 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, 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<br>Liabilities | 1,211.78           | 86.33             | 336.88           | 1,634.99 |

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 are as follows

| PARTICULARS                     | LESS THAN 3 MONTHS | 3MONTHS TO 1 YEAR | MORE THAN 1 YEAR | TOTAL    |
|---------------------------------|--------------------|-------------------|------------------|----------|
| Trade Payables                  | 1,206.26           | 806.35            | -                | 2,012.60 |
| Other Financials<br>Liabilities | 418.09             | 207.56            | 671.67           | 1,297.31 |

## 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, 2021 |                  | AS AT MARCH 31, 2020 |                  |
|--------|--|----------------------|----------------------|------------------|----------------------|------------------|
|        |  |                      | CARRYING AMOUNT      | FAIR VALUE       | CARRYING AMOUNT      | FAIR VALUE       |
| 1.     | <b>Financial asset at FVTPL</b><br><b>CURRENT</b><br>Investments in Mutual Funds                             | Level 1              | 925.83               | 925.83           | 345.33               | 345.33           |
| 2.     | <b>Financial asset at FVTOCI</b><br><b>NON CURRENT</b><br>Investments in equity shares<br>Quoted<br>Unquoted | Level 1<br>Level 3   | -<br>-               | -<br>-           | -<br>-               | -<br>-           |
| 3.     | <b>Financial assets designated at Amortised cost</b><br><b>NON CURRENT</b>                                   |                      |                      |                  |                      |                  |
| a)     | Loans  | Level 3              | 309.73               | 309.73           | 78.98                | 78.98            |
| b)     | Others Financial Asset   | Level 3              | -                    | -                | 62.62                | 62.62            |
|        | <b>CURRENT</b>   |                      |                      |                  |                      |                  |
| a)     | Trade receivables  | Level 3              | 7,186.60             | 7,186.60         | 6,557.56             | 6,557.56         |
| b)     | Cash and cash equivalents  | Level 3              | 824.47               | 824.47           | 1,269.10             | 1,269.10         |
| c)     | Bank Balances  | Level 3              | 1,213.16             | 1,213.16         | 1,630.22             | 1,630.22         |
| d)     | Loans  | Level 3              | 2,243.42             | 2,243.42         | 1,138.72             | 1,138.72         |
| e)     | Others Financial Asset   | Level 3              | 551.03               | 551.03           | 371.99               | 371.99           |
|        | <b>TOTAL</b>   |                      | <b>13,254.25</b>     | <b>13,254.25</b> | <b>11,454.52</b>     | <b>11,454.52</b> |

### Financial liabilities

| SL. NO | PARTICULARS   | FAIR VALUE HIERARCHY | AS AT MARCH 31, 2021 |                 | AS AT MARCH 31, 2020 |                 |
|--------|---|----------------------|----------------------|-----------------|----------------------|-----------------|
|        |   |                      | CARRYING AMOUNT      | FAIR VALUE      | CARRYING AMOUNT      | FAIR VALUE      |
| 1.     | <b>Financial liability designated at amortised cost</b><br><b>NON CURRENT</b> |                      |                      |                 |                      |                 |
| a)     | Borrowings  | Level 3              | -                    | -               | -                    | -               |
| b)     | Lease Liability   | Level 3              | 43.01                | 43.01           | 185.34               | 185.34          |
| c)     | Other Financial Liability   | Level 3              | 293.87               | 293.87          | 486.33               | 486.33          |
|        | <b>CURRENT</b>  |                      |                      |                 |                      |                 |
| a)     | Borrowings  | Level 3              | 3,377.70             | 3,377.70        | 1,663.69             | 1,663.69        |
| b)     | Lease Liability   | Level 3              | 83.01                | 83.01           | 6.52                 | 6.52            |
| c)     | Trade payables*   | Level 3              | 4,069.11             | 4,069.11        | 2,012.60             | 2,012.60        |
| d)     | Other financial liabilities   | Level 3              | 1,191.07             | 1,191.07        | 625.41               | 625.41          |
|        | <b>TOTAL</b>  |                      | <b>9,057.77</b>      | <b>9,057.77</b> | <b>4,979.88</b>      | <b>4,979.88</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, 2021 | As at March 31, 2020 |
|--|----------------------|----------------------|
| Debt (i) [Also refer note 18.1]                  | 3,353.70             | 1,663.45             |
| Cash & bank balances [Also refer note 9.2 & 9.3] | 2,037.63             | 2,899.32             |
| Net Debt   | 1,316.07             | (1,235.87)           |
| Total Equity                                     | 18,290.00            | 17,511.00            |
| Net debt to equity ratio (Gearing Ratio)         | 0.07                 | (0.07)               |

Debt is defined as long term and short term borrowings

## 52. 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, 2021   |          |                                     |          | MARCH 31, 2020   |          |                                     |        |
|---|--|----------|-------------------------------------|----------|--|----------|-------------------------------------|--------|
|   | NET ASSETS, I.E., TOTAL ASSETS MINUS TOTAL LIABILITIES |          | SHARE IN PROFIT OR LOSS             |          | NET ASSETS, I.E., TOTAL ASSETS MINUS TOTAL LIABILITIES |          | SHARE IN PROFIT OR LOSS             |        |
|   | AS % OF CONSOLIDATED NET ASSETS                        | AMOUNT   | AS % OF CONSOLIDATED PROFIT OR LOSS | AMOUNT   | AS % OF CONSOLIDATED NET ASSETS                        | AMOUNT   | AS % OF CONSOLIDATED PROFIT OR LOSS | AMOUNT |
| Parent Subsidiary Indian<br>Semac Consultants Private Limited | 25.42%   | 4,884.09 | -109.49%                            | (261.48) | 24.17%   | 4,747.22 | 17.86%                              | 301.59 |
| Parent Subsidiary foreign<br>Semac & Partners LLC             | 4.28%  | 823.14   | -309.66%                            | (739.54) | 7.46%  | 1,464.65 | 9.45%                               | 159.59 |
| Minority Share Holders  | 4.79%  | 921.07   | -114.73%                            | (274.00) | 10.86%   | 2,133.38 | 8.29%                               | 140.04 |

## 53. 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 2021 | Maximum Amount Outstanding during 2020-21 | Outstanding as at 31st March 2020 | Maximum Amount Outstanding during 2019-20 |
|---------------------------|---------------------------|-----------------------------------|---|-----------------------------------|---|
| Inter Corporate Loans     |                           |                                   |   |                                   |   |
| Daga World LLP            | Working capital           | -                                 | 301.51                                    | 300.00                            | 300.00                                    |
| Trans Metalite India Ltd. | Working capital           | 32.10                             | 432.10                                    | 400.00                            | 400.00                                    |
| Third Lake Advisors LLP   | Working capital           | 2,208.77                          | 2,226.44                                  | -                                 | -   |
| Third Alpha LLP           | Working capital           | 4.80                              | 2,043.07                                  | -                                 | -   |

**54.** The audited GST return of Subsidiary company for the year ended March 31, 2019 is filed by the company for few states & for few states it is pending for filing, for which the due date of filing was 31st December 2020.

The audited GST return of Subsidiary company for the year ended March 31, 2020 is pending for filing for all registered states, for which the due date of filing was 31st March 2021.

The audited GST return of the group for the year ended March 31, 2021 is pending for the filing for all registered states as the competent authority has extended the date of filing till December 31, 2021.

**55.** After declaration of COVID-19 as pandemic by World Health Organization, its impact is already visible on multiple sectors in India and realty sector is no exception. The Management of the company has already carried out initial assessment of impact on business operations. This is a short-term disruption and company does not foresee medium to long term risks.

## **56. Recent Accounting Pronouncements**

On March 24, 2021, the MCA through a notification, amended Schedule III of the Companies Act, 2013. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are as under and these amendments are applicable from April 1, 2021.

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.
- Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.
- Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio is excess of 25% compared to preceding year.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

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: JUNE 18, 2021

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

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

**DEEPALI DALMIA**  
Director  
DIN: 00017415

**SUDHIR. R**  
Chief Financial  
Officer

**K. MAHESWARAN**  
Company Secretary

Dear Shareholder,

Date: 18.06.2021

## **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

K. Maheswaran  
Company Secretary & Compliance Officer



BE A  
FORCE  
FOR  
GOOD IN THE  
WORLD





## 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



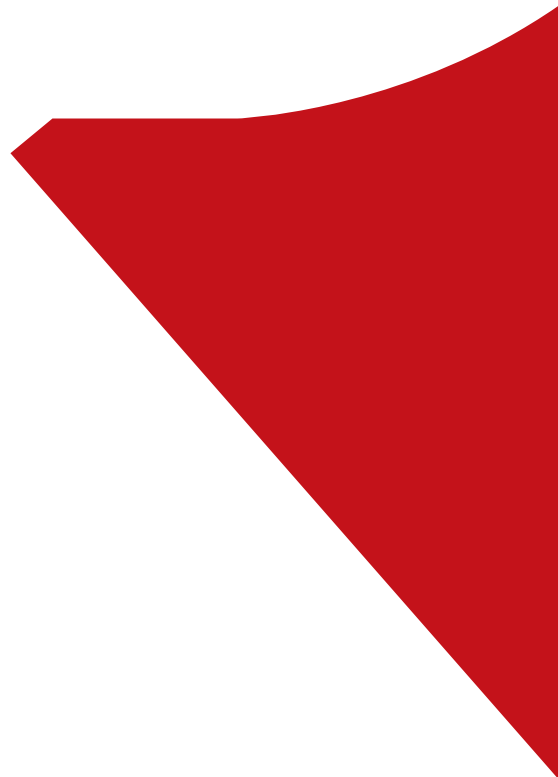
## DESIGN BUILD





**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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