



41st Annual Report
2017-2018

Acquisition Criteria

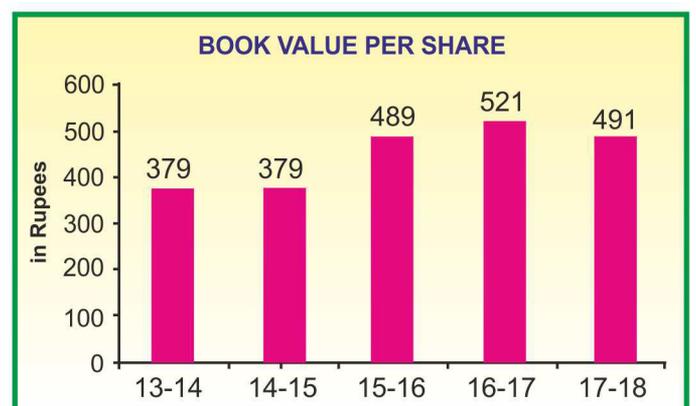
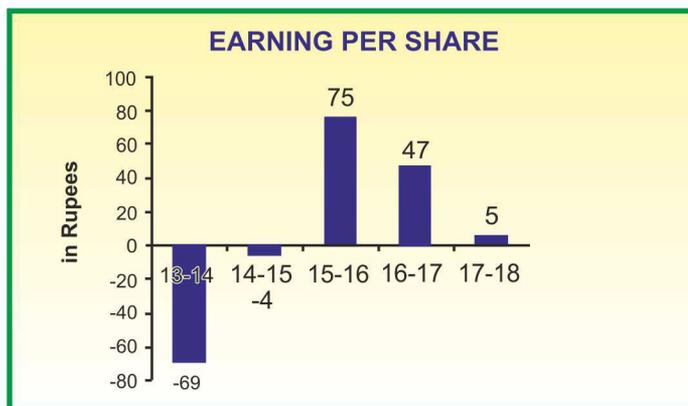
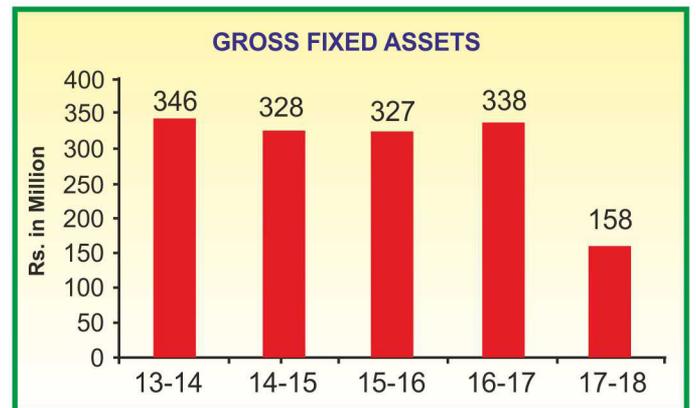
We use this space to communicate with potential sellers and their representatives, what we look for in a potential acquisition. If you, the reader, have no personal connection with a business that might be of interest to us but have a friend who does, perhaps you could pass this message on to him.

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

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

We will not engage in unfriendly takeovers. We can promise complete confidentiality and a very fast 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 Equipment Limited

CORPORATE DATA

BOARD OF DIRECTORS

ABHISHEK DALMIA
Executive Chairman

DEEPALI DALMIA

B.V. RAMANAN

KISHORE SIDHWANI

V.V. SUBRAMANIAN (From 29.05.2017)

SUNIL PURI (From 01.04.2018)
CEO & Executive Director

S.C. KATYAL (upto 08.06.2018)

S. HARIHARAN (upto 08.06.2018)

CHAITANYA DALMIA (upto 31.03.2018)

M. POONGAVANAM (upto 05.03.2018)

CHIEF FINANCIAL OFFICER

R. SUDHIR (From 09.06.2018)

COMPANY SECRETARY

M.N. SRINIVASAN (upto 29.07.2018)

SHARE TRANSFER AGENTS

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

BANKERS

BANK OF INDIA
STATE BANK OF INDIA
ICICI BANK LIMITED
DENA BANK

REGISTERED OFFICE

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

AUDITORS

S.S. KOTHARI MEHTA & CO.
NEW DELHI

SECRETARIAL AUDITORS

MDS & ASSOCIATES,
COIMBATORE

Revathi's Corporate performance vs the Nifty

Year	Annual percentage change in		Relative results (1) - (2)
	Per share book value of Revathi (1)	Nifty 50 with dividend included (2)	
2002-03	9.0%	-11.7%	20.7%
2003-04	21.6%	86.3%	-64.7%
2004-05	41.3%	17.3%	24.0%
2005-06	19.1%	70.0%	-50.9%
2006-07	11.6%	13.8%	-2.2%
2007-08	16.6%	25.7%	-9.1%
2008-09	-2.5%	-35.4%	32.9%
2009-10	3.6%	75.3%	-71.7%
2010-11	6.0%	12.4%	-6.4%
2011-12	-2.9%	-8.2%	5.3%
2012-13	2.8%	8.7%	-5.9%
2013-14	-10.9%	19.5%	-30.4%
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%
Average Annual Gain (FY03 - FY18)	8.5%	16.4%	-7.9%
Overall gain (FY 03 - FY 18)	239.6%	1028.2%	-788.6%

Notes :

1. All data is for financial years and includes dividends paid, if any.
2. The Nifty-50 numbers are pre-tax and assume that dividends were reinvested, whereas the numbers for Revathi are after tax.
3. We think our investors should measure our performance against their general experience in the equity markets. While the Nifty-50 is not perfect (nor is anything else) as a measure of performance, it has the advantage of being widely known and reflects with reasonable accuracy the experience of investors generally with the market.
4. The reason we have used the "growth in book value" as against stock price is, that over time, we intend measuring our performance by checking if a rupee retained has created a rupee worth of market value.
5. If you expect, as we do, that owning a representative stock index would produce reasonably satisfactory results over a period of time, it follows that, for long-term investors, gaining small advantages over that index must prove rewarding.

CHAIRMAN'S LETTER

Our decrease in consolidated net worth at the end of FY18 was Rs.91 million, which decreased the per share book value by 5.7%. Over the last sixteen years (that is, since the present owners took over) per share book value, has grown from Rs.151 to Rs.491 (Rs.569 after ignoring the effect of goodwill write-offs), which, after factoring in dividend paid during this period, works out to a rate of 8.5% (9.5%) compounded annually.

Last year, I had shared my perspective on the macro environment in which Revathi's Drilling Solutions business operates. This year, I would like to delve into the key risks to this business and how we have been dealing with them. This would give you a good appreciation of the overall environment of Revathi.

The first source of risk is market risk. I wrote quite extensively about this in last year's report. While it is a clear long-term risk, I do not perceive this as a risk in the short- to medium-term. A second aspect of market risk arises out of business cycles. Since much of our exposure is to coal, which has been the primary energy source for India over the past several decades, we do not see much gyrations owing to business cycles. It is true that our business is not even year-to-year but that is due to factors at Coal India, which are typically short-term in nature. Over the course of three to five years, the business is fairly stable and predictable.

The next source of risk is concentration risk. The bulk of our business comes from one client – Coal India. This leads to two risks – low rate of growth, reflecting rate of growth at Coal India as well as client concentration risk. To address markets outside Coal India, we have, over the years, developed new products for the mining, water well and construction industries. The products developed for mining were higher capacity machines, which expanded our range to cover a broader spectrum of applications. These drills are much larger in size and value and do not have an annual demand.

We continue to develop new models, which would help us penetrate deeper into some of the other markets like cement and steel. Towards, this we have already developed some models, which were introduced into the market recently. The product has been well received and we hope to gain market share in this business in the future.

We also developed products for the water well industry, which are supplied to customers like Central Ground Water Board. Like the larger drills for mining, these drills also do not have an annual demand. The products developed for the construction industry were much smaller in unit value and as such did not turn out to be very attractive from a profitability perspective. As such, this range was discontinued several years ago.

Another initiative we have taken has been to open up some new markets for our products. Much of the work here has been within Asia, though we have also supplied some equipment to Europe, South America and Africa.

The annual business from Coal India approximates Rs.50 crores. Anything above and beyond that comes from other customers and/or geographies.

The next source of risk is competitive intensity. So far, there have been two major players in Atlas Copco and us. Sandvik has been supplying some machines to Coal India as well but is not yet a major player. The other players are Komatsu, which acquired Joy Global in 2017 and Caterpillar, which acquired Bucyrus in 2011. However, none of these players have even tried to get into the Indian market in the product range that competes with ours. Perhaps the small and slow growing market size makes it unattractive for larger players to attempt to get in.

Then there is balance sheet risk, to which we were exposed for a few years when our leverage had gone up significantly. Over the last few years however, we have successfully brought it down to very manageable levels. As a result of the significant reduction in debt last year, this year our interest cost shrunk by half over last year. Over the next couple of years, we should-be able to make Revathi a zero-debt company, though we will continue to have non-fund based limits. With this, we would have completed eliminated risk arising out of the balance sheet.

This year was one of the rare years when Coal India placed almost no orders for any equipment. The rollout of GST triggered a massive exercise of reorienting all internal systems to become compliant with the new law. The delays that resulted meant that we got almost no equipment orders from Coal India.

The other highlight of the year was that we finally shut down the concreting equipment business. This resulted in an asset impairment of Rs.7 crores. With this, the cost of the mistake made in 2006 is fully recognized in our books. Though it is a non-cash charge today, it is shareholders' money that was spent many years ago.

The net result of all the above factors was that while we made a cash profit of Rs.2.2 crores, we had an accounting loss of Rs.5.9 crores for the year under consideration.

Last year I had shared my detailed perspective on the macro environment facing Revathi's core business. This year, I would like to share a more detailed perspective on our journey at Semac. Most people usually focus much more on the future and do not spend much time thinking about the past. We have all heard that change is always painful and still we all hope that we don't have to deal with the pain that comes with change! It is a strange aspect of human nature. We want things to change for the better and yet we wish it is painless. This has been my personal journey as well.

Every people decision I made created unique positives for the medium- to long-term, though with a lot of short-term pain. Likewise, letting some senior people go would have entailed short-term pain to the business, though would have been good for the long-term. These motivations (of avoiding short-term pain) led to delays in making some of these decisions. However, when I look back and reflect, I find that the changes that were brought in by some of our senior hires were momentous in our journey. So while they fell short of producing the desired financial results, they were important in shaping Semac's future in a meaningful way. I am reminded of the commencement address given by the legendary Steve Jobs at Stanford in 2005, where he said, "You can't connect the dots looking forward; you can only connect them looking backwards. So you have to trust that the dots will somehow connect in your future. You have to trust in something – your gut, destiny, life, karma, whatever."

The hiring of our first CEO back in 2007 did not produce the desired financial results. However, without his coming on board, the founding Principals of Potential Service Consultants would never have left. Their leaving caused short-term pain as they took away clients and staff. However, their departure forced us to build a new line of leadership with the talent we had. This was an important building block in building today's Semac, though at the time, it didn't feel that way.

The hiring of the second CEO in 2015 also did not produce the desired financial results. However, he introduced some seemingly minor changes like video conferencing in the organization, which were the starting point of building a culture of collaboration across offices at Semac. He also got us a marquee global client like Alstom for their high profile Madhepura project, where they are going to manufacture all electric locomotives in a joint venture with the Indian Railways under the Make in India initiative. He was also the reason that the remaining Semac founders moved out. While these Principals were keeping things stable and profitable, given their ages and experience in the industry, they were big barriers to change.

Our last CEO, who joined in April 2017 and stayed with us for a little over a year, also brought in some important changes such as bringing in cloud computing into the company, which again was an important building block in building One Semac. It was also during his tenure that we had a major shift in our strategy to focus only on industrial clients. Prior to that, we were doing all kinds of buildings including townships, hotels, hospitals, retail malls, residential towers, etc. As a result of this tight focus, we have been able to make a more solid case to potential clients to give us work. This has helped us to win some large new customers against competition from global players. Finally, we had another significant shift in our staffing policy from having a large inhouse team to having only a core team and outsourcing the surplus work to other consultants.

Our experience in the consulting business in this industry has not been very different from the multinationals like AECOM, Jacobs, Mott MacDonald, etc. who got into this industry in India. Most of them, who acquired local firms as their entry strategy, have done one of two things. Either they have focused their energies on large infrastructure projects in areas like Oil & Gas, Roads, Airports, etc. or they have converted their India practice to an offshore delivery center serving their international operations, much like the IT industry.

In a way, the Semac now is healthier than the Semac then – our business strategy is more focused and crisp, new leadership has developed from within the organization, clients have stopped believing the negativity spread about us by the people who left us to start competing firms, the teams are more aligned, etc. These changes make for a stronger core business, though it is not visible in the financial results yet.

In the FY14 letter, I had written about a company that was wholly owned by Revathi – Renaissance Construction Technologies. That company was into the business of providing project management services. Post our exit, it also got into the business of construction of projects. At the time, the business was quite new and there were a lot of risks involved in the business, including the liability of torts. Having been in the business for about five years now, I feel comfortable that the business has become stable and the initial risks have been addressed. It is therefore, no longer a startup.

So far, they have been a standalone business, mostly offering project management services to clients like Ford, Alstom, Ashoka University, etc. with very little overlap with Semac's business of providing architecture and engineering design services. However, as we go forward, there is a case to be made for greater collaboration between the rechristened Semac Construction Technologies and Semac. Now that Semac's core business and core team have become stable, we are evaluating how the two business can derive synergies from each other. We are also examining possibilities of reorganizing the businesses in the interest of Revathi shareholders. It is too early to say what the outcome of this exercise will be and I hope to share more details in next year's letter.

Revathi had invested Rs.20 crores into a joint development real estate project in Mumbai between 2008 and 2011. Of this, we have recovered Rs.17 crores over 2014 and 2015. Effectively, we have Rs.3 crores invested in the project at historical cost. The project has been in stall mode for several years now. Reasons are several including the softness in the Mumbai market, a financially over extended partner, introduction of RERA, etc. This has prompted us to find a different way to exit from this investment. Some initial steps have been taken towards this but the windscreen is a bit hazy at this point to say when we will be able to exit and at what valuation. Here again, I expect something positive to develop during the next twelve months and I will keep you posted as I find out more.

I would like to thank the families of our staff who stood by their spouse or parent, at a time when very few believed Semac's ability to survive the departure of the Founders and some key clients. Without your support and faith, our team would not have stayed strong, steadfast and focused on the job at hand to bring us to where we are today. The rear view mirror is not a pretty picture, but the windshield is beginning to seem quite nice now. Big thank you Team Semac for making this happen.

REPORT OF DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT – FOR FY 2017-18

Dear Shareholders,

Your Directors have pleasure in presenting the Forty First Report together with the Audited Accounts of your Company for the year ended 31st March 2018.

Financial Highlights

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

(All figures in ₹ Lakhs)

Particulars	31.03.2018	31.03.2017
Total Income	4700.47	13271.70
Total Expenditure	4506.22	11741.77
Profit before Tax	194.25	1529.93
Less: Tax expense	37.46	61.22
Profit from continuing operations	156.79	1468.71
Loss from discontinuing operations	(747.71)	(26.36)
Profit/loss for the period	(590.91)	1442.34

Transition To Indian Accounting Standards (Ind As)

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of Companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. For the Company, Ind AS is applicable from April 1, 2017, with a transition date of April 1, 2016.

The following are the areas which had an impact on account of transition to Ind AS:

- Revenue recognition
- Employee costs pertaining to defined benefit obligations
- Recognition of dividend liability and related taxes
- Deferred taxes
- Classification of Fixed Assets

The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in the notes to accounts in the financial statements.

Operations / Performance review

Net Sales of your company decreased to Rs. 45.32 Crores in FY 18 from Rs.131.61 Crores in FY 17. This is due to some large value of tenders for drilling equipment were inordinately delayed during FY 18.

Due to lower sales, profitability declined in FY 18.

Change in the Nature of Business, if any

There was no change in the nature of business of the Company during the financial year ended 31st March, 2018

Management discussion and analysis, Structure and Developments, Opportunities and Threats, Outlook, Risk and Concern:

Overview of the Economy

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

Business Environment, Outlook & Prospects for FY 2018-19.

Coal India Ltd (CIL) reported that it has missed the production target for 2017-18 (FY 18) by five per cent but it achieved a 2.4 per cent growth in the fuel production over last year.

According to its provisional data, CIL produced 567.37 mt in FY 18, achieving 95 per cent of its target of 600 mt for the year. However, it achieved a 2.4 per cent growth in production as compared to 554.13 mt produced in FY17.

The total coal demand in the country is expected to be around 1.2–1.5 BT as per various estimates by the government and independent agencies. Considering this, the Ministry of Coal, Government of India, has set up a target of more than doubling the coal production in the country and reach a production level of 1.5 BT by FY 2020. To achieve this, the government has set a target of increasing coal production of Coal India Limited (CIL) to a level of 1 BT by FY 2020, while the balance production is to be met by SCCL, the private sector, state sector and central sector PSUs.

With this positive outlook, it is expected that there will be growth in demand for the Company's products in the years to come.

Transfer to reserves

The Company has not transferred any amount to its reserves during the year under review.

Dividend

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

Transfer of unclaimed dividend to Investor Education and Protection Fund

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

Share capital

The issued, subscribed and paid-up share capital of the Company as at 31.03.2018 stood at ₹ 3,06,69,430 /- divided into 30,66,943 equity shares of ₹ 10/- each. During the year under review the Company has not made any fresh issue of shares.

Extract of annual return

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

Board meetings conducted during the period under review

During the year under review, 6 Meetings of the Board of Directors, 6 Meetings of the Audit Committee, 3 Meetings of the Nomination and Remuneration Committee, 4 Meetings of the Stakeholders Relationship Committee were held. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

Statement on compliance with Secretarial Standards

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such 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 -

- in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departure from those standards;
- 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 loss of the company for that period;
- 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;
- the directors had prepared the annual accounts on a going concern basis; and
- 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
- the directors had devised proper system to ensure compliance with the provisions of all the applicable laws and such systems were adequate and operating effectively;

Details in respect of frauds reported by auditors under section 143(12) of the Companies Act, 2013 other than those which are reportable to the Central Government

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

Declaration of independent directors

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

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

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

Comments on Auditors' Report:

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

The Company has maintained cost records as required under Section 148 of the Companies Act, 2013.

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

During the year under review the Company has not granted any loan or made any investment pursuant to the provisions of Section 186 of the Companies Act, 2013. However, the Company has given corporate guarantee for a value of Rs 15 Crores to a bank for the facility availed by its subsidiary M/S Semac Consultants P.Ltd. The details in respect of investments made by the Company in the earlier year have been disclosed in the notes to the Financial Statements.

Particulars of contracts or arrangements with related parties

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

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

There have been no material changes and commitments affecting the financial position of the Company which has occurred between the financial year ended 31st March, 2018 and the date of the report.

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

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

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

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

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

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

The 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 to promoting education, including special education and employment enhancing vocational skills to children, women and differently abled persons, measures for the benefit of armed forces, war widows etc . The Company has developed Corporate Social Responsibility policy in line with the activities mentioned in Schedule VII of the Companies Act, 2013. The company has done CSR spending in FY 18 – ie., contribution of Rs 17.50 lakhs to Bharat Ke Veer Corpus , Ministry of Home Affairs, Government of India benefiting the families of war widows, including education of their children. The annual report on CSR activities has been given in Annexure D

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

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

Directors & Key Managerial Personnel

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. Your Directors recommended her re-appointment.

Mr. Chaitanya Dalmia and Mr. S.C.Katyal have resigned from the Directorship with effect from 31.03.2018 and 08.06.2018 respectively. Directors wish to place on record its appreciation and gratitude for the outstanding contribution and the valuable services rendered by them during their tenure of office as directors of the company.

The Board of Directors has appointed Mr.Sunil Puri as CEO & Executive Director of the company from 01.04.2018 to 31.03.2023. on the terms and conditions as set out in the notice convening the Annual General Meeting. Necessary resolution in this regard has been proposed for the approval of the members at the ensuing Annual General Meeting.

Mr.S.Hariharan (DIN: 06363724) Whole-time Director & CFO retired from the services with effect from 08.06.2018. The Board recorded its appreciation and gratitude for the outstanding contribution made by him during his 26 years of service in the Company including his Whole-time Directorship in the last five years and 10 months.

Mr.M.N. Srinivasan, Company Secretary retired from the services of the Company with effect from 29.07.2018. The Directors wish to place on record its appreciation and gratitude for the valuable services rendered by him during his 23 years of service in the Company.

Key Managerial Personnel of the Company as required pursuant to Section 2(51) and 203 of the Companies Act, 2013 are Mr.Abhishek Dalmia, Executive Chairman, Mr. Sunil Puri, CEO & Executive Director.

Mr.R. Sudhir has been appointed as Chief Financial Officer of the Company with effect from 09.06.2018.

Subsidiaries, Joint Ventures and Associate companies.

The company has two subsidiaries namely M/S Semac Consultants Private Ltd – a material subsidiary within the definition of SEBI (Listing Obligations and Disclosure Requirements) Rules 2015 and M/S Semac and Partners, LLC – step down subsidiary. Further, the company is a subsidiary of M/S Renaissance Advanced Consultancy Ltd.

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

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

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

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

Fixed deposits

The Company has not accepted any fixed deposit and hence there are no unclaimed deposits as on 31st March 2018.

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

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

Adequacy of Internal Financial Controls with reference to the financial statements

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

Auditors

Statutory auditors

M/s. S.S. Kothari Mehta & Co (Firm Registration No. 000756N), Chartered Accountants, New Delhi were appointed as the Statutory Auditors of the company for a period of five years at the 38th Annual General Meeting of the company held on 21st December 2015. Pursuant to the amendment of Section 139 of the Companies Act, 2013, the Company is no longer required to seek the ratification of the appointment of the Auditor at every Annual General Meeting. Accordingly, it has been proposed to obtain the approval of the members to continue the appointment of the Statutory Auditors without ratification of their appointment at every Annual General Meeting.

The Company has received a certificate from the Statutory Auditors to the effect that their continued appointment as the Statutory Auditors of the Company, would be within the limits prescribed under section 139 of the Companies Act, 2013. Members are requested to grant their approval for the continuation of the appointment of the Auditors for a period up to the conclusion of the 43rd Annual General Meeting of the Company which ought to be held during the year 2020 without ratification at every Annual General Meeting.

Secretarial auditors

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

Particulars of Employees

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

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 received from any employee during the financial year 2017-18 and hence no complaint is outstanding as on 31.03.2018 for redressal.

Corporate Governance

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

Audit Committee

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

Vigil Mechanism (Whistle Blower Policy)

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

CEO/CFO certification

As required under SEBI (Listing Obligations and Disclosure Requirements) Rules 2015, the Executive Director & Chief Executive Officer and 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.

Cautionary note

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

Appreciation

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

By Order of the Board
For Revathi Equipment Limited

Place : New Delhi
Date : 06.08.2018

Abhishek Dalmia
Executive Chairman
DIN 00011958

FORM NO. MGT-9

ANNEXURE -A

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L29120TZ1977PLC000780
ii)	Registration Date	30/05/1977
iii)	Name of the Company	REVATHI EQUIPMENT LIMITED
iv)	Category / Sub-Category of the Company	Public Limited Company / Limited by shares / Non-Government Company
v)	Address of the Registered office and contact details	POLLACHI ROAD MALUMICHAMPATTI POST COIMBATORE - 641050 Phone No. : 0422-2610851 Fax No. : 0422-6655199 Email : compliance.officer@revathi.in Website : www.revathi.in
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	S.K.D.C. CONSULTANTS LIMITED Kanapathy Towers, 3rd Floor 1391/A1, Sathy Road, Ganapathy, Coimbatore - 641006 Phone No. : 0422-4958995, 2539835, 2539836 Fax No. : 0422-2539837 E-mail : info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Blast hole drilling and water well drilling equipments	28242	93.91

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Renaissance Advanced Consultancy Limited, B-45/47, 2nd Floor, Connaught Place New Delhi - 110001	U4140DL2014PLC271039	Holding Company	57.68%	2(46)
2	Semac Consultants Pvt.Ltd Pollachi Road, Malumachampatti post, Coimbatore-641050	U85110TZ1987PTC017564	Subsidiary Company	76.99%	2(87)(ii)
3	Semac & Partners LLC Muscat, Sultanate of Oman	N.A.	Step Down Subsidiary Company	Nil	2(87)(ii)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2225953	-	2225953	72.58	2225953	-	2225953	72.58	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub- Total (A)(1)	2225953	-	2225953	72.58	2225953	-	2225953	72.58	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Others- Individual	-	-	-	-	-	-	-	-	-
c) Bodies corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
Sub- Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A)=(A)(1)+(A)(2)	2225953	-	2225953	72.58	2225953	-	2225953	72.58	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	100	-	100	-	100	-	100	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	100	-	100	-	100	-	100	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	32201	165	32366	1.06	37490	165	37655	1.23	0.17
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	512703	66496	579199	18.89	528378	63473	591851	19.30	0.41
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	153933	-	153933	5.02	146927	-	146927	4.79	(0.23)
c) Others									
Directors & Their Relatives	13251	2	13253	0.43	47	2	49	0.00	(0.43)
Non Resident Indians	12531	132	12663	0.41	16509	132	16641	0.54	0.13
Clearing Members	23218	-	23218	0.76	10206	-	10206	0.33	(0.42)
Hindu Undivided Families	26258	-	26258	0.86	37561	-	37561	1.22	0.37
Sub-total (B)(2):-	774095	66795	840890	27.42	777118	63772	840890	27.42	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	774195	66795	840990	27.42	777218	63772	840990	27.42	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	3000148	66795	3066943	100.00	3003171	63772	3066943	100.00	-

ii) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Renaissance Advanced Consultancy Limited	1768953	57.68	-	1768953	57.68	-	-
2.	Renaissance Stocks Ltd	457000	14.90	-	457000	14.90	-	-
	Total	2225953	72.58	-	2225953	72.58	-	-

iii) Change in Promoters' Shareholding

S. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	There has been no changes in Share holding of the Promoters during the year			
	Increase / Decrease in Promoters Shareholding during the year				
	At the end of the year				

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

S. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	DIPAK KANAYALAL SHAH				
	At the beginning of the year	57792	1.88	57792	1.88
	Transfer of shares on 19.05.2017	208	0.01	58000	1.89
	Transfer of shares on 23.06.2017	700	0.02	58700	1.91
	Transfer of shares on 22.09.2017	152	0.00	58852	1.92
	Transfer of shares on 13.10.2017	150	0.00	59002	1.92
	Transfer of shares on 12.01.2018	25	0.00	59027	1.92
	Transfer of shares on 23.02.2018	25	0.00	59052	1.93
	At the end of the year			59052	1.93
2	SUDHIR CHUKKAPALLI				
	At the beginning of the year	23864	0.78	23864	0.78
	Transfer of shares on 08.12.2017	802	0.03	24666	0.80
	Transfer of shares on 15.12.2017	2512	0.08	27178	0.89
	Transfer of shares on 22.12.2017	4445	0.14	31623	1.03
	Transfer of shares on 29.12.2017	209	0.01	31832	1.04
	Transfer of shares on 26.01.2018	2357	0.08	34189	1.11
	Transfer of shares on 02.02.2018	814	0.03	35003	1.14
	Transfer of shares on 09.02.2018	319	0.01	35322	1.15
	At the end of the year			35322	1.15

S. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
3	VENKATA RAO CHUKKAPALLI				
	At the beginning of the year	13509	0.44	13509	0.44
	Transfer of shares on 29.12.2017	15	0.00	13524	0.44
	Transfer of shares on 05.01.2018	1	0.00	13525	0.44
	Transfer of shares on 12.01.2018	1000	0.03	14525	0.47
	Transfer of shares on 26.01.2018	35	0.00	14560	0.47
	Transfer of shares on 02.02.2018	1000	0.03	15560	0.51
	Transfer of shares on 09.02.2018	63	0.00	15623	0.51
	Transfer of shares on 16.02.2018	137	0.00	15760	0.51
	Transfer of shares on 23.02.2018	700	0.02	16460	0.54
	Transfer of shares on 23.03.2018	1291	0.04	17751	0.58
	At the end of the year			17751	0.58
4	SHYAM PATTABIRAMAN				
	At the beginning of the year	12737	0.42	12737	0.42
	Increase/Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			12737	0.42
5	ALOK LODHA				
	At the beginning of the year	10504	0.34	10504	0.34
	Transfer of shares on 05.09.2017	(4)	(0.0)	10500	0.34
	At the end of the year			10500	0.34
6	CHUKKAPALLI RENUKA**				
	At the beginning of the year	5685	0.19	5685	0.19
	Transfer of shares on 29.12.2018	1005	0.03	6690	0.22
	Transfer of shares on 26.01.2018	1993	0.06	8683	0.28
	Transfer of shares on 02.02.2018	1000	0.03	9683	0.32
	Transfer of shares on 09.02.2018	762	0.02	10445	0.34
	Transfer of shares on 16.02.2018	420	0.01	10865	0.35
	Transfer of shares on 23.02.2018	700	0.02	11565	0.38
	At the end of the year			11565	0.38
7	HARESH MULCHAND POLADIA**				
	At the beginning of the year	4500	0.15	4500	0.15
	Transfer of shares on 21.4.2017	1150	0.04	5650	0.18
	Transfer of shares on 11.08.2017	200	0.01	5850	0.19
	Transfer of shares on 15.09.2017	1200	0.04	7050	0.23
	Transfer of shares on 08.12.2017	2000	0.07	9050	0.30
	Transfer of shares on 15.12.2017	600	0.02	9650	0.31
	At the end of the year			9650	0.31

S. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
8	VEENA K JAGWANI**				
	At the beginning of the year	6930	0.23	6930	0.23
	Transfer of shares on 03.11.2017	745	0.02	7675	0.25
	Transfer of shares on 17.11.2017	255	0.01	7930	0.26
	Transfer of shares on 22.12.2017	(1000)	(0.03)	6930	0.23
	Transfer of shares on 12.01.2017	1000	0.03	7930	0.26
	At the end of the year			7930	0.26
9	GLOBE CAPITAL MARKET LTD**				
	At the beginning of the year	500	0.02	500	0.02
	Transfer of shares on 23.06.2017	(500)	(0.02)	-	-
	Transfer of shares on 23.06.2017	1200	0.04	1200	0.04
	Transfer of shares on 07.07.2017	495	0.02	1695	0.06
	Transfer of shares on 25.08.2017	(200)	(0.01)	1495	0.05
	Transfer of shares on 22.09.2017	(495)	(0.02)	1000	0.03
	Transfer of shares on 27.10.2017	5	0.00	1005	0.03
	Transfer of shares on 03.11.2017	25	0.00	1030	0.03
	Transfer of shares on 17.11.2017	(5)	(0.00)	1025	0.03
	Transfer of shares on 12.01.2018	100	0.00	1125	0.04
	Transfer of shares on 26.01.2018	(500)	(0.02)	625	0.02
	Transfer of shares on 02.02.2018	100	0.00	725	0.02
	Transfer of shares on 02.03.2018	(100)	(0.00)	625	0.02
	Transfer of shares on 16.03.2018	6100	0.20	6725	0.22
	At the end of the year			6725	0.22
10	ZEN SECURITIES LTD**				
	At the beginning of the year	6200	0.20	6200	0.20
	Transfer of shares on 21.04.2017	20	0.00	6220	0.20
	Transfer of shares on 28.04.2017	(30)	(0.00)	6190	0.20
	Transfer of shares on 28.04.2017	20	0.00	6210	0.20
	Transfer of shares on 05.05.2017	(110)	(0.00)	6100	0.20
	Transfer of shares on 12.05.2017	28	0.00	6128	0.20
	Transfer of shares on 19.05.2017	32	0.00	6160	0.20
	Transfer of shares on 26.05.2017	407	0.01	6567	0.21
	Transfer of shares on 26.05.2017	(10)	(0.00)	6557	0.21
	Transfer of shares on 02.06.2017	1100	0.04	7657	0.25
	Transfer of shares on 02.06.2017	(110)	(0.00)	7547	0.25
	Transfer of shares on 09.06.2017	(601)	(0.02)	6946	0.23
	Transfer of shares on 09.06.2017	61	0.00	7007	0.23

S. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	Transfer of shares on 16.06.2017	(507)	(0.02)	6500	0.21
	Transfer of shares on 30.06.2017	10	0.00	6510	0.21
	Transfer of shares on 07.07.2017	10	0.00	6520	0.21
	Transfer of shares on 14.07.2017	120	0.00	6640	0.22
	Transfer of shares on 21.07.2017	30	0.00	6670	0.22
	Transfer of shares on 21.07.2017	(120)	(0.00)	6550	0.21
	Transfer of shares on 28.07.2017	60	0.00	6610	0.22
	Transfer of shares on 04.08.2017	(60)	(0.00)	6550	0.21
	Transfer of shares on 11.08.2017	(50)	(0.00)	6500	0.21
	Transfer of shares on 08.09.2017	(500)	(0.02)	6000	0.20
	Transfer of shares on 22.09.2017	32	0.00	6032	0.20
	Transfer of shares on 30.09.2017	(32)	(0.00)	6000	0.20
	Transfer of shares on 06.10.2017	18	0.00	6018	0.20
	Transfer of shares on 13.10.2017	(18)	(0.00)	6000	0.20
	Transfer of shares on 27.10.2017	17	0.00	6017	0.20
	Transfer of shares on 31.10.2017	783	0.03	6800	0.22
	Transfer of shares on 03.11.2017	74	0.00	6874	0.22
	Transfer of shares on 03.11.2017	(800)	(0.03)	6074	0.20
	Transfer of shares on 10.11.2017	202	0.01	6276	0.20
	Transfer of shares on 17.11.2017	138	0.00	6414	0.21
	Transfer of shares on 24.11.2017	(29)	(0.00)	6385	0.21
	Transfer of shares on 01.12.2017	(47)	(0.00)	6338	0.21
	Transfer of shares on 01.12.2017	176	0.01	6514	0.21
	Transfer of shares on 08.12.2017	(341)	(0.01)	6173	0.20
	Transfer of shares on 15.12.2017	240	0.01	6413	0.21
	Transfer of shares on 22.12.2017	(193)	(0.01)	6220	0.20
	Transfer of shares on 29.12.2017	51	0.00	6271	0.20
	Transfer of shares on 05.01.2018	(34)	(0.00)	6237	0.20
	Transfer of shares on 12.01.2018	(59)	(0.00)	6178	0.20
	Transfer of shares on 19.01.2018	(52)	(0.00)	6126	0.20
	Transfer of shares on 26.01.2018	(10)	(0.00)	6116	0.20
	Transfer of shares on 26.01.2018	10	0.00	6126	0.20
	Transfer of shares on 02.02.2018	(46)	(0.00)	6080	0.20
	Transfer of shares on 09.02.2018	25	0.00	6105	0.20
	Transfer of shares on 16.02.2018	259	0.01	6364	0.21
	Transfer of shares on 23.02.2018	125	0.00	6489	0.21
	Transfer of shares on 23.02.2018	(275)	(0.00)	6214	0.20
	Transfer of shares on 02.03.2018	(25)	(0.00)	6189	0.20
	At the end of the year			6189	0.20

S. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
11	HITESH SATISHCHANDRA DOSHI ##				
	At the beginning of the year	25177	0.82	25177	0.82
	Transfer of shares on 28.04.2017	(4409)	(0.14)	20768	0.68
	Transfer of shares on 05.05.2017	(5763)	(0.19)	15005	0.49
	Transfer of shares on 12.05.2017	(3790)	(0.12)	11215	0.37
	Transfer of shares on 19.05.2017	(11215)	(0.37)	-	-
	At the end of the year			-	-
12	FINQUEST SECURITIES PVT.LTD ##				
	At the beginning of the year	13349	0.44	13349	0.44
	Transfer of shares on 07.04.2017	(13349)	(0.44)	-	-
	Transfer of shares on 21.04.2017	10	0.00	10	0.00
	Transfer of shares on 28.04.2017	(10)	(0.00)	-	-
	Transfer of shares on 21.07.2017	500	0.02	500	0.02
	Transfer of shares on 28.07.2017	(500)	(0.00)	-	-
	Transfer of shares on 09.02.2018	59	0.00	59	0.00
	Transfer of shares on 16.02.2018	(59)	(0.00)	-	-
	At the end of the year	-	-	-	-
13	STUTI ANILKUMAR BAGRI ##				
	At the beginning of the year	10350	0.34	10350	0.34
	Transfer of shares on 21.04.2017	(10350)	(0.34)	-	-
	At the end of the year	-	-	-	-
14	ISHITA BAGRI ##				
	At the beginning of the year	10000	0.33	10000	0.33
	Transfer of shares on 21.07.2017	(10000)	(0.33)	-	-
	At the end of the year	-	-	-	-
15	KALPANA KAUR BATRA ##				
	At the beginning of the year	8115	0.27	8115	0.27
	Transfer of shares on 07.04.2017	(5115)	(0.17)	3000	0.10
	Transfer of shares on 26.05.2017	(3000)	(0.10)	-	-
	At the end of the year	-	-	-	-

** Not in the list of Top 10 shareholders as on 31.03.2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2018.

Ceased to be in the list of Top 10 shareholders as on 31.03.2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2017.

v) Shareholding of Directors and Key Managerial Personnel

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	KISHORE NANIKSIDHWANI				
	At the beginning of the year	3241	0.11	3241	0.11
	Transfer of shares on 28.04.2017	(200)	(0.01)	3041	0.10
	Transfer of shares on 12.05.2017	(100)	(0.00)	2941	0.10
	Transfer of shares on 19.05.2017	(200)	(0.01)	2741	0.09
	Transfer of shares on 09.06.2017	(100)	(0.00)	2641	0.09
	Transfer of shares on 16.06.2017	(200)	(0.01)	2441	0.08
	Transfer of shares on 23.06.2017	(900)	(0.03)	1541	0.05
	Transfer of shares on 14.07.2017	(500)	(0.02)	1041	0.03
	Transfer of shares on 04.08.2017	(1022)	(0.03)	19	0.00
	At the end of the year			19	0.00
2	B V RAMANAN				
	At the beginning of the year	1050	0.03	1050	0.03
	Transfer of shares on 12.05.2017	(1050)	(0.03)	-	-
	At the end of the year			-	-
3	ABHISHEK DALMIA				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
4	DEEPALI DALMIA				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
5	VENKATACHALAM VENKATA SUBRAMANIAN (Appointed w.e.f.29.05.2017)				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	SUNIL PURI, CEO & Executive Director (Appointed w.e.f.01.04.2018)				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	MUTHU POONGAVANAM (Resigned w.e.f.05.03.2018)				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
8	CHAITANYA DALMIA (Resigned w.e.f.31.03.2018)				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
9	SATISH CHANDRA KATYAL (Resigned w.e.f.08.06.2018)				
	At the beginning of the year	4841	0.16	4841	0.16
	Transfer of shares on 07.04.2017	(242)	(0.01)	4599	0.15
	Transfer of shares on 14.04.2017	(220)	(0.01)	4379	0.14
	Transfer of shares on 21.04.2017	(1974)	(0.06)	2405	0.08
	Transfer of shares on 28.04.2017	(1845)	(0.06)	560	0.02
	Transfer of shares on 05.05.2017	(100)	(0.00)	460	0.01
	Transfer of shares on 12.05.2017	(2)	(0.00)	458	0.01
	Transfer of shares on 19.05.2017	(200)	(0.01)	258	0.01
	Transfer of shares on 21.07.2017	(230)	(0.01)	28	0.00
	At the end of the year			28	0.00
10	S.HARIHARAN, Whole-time Director (Retired w.e.f.08.06.2018)				
	At the beginning of the year	2	-	2	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	2	-	2	-
11	M.N.SRINIVASAN, Company Secretary (Retired w.e.f.29.07.2018)				
	At the beginning of the year	2	-	2	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	2	-	2	-

V. INDEBTEDNESS

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

(Amount in 000's)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	248,798	60,000	-	308,798
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	78	-	78
Total (i+ii+iii)	248,798	60,078	-	308,876
Change in Indebtedness during the financial year				
* Addition	14273	-	-	14273
* Reduction	-	(60078)	-	(60078)
Net Change	14273	(60078)	-	(45805)
Indebtedness at the end of the financial year				
i) Principal Amount	263071	-	-	263071
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	263071	-	-	263071

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managerial Director, Whole- Time Directors and/or Manager : (Amount in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Abishek Dalmia Executive Chairman	S Hariharan Whole-time Director & CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45,02,160	25,40,135	70,42,295
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	14,91,840	21,48,852	36,40,692
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - Others	-	-	-
5	Others, Contribution to funds & Leave salary	15,06,048	7,15,992	22,22,040
	Total (A)	75,00,048	54,04,979	1,29,05,027
	Ceiling as per the Act	As per Schedule V of the Companies Act,2013		

B. Remuneration to Other Directors :

(Amount in 000's)

S. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Deepali Dalmia	Chaitanya Dalmia#	S C Katyal	B V Ramanan	Muthu Poongavanam##	Kishore Nanik Sidhwani	V V Subramanian**	
1	Independent Directors								
	Fee for attending board committee meetings	-	-	200	250	200	200	300	1150
	Commission	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Fee for attending sub committee meetings	-	-	-	-	-	-	-	-
	Total - 1	-	-	200	250	200	200	300	1150
2	Other Non-Executive Directors								
	Fee for attending board committee meetings	200	200	-	-	-	-	-	400
	Commission	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Fee for attending sub committee meetings	-	-	-	-	-	-	-	-
	Consulting Fees	-	-	-	-	-	-	-	-
	Total (2)	200	200	-	-	-	-	-	-
	Total B = (1+2)	200	200	200	250	200	200	300	1550
	Total Managerial Remuneration								14455*
	Overall Ceiling as per the Act	The maximum Sitting fee payable per meeting to each Director is 1 lakh as per the Companies Act, 2013.							

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

**Appointed on 29.05.2017, #Resigned on 31.3.2018, ## Resigned on 05.03.2018

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CS	CEO	
		M N Srinivasan	Sunil Puri	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1400155	2111400	3511555
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	201529	3647630	3849159
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - Others	-	-	-
5	Others, Contribution to funds	220507	460502	681009
	Total	1822191	6219532	8041723

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

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

By Order of the Board
For Revathi Equipment Limited

Abhishek Dalmia
Executive Chairman
DIN 00011958

Place : New Delhi
Date : 06.08.2018

ANNEXURE – B

NOMINATION AND REMUNERATION POLICY

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

DEFINITIONS:

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

“Key Managerial Personnel” means:

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

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

OBJECTIVE:

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

ROLE OF THE COMMITTEE:

The role of the NRC will be the following:

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

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

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

To carry out evaluation of Directors' performance.

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

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

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

To do succession planning for replacing Key Executives and overseeing.

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

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

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

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

TERM /TENURE

Executive Chairman/Whole-time Director:

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

a) Independent Director:

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

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

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

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

EVALUATION

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

REMOVAL

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

RETIREMENT

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

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

- 1) Remuneration to Managing Director / Whole-time Directors:
 - a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
 - b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
- 2) Remuneration to Non-Executive / Independent Directors:
 - a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
 - b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
 - c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
 - d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- 3) Remuneration to Key Managerial Personnel and Senior Management:
 - a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
 - b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time 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.

By Order of the Board
For Revathi Equipment Limited

Abhishek Dalmia
Executive Chairman
DIN 00011958

Place : New Delhi
Date : 06.08.2018

ANNEXURE – C**PARTICULARS PURSUANT TO SEC. 134 (3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014:****Conservation of Energy:****(i) Steps Taken for conservation of Energy:**

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

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

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

(iii) Capital Investment on energy conservation equipment:

No capital investment was made during the year in this regard

Technology absorption & Research & Development**Technology Absorption, Adaptation and Innovation:**

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

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.

- ❖ Development of 6" (152mm) Jackless Medium pressure DTH blast hole drill.

(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 private customer.
- ❖ Better product quality and reliability.

(3) Future Plan of Action

- ❖ Development of 6 1/2" Medium pressure DTH blast hole drill for mining/construction segment with emission certified engine.
- ❖ Design optimization of 6 1/2 " medium pressure blast hole drill
- ❖ Development of 8" rotary drill for cold weather countries.
- ❖ Development of 15" Rotary blast hole drill for coal mines.

(4) Expenditure incurred on Research & Development:

(₹ in lakhs)

Expenditure on R&D	2017-18	2016-17
Capital	-	-
Revenue	165.35	377.17
Total	165.35	377.17
R&D Expenditure as a percentage of Turnover	0.36	3.18

Foreign Exchange earnings & outgo:

(₹ in lakhs)

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

	2017-18	2016-17
Foreign Exchange Earnings	549.76	57.67
Foreign Exchange Outgo	831.95	1369.23

ANNEXURE - D

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 primarily directed towards Promoting preventive health care and making available safe drinking water.

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

2. Composition of CSR Committee

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

- Mr. Abhishek Dalmia - Chairman
- Mr. B.V. Ramanan - Member
- Mr. V.V. Subramanian - Member

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

Average net profit was Rs 87,73,300.

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

Rs 17.54 lakhs.

5. Details of CSR spent during the Financial Year 2017-18

a) Total amount to be spent for the financial year

Rs 17.50 lakhs

b) Amount unspent, if any;

Nil.

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

S. No	CSR Project or Activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount of outlay (budget) project or programs-wise	Amount spent on the project or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Over-heads:	Cumulative Expenditures up to the reporting period	Amount spent, direct or through implementing agencies
	Contribution to Bharat Ke Veer Corpus, Ministry of Home Affairs, Government of India.	Benefiting the armed forces, war widows.	Benefiting the armed forces, war widows	Contribution to Bharat Ke Veer Corpus, Ministry of Home Affairs, Government of India.	Rs 17.50 lakhs	NIL	Direct

6. Responsibility statement of the CSR Committee:

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

ANNEXURE E

Form AOC-1

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

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

Part "A": Subsidiary

S. No.	Particulars	Details	
1.	Name of the subsidiary	Semac Consultants Pvt Ltd	Semac and Partners, LLC
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	The reporting period of the subsidiary is same as that of the holding company	The reporting period of the subsidiary is same as that of the holding company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	Omani Riyal / Exchange rate - (1 OMR=Rs. 168.219)
4.	Share capital	1,82,08,920	662,800
5.	Reserves & Surplus	37,24,61,159	17,22,66,642
6.	Total assets	66,82,77,760	26,77,85,232
7.	Total Liabilities	66,82,77,760	26,77,85,232
8.	Investments	13,68,400	0
9.	Turnover	96,04,22,494	20,54,62,094
10.	Profit before taxation	(5,38,21,356)	1,50,59,007
11.	Provision for taxation	(79,86,211)	27,87,822
12.	Profit after taxation	(4,58,35,145)	1,22,71,186
13.	Proposed Dividend	0	0
14.	% of shareholding	76.99%	65%

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

By Order of the Board
For Revathi Equipment Limited**Abhishek Dalmia**
Executive Chairman
DIN 00011958Place : New Delhi
Date : 06.08.2018

ANNEXURE F

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Revathi Equipment Limited
(CIN: L29120TZ1977PLC000780)
Pollachi Road, Malumichampatti P.O.,
Coimbatore – 641 021.
Tamilnadu, 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 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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;

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

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

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

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

- a. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;

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

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

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

I further report that

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

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

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

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

I further report that during the period, there were no instances of:

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

Place : Coimbatore

Date : 06.08.2018

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

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

To

The Members,
Revathi Equipment 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 standards, laws, rules and regulation is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Coimbatore

Date : 06.08.2018

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

ANNEXURE - G

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	27:1
Mrs Deepali Dalmia	Director	0.7:1
Mr.Chaitanya Dalmia	Director	0.7:1
Mr.S.C.Katyal	Director	0.7:1
Mr.B.V.Ramanan	Director	0.9:1
Mr.Kishore Sidhwani	Director	0.7:1
Mr.M.Poongavanam	Director	1:1
Mr.S.Hariharan	Director	19:1

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

Name	Designation	Increase
Mr.Abhishek Dalmia	Executive Chairman	-29%
Mr.S.Hariharan	Whole-time Director	-13%
Mr.Sunil Puri	Chief Executive Officer	-11%
Mr.M.N.Srinivasan	Company Secretary	3%

- 3 The percentage increase in the median remuneration of employees in the financial year: 1.65%

- 4 The number of permanent employees on the rolls of company: 187

- 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:

During the previous financial year (2017-18), there has been no increase in the salaries of employees.

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

Particulars of employees under Rule 5 (2)

S. No.	Name	Designation / Nature of Employment	Remuneration received / receivable (Rs)	Qualification/ experience	Date of joining	Age	Last Employment	% of share holding	Whether related to director, if so name of such director
1	Mr. Abhishek Dalmia	Executive Chairman	7,500,048	B.Com (H), FCA, AICWA./ 26 years	01.03.2003	49	Utkal Investments Ltd., New Delhi.	Nil	Related to Mrs Deepali Dalmia
2	Mr. Sunil Puri	Chief Executive Officer	6,219,532	B.E(Mech)/ 32 years	07.03.2016	54	Sandvik Asia P Ltd, Pune	Nil	Nil
3	Mr. S. Harihar	Whole-time Director	5,404,979	B.COM.,A-ICWA./ 35 years	23.10.1992	59	SRF Ltd, Chennai	Nil	Nil
4	Rajeshkumar.Ch	DGM- Marketing	3,986,538	AMIE(mining)/ 23 years	17.08.2015	49	Atlas Copco (India) Ltd,Pune	Nil	Nil
5	Mr. K.S. Harish Kumar.	Head NPD	3,367,034	B.E(Mech) / 22 years	23.04.2015	49	Caterpillar India P Ltd, Chennai	Nil	Nil
6	Mr. B. Balakrishnan	DGM - Manufacturing	2,424,357	B.E (Mech)/ 29 years	13.07.2007	52	Leoni Wiring Systems P Ltd, East London, South Africa	Nil	Nil
7	Mr. R. Ravindran	DGM - Product Support	2,368,680	B.E (EEE), M.B.A / 29 years	20.06.1991	50	Nil	Nil	Nil
8	Mr. P. Subramani	DGM - Systems	2,328,415	B.E(Mech), Dip in System Analysis & Data Processing, PGDCA/ 32 years	17.08.1993	56	Premier Instruments And Controls Ltd, Coimbatore	Nil	Nil
9	Chandrasekaran.S	AGM (Engg)	2,156,058	DME,AIME - 34 years	01.06.2016	53	Sandvik Asia P Ltd, Pune	Nil	Nil
10	HP Chakraporty	Sr. Manager (Sales)	1,871,416	DME,AMIE - 28 years	01.08.2016	50	Suchita Earthmoving Solution, Hyderabad.	Nil	Nil

By order of the Board
For Revathi Equipment Ltd.

Place : New Dehi
Date : 06.08.2018

Abhishek Dalmia
Executive Chairman
DIN : 00011958

REPORT ON CORPORATE GOVERNANCE FOR FY 2017-18

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

1. Company's Philosophy on Corporate Governance

The Company 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 Executive Chairman.

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 (DIN: 00011958)	Executive Chairman / Non Independent	6	No	7	0	0
Mrs.Deepali Dalmia (DIN: 00017415)	Non Executive / Non Independent	4	No	1	0	0
Mr.S.C.Katyal (DIN: 00614377) (Resigned w.e.f. 08.06.2018)	Non Executive / Independent	4	Yes	1	0	0
Mr.B.V.Ramanan (DIN: 00934602)	Non Executive / Independent	5	No	0	0	0
Mr.Kishore Sidhwani (DIN: 02428735)	Non Executive / Independent	4	No	0	0	0
Mr.S.Hariharan (DIN: 06363724) (Retired w.e.f. 08.06.2018)	Executive Director / Non Independent	5	Yes	0	0	0
Mr.V V Subramanian (DIN: 05232247) (Appointed on 29.05.2017)	Non Executive / Independent	6	Yes	0	0	0
Mr.Sunil Puri (DIN: 08088386) (Appointed on 01.04.2018)	Executive Director / Non Independent	N.A.	N.A.	0	0	0
Mr.M.Poongavanam (DIN: 01865262) (Resigned w.e.f. 05.03.2018)	Non Executive / Independent	4	No	0	0	0
Mr.Chaitanya Dalmia (DIN: 00028402) (Resigned w.e.f. 31.03.2018)	Non Executive / Non Independent	4	No	3	0	1

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, Executive Chairman is related to Mrs.Deepali Dalmia and Mr.Chaitanya Dalmia , Non Executive Directors. None of the other directors are related.

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

ii. Board Meetings

The Board meets at least once in every quarter to review quarterly results and other items on agenda. Additional meetings are held 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	29.05.2017	8
2	18.08.2017	5
3	05.09.2017	6
4	23.11.2017	8
5	13.02.2018	8
6	05.03.2018	7

iii. Shareholdings of Non-Executive Directors:

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

S. No	Name of Director	No. of equity Shares held (as on March 31, 2018)
1	Mr.B.V.Ramanan	NIL
2	Mr.Kishore Sidhwani	19
3	Mr.S.C.Katyal (upto 08.06.2018)	28
4	Mr.M.Poongavanam (upto 05.03.2018)	-
5	Mr.Chaitanya Dalmia (upto 31.03.2018)	-

iv. Familiarization Program for Independent Directors:

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

When new Independent Directors join the Board of the Company, they were invited to the factory at Coimbatore to show the facilities and a meeting was arranged with company managerial personnel to discuss the nature of the operation of the Company's business activities. Corporate functional heads made relevant business strategy presentations to them.

It provided an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and such other areas as may arise from time to time.

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

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

v. Separate Meeting of Independent Directors:

The Meeting of Independent Directors of the Company was held on 13th February 2018 and they inter-alia, reviewed the performance of the Non-independent Directors and the Board as a whole, reviewed the performance of the Chairman and Whole-time Director and assessed the quality, quantity and timeliness of flow of information between the Company and the Board. Four Independent Directors were present at the meeting.

3. Audit Committee

i. Brief Description and Terms of Reference

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

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

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

- ii. The recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
 - iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 - iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
 - 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. Examination of the financial statement and the Auditors' report thereon.
 - xxii. 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 6 (Six) times on 29th May 2017, 18th August 2017, 5th September 2017, 23rd November 2017, 13th February 2018 and 5th March 2018.

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.S.C.Katyal (Chairman) (upto 08.06.2018)	Non-Executive and Independent Director	6	4
Mr.B.V.Ramanan, (Member)	Non-Executive and Independent Director	6	5
Mr.M.Poongavanam, (Member) (upto 05.03.2018)	Non-Executive and Independent Director	6	4
Mr.V.V.Subramanian, Chairman (From 06.06.2018)	Non-Executive and Independent Director	N.A.	N.A.
Mr.Kishore Sidhwani, Member (From 06.06.2018)	Non-Executive and Independent Director	N.A.	N.A.

The Chairman of the Audit Committee had attended the Annual General Meeting.

Company Secretary and Compliance Officer act as Secretary of the Audit Committee. The minutes of the Audit Committee meetings are circulated to the Board, where it is discussed and duly recorded. The Committee considered and reviewed the accounts for the year 2017-18, at their meeting held on 29th May 2017 before it was placed before the Board.

4. Nomination and Remuneration Committee:

i. Brief Description and Terms of Reference

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

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

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

ii. Composition of the committee, Meetings and attendance

During the year under review, the Committee met 3 (Three) times on 29th May 2017, 23rd November 2017 and 5th March 2018. 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.S.C.Katyal (Chairman) (upto 08.06.2018)	Non-Executive and Independent Director	3	3
Mr.B.V.Ramanan, (Member)	Non-Executive and Independent Director	3	2
Mr.M.Poongavanam, (Member) (upto 05.03.2018)	Non-Executive and Independent Director	3	2
Mr.Chaitanya Dalmia, (Member) (upto 31.03.2018)	Non-Executive and Non-Independent Director	3	2
Mr.V.V.Subramanian, Chairman (From 06.06.2018)	Non-Executive and Independent Director	N.A.	N.A.
Mr.Kishore Sidhwani, Member (From 06.06.2018)	Non-Executive and Independent Director	N.A.	N.A.

The Chairman of the Nomination and Remuneration Committee had attended the Annual General Meeting.

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, 2018 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	4502160	1491840	1506048	NIL	7500048
Mr.S.Hariharan	5 years contract ended on 31.07.2017 and on contract from 01.08.2017 to 08.06.2018.	2540135	2148852	715992	NIL	5404979

ii. Non-Executive Directors

Sitting fees for attending Board / Committee meetings paid and Commission payable to Non-Executive directors for financial year 2017-18 are given below:

S. No.	Name of the Directors	Sitting Fees Paid (Rs)	Commission (Rs)
1	Mrs.Deepali Dalmia	2,00,000	NIL
2	Mr.Chaitanya Dalmia (Resigned w.e.f.31.03.2018)	2,00,000	NIL
3	Mr.S.C.Katyal (Resigned w.e.f.08.06.2018)	2,00,000	NIL
4	Mr.B.V.Ramanan	2,50,000	NIL
5	Mr.M.Poongavanam (Resigned w.e.f.05.03.2018)	2,00,000	NIL
6	Mr.Kishore Sidhwani	2,00,000	NIL
7	Mr.V.V.Subramanian	3,00,000	NIL

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

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

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

6. Stakeholders Relationship Committee:

i. Brief Description and Terms of Reference

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

ii. Composition of the committee, Meetings and attendance

During the year under review, the Committee met 4 (Four) times on 29th May 2017, 5th September 2017, 23rd November 2017 and 13th February 2018. 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.S.C.Katyal (Chairman) (upto 08.06.2018)	Non-Executive and Independent Director	4	2
Mr.B.V.Ramanan, (Member)	Non-Executive and Independent Director	4	3
Mr.M.Poongavanam, (Member) (upto 05.03.2018)	Non-Executive and Independent Director	4	3
Mr.V.V.Subramanian, Chairman (From 06.06.2018)	Non-Executive and Independent Director	N.A.	N.A.
Mr.Kishore Sidhwani, Member (From 06.06.2018)	Non-Executive and Independent Director	N.A.	N.A.

The Chairman of the Stakeholders Relationship Committee had attended the Annual General Meeting.

iii. Name and Designation of Compliance Officer

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

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

v. Unclaimed Suspense Account

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

vi. Investors' complaints:

The Company attends to the investors' grievances and correspondences within a maximum period of 5 days from the date of receipt of the same. During the year 2017-18, the Company had received no complaints from the shareholders and there was no outstanding complaints as on 31.03.2018.

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 29th May 2017, 23rd November 2017 and 13th February 2018. 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)	Non-Executive and Independent Director	3	3
Mr.S.C.Katyal (Chairman) (upto 08.06.2018)	Non-Executive and Independent Director	3	2
Mr.B.V.Ramanan, (Member)	Non-Executive and Independent Director	3	2
Mr.V.V.Subramanian, Member (From 05.03.2018)	Non-Executive and Independent Director	N.A.	N.A.

7. Management Discussion and Analysis Report:

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

8. General Body Meetings:

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

Year	Date	Time	Venue	Special Resolutions Passed
2014-2015	21.12.2015	2.30 p.m.	Registered Office, Pollachi Road, Malumachampatti Post, Coimbatore – 641 050.	<ul style="list-style-type: none"> Waiver from recovery of excess remuneration of Rs. 406,087 paid to Mr.Abhishek Dalmia, Executive Chairman. Re-appointment of Mr.Abhishek Dalmia (holding DIN 00011958) as the Executive Chairman
2015-2016	21.09.2016	5.45 p.m.	A.C .Hall, The Indian Chamber of Commerce and Industry Coimbatore, Chamber Towers, 8/732, Avinashi Road, Coimbatore – 641 018.	<ul style="list-style-type: none"> Approval of payment of commission to Non-Executive Directors. Payment of Commission to Mr. Abhishek Dalmia (holding DIN 00011958) Executive Chairman.
2016-2017	25.09.2017	2.00 p.m.	A.C .Hall, The Indian Chamber of Commerce and Industry Coimbatore, Chamber Towers, 8/732, Avinashi Road, Coimbatore – 641 018.	<ul style="list-style-type: none"> Payment of commission to the Non-Executive Directors of the Company Payment of commission to Mr. Abhishek Dalmia, Executive Chairman of the Company Re-appointment of Mr.S.Hariharan (having DIN: 06363724) as Whole-time Director of the Company from 01-08-2017 to 08-06-2018

EGM AND POSTAL BALLOT:

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

9. Means of Communication

- The quarterly / half yearly unaudited financial and the annual audited financial results are normally published in Business Standard, Malai Malar 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 with mail id 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

- 41st Annual General Meeting:
Date : 25.09.2018
Time : 2.00 PM
Venue : 331, Pollachi Road, Malumachampatti Post, Coimbatore - 641 050.
- Financial Calendar:
Financial Year : April 01, 2018 to March 31, 2019
Date of Book closure from 19.09.2018 to 25.09.2018 (Both days inclusive)
- Dividend payment date: The Directors have not recommended any Dividend for the year ended 31st March, 2018.

iv. Listing on Stock Exchanges

The shares are listed in

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

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

v. Stock Market Data

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

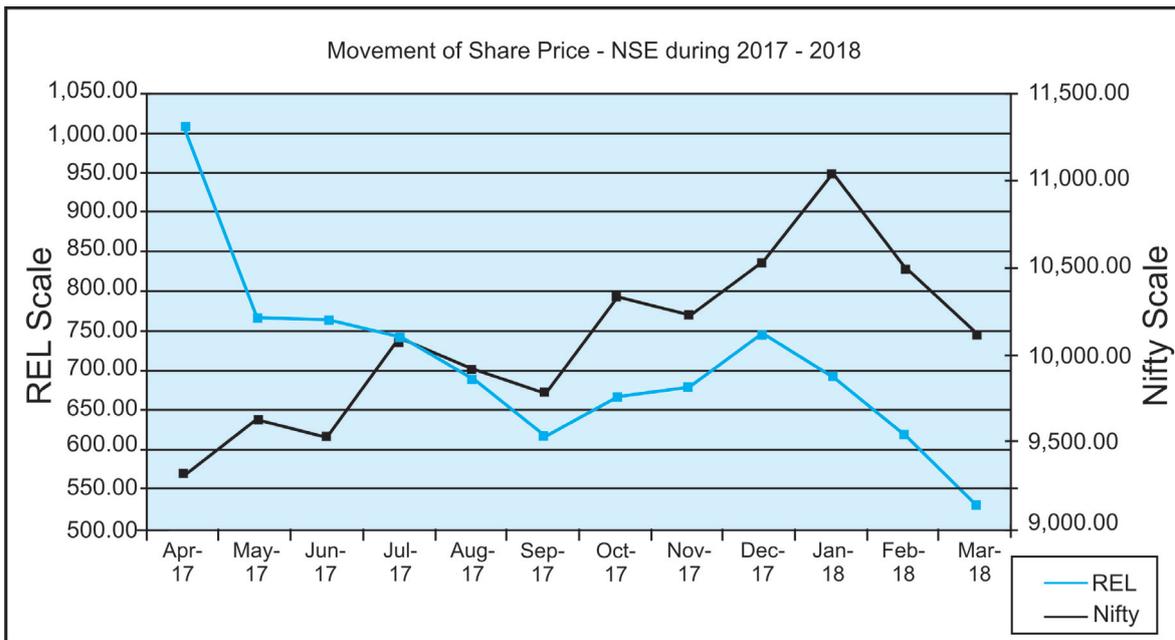
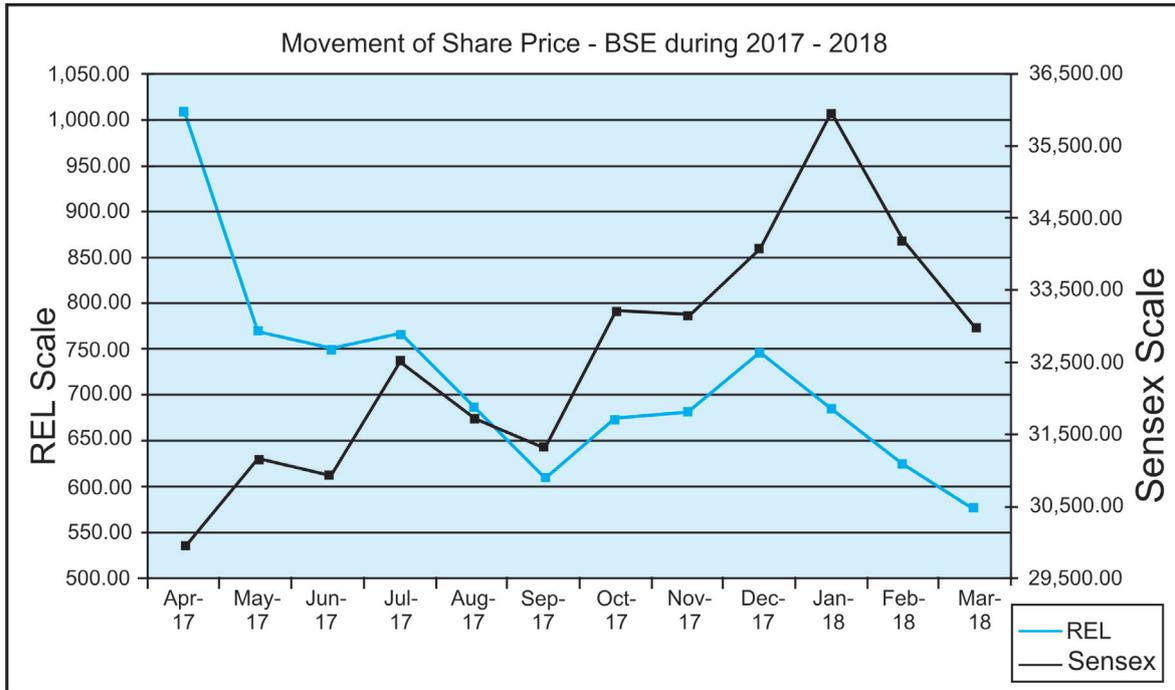
The Company has paid the Listing Fees for the financial year 2018-2019 to the above Stock Exchanges.

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

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

Period	BSE Limited		NSE Limited	
	High ₹	Low ₹	High ₹	Low ₹
April 2017	1,062.00	800.00	1,063.50	798.00
May 2017	1,023.15	740.00	1,035.00	738.60
June 2017	802.00	736.00	800.00	734.80
July 2017	848.00	742.00	847.90	740.10
August 2017	754.00	655.00	759.95	652.10
September 2017	727.00	593.00	720.00	592.00
October 2017	741.50	582.00	750.00	592.20
November 2017	734.00	645.00	735.00	645.55
December 2017	750.30	630.65	759.95	620.30
January 2018	804.00	680.00	810.00	684.45
February 2018	744.00	592.00	737.00	595.00
March 2018	630.00	513.00	640.00	525.00

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



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

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

viii. Reconciliation of Share Capital Audit

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

ix. Share Transfer System

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

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

Shares under lock – in : Nil

x. Shareholding Pattern

Category	(Rs 10/- each)	
	No. of Shares	% To Total
Promoters	22,25,953	72.58
Financial institutions/banks	100	0.00
Directors and relatives	49	0.00
Bodies Corporate	47,861	1.56
Non -Resident Indians	16,641	0.55
Public	7,76,339	25.31
TOTAL	30,66,943	100.00

xi. Distribution of Shareholding

Range of Shareholding	No. of Shareholders	% of Shareholding	No. of Shares	% of Shareholding
01 - 100	3,857	75.01	1,44,938	4.73
101 - 200	598	11.63	97,056	3.16
201 - 500	459	8.93	1,54,818	5.05
501 - 1000	129	2.51	96,412	3.14
1001 - 5000	87	1.69	1,78,293	5.81
5001 - 10000	4	0.08	26,975	0.88
10001 and above	8	0.16	23,68,451	77.23
Total	5,142	100.00	30,66,943	100.00

Number of Shareholders as on March 31, 2018 : 5142

xii. Dematerialization of shares and liquidity :

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

During the financial year 2017-18, 3023 (0.10%) shares were dematerialized. As on 31st March, 2018, total shares in demat form is 3003171 shares and 63772 shares in physical form. This represents 97.92% shares of the company are in demat form and 2.08% shares are in physical form. The shares are compulsorily tradable in demat form with effect from 26.6.2000 for all investors.

xiii. (Outstanding GDRs / ADRs / Warrants /any Convertible Instruments / conversion date and their likely impact on equity :
There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

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

The Company has not engaged in commodity hedging activities.

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

xv. Plant Locations :

Pollachi Road, Malumachampatti Post, Coimbatore – 641 050

xvi. Address for Correspondence/ Contact address for shareholder :

S.K.D.C. Consultants Ltd., Ganapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641 006
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 :

R. Sudhir

CFO & Compliance Officer

Revathi Equipment Ltd, Pollachi Road, Malumachampatti P O, Coimbatore – 641 050

e-mail : compliance.officer@revathi.in Phone: 0422-6655100, 6655111 Fax: 0422-6655199

10. Disclosures

i. Disclosures on materially significant related party transactions

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

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

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

ii. Details of non compliance by the Company, penalties, 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 has been denied access to the Audit Committee

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

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

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

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

The Company has adopted the following non-mandatory requirements.

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

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

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

Material Unlisted Subsidiary –

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

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

vi. Commodity price risk and commodity hedging activities

The Company has not engaged in commodity hedging activities.

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

vii. Accounting Treatment

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

viii. Risk Management

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

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

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

Certificate from CEO/CFO

The CEO and CFO certification on the financial statements for the year has been submitted to the Board of Directors, in its meeting held on 6th August 2018 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 CEO & Executive Director's declaration to this effect forms part of this report.

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

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

DECLARATION

I hereby affirm and state that all board members and senior management personnel of the company have given a declaration in accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and I hereby affirm compliance with the said code of conduct for the financial year 2017-2018.

By order of the Board
For Revathi Equipment Limited

Place : New Delhi
Date : 06.08.2018

Sunil Puri
CEO & Executive Director
(DIN: 08088386)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of
Revathi Equipment Limited

1. We have examined the compliance of conditions of Corporate Governance by Revathi Equipment Limited ("the Company") for the year ended March 31, 2018, as stipulated in Regulations 17 to 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' 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 conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
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. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
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

Place : New Delhi
Date : 06.08.2018

Sunil Wahal
Partner
Membership No. 087294

INDEPENDENT AUDITORS' REPORT

To the Members of Revathi Equipment Limited

Report on the Standalone Ind AS financial statements

We have audited the accompanying Standalone Ind AS financial statements of Revathi Equipment Limited ('the Company'), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss (including other comprehensive income), cash flows statement and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS 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 (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Amendment Rules, 2015 as amended.

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued there under;
- e) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements as referred to in Note 31 to the standalone Ind AS financial statements.
 - ii. Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sunil Wahal
Partner

Membership No. 087294

Place : New Delhi
Date : 29.05.2018

Annexure A to the Independent Auditor's Report to the Members on standalone Ind AS financial statements of Revathi Equipment Limited dated May 29, 2018.

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of the documents verified by us, we report that the title deeds of all immovable properties are held in the name of the Company.
- ii. The Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, provision of clauses 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act, as applicable, in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- v. 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 Act, and the Rules framed there under.
- vi. We have broadly reviewed the Cost Accounting records maintained by the Company pursuant to the Rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of such books and records.
- vii. a. According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including Employees' Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.

- b. We are informed that there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Excise Duty and Service Tax which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, bank or government. The Company does not have any debentures.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer and term loans hence, reporting under clause 3(ix) of the Order is not applicable to the Company.
- x. In our opinion, and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. In our opinion, and according to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 177 and section 188 of the Act and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and on an 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. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Sunil Wahal
Partner

Membership No. 087294

Place : New Delhi
Date : 29.05.2018

Annexure B to the Independent Auditor's Report to the Members on standalone Ind AS financial statements of Revathi Equipment Limited dated May 29, 2018

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

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Revathi Equipment Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sunil Wahal
Partner

Membership No. 087294

Place: New Delhi
Date: 29.05.2018

REVATHI EQUIPMENT LIMITED BALANCE SHEET AS AT 31st MARCH, 2018

(₹ in 000's)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. ASSETS				
(1) NON-CURRENT ASSETS				
(a) Property, plant and equipment	3	30,306	32,778	24,674
(b) Other intangible assets	3	1,627	1,299	499
(c) Investment property	4	166,265	166,265	166,265
(d) Financial assets	5			
(i) Investments	5.1	877,271	877,271	877,271
(ii) Loans	5.2	11,005	10,016	10,522
(iii) Others financial asset	5.3	2,183	3,719	25,098
(e) Deferred tax assets (net)	14	67,828	68,823	43,557
(f) Other non - current assets	6	166	356	253
		1,156,650	1,160,527	1,148,139
(2) Current assets				
(a) Inventories	7	265,364	151,959	221,022
(b) Financial assets	8			
(i) Trade receivables	8.1	288,127	515,443	881,260
(ii) Cash and cash equivalents	8.2	69,757	6,907	8,306
(iii) Bank balances	8.3	32,448	83,244	44,874
(iv) Loans	8.4	4,429	1,727	2,583
(v) Others financial asset	8.5	29	31	849
(c) Current tax asset (net)	9	9,222	9,187	7,537
(d) Other current assets	10	8,851	24,353	19,330
		678,228	792,851	1,185,761
(3) Non current asset held for sale	11	82,500	153,135	153,139
Total assets		1,917,378	2,106,512	2,487,039
B. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12	30,669	30,669	30,669
(b) Other equity		1,464,338	1,522,285	1,378,486
		1,495,007	1,552,954	1,409,155
(1) Non - current liabilities				
(a) Provisions	13	8,144	8,144	8,838
		8,144	8,144	8,838
(2) Current liabilities				
(a) Financial liabilities	15			
(i) Borrowings	15.1	263,071	308,798	841,071
(ii) Trade payables	15.2	104,337	150,892	141,035
(iii) Other financial liabilities	15.3	23,477	24,173	33,734
(b) Other current liabilities	16	15,720	34,385	41,650
(c) Provisions	17	7,622	27,166	11,556
		414,227	545,414	1,069,046
Total equity & liabilities		1,917,378	2,106,512	2,487,039

Significant Accounting Policies

1 & 2

The accompanying notes form an integral part of these financial statements

As per our report of even date

For S.S. Kothari Mehta & Co.

Chartered Accountants

FRN: 000756N

Sunil Wahal

Partner

Membership No : 087294

Place : Coimbatore

Date : 29.05.2018

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

V.V. Subramanian

Director

DIN: 05232247

Sunil Puri

CEO & Executive Director

DIN: 08088386

S. Hariharan

Whole Time Director & CFO

DIN: 06363724

M.N. Srinivasan

Company Secretary

REVATHI EQUIPMENT LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
I Revenue from operations	18	457,359	1,317,829
II Other income	19	12,688	9,341
III Total income (I + II)		<u>470,047</u>	<u>1,327,170</u>
IV Expenses			
Cost of materials consumed	20	237,820	430,304
Purchases of stock in trade	21	46,334	157,289
Processing charges and purchase of materials through sub-contractors	22	23,792	36,596
Changes in inventories of finished goods, stock - in - trade and work - in - progress	23	(131,840)	41,454
Excise duty on sales		2,614	134,481
Employee benefits expenses	24	112,108	128,724
Finance costs	25	33,806	72,530
Depreciation and amortization expenses	26	6,306	5,239
Other expenses	27	119,681	167,560
Total expenses		<u>450,622</u>	<u>1,174,177</u>
V Profit / (loss) before exceptional items and tax (III - IV)		19,425	152,993
VI Exceptional items		-	-
VII Profit / (loss) before tax (V - VI)		19,425	152,993
VIII Tax expense	28		
(1) Current Tax		3,316	31,157
(2) Deferred Tax		430	(25,035)
Total Tax Expense		<u>3,746</u>	<u>6,122</u>
IX Profit / (loss) from continuing operations (VII - VIII)		15,680	146,871
X Profit / (loss) from discontinued operations		(74,771)	(2,636)
XI Tax expense of discontinued operations		-	-
XII Profit / (loss) from discontinued operations (after tax) (X - XI)		<u>(74,771)</u>	<u>(2,636)</u>
XIII Profit / (loss) for the period (IX + XII)		(59,091)	144,234
XIV Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss	29	1,709	(666)
(ii) Income tax relating to items that will not be reclassified to profit or loss	28	565	(230)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		1,144	(435)
XV Total comprehensive income for the period (XIII + XIV)		<u>(57,947)</u>	<u>143,799</u>
XVI Earnings per equity share (basic & diluted)	30		
For continuing operations (Face value of Rs 10.00 each)		5.11	47.89
For discontinued operations (Face value of Rs 10.00 each)		(24.38)	(0.86)
For Continued & Discountinued Operation (Face value of Rs 10.00 each)		(19.27)	47.03

Significant Accounting Policies

1 & 2

The accompanying notes form an integral part of these financial statements

As per our report of even date

For S.S. Kothari Mehta & Co.

Chartered Accountants

FRN: 000756N

Sunil Wahal

Partner

Membership No : 087294

Place : Coimbatore

Date : 29.05.2018

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

V.V. Subramanian

Director

DIN: 05232247

Sunil Puri

CEO & Executive Director

DIN: 08088386

S. Hariharan

Whole Time Director & CFO

DIN: 06363724

M.N. Srinivasan

Company Secretary

REVATHI EQUIPMENT LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss)/profit before tax	(55,345)	150,356
Other comprehensive income before tax	1,709	(666)
Adjustments		
Depreciation / amortization	6,306	5,239
Impairment of PPE	69,895	-
Bad debts/ advances written off	1,060	3,994
Liabilities & provision written back	(3,334)	(1,835)
Finance cost	33,806	72,530
Interest Income	(5,489)	(6,594)
Actuarial loss on defined benefit plan	1,709	666
(Profit)/Loss on sale of fixed assets and assets written off	172	354
Operating profit before working capital changes	50,489	224,045
Adjustments for working capital changes :		
Inventories	(113,405)	69,063
Trade and other payables	(87,092)	9,400
Trade and other receivables	241,592	360,251
Cash generated from operations	91,584	662,759
Direct taxes (paid)/refund	(3,351)	(32,808)
Net cash from operating activities	88,233	629,951
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,595)	(14,492)
fund received/(Investment) in fixed deposit (net)	52,332	(16,991)
Interest received	5,491	7,055
Net cash used in investing activities	54,228	(24,428)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) of short term borrowings	(45,727)	(532,273)
Finance cost	(33,884)	(74,649)
Net cash from / (used in) financing activities	(79,611)	(606,922)
Net increase in cash and cash equivalents (A+B+C)	62,850	(1,399)
Cash and cash equivalents (Opening Balance)	6,907	8,306
Cash and cash equivalents (Closing Balance)*	69,757	6,907
Change in cash & cash equivalents	62,850	(1,399)
Components of Cash and Cash Equivalents		
Balances with banks		
- in Current accounts	7,767	6,294
- On cash credit accounts	-	-
- Deposits with original maturity of less than 3 months	61,589	300
Cash on hand	401	313
Cheques in hand	-	-
Net cash & cash equivalents	69,757	6,907

Note: 1) Cash & cash equivalents components are as per Note 8.2

2) Previous year figures have been regrouped/restated wherever considered necessary

As per our report of even date
For S.S. Kothari Mehta & Co.
Chartered Accountants
FRN: 000756N

Sunil Wahal
Partner
Membership No : 087294
Place : Coimbatore
Date : 29.05.2018

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

V.V. Subramanian
Director
DIN: 05232247

Sunil Puri
CEO & Executive Director
DIN: 08088386

S. Hariharan
Whole Time Director & CFO
DIN: 06363724

M.N. Srinivasan
Company Secretary

REVATHI EQUIPMENT LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in 000's)

A. Equity share capital

Particular	As at April 1, 2016	Changes during the year	As at March 31, 2017	Changes during the year	As at March 31, 2018
Equity share capital	30,669		30,669		30,669

B. Other equity

Particular	Reserves and surplus				Items of other comprehensive income	Total
	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Actuarial gain / (loss)	
Restated balance as at 01.04.2016	3,111	149	456,899	918,327	-	1,378,486
Additions during the period	-	-	-	144,234	(435)	143,799
As at 31.03.2017	3,111	149	456,899	1,062,561	(435)	1,522,285
Additions during the period	-	-	-	(59,091)	1,144	(57,947)
As at 31.03.2018	3,111	149	456,899	1,003,471	709	1,464,338

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. This reserve shall be utilised in accordance with the provisions of Companies Act, 2013.
- 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."
- 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 S.S. Kothari Mehta & Co.
Chartered Accountants
FRN: 000756N

Sunil Wahal

Partner
Membership No : 087294
Place : Coimbatore
Date : 29.05.2018

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

V.V. Subramanian

Director
DIN: 05232247

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S. Hariharan

Whole Time Director & CFO
DIN: 06363724

M.N. Srinivasan

Company Secretary

REVATHI EQUIPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. Basis of accounting and preparation of Financial Statements

A. Corporate overview

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

These financial statements were approved and adopted by board of directors of the Company in their meeting held on May 29, 2018.

B. Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015

Upto the year ended March 31, 2017, the company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company’s first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 54 for the details of first-time adoption exemptions availed by the Company

C. Basis of preparation of accounts

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards (‘Ind AS’) notified under the Companies(Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules , 2016. As per the said roadmap, the Company is required to apply Ind AS starting from the financial year beginning on or after April 1, 2016. Accordingly, the financial statements of the Company have been prepared in accordance with Ind AS.

For all the periods up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013 (“the Act”) read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first financial statements which the company has prepared in accordance with Ind AS.

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

All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act. Based on the nature of services and time between the acquisition of assets for providing of services and their realisation in Cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

E. Functional and presentation currency

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

F. Use of judgment, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the Management’s best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

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

REVATHI EQUIPMENT LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****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 assumption could affect the fair value of financial instrument.

e. 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.

f. 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

REVATHI EQUIPMENT LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

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

For assets and liabilities that are recognized 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.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis as explained above, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

H. Standards issued but not yet effective**i. Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issue in February 2015 and establishes a five step model to account for revenue arising from contracts with customer. Under Ind AS 115 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after 1st April, 2018. The company will adopt the new standard on the required effective date. During the current year, the company performed a preliminary assessment of ind as 115, Which is subject to changes arising from a more detailed ongoing analysis.

ii. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.**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 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.

REVATHI EQUIPMENT LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

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. Losses arising in the case of retirement of property, plant and equipment and 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 amortisation

Depreciation is recognised 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.

Depreciation on property plant and equipment is provided on straight line method on the basis of useful life of assets at the rates prescribed in Schedule II to the Companies Act, 2013. Property, Plant and Equipment which are added / disposed off

REVATHI EQUIPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

E. Impairment of Non-financial assets

Property, plant and equipment, intangible assets, except goodwill and intangible asset with indefinite useful life, and assets classified as investment property with finite 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, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives and intangible assets not yet available for use, and goodwill are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

Finance leases are capitalized as assets at the commencement of the lease, at an amount equal to the fair value of leased asset or present value of the minimum lease payments, whichever is lower, valued at the inception date. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on borrowing cost. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Payment made under operating leases are recognized as expense in the Statement of Profit and Loss on a straight line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Where the Company is the lessor

Leases in which the Company 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.

REVATHI EQUIPMENT LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****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 charged to profit and loss account.

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

REVATHI EQUIPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 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.

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 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 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 18 – 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

REVATHI EQUIPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 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 compressive income (OCI). There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of such investments.

Equity instrument includes within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit or loss.

viii. Derecognition

A financial assets (or, where applicable, a part of a financial asset) is primarily derecognised when:

- The right to receive cash flows from the assets have expired or
- The 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 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

REVATHI EQUIPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- Financial assets that are debt instrument and are measured at amortised cost e.g. loans, debt securities, deposits, and bank balance.
- Trade receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognised impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

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.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

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

REVATHI EQUIPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from sale of equipment's and spares are recognised on dispatch of goods / raising of invoices to customers and are net of trade discounts and returns.

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 Company to estimate the services performed to date as a proportion of the total services to be performed.

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 from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Insurance claim

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

O. 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.

P. 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

REVATHI EQUIPMENT LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 non-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).

Q. 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.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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.

R. 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

REVATHI EQUIPMENT LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

S. 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 an outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible
- A present obligation arises from the past event, unless the probability of outflow are remote.

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 Company recognizes impairment on the assets with the contract.

Contingent assets

Contingent assets are not recognized in the financial statements

T. 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.

REVATHI EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(₹ in 000's)

Particulars	Tangible assets										Intangible asset			Total asset
	Land lease hold	Land freehold	Buildings	Plant & machinery	Production tooling	Data processing equipment	Furniture & fixtures	Office equipment	Vehicles	Total tangible asset	Technical know how	Computer software	Total intangible asset	
Gross Block As at 1st April, 2016	70,512	941	123,061	69,057	13,820	16,597	5,377	6,649	11,229	317,243	502	9,690	10,192	327,435
Ind As Adjustment														
Less: Asset Held For Sale	(70,511)	-	(84,909)	(21,615)	(598)	(5,738)	(293)	(780)	-	(184,444)	-	-	-	(184,444)
Balance as at April 1, 2016, reinstated	1	941	38,152	47,442	13,222	10,859	5,084	5,870	11,229	132,799	502	9,690	10,192	142,991
Addition	-	-	1,342	3,568	233	1,014	1,910	2,076	3,074	13,217	-	1,283	1,283	14,500
Disposals / adjustments	-	-	-	-	-	(2,413)	(162)	(106)	-	(2,681)	(502)	-	(502)	(3,183)
As at March 31, 2017	1	941	39,494	51,010	13,455	9,460	6,832	7,840	14,303	143,335	-	10,973	10,973	154,308
Addition	-	-	818	328	193	947	641	243	41	3,211	-	986	986	4,197
Disposals / adjustments	-	-	-	-	-	-	-	-	(988)	(988)	-	-	-	(988)
As at March 31, 2018	1	941	40,312	51,338	13,648	10,407	7,473	8,083	13,356	145,558	-	11,959	11,959	157,517
Depreciation														
As at 1st April, 2016	5,497	-	36,654	49,367	13,646	15,183	5,152	6,035	7,897	139,431	199	9,494	9,693	149,124
Ind As Adjustment														
Less: Asset Held For Sale	(5,497)	-	(11,216)	(8,546)	(481)	(5,036)	(166)	(360)	-	(31,305)	-	-	-	(31,305)
Balance as at April 1, 2016, reinstated	-	-	25,438	40,821	13,165	10,147	4,984	5,675	7,897	108,126	199	9,494	9,693	117,819
Charge for the year	-	-	930	2,266	133	582	106	282	813	5,112	-	127	127	5,239
Disposals	-	-	-	-	-	(2,413)	(162)	(105)	-	(2,680)	(199)	-	(199)	(2,879)
As at March 31, 2017	-	-	26,368	43,087	13,298	8,316	4,928	5,852	8,710	110,558	-	9,674	9,674	120,179
Charge for the year	-	-	962	2,083	203	757	267	545	831	5,648	-	658	658	6,306
Disposals	-	-	-	-	-	-	-	-	(953)	(953)	-	-	-	(953)
As at March 31, 2018	-	-	27,330	45,170	13,501	9,073	5,195	6,397	8,588	115,253	-	10,332	10,332	125,582
Net Block														
As at April 1, 2016	1	941	12,714	6,621	57	712	100	195	3,332	24,674	303	196	499	25,172
As at March 31, 2017	1	941	13,126	7,923	157	1,144	1,904	1,988	5,593	32,778	-	1,299	1,299	34,129
As at March 31, 2018	1	941	12,982	6,168	147	1,334	2,278	1,686	4,768	30,306	-	1,627	1,627	31,985

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
4. INVESTMENT PROPERTY			
Capital contribution in Panch Tatva Realty	166,265	166,265	166,265
Total	166,265	166,265	166,265
<p>The company along with Tridhaatu Realty Infra Private Ltd (Tridhaatu) formed as Association of Persons (AOP) namely Panchtatva Realty for constructing a residential building in Chembur, Mumbai and made an investment of Rs. 2,00,000 thousand in the AOP. Out of its entitlement of 64,000 square feet, the company sold 10,795 square feet to the AOP member- Tridhatu vide deed of modification dated 17th December 2015. The company's entitlement is limited to above mentioned built up area only and no other economic benefits and hence not construed as Joint Venture. Income arising out of the sale of such shares had been disclosed as extra ordinary item in previous financial year.</p>			
5. FINANCIAL ASSET : NON CURRENT			
5.1 Investment			
Unquoted investment			
i) Investments in subsidiaries (at cost)			
14,01,860 Equity shares of Rs 10 each fully paid up in Semac Consultants Private Limited	877,271	877,271	877,271
ii) Investments in associates (at cost)			
88,96,797 preferred stock in Satellier Holdings Inc.,USA	48,750	48,750	48,750
Less: Impairment in value	(48,750)	(48,750)	(48,750)
Total investments	877,271	877,271	877,271
<p>Note : The affairs of Satellier Holding Inc, USA, one of the associate of the company was dissolved and certificate of dissolution had been issued by the appropriate authority. There being no likelihood of any amount being recoverable towards investment in equity and as such full provision against Investment of Rs. 48,750 thousand in the said company had been done in the year 2013-14. There is no change in the status thereof in this year</p>			
5.2 Loans			
Security deposits	11,005	10,016	10,522
Total	11,005	10,016	10,522
5.3 Other financial assets			
Fixed deposits (having maturity of more than 12 months)	2,183	3,719	25,098
Total	2,183	3,719	25,098
6. OTHER NON CURRENT ASSETS			
Advance lease rent	166	356	253
Total	166	356	253
7. INVENTORIES			
a) Raw materials	62,082	80,517	108,126
b) Work-in-progress	163,264	30,160	68,443
c) Finished goods	40,018	41,282	44,453
Total	265,364	151,959	221,022

REVATHI EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
8 CURRENT FINANCIAL ASSET			
8.1 Trade receivables			
- Unsecured considered good	87,048	47,947	29,524
- Doubtful	817	817	16,248
Less : Provision for bad debts	(817)	(817)	(16,248)
	87,048	47,947	29,524
Others			
- Unsecured, considered good	201,079	467,496	851,736
Less : Provision for bad debts	-	-	-
Total	288,127	515,443	881,260
8.2 Cash & cash equivalents			
Balances with banks			
- in Current accounts	7,767	6,294	7,187
- in Fixed deposit with maturity of upto 3 months	61,589	300	300
Cash on hand	401	313	819
Total	69,757	6,907	8,306
8.3 Bank balance			
Other bank balance			
- Margin money	32,448	83,244	44,874
Total	32,448	83,244	44,874
Note:- Margin money deposit is under lien with banks against bank guarantee and letter of credit.			
8.4 Loans			
Loans to employees			
- Unsecured, considered good	4,276	1,622	2,463
Security deposits			
- Other	153	105	120
Total	4,429	1,727	2,583
8.5 Other financial asset			
Accrued income	-	-	357
Interest receivable	29	31	492
Total	29	31	849
9 CURRENT TAX ASSET (NET)			
Advance payment of tax (net of provision)	9,222	9,187	7,537
Total	9,222	9,187	7,537
10 CURRENT OTHER ASSETS			
Capital advances		11	284
Other advances	242	298	243
Prepaid expenses	2,797	4,063	6,568
Advances to suppliers/contractors	3,525	8,610	3,997
Balance with statutory authorities	2,288	11,371	6,838
Others	-	-	1,400
Total	8,851	24,353	19,330

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
11. NON CURRENT ASSET HELD FOR SALE			
Asset classifies as held for sale			
I Non current			
Property plant & equipment	152,395	153,135	153,139
Leasehold Land	65,014	65,014	65,014
Building	73,693	73,693	73,693
Plant & Machinery	12,405	13,069	13,069
Production Toolings	117	117	117
Data Equipment	640	698	702
Office Equipment	402	419	419
Furniture & Fittings	125	125	125
Less : Impairment Loss	69,895	-	-
Total Asset (net)	82,500	153,135	153,139
Liabilities directly associated with group of assets classified as held for sale			
Liability	-	-	-
Net assets / (liabilities) directly associated with disposal group	82,500	153,135	153,139

12 EQUITY SHARE CAPITAL

Authorised share capital

3500000 (previous year 31 March 2017 :3500000 equity shares ; April 01, 2016 : 3500000 equity shares) equity shares of Rs. 10 /- each

35,000	35,000	35,000
35,000	35,000	35,000

Issued, subscribed and fully paid up

3066943 (Previous year March 31, 2017 : 3066943 equity shares; April 01, 2016 : 3066943 equity shares) equity shares of Rs. 10 /- each

30,669	30,669	30,669
30,669	30,669	30,669

Total

(i) Reconciliation of number and amount of equity shares outstanding:

	No. of shares	Amount
As at April 1, 2016	3,066,943	30,669
Movement during the year	-	-
As at March 31, 2017	3,066,943	30,669
Movement during the year	-	-
As at March 31, 2018	3,066,943	30,669

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs 10 each fully paid						
Renaissance advanced consultancy limited	1,768,953	57.68%	1,768,953	57.68%	1,768,953	57.68%
Renaissance Stock Ltd (Wholly owned subsidiary of AVL)	457,000	14.90%	457,000	14.90%	457,000	14.90%

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Terms and Rights attached to Equity Shares

(₹ in 000's)

(iii) Rights, preferences and restrictions attached to equity shares

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

The 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.

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
13 NON CURRENT PROVISION			
Provision for employee benefits			
- Leave encashment	8,144	8,144	8,838
Total	8,144	8,144	8,838
14 DEFERRED TAX ASSET (NET)			
MAT credit entitlement	76,905	76,114	44,165
Deferred tax asset / (liability) (net)	(9,077)	(7,291)	(608)
Total	67,828	68,823	43,557

(i) Movement in deferred tax items for the year ended March 31, 2018

	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax liability / (asset) on account of				
Property, plant & equipment	11,654	1,312	-	12,966
Payment of gratuity	(169)	(574)	565	(178)
Provision of leave encashment / sick leave	(3,911)	470		(3,441)
Provision of doubtful debts	(283)	13	-	(270)
Net Deferred tax liability / (asset)	7,291	1,221	565	9,077
MAT credit entitlement	76,115	790		76,905
Financial year for the year ended March 31, 2017				
Deferred tax liability / (asset) on account of				
Property, plant & equipment	9,391	2,263		11,654
Payment of gratuity	485	(424)	(230)	(169)
Provision of leave encashment / sick leave	(3,645)	(266)		(3,911)
Provision of doubtful debts	(5,623)	5,340		(283)
Net Deferred tax liability / (asset)	608	6,913	(230)	7,291
MAT credit entitlement	44,165	31,948		76,114

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
15 FINANCIAL LIABILITY : CURRENT			
15.1 Borrowings (current)			
Secured - at amortised cost			
Bank			
- Cash credit / WCDL	263,071	248,798	521,571
Unsecured - at amortised cost			
Related party			
- Loan	-	60,000	319,500
Total	<u>263,071</u>	<u>308,798</u>	<u>841,071</u>
a. The Company has availed cash credit facility from consortium of banks. The details of securities are as follows:			
Primary : First pari-passu charge on entire current assets of the company.			
Collateral : Second charge on fixed assets of the company except SIPCOT Land at Gummidipoondi.			
b. The Cash Credit is repayable on demand and carries floating interest rate is 10.25% to 10.75% P. a.			
c. Inter-corporate deposits taken from Semac Consultants Pvt Ltd @ 14% p.a. has been fully repaid during the current financial year.			
15.2 Trade payables			
a) Micro, small and medium enterprises	9,367	11,488	10,474
b) Others	94,970	139,404	130,561
Total	<u>104,337</u>	<u>150,892</u>	<u>141,035</u>
15.3 Other financial liabilities			
Interest accrued but not due	-	78	2,506
Security deposit received	20	20	3,480
Other payables	23,457	24,075	27,748
Total	<u>23,477</u>	<u>24,173</u>	<u>33,734</u>
16 OTHER CURRENT LIABILITY			
Advances from customers	2,753	5,187	9,945
Withholding and other taxes	8,122	12,975	13,843
Employee related dues	4,845	16,223	17,862
Total	<u>15,720</u>	<u>34,385</u>	<u>41,650</u>
17 PROVISION (CURRENT)			
Provision for employee benefits (Refer Note 40)			
- Gratuity	538	489	
- Leave encashment	2,263	3,155	1,693
Provision for warranties claims	4,821	23,522	9,863
Total	<u>7,622</u>	<u>27,166</u>	<u>11,556</u>
(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. The timing of the outflows is expected to be within the period of two years.			
(ii) Movement in warranty provision			
Particulars	2017-18	2016-17	
Opening balance	23,522	9,863	
Provided during the year	918	25,073	
Utilization during the year	(19,620)	(11,414)	
Closing balance	<u>4,821</u>	<u>23,522</u>	

REVATHI EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
18 REVENUE FROM OPERATIONS		
Sale of products (finished goods)		
Sale of drills / construction equipments	59,776	837,167
Sale of Spares	369,729	450,528
Sale of services	23,716	28,409
Other operating revenue	4,138	1,725
Total	457,359	1,317,829
19 OTHER INCOME		
Interest income	4,850	5,817
Interest income on income tax refund	640	777
Provision/liabilities no longer required written back	3,334	1,835
Lease rental income	-	752
Interest income on security deposit lease	193	160
Insurance claim received	592	-
Bad debts recovered	3,080	-
Total	12,688	9,341
20 COST OF MATERIAL CONSUMED		
Under carriage assemblies	4,152	42,070
Compressors and accessories	6,739	26,280
Electrical components	7,067	105,252
Hydraulic components	120,222	123,140
Pipes and valves	36,858	40,623
Gear/chain assemblies	7,761	56,001
Others	55,022	36,938
Total	237,820	430,304
21 PURCHASES OF STOCK IN TRADE		
Consumption of spares (Drill)	47,479	159,271
Consumption of spares (CED)	119	1,189
Change In stock		
Add: closing stock	40,018	41,282
Less: opening stock	(41,282)	(44,453)
Purchases during the year	46,334	157,289
22 PROCESSING CHARGES AND PURCHASE OF MATERIALS THROUGH SUB-CONTRACTORS		
Material purchase through subcontractors	23,792	36,596
	23,792	36,596
23 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE & WORK-IN-PROGRESS		
Inventories at the beginning of the year		
Work-in-process	30,160	68,443
Finished goods	41,282	44,453
	71,442	112,896
Less - Inventories at the end of the year		
Work-in-process	163,264	30,160
Finished goods	40,018	41,282
	203,282	71,442
Changes in inventories of finished goods, stock-in-trade & work-in-progress	(131,840)	41,454

REVATHI EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
24 EMPLOYEE BENEFITS EXPENSES		
Salaries, wages, allowances & commission	94,798	110,610
Contribution to gratuity, provident & other funds	11,212	11,144
Staff welfare expenses	6,097	6,970
Total	112,108	128,724
25 FINANCE COSTS		
Interest on		
a. Working Capital loan	27,997	68,321
b. Others	5,809	4,209
Total	33,806	72,530
26 DEPRECIATION AND AMORTIZATION EXPENSE		
Tangible asset	5,648	5,112
Intangible asset	658	127
Total	6,306	5,239
27 OTHER EXPENSE		
Consumption of stores and spare parts	4,309	4,222
Power and fuel consumption	5,407	5,774
Repair and maintenance		
-Machinery repairs	1,879	1,293
-Building repairs	336	3,912
-Other repairs	5,571	3,339
Rent	3,498	3,189
Insurance	1,168	1,090
Rates and taxes	4,151	5,994
Travelling and conveyance	34,566	29,830
Freight, clearing and packing	8,790	8,183
Legal and professional	11,316	9,111
Directors' sitting fees	1,550	1,200
Directors' commission	-	1,600
Payment to auditors	1,123	1,035
Selling commission	8,197	29,950
Bad debts and advances written off	1,060	3,994
Bank charges	4,798	9,413
Service charges	6,024	5,254
Liquidated damages	6,680	13,546
CSR expenditure	1,750	-
Loss on sale of fixed assets (net)	172	354
Exchange loss(net)	592	1,280
Product development expenses	1,242	18,873
Miscellaneous expenses	10,839	11,859
Less: Expenses attributable to discontinued operation	(5,336)	(6,735)
Total	119,681	167,560

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
28 TAX EXPENSE		
Current tax		
Current year	3,316	31,948
Income Tax pertaining to earlier years	—	(791)
	<u>3,316</u>	<u>31,157</u>
Deferred tax		
Deferred tax	1,221	6,913
MAT credit entitlement	(791)	(31,948)
	<u>430</u>	<u>(25,035)</u>
Total	<u>3,746</u>	<u>6,122</u>
(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	565	(230)
Total income tax expense recognised in other comprehensive income	<u>565</u>	<u>(230)</u>
Total income tax expense recognised	<u>4,311</u>	<u>5,892</u>
(ii) Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:	33.063%	34.608%
(Loss) /profit before tax	(53,636)	149,691
Income tax expense calculated at 33.063%		
(including surcharge and education cess) (2016: 34.608%)	(17,734)	51,805
Effect of income Chargeable at different rate of tax	(424)	—
Additional deduction on research and development expenditure	(1,080)	(12,943)
Effect of expenses that are non-deductible in determining taxable profit	23,109	
Effect of brought forward losses set off during the year on which no deferred tax asset was recognised	-	(31,851)
Other adjustments	439	(1,118)
Total income tax expense recognised in the statement of profit & loss	<u>4,311</u>	<u>5,892</u>
29 OTHER COMPREHENSIVE INCOME		
Item that will not be reclassified to profit or loss		
Actuarial gain / (loss) on defined benefit obligation	1,709	(666)
Total other comprehensive income	<u>1,709</u>	<u>(666)</u>
30 EARNING PER SHARE		
Face value of equity Shares (in Rs.)	10	10
Total number of equity shares outstanding	3,066,943	3,066,943
Weighted average number of equity shares in calculating basic and diluted EPS	3,066,943	3,066,943
Continued Operation		
Net profit for calculation of basic and diluted EPS (₹ in '000)	15,680	146,871
EPS (Basic & Diluted) (₹)	5.11	47.89
Discontinued Operation		
Net profit for calculation of basic and diluted EPS (₹ in '000)	(74,771)	(2,636)
EPS (Basic & Diluted) (₹)	(24.38)	(0.86)
Total Operations		
Net profit for calculation of basic and diluted EPS (₹ in '000)	(59,091)	144,234
EPS (Basic & Diluted) (₹)	(19.27)	47.03

REVATHI EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
31 Contingent Liabilities (not provided for) in respect of:

(₹ in 000's)

S.No.	Particulars	2017-18	2016-17	01-Apr-16
i	Customers claims for damages	3,678	3,678	3,678
ii	Sales tax / VAT & Service tax demands	-	940	-
iii	Semac Consultants Private Ltd - Corporate Guarantee	150,000	-	-
	Total	153,678	4,618	3,678

Based on contractual agreements with customers the company has issued performance bank guarantees aggregating Rs.135,502 thousand (PY - FY 16-17 Rs. 120,337 thousand; FY 15-16 Rs. 196,079 thousand). The management believes that none of the bank guarantees will be cashed by any of the customers.

32 Capital and other commitments:

S.No.	Particulars	2017-18	2016-17	01-Apr-16
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-	-
b)	Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	-	-	-

33 Remuneration paid to auditors (included in miscellaneous expenses) :

Particulars	2017-18	2016-17
Statutory auditor	425	425
Other services	473	385
Reimbursement of expenses	225	225
Total	1,123	1,035

34 Details of dues to micro and small enterprises as per MSMED Act, 2006 to the extent of information available with the Company

S.No.	Particulars	2017-18	2016-17	1-Apr-16
a)	Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year	9,367	11,488	10,474
b)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-	-
c)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
d)	the amount of interest accrued and remaining unpaid	-	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-	-
	Total	9,367	11,488	10,474

35 CIF value of imports

S.No.	Particulars	2017-18	2016-17
a)	Raw materials & Components	40,777	76,641
b)	Spares	35,391	58,871
	Total	76,167	135,512

REVATHI EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

36 Expenditure in foreign currency (accrual basis):

Particulars	2017-18	2016-17
Commission, consultancy, travelling and others	7,028	1,411

37 Earnings in foreign currency (accrual basis):

Particulars	2017-18	2016-17
Export of goods at FOB value	54,976	5,767

38 Details regarding imported and indigenous materials consumed during the year:

Particulars	Imported		Indigenous		Value of total consumption
	Value (₹ in '000)	% to total consumption	Value (₹ in '000)	% to total consumption	Value (₹ in '000)
Raw Materials - Current year	41,355	17%	196,465	83%	237,820
- Previous year	(154,668)	(36%)	(275,636)	(64%)	(430,304)
Stores, Spares and Components : - Current year	-	0%	4,309	100%	4,309
- Previous year	-	(0%)	(4,222)	(100%)	(4,222)

39 Segment Information

(i) General Disclosure

The company has only one identified reportable segment under IND AS 108 'Operating Segments i.e. Manufacturing of Equipments.

The above reportable segments have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments.

(ii) Entity wide disclosure required by IND AS 108 are made as follows:

a) Revenues from sale of products to external customers

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
India	402,383	1,312,062
Outside India	54,976	5,767

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	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
India	190,228	199,434	185,594
Outside India	7,970	908	5,844

(iii) Information about major customers:

Customers contributed 10% or more of the total revenue of the Company.

2017-18	J.K. SUPPLIES & SOLUTIONS PVT. LTD.
2016-17	NORTHERN COALFIELDS LIMITED and SOUTH EASTERN COALFIELDS LTD

REVATHI EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
40 Gratuity and other post employment benefit plans

(₹ in 000's)

Gratuity

Gratuity is computed as 15 days salary, for every completed year of service who has completed more than 5 years of service. The Gratuity plan for the company is a defined benefit scheme where annual contributions as per actuarial valuation are charged to the Statement of profit and loss. The Scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Provident Fund is a defined contribution scheme whereby the company deposits an amount determined as a fixed percentage of basic pay with the Regional Provident Fund Commissioner.

The Company also has a leave encashment scheme with defined benefits for its employees. The Company makes provision for such liability in the books of accounts on the basis of year end actuarial valuation. No fund has been created for this scheme.

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	2017-18		2016-17	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment
Current Service cost	1,724	862	1,490	717
Net Interest cost	34	372	(117)	426
Net actuarial (gain)/loss recognised during the period	–	479	–	576
Expenses Recognized in the statement of Profit & Loss	1,758	1,713	1,373	1,719

B. Balance Sheet
(i) Details of Plan assets/ (liabilities) for gratuity and Leave Encashment

Defined benefit obligation	20,690	6,026	25,070	6,328
Fair value of plan assets	20,152	-	24,582	-
Net Asset/(Liability) recognized in the Balance Sheet	538	6,026	489	6,328

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

Opening defined benefit obligation	25,070	6,328	22,371	6,169
Interest cost	1,541	372	1,718	426
Current service cost	1,724	862	1,490	717
Benefit paid	(6,114)	(2,015)	(1,252)	(1,560)
Actuarial (gains)/losses on obligation	(1,531)	479	743	576
Closing defined benefit obligation	20,690	6,026	25,070	6,328

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

Particulars	2017-18	2016-17
Opening fair value of plan assets	24,582	23,771
Expected return on Plan Assets	1,507	1,834
Contribution during the year	-	150
Benefit paid	(6,114)	(1,252)
Actuarial gains / (losses) on plan asset	177	78
Closing fair value of plan assets	20,152	24,582

REVATHI EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

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

Particulars	2017-18	2016-17
	%	%
Discount rate (%)	7.60%	7.00%
Expected salary increase (%)	5.00%	6.00%
Average Age (years)	39.10	39.30
Average past service (years)	10.10	10.60
Demographic Assumptions		
Retirement Age (year)	58 / 60	58 / 60
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
Attrition Rate	8.28%	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	2017-18	2016-17
Provident fund	6,017	5,897

vi Sensitivity analysis of the defined benefit obligation:

Particulars	2017-18		2016-17	
	Gratuity (partly funded)	Leave encashment	Gratuity (partly funded)	Leave encashment
Impact of the change in discount rate				
Present value of obligation at the end of the period				
Impact due to increase of 0.50%	20,127	5,867	24,395	4,316
Impact due to decrease of 0.50%	(21,282)	(6,194)	(25,782)	(4,449)
Current service cost for the year ended March 31, 2018				
Impact due to increase of 0.50%	1,473	711	1,663	1,188
Impact due to decrease of 0.50%	(1,578)	(752)	(1,789)	1,232
Impact of the change in salary increase				
Present value of obligation at the end of the period				
Impact due to increase of 0.50%	21,317	6,198	25,810	4,451
Impact due to decrease of 0.50%	(20,089)	(5,862)	(24,363)	(4,314)
Current service cost for the year ended March 31, 2018				
Impact due to increase of 0.50%	1,581	752	1,792	1,232
Impact due to decrease of 0.50%	(1,469)	(710)	(1,660)	(1,188)

REVATHI EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

vii Other comprehensive income (OCI):

Particulars	2017-18	2016-17
	Gratuity funded	Gratuity funded
Actuarial (gain)/loss for the year on PBO	(1,531)	743
Actuarial (gain)/loss for the year on plan asset	(177)	(78)
Unrecognized actuarial (gain)/loss at the end of the year	-	-
Total actuarial (gain)/loss at the end of the year	(1,709)	666

41 Related party transaction
a) List of Related parties
i. Subsidiaries of the Company

Name	Status
Semac Consultants Private Limited	Subsidiary company
Renaissance stocks limited	Fellow Subsidiary company
Semac & Partners LLC	Step down subsidiary

ii. Holding Company

Renaissance Advanced Consultancy Ltd

iii Key Management Personnel of the Company

Name	Status
Mr. Abhishek Dalmia	Executive Chairman
Mr. S. Hariharan	Whole Time Director & CFO
Mr. Sunil Puri	CEO & Executive Director
Mr.M.N.Srinivasan	Company Secretary

iv Relatives of Key Management personnel

Name	Relation	Status
Ms. Deepali Dalmia	Wife	Director
Mr. Chaitanya Dalmia	Brother	Director

v Enterprises where Key managerial personnel or their relatives have significant influence

b) The following transactions were carried out with related parties in the ordinary course of business: (₹ in 000's)

Nature of relationship	Name of related party	Nature of transaction	For the year ended	
			March 31, 2018	March 31, 2017
Subsidiary Company	Semac Consultants Private Limited	Interest paid		10,970
		Inter Corporate Deposits repaid	60,000	20,000
	Renaissance Advanced Consultancy Limited	Interest paid	37	20,021
		Inter Corporate Deposits repaid	-	239,500
Key Managerial Personnel	Mr. Abhishek Dalmia	Remuneration	7,500	10,500
	Mr. S. Hariharan		5,405	6,207
	Mr. Sunil Puri - CEO		6,220	7,012
	Mr. M.N. Srinivasan - CS		1,822	1,765
Relatives of Key Management personnel	Ms. Deepali Dalmia	Board sitting fees	200	200
	Mr. Chaitanya Dalmia	Commission Payable	-	600
	Mr. Chaitanya Dalmia	Board sitting fees	200	150
		Commission Payable	-	200

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

c) Balances Outstanding at Year End:

Nature of relationship	Name of related party	Nature of transaction	March 31, 2018	March 31, 2017	April 1, 2016
Subsidiary Company	Semac Consultants Private Limited	Loan taken and interest accrued thereon	1,191	60,046	82,506
	Renaissance Advanced Consultancy Limited		-	41	239,500

42 Leases

(i) Obligations under finance leases

The company has no leasing arrangement in the nature of finance lease except land.

(ii) Operating lease arrangements

Office & residential premises are taken on operating lease. There is no escalation clause in the lease agreement

(a) Payments recognised as expense

Particulars	2017-18	2016-17
Minimum lease payment	3,498	3,189

(b) Non-cancellable operating lease commitments

All the operating lease arrangements are cancellable, having a lease period of 3-5 years and are usually renewable by mutual consent on mutually agreeable terms.

43 Discontinued Operations

The directors of the company at its meeting held on June 09, 2013 has decided to discontinue the operations of Construction Equipment Division w.e.f. March 31, 2015.

(a) Considering the market condition of construction equipment business (CED), the manufacturing facilities at Chennai were downsized and shifted both manufacturing and service resources located at Chennai to Coimbatore in previous years. Assets pertaining to said division at Chennai having written down value of Rs 82520 thousand on 31st March, 2018 (Previous year FY 16-17 Rs.153,154 thousand ; FY 15-16 Rs 153,314 thousand) comprising of lease hold land, building, plant and machinery, office equipment etc as disclosed in note 11 are therefore meant for disposal and necessary steps in this respect are being taken. Adjustment, if any, with respect to value realisable thereagainst will be carried out as and when ascertained.

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

The carrying amounts of assets and liabilities of discontinuing operations are as follows:

	2017-18	2016-17	2015-16
Total Assets (Refer Note 11)	82,500	153,135	153,139
Total Liabilities (Refer Note 11)	-	-	-
Net Assets	<u>82,500</u>	<u>153,135</u>	<u>153,139</u>

The net cash flows attributable to discontinuing operations are as follows:

	2017-18	2016-17
Operating	(4,875)	(2,636)
Investing	-	-
Financing	-	-
Net cash inflows/(Outflows)	<u>(4,875)</u>	<u>(2,636)</u>

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

The amount of revenue and expenses in respect of discontinuing operations are as follows:

	2017-18	2016-17
Net Sales	461	4,099
Other Income	-	-
Total Expenses	(5,336)	(6,735)
Finance Cost	-	-
Profit before tax and exceptional items	(4,875)	(2,636)
Exceptional Items - Impairment of assets	(69,895)	-
Profit before tax	(74,771)	(2,636)
Tax expenses	-	-
Profit after tax	(74,771)	(2,636)

44 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 stated in financial statements.

45 Research & Development Expenditure

	2017-18	2016-17
Expenses		
Salary & Wages	12,980	15,220
Consumables Stores	81	40
Power	129	73
Repair & Maintenance	1,028	1,001
Insurance	88	8
Travel & Conveyance	1106	1,664
Legal & Professional Expenses	443	200
Stationery Expenses	162	483
Postage & Telephone Expenses	74	94
Books and Periodicals	36	61
Product Development Expenses	409	18,873
	16,535	37,717

46 Impairment Review

- (a) Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

During the year ended 31st March 2018, the testing results in an impairment in the carrying amount of assets of entity's Construction Equipment Division which had been classified as a discontinued operation w.e.f. March 31, 2015. Consequentially an impairment loss of Rs 698.95 lacs has been recognised in Statement of Profit and Loss under the head of exception item.

Key assumptions used in value-in-use calculations are:-

- (i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure
- (b) In the opinion of the Board and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

47. 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, Joint Ventures and Associates.

48. Information related to Consolidated Financial

The company is listed on stock exchange in India, the Company has prepared consolidated financial as required under IND AS 110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on company's web site for public use.

49. 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.

50. The affairs of Satellier Holding Inc, USA, one of the associate of the company was dissolved and certificate of dissolution had been issued by the appropriate authority. There being no likelihood of any amount being recoverable towards investment in equity and as such full provision against Investment of Rs. 48,750 thousand in the said company had been done in the year 2013-14. There is no change in the status thereof in this year.

51 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 short term borrowings obligations in the nature of cash credit.

Particulars	Fixed Rate Borrowing	Variable Rate Borrowing	Total Borrowing
As at March 31, 2018	-	263,071	263,071
As at March 31, 2017	60,000	248,798	308,798
As at April 1, 2016	319,500	521,571	841,071

Sensitivity analysis - For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

Sensitivity on variable rate borrowing	Impact on statement of profit and loss	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest rate increase by 0.25%	(657.68)	(621.99)
Interest rate decrease by 0.25%	657.68	621.99

REVATHI EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

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		In FC	Trade Paybles	
	In FC	Rs in `000		Rs in `000	
Unhedged foreign currency exposures					
Foreign Exposure as at March 31, 2018					
US Dollars	122,705	7,970	231,823	15,057	
Euro			3,224	260	
GBP			118	11	
Foreign Exposure as at March 31, 2017					
US Dollars	13,986	908	322,520	20,935	
Euro			57,788	4,005	
Foreign Exposure as at April 1, 2016					
US Dollars	88,127	5,844	464,098	30,779	
Euro			30,453	2,285	
GBP			1,967	187	

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, 2018	For the year ended March 31, 2017
USD Sensitivity	+ 50 basis points	(35.44)	(100.14)
	- 50 basis points	35.44	100.14
Euro Sensitivity	+ 50 basis points	(1.30)	(20.03)
	- 50 basis points	1.30	20.03

* 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 (primarily trade receivables and advances to suppliers) 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 disclosed in note 3.18. 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.

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

The ageing of trade receivable is given below:

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months
Gross carrying amount (A)	201,079	87,865	467,496	48,764	851,736	45,772
Expected Credit Losses (B)	-	(817)	-	(817)	-	(16,248)
Net Carrying Amount (A-B)	201,079	87,048	467,496	47,947	851,736	29,524

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, 2018, March 31, 2017 and April 1, 2016 is the carrying amounts as illustrated in note 51.

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.

Table hereunder provides the current ratios of the Company as at the year end.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total current assets	678,228	792,851	1,185,761
Total current liabilities	414,227	545,414	1,069,046
Current ratio	1.64	1.45	1.11

52 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	Note	Fair value hierarchy	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	Financial assets designated at amortised cost	D							
	Non current								
a)	Loans		11,005		10,016		10,522		
b)	Others financial asset		2,183		3,719		25,098		
	Current								
a)	Trade receivables *		288,127		515,443		881,260		
b)	Cash and cash equivalents		69,757		6,907		8,306		
c)	Bank balances		32,448		83,244		44,874		
d)	Loans		4,429		1,727		2,583		
e)	Others Financial Asset		29		31		849		
2	Investment in subsidiary companies and associate	C							
	Total		877,271		877,271		877,271		
				1,285,249		1,498,358		1,850,763	

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

Financial liabilities

Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	Financial liability designated at amortised cost	D							
	Current								
a)	Borrowings			263,071		308,798		841,071	
b)	Trade payables *			104,337		150,892		141,035	
c)	Other financial liabilities			23,477		24,173		33,734	
	Total			390,885		483,863		1,015,840	

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.

A Company has opted to fair value its Financial asset through profit and loss

B Company has opted to fair value its financial asset through OCI.

C As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.

D Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

* 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).

53 Capital Management

For the purpose of the Company'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 Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Particulars

	As at March 31, 2018	As at March 31, 2017
Debt (i)	263,071	308,798
Cash & bank balances	102,205	90,151
Net Debt	<u>160,866</u>	<u>218,647</u>
Total Equity	1,495,007	1,552,954
Net debt to equity ratio (Gearing Ratio)	0.11	0.14

(i) Debt is defined as long-term and short-term borrowings

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

54 Transition to Ind AS

First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2016, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

"This note explains the principal adjustments made by the Company and an explanation on how the transition from the previous GAAP to Ind AS has affected its financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements for the year ended March 31, 2017.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from the previous GAAP to Ind AS:

a. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for a class of its property, plant and equipment as recognised in the financial statements as on the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost on the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

The Company has elected to continue with the carrying value of all classes of its property, plant and equipment and intangible assets, recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

b Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing on the date of transition to Ind AS, except where the effect is expected to be not material.

c Investment in subsidiary, associate, joint venture

Ind AS 27 requires an entity to account for its investments in subsidiaries and associates either at cost or in accordance with Ind AS 109. Ind AS 101 provides an option to measure such investments as at the date of transition to Ind AS either at cost determined in accordance with Ind AS 27 or deemed cost, where deemed cost shall be its fair value as at date of transition to Ind AS or previous GAAP carrying amount as at that date.

d. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances on the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

e De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

f Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ In '000)

g Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

h Government Grant

Ind As 101 requires a first time adopter to recognise the requirements in Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to Ind ASs and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Consequentially the company has recognised and measured government grant on a government loan at a below-market rate of interest prospectively.

Reconciliation of equity as previously reported under IGAAP to IND AS as at April 01, 2016

	As at April 1, 2016 IGAAP	As at April 1, 2016 Adjustment	As at April 1, 2016 As Per IND AS
Assets			
Non - current assets			
Property, plant and equipment	177,813	(153,139)	24,674
Other intangible assets	499	-	499
Investment Property	166,265	-	166,265
Financial assets			
Investments	877,271	-	877,271
Loans	10,787	(265)	10,522
Others financial asset	-	25,098	25,098
Deferred tax assets (net)	43,557	-	43,557
Other non - current assets	25,098	(24,845)	253
	<u>1,301,290</u>	<u>(153,151)</u>	<u>1,148,139</u>
Current assets			
Inventories	221,022	-	221,022
Financial assets			
Trade receivables	881,260	-	881,260
Cash and cash equivalents	8,306	-	8,306
Bank Balances	44,874	-	44,874
Loans	2,463	120	2,583
Others	969	(120)	849
Current tax assets (net)	7,537	-	7,537
Other current assets	19,330	-	19,330
Non Current Asset Held For Sale	-	153,139	153,139
	<u>1,185,761</u>	<u>153,139</u>	<u>1,338,900</u>
Total Assets	<u>2,487,051</u>	<u>(12)</u>	<u>2,487,039</u>
Equity and liabilities			
Equity			
Equity share capital	30,669	-	30,669
Other equity	1,378,498	(12)	1,378,486
	<u>1,409,167</u>	<u>(12)</u>	<u>1,409,155</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ In '000)

Liabilities

Non - current liabilities

Provisions	8,838	-	8,838
	<u>8,838</u>	<u>-</u>	<u>8,838</u>

Current liabilities

Financial liabilities

Borrowings	841,071	-	841,071
Trade payables	141,035	-	141,035
Other financial liabilities	33,734	-	33,734
Other current liabilities	41,650	-	41,650
Provisions	11,556	-	11,556
	<u>1,069,046</u>	<u>-</u>	<u>1,069,046</u>

Liabilities associated with group of assets classified as held for sale and discontinued operation

	-	-	-
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Total Equity & Liabilities

2,487,051	(12)	2,487,039
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Reconciliation of equity as previously reported under IGAAP to IND AS as at March 31, 2017

	As at March 31, 2017 IGAAP	As at March 31, 2017 Adjustment	As at March 31, 2017 As Per IND AS
ASSETS			
Non - current assets			
Property, plant and equipment	185,912	(153,135)	32,778
Other intangible assets	1,299	(0)	1,299
Investment Property	166,265	-	166,265
Financial assets			
Investments	877,271	-	877,271
Loans	10,391	(375)	10,016
Others	3,719	-	3,719
Deferred tax assets (net)	68,823	-	68,823
Other non - current assets	-	356	356
	<u>1,313,680</u>	<u>(153,154)</u>	<u>1,160,527</u>
Current assets			
Inventories	151,959	-	151,959
Financial assets			
Investments	-		
Trade receivables	515,443	-	515,443
Cash and cash equivalents	6,907	-	6,907
Bank Balances	83,244	-	83,244
Loans	1,622	105	1,727
Others	136	(105)	31
Current tax assets (net)	9,187	-	9,187
Other current assets	24,353	-	24,353
Non Current Asset Held For Sale	-	153,135	153,135
	<u>792,851</u>	<u>153,135</u>	<u>945,986</u>
Total Assets	<u>2,106,531</u>	<u>(19)</u>	<u>2,106,512</u>

REVATHI EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

EQUITY AND LIABILITIES	(₹ In '000)		
Equity			
Equity share capital	30,669	-	30,669
Other equity	1,522,304	(19)	1,522,285
	<u>1,552,973</u>	<u>(19)</u>	<u>1,552,954</u>
Liabilities			
Non - current liabilities			
Provisions	8,144	-	8,144
	<u>8,144</u>	<u>-</u>	<u>8,144</u>
Current liabilities			
Financial liabilities			
Borrowings	308,798	-	308,798
Trade payables	150,892	-	150,892
Other financial liabilities	24,173	-	24,173
Other current liabilities	34,385	-	34,385
Provisions	27,166	-	27,166
	<u>545,414</u>	<u>-</u>	<u>545,414</u>
Liabilities associated with group of assets classified as held for sale and discontinued operation	-	-	-
Total Equity & Liabilities	<u>2,106,531</u>	<u>(19)</u>	<u>2,106,512</u>
Equity Reconciliation		2,016	2,017
As Per IGAAP		1,378,498	1,522,304
Finance income on security deposit - Rent		-	160
Advance Rent amortized		-	(166)
Security Deposit (Operating Lease)		(12)	(12)
As Per IND AS		<u>1,378,486</u>	<u>1,522,286</u>

Statement of profit and loss for the year ended 31.03.2017

	As at March 31, 2017	Adjustment	As at March 31, 2017
	IGAAP		As Per IND AS
Revenue from operations	1,187,447	130,382	1,317,829
Other income	9,181	160	9,341
Total income	<u>1,196,628</u>	<u>130,542</u>	<u>1,327,170</u>
Expenses			
Cost of materials consumed	430,304	-	430,304
Purchases of stock in trade	157,289	-	157,289
Processing charges and purchase of materials through sub-contractors	36,596	-	36,596
Changes in inventories of finished goods, stock - in - trade and work - in - progress	41,454	-	41,454

REVATHI EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ In '000)

Excise duty on sales	-	134,481	134,481
Employee benefits expenses	129,699	(975)	128,724
Finance costs	72,221	309	72,530
Depreciation and amortization expenses	5,239	-	5,239
Other expenses	174,128	(6,568)	167,560
Total expenses	1,046,930	127,247	1,174,177
Profit / (loss) before exceptional items and tax	149,698	3,295	152,993
Exceptional items			
Profit / (loss) before tax	149,698	3,295	152,993
Tax expense			
Current Tax	31,157	-	31,157
Deferred Tax	(25,265)	230	(25,035)
	5,892	230	6,122
Profit / (loss) from continuing operations	143,806	3,065	146,871
Profit / (loss) from discontinued operations	-	(2,636)	
Tax expense of discontinued operations	-		
Profit / (loss) from discontinued operations (after tax) (X - XI)	-	-	(2,636)
Profit / (loss) for the period	143,806	3,065	144,234
Other comprehensive income			
Items that will not be reclassified to profit or loss	-	(666)	(666)
Income tax relating to items that will not be reclassified to profit or loss	-	(230)	(230)
Items that will be reclassified to profit or loss	-	-	-
Income tax relating to items that will be reclassified to profit or loss	-	-	-
	-	(435)	(435)
Total comprehensive income for the period	143,806	2,629	143,799

Profit reconciliation for the year ended March 31, 2017

	Amount
Profit As per IGAAP March 31, 2017	143,806
Advance Lease rent Amortised	(166)
Finance Income on Security Deposit (Operating Lease)	159
Transfer of actuarial loss to OCI	666
Tax Impact t/f to OCI	(230)
Profit As Per IND AS March 31, 2017	<u>144,234</u>

REVATHI EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017 :

Financial Assets & Liabilities

The previous year's including figures as on the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

Other comprehensive income

Under the previous GAAP, the Company did not present total comprehensive income and other comprehensive income. Hence, it has reconciled the previous GAAP profit to profit as per Ind AS. Further, the previous GAAP profit is reconciled to other comprehensive income and total comprehensive income as per Ind AS.

Property, plant and equipment & Intangible Assets

Under Ind AS, the Company has elected to opt for cost model with respect to property, plant and equipments, capital work in progress and intangible asset. Therefore the balance of revaluation reserve of Rs 265 thousand as on April 01, 2016 has been transferred to Retained earnings.

Investment Property

Under Ind As , Investment in land or building or both held for rental or capital appreciation is to be classified as investment property. Hence the Investment in Panchatatva Reality, for the purpose of constructing real esate complex in chembur and Mumbai, is reclassified from long term investment to Investment property amounting to Rs 166265 thousand.

Trade Receivables

Under Indian GAAP, the Company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

Investments

“Under Indian GAAP, the company accounted for long term investments in unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments.

In Ind As the investment in subsidiary, associate and joint venture, the Company has the option to account for investment in shares either at cost/deemed cost or FVTOCI or FVTPL as at the transition date.

As per the aforesaid alternatives, the Company has designated investment in the subsidiary (unquoted investment) and associate comapny at deemed cost i.e. the previous GAAP carrying amount less accumulated the impairment loss, if any, as at the date of transition.”

Defined benefit obligation

Both under Indian GAAP and Ind AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is decreased by Rs 666 thousand on account to re-measurement loss for the FY 2016-17 and remeasurement loss on defined benefit plan has been recognized in the OCI, net of tax as at 31st March 2017.

Deferred tax Liability (net)

Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which were not required under the previous GAAP. Moreover, carryforward of unused tax credits are to be treated as deferred tax assets which was earlier considered as Other non-current non-financial assets.

REVATHI EQUIPMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****Long term financial asset at amortised cost**

Under Indian GAAP, long-term financial assets such as interest free deposit were recognised at the contractual amount and were not discounted. Under Ind AS, where the effect of time value of money is material, the amount of asset should be recognised at the present value of amount expected to be realised. These assets are subsequently measured at amortised cost method.

Revenue

Under the previous GAAP, revenue from sale of goods was presented as net of excise duty and service tax on sales. However, under Ind AS, revenue from sale of goods includes excise duty and service tax and such taxes & duty is separately presented as an expense on the face of the Statement of Profit and Loss. Thus, under Ind AS, sale of goods for the year ended 31st March, 2017 has increased by Rs 137975 thousand.

Retained earnings

Retained earnings as at the transition date has been adjusted consequent to the above Ind AS transitional adjustments.

55. Previous year's figures have been regrouped / re-classified wherever necessary to make them more comparable.

As per our report of even date
For S.S. Kothari Mehta & Co.
Chartered Accountants
FRN: 000756N

Sunil Wahal
Partner
Membership No : 087294
Place : Coimbatore
Date : 29.05.2018

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

V.V. Subramanian
Director
DIN: 05232247

Sunil Puri
CEO & Executive Director
DIN: 08088386

S. Hariharan
Whole Time Director & CFO
DIN: 06363724

M.N. Srinivasan
Company Secretary

INDEPENDENT AUDITORS' REPORT

To The Members of Revathi Equipment Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Revathi Equipment Limited (hereinafter referred to as "the Holding Company") and its subsidiaries including step down subsidiary (collectively referred to as "the Group"), comprising the consolidated balance sheet as at March 31, 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone/consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, its consolidated loss (including other comprehensive income), its consolidated cash flows and their consolidated statement of changes in equity for the year ended on that date.

Other Matters

- i. We did not audit the financial statements/financial information of one step down subsidiary incorporated outside India whose financial statements/financial information reflect total assets of Rs. 267785 thousands as at March 31, 2018, total revenue of Rs. 213302 thousands and net cash out flow amounting to Rs. 25398 thousands for the year ended March 31, 2018, as considered in these consolidated Ind AS financial statements. These financial statements and other financial information have been audited

by other auditors whose audit reports for the year ended March 31, 2018 have been furnished to us, and our opinion on the consolidated Ind AS financial statements for the year ended March 31, 2018 is based solely on the reports of the other auditors.

- ii. We did not audit the financial statement of Dubai branch of a subsidiary company whose financial statement reflect the total asset of Rs 8462 thousands as at March 31, 2018, total revenue of Rs 44468 thousands and net cash flow amounting to Rs. (-) 928 thousands for the year then ended. These financial statements are audited by other auditors duly qualified to act as auditor in the country of incorporation of the said branch whose report have been furnished to us by the management and our report in so far as it related to the that branch is based solely on the reports of the other auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
 - In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated cash flow statement and consolidated changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
 - In our opinion the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder;
 - On the basis of the written representations received from the directors of the Holding Company and subsidiary companies incorporated India as on March 31, 2018 and taken on record by the Board of Directors of the Holding Company none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 32 to the consolidated Ind AS financial statements.
 - The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India.

For S. S. Kothari Mehta & Co.
Chartered Accountants
FRN : 000756N

Sunil Wahal
Partner

M. No. 087294

Place : New Delhi
Date : May 29, 2018

Annexure A to the Independent Auditor's Report to the Members of Revathi Equipment Limited dated May 29, 2018 on its consolidated Ind AS financial statements

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of Revathi Equipment Limited as of and for the year ended March 31, 2018, we have audited the Internal Financial Controls Over Financial Reporting with reference to consolidated Ind AS financial statements of Revathi Equipment Limited (hereinafter referred to as the "Holding Company") and its subsidiary company (together referred to as "the Group"), which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and one subsidiary company, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. S. Kothari Mehta & Co.
Chartered Accountants
FRN : 000756N

Sunil Wahal
Partner

M. No. 087294

Place : New Delhi
Date : May 29, 2018

REVATHI EQUIPMENT LIMITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(₹ in 000's)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. ASSETS				
(1) Non current assets				
(a) Property, plant and equipment	3	49,237	55,355	45,403
(b) Other intangible assets	3	4,476	5,433	6,868
(c) Investment property	4	166,265	166,265	166,265
(d) Goodwill		448,625	448,625	448,625
(e) Financial assets	5			
i. Investments	5.1	705	30,705	705
ii. Loans	5.2	16,147	15,611	35,501
iii. Others financial asset	5.3	2,183	7,437	40,260
(f) Deferred tax assets (net)	15	116,237	110,175	64,056
(g) Other non - current assets	6	226	688	906
		804,101	840,294	808,589
(2) Current assets				
(a) Inventories	7	265,364	151,959	221,022
(b) Financial assets	8			
i. Investment	8.1	-	-	20,000
ii. Trade receivables	8.2	589,402	844,694	1,297,530
iii. Cash and cash equivalents	8.3	242,939	188,183	147,537
iv. Bank balances	8.4	103,617	153,932	110,562
v. Loans	8.5	75,191	35,280	66,718
vi. Others financial asset	8.6	44,589	39,332	38,481
(d) Current tax asset (net)	9	84,637	76,708	67,716
(e) Other current assets	10	102,119	73,059	37,463
		1,507,858	1,563,147	2,007,029
Non current asset held for sale	11	82,500	153,135	153,139
Total assets		2,394,459	2,556,576	2,968,757
B. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	12	30,669	30,669	30,669
(b) Other equity		1,476,956	1,562,890	1,458,207
		1,507,625	1,593,559	1,488,876
(1) Non controlling interest				
Non-current liabilities				
Financial liabilities	13			
Borrowings	13.1	353	698	920
Other financial liability	13.2	8,390	5,792	1,488
Provisions	14	47,421	51,780	47,197
		56,164	58,270	49,605
Current liabilities				
Financial liabilities	16			
Borrowings	16.1	263,071	268,808	801,071
Trade payables	16.2	205,151	269,888	225,708
Other financial liabilities	16.3	83,416	44,914	48,254
Other current liabilities	17	77,199	95,238	126,645
Provisions	18	24,951	45,312	31,125
		653,788	724,160	1,232,803
Total equity & liabilities		2,394,459	2,556,576	2,968,757

Significant Accounting Policies 1 & 2

The accompanying notes form an integral part of these financial statements

As per our report of even date
For S.S. Kothari Mehta & Co.
Chartered Accountants
FRN: 000756N

Sunil Wahal

Partner

Membership No : 087294

Place : Coimbatore

Date : 29.05.2018

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

V.V. Subramanian

Director

DIN: 05232247

Sunil Puri

CEO & Executive Director

DIN: 08088386

S. Hariharan

Whole Time Director & CFO

DIN: 06363724

M.N. Srinivasan

Company Secretary

REVATHI EQUIPMENT LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Income			
I Revenue from operations	19	1,621,136	2,218,421
II Other income	20	39,055	46,596
III Total income		<u>1,660,191</u>	<u>2,265,017</u>
Expenses			
IV Cost of materials consumed	21	772,905	647,417
Purchases of stock in trade	22	46,334	157,289
Processing charges and purchase of materials through sub-contractors	23	23,792	36,596
Excise duty on sale of goods		2,614	134,481
Changes in inventories of finished goods, stock-in-trade and work - in - progress	24	(131,840)	41,454
Employee benefits expenses	25	568,560	594,635
Finance costs	26	34,059	65,855
Depreciation and amortization expenses	27	18,143	16,684
Other expenses	28	344,961	466,373
Total expenses		<u>1,679,528</u>	<u>2,160,784</u>
(Loss) /Profit before tax		<u>(19,337)</u>	<u>104,233</u>
Tax expense			
Current tax	29	6,104	46,260
Deferred tax		(7,556)	(46,877)
Total tax expense		<u>(1,452)</u>	<u>(617)</u>
(Loss)/profit from continuing operations		<u>(17,885)</u>	<u>104,850</u>
V Profit / (loss) from discontinued operations		<u>(74,771)</u>	<u>(2,636)</u>
Tax expense of discontinued operations		-	-
(Loss) / profit from discontinued operations (after tax)		<u>(74,771)</u>	<u>(2,636)</u>
(Loss)/profit for the year		<u>(92,656)</u>	<u>102,214</u>
Profit attributable to			
Equity shareholders		(88,240)	101,475
Non Controlling interest		(4,416)	739
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss	30	5,285	2,192
(ii) Income tax relating to items that will not be reclassified to profit or loss	29	(1,495)	(758)
B (i) Items that will be reclassified to profit or loss		(773)	4,294
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		<u>3,017</u>	<u>5,727</u>
Other comprehensive income attributable to			
Equity shareholders		2,305	3,241
Non Controlling interest		711	2,486
Total comprehensive income for the period			
Equity shareholders		(85,934)	104,716
Non Controlling interest		(3,705)	3,225
		<u>(89,639)</u>	<u>107,941</u>
Earnings per equity share (Basic & Diluted)			
	31		
For continuing operations (Face value of equity share Rs 10.00 each)		(5.83)	34.19
For discontinued operations (Face value of equity share Rs 10.00 each)		(24.38)	(0.86)
For Continued & Discountinued Operation (Face value of equity share Rs 10.00 each)		(30.21)	33.33

Significant Accounting Policies

1 & 2

The accompanying notes form an integral part of these financial statements

As per our report of even date

For S.S. Kothari Mehta & Co.

Chartered Accountants

FRN: 000756N

Sunil Wahal

Partner

Membership No : 087294

Place : Coimbatore

Date : 29.05.2018

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

V.V. Subramanian

Director

DIN: 05232247

Sunil Puri

CEO & Executive Director

DIN: 08088386

S. Hariharan

Whole Time Director & CFO

DIN: 06363724

M.N. Srinivasan

Company Secretary

REVATHI EQUIPMENT LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss)/profit before tax	(94,108)	101,597
Adjustments		
Depreciation / Amortization	18,143	16,684
Provision for Impairment of asset	69,895	-
Provision for bad debts	5,137	19,643
profit on sale of property plant and equipment	(741)	(552)
Loss on sale of property plant and equipment	172	-
Loss on sale of investment	301	-
Interest expenses	34,059	65,855
Foreign currency translation	(773)	4,294
Interest Income	(23,212)	(18,709)
Profit on sale of investment	-	(1,222)
Operating Profit before working Capital Changes	8,873	187,590
Adjustments for working Capital changes :		
Inventories	(113,405)	69,063
Trade and Other Payables	(67,190)	(11,621)
Trade and Other Receivables	179,487	491,358
Cash Generated from Operations	7,765	736,390
Direct Taxes (Paid)/Refund	(10,434)	(53,678)
Net Cash (used in)/from Operating activities	(2,669)	682,712
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment	(12,159)	(26,751)
Sale of property plant and equipment	1,661	2,100
Interest Received	22,823	20,334
Sale/(purchase) of investment	29,699	(8,778)
Fund received/(Investment) in fixed deposit (net)	55,569	(10,547)
Net Cash from/(used in) Investing Activities	97,593	(23,642)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Short term Borrowings	(5,737)	(532,263)
Proceeds/(Repayment) of Long term Borrowings	(345)	(222)
Finance cost	(34,086)	(65,828)
Dividend Paid	-	(20,094)
Corporate Dividend tax paid	-	(18)
Net cash from financing activities	(40,168)	(618,424)
Net increase in cash and cash equivalents (A+B+C)	54,756	40,646
Cash and cash equivalents (Opening balance)	188,183	147,537
Cash and cash equivalents (Closing balance)	242,939	188,183
Change in cash & cash equivalents	54,756	40,646
Components of cash & cash equivalents		
Balances with banks		
- In Current accounts	138,011	185,645
- On cash credit accounts		
- Deposits with original maturity of less than 3 months	104,406	300
Cash on hand	522	2,238
Net cash & cash equivalents	242,939	188,183

Note:

- 1) Cash & cash equivalents components are as per Note 8.3.
- 2) Previous year figures have been regrouped/restated wherever considered necessary

As per our report of even date
For S.S. Kothari Mehta & Co.
Chartered Accountants
FRN: 000756N

Sunil Wahal
Partner
Membership No : 087294
Place : Coimbatore
Date : 29.05.2018

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

V.V. Subramanian
Director
DIN: 05232247

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CEO & Executive Director
DIN: 08088386

S. Hariharan
Whole Time Director & CFO
DIN: 06363724

M.N. Srinivasan
Company Secretary

REVATHI EQUIPMENT LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

A. Equity share capital

Particular	As at April 1, 2016	Changes during the year	As at March 31, 2017	Changes during the year	As at March 31, 2018
Equity share capital	30,669	-	30,669	-	30,669

B. Other equity

Particular	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	Foreign Currency Translation reserve	Actuarial gain / (loss)		
Restated balance as at 01.04.2016	3,111	149	16,561	6,926	551,324	868,412	11,724	-	1,458,207	197,473
Additions during the period	-	-	-	-	-	101,475	2,237	1,003	104,715	3,225
Dividend Paid	-	-	-	-	-	-	-	-	-	(20,094)
Tax on Dividend	-	-	-	-	-	-	-	-	-	(18)
Other adjustment	-	-	-	-	-	-	(33)	-	(33)	-
As at 31.03.2017	3,111	149	16,561	6,926	551,324	969,886	13,929	1,003	1,562,890	180,587
Additions during the period						(88,240)	(1,485)	3,790	(85,934)	(3,705)
As at 31.03.2018	3,111	149	16,561	6,926	551,324	881,647	12,444	4,793	1,476,956	176,882

As per our report of even date
For S.S. Kothari Mehta & Co.
Chartered Accountants
FRN: 000756N

Sunil Wahal

Partner
Membership No : 087294
Place : Coimbatore
Date : 29.05.2018

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

V.V. Subramanian

Director
DIN: 05232247

Sunil Puri

CEO & Executive Director
DIN: 08088386

S. Hariharan

Whole Time Director & CFO
DIN: 06363724

M.N. Srinivasan

Company Secretary

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. Basis of accounting and preparation of Financial Statements

A. Corporate overview

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

These financial statements were approved and adopted by board of directors of the Company in their meeting held on May 29, 2018.

B. Statement of Compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015

Upto the year ended March 31, 2017, the Group prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note55 for the details of first-time adoption exemptions availed by the Group

C. Basis of preparation of accounts

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies(Indian Accounting Standards) Rules 2015 as amended. As per the said roadmap, the Group is required to apply Ind AS starting from the financial year beginning on or after April 1, 2016. Accordingly, the financial statements of the Group have been prepared in accordance with Ind AS.

For all the periods up to and including the year ended March 31, 2017, the Group has prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act, 2013 ("the Act") read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first financial statements which the Group has prepared in accordance with Ind AS.

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

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act. Based on the nature of services and time between the acquisition of assets for providing of services and their realisation in Cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

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 judgment, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

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

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 active 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 assumption could affect the fair value of financial instrument.

e. 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.

f. Impairment of financial and non-financial assets

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

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

G. Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Group.

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

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

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

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

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

For assets and liabilities that are recognized in the financial statements on a 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.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis as explained above, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

H. Standards issued but not yet effective**i. Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued in February 2015 and establishes a five step model to account for revenue arising from contracts with customer. Under Ind AS 115 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after 1st April, 2018. The Group will adopt the new standard on the required effective date. During the current year, the Group performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

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.

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- 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		
		2017-18	2016-17	2015-16
Semac Consultants Pvt Ltd including subsidiaries	India	76.99%	76.99%	76.99%
Semac & Partners LLC	Muscat	65%	65%	65%

- ii. The affairs of Satellier Holding Inc, USA, one of the associate of the company was dissolved and certificate of dissolution had been issued by the appropriate authority. There being no likelihood of any amount being recoverable towards investment in equity and as such full provision against Investment of Rs. 48750 thousands in the said company had been done in the year 2013-14. There is no change in the status thereof in this year.
- iii. The Company alongwith another company 'Tridhaatu Realty and Infra Pvt Ltd' has formed an Association of Person (AOP) PanchTatva Realty and has made an investment of Rs. 200000 thousands 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 10795 sq ft out of the Company's entitlement of constructed area as stated above. As per the Memorandum of Understanding (MOU) on 17th December 2015 the company's entitlement is limited to above mentioned built up area only and no other economic benefits and hence not construed as Joint Venture. Income arising out of the sale of such share is disclosed as extra ordinary item.

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. Losses arising in the case of retirement of property, plant and equipment and gain or losses arising from disposal of property, plant and equipment are 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.

REVATHI EQUIPMENT LIMITED**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

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.

Depreciation on property plant and equipment is provided on straight line method on the basis of useful life of assets at the rates prescribed in Schedule II to the Companies Act, 2013. 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 amortised over the period of 3 to 5 years on a straight-line basis & technical knowhow are amortised over the period of three years on straight-line basis 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 amortisation 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.

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

F. Impairment of Non-financial assets

Property, plant and equipment, intangible assets, except goodwill and intangible asset with indefinite useful life, and assets classified as investment property with finite 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, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives and intangible assets not yet available for use, and goodwill are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

Finance leases are capitalized as assets at the commencement of the lease, at an amount equal to the fair value of leased asset or present value of the minimum lease payments, whichever is lower, valued at the inception date. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing cost. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Payment made under operating leases are recognized as expense in the Statement of Profit and Loss on a straight line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

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.

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 charged to profit and loss account.

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 (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 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

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

- 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 18 – 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).

REVATHI EQUIPMENT LIMITED**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

After initial measurement (at Fair value minus transaction cost), such financial assets are subsequently measurement at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount and premium and fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

v. Debt instruments at Fair value through other comprehensive income

A financial asset should be measured at FVTOCI if both the following condition are met:

- The assets is held within a business model in which asset are managed both in order to collect contractual cash flows and for sale (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are measured at Fair value with changes in fair value recognized in OCI except for:

- a. Interest calculated using EIR
- b. Foreign exchange gain and losses; and
- c. Impairment losses and gains

vi. Debt instrument at Fair value through Profit or loss

Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognised in the statement of profit and loss.

vii. Equity investments

All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Group makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then fair value changes on the instrument, excluding dividends, are recognised in other compressive income (OCI). There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of such investments.

Equity instrument includes within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit or loss.

viii. Derecognition

A financial assets (or, where applicable, a part of a financial asset) is primarily derecognised when:

- The right to receive cash flows from the assets have expired or
- The Group has transferred substantially all the risks and rewards of the assets, or
- The Group has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

ix. Impairment of financial assets

The Group applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instrument and are measured at amortised cost e.g. loans, debt securities, deposits, and bank balance.
- Trade receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognised impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**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 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.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies

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.

REVATHI EQUIPMENT LIMITED**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****N. 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.

O. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from sale of equipment's and spares are recognised on dispatch of goods / raising of invoices to customers and are net of trade discounts and returns. Service income is recognised upon rendering the services.

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.

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 from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Insurance claim

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

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 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.

Q. 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 non-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).

REVATHI EQUIPMENT LIMITED**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****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.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

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.

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 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.

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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
- A present obligation arises from the past event, unless the probability of outflow are remote.

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.

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 Group's cash management.

**REVATHI EQUIPMENT LIMITED
 CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(₹ in 000's)

Particulars	Tangible assets											Intangible asset		Total asset				
	Land lease hold	Lease hold im-prove-ments	Land free-hold	Buildings	Plant & machin-ery	Production Tooling	Electrical installation	Data Pro-cessing Equipment	Computer (End - User Device)	Com-puters (Servers & Networks)	Furniture & fixtures	Office equipment	Vehicles		Total tangible asset	Techni-cal know-how	Com-puter software	Total intangible asset
Gross Block As at 1st April, 2016	70,512	2,646	941	130,784	78,402	13,820	2,679	16,597	56,822	1,089	29,572	28,120	52,878	484,862	502	61,125	61,628	546,490
Less: Asset Held For Sale	(70,511)	-	-	(84,909)	(21,615)	(598)	-	(5,738)	-	-	(293)	(780)	-	(184,444)	-	-	-	(184,444)
Balance as at April 1, 2016, reinstated	1	2,646	941	45,874	56,787	13,222	2,679	10,859	56,822	1,089	29,279	27,340	52,878	300,417	502	61,125	61,628	362,045
Addition	-	-	-	1,342	3,568	233	-	1,014	2,187	116	3,101	2,870	8,997	23,427	-	3,323	3,323	26,750
Disposals / adjustments	-	-	-	-	-	-	101	2,413	103	-	245	334	3,842	7,039	(502)	1,565	1,063	8,101
As at March 31, 2017	1	2,646	941	47,216	60,355	13,455	2,578	9,460	58,906	1,205	32,135	29,875	58,033	316,805	-	62,883	62,883	379,689
Addition	-	-	-	818	398	193	-	947	2,010	-	896	509	4,616	10,387	-	1,772	1,772	12,159
Disposals / adjustments	-	-	-	-	-	-	778	-	14,613	321	510	1,605	7,404	25,232	-	-	-	25,232
As at March 31, 2018	1	2,646	941	48,034	60,753	13,648	1,800	10,407	46,303	884	32,521	28,779	55,244	301,961	-	64,655	64,655	366,616
Depreciation																		
As at 1st April, 2016	5,497	2,578	-	40,142	57,670	13,646	2,335	15,183	55,186	730	24,723	25,390	43,240	286,320	199	54,559	54,758	341,078
Ind As Adjustment																		
Less: Asset Held For Sale	5,497	-	-	11,216	8,546	481	-	5,036	-	-	168	360	-	31,305	-	-	-	31,305
Balance as at April 1, 2016, reinstated	-	2,578	-	28,926	49,124	13,165	2,335	10,147	55,186	730	24,555	25,030	43,240	255,015	199	54,559	54,758	309,773
Charge for the year	-	14	-	1,206	2,274	133	79	582	319	342	1,398	1,407	5,949	13,702	-	2,982	2,982	16,684
Disposals	-	-	-	-	39	-	-	2,413	233	-	162	105	3,391	6,344	(199)	-	(199)	6,145
FCTR Adjustment	-	-	-	-	-	-	-	-	-	-	(67)	(147)	(708)	(922)	-	93	93	(829)
As at March 31, 2017	-	2,592	-	30,131	51,359	13,298	2,413	8,316	55,271	1,072	25,724	26,184	45,090	261,451	-	57,449	57,449	319,900
Charge for the year	-	2	-	1,189	2,355	203	38	757	2,038	60	1,724	1,344	5,704	15,414	-	2,729	2,729	18,143
Disposals	-	-	-	-	14	-	752	-	14,030	311	513	1,596	7,153	24,370	-	18	18	24,388
Charged to opening reserves	-	-	-	-	-	-	-	-	-	-	14	32	167	212	-	20	20	232
As at March 31, 2018	-	2,593	-	31,320	53,700	13,501	1,699	9,073	43,279	821	26,948	25,964	43,808	252,708	-	60,179	60,179	312,887
Net Block																		
As at April 1, 2016	1	68	941	16,950	7,663	57	344	712	1,636	359	4,724	2,310	9,638	45,403	303	6,566	6,869	52,272
As at March 31, 2017	1	55	941	17,085	8,996	157	165	1,144	3,635	133	6,411	3,691	12,943	55,355	-	5,433	5,433	60,789
As at March 31, 2018	1	53	941	16,714	7,037	147	101	1,334	3,024	63	5,573	2,815	11,436	49,237	-	4,476	4,476	53,713

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
4. INVESTMENT PROPERTY			
Capital contribution in Panch Tatva Realty	166,265	166,265	166,265
Total	166,265	166,265	166,265

The Group along with Tridhaatu Realty Infra Private Ltd (Tridhaatu) formed as Association of Persons (AOP) namely Panchtatva Realty for constructing a residential building in Chembur, Mumbai and made an investment of Rs. 2,00,000 thousands in the AOP. Out of its entitlement of 64,000 square feet, the company sold 10,795 square feet to the AOP member- Tridhatu vide deed of modification dated December 17, 2015. The group's entitlement is limited to above mentioned built up area only and no other economic benefits and hence not construed as Joint Venture. Income arising out of the sale of such shares had been disclosed as extra ordinary item in pervious financial year (Refer Note 27).

5. FINANCIAL ASSET : NON CURRENT

5.1 Investment

Investment at cost

i) Investments in Associates

88,96,797 shares (previous year March 31, 2017 :
88,96,797 shares ; April 01, 2016: 88,96,797 shares)
Preferred Stock in Satellier Holdings Inc.,USA

	48,750	48,750	48,750
Less: Impairment in value*	(48,750)	(48,750)	(48,750)

ii) Investments in Joint Venture

98 (previous year March 31, 2017 : 98 shares ;
April 01, 2016: 98 shares) paid-up shares of
Qatari Riyal 1000/- each fully paid-up in
Semac Qatar WLL, Doha

	1,172	1,172	1,172
Less : Impairment in value **	(1,172)	(1,172)	(1,172)

Investments in other body corporate (At fair value)

iii) 128 (Previous year ended March 31, 2017 : 128 ;
April 01, 2016: 128) paid-up equity shares of
Rs. 25/- each fully paid-up in Shamrao Vittal
Co-op. Bank Ltd.

	3	3	3
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iv) 74,050 (FY 16-17 : 74,050 ; 1st April 2016: 74,050)
fully paid up equity shares of Rs. 10/- each in
AEC Infotech Pvt. Ltd.

	666	666	666
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v) 3,600 (FY 16-17 : 3,600 ; 1st April, 2016: 3,600)
fully paid up equity shares of Rs. 10/- each in
Lakeland Hotels Ltd.

	36	36	36
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vi) Nil units (FY 16-17: 300 ; 1st April 2016: Nil)
fully paid up debentures of Rs. 1,00,000 each

	-	30,000	-
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Total Investments	705	30,705	705
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* The affairs of Satellier Holding Inc, USA, one of the associate of the company was dissolved and certificate of dissolution had been issued by the appropriate authority. There being no likelihood of any amount being recoverable towards investment in equity and as such full provision against Investment of Rs. 48,750 thousand in the said company had been done in the year 2013-14. There is no change in the status thereof in this year.

**Due to ongoing legal proceeding with the Semac Qatar W.L.L. , a joint venture with a controlling share of 49 %, the company has fully impaired the value of its investment in accordance with the requirement of Ind AS 36 " Impairment of assets".

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
5.2 Loans			
Loans to related party			
- Unsecured, considered doubtful	862	19,629	18,768
Less : Provision for doubtful debts *	(862)	(19,629)	-
Security deposits	16,122	14,586	14,793
Deposits with statutory authorities	25	1,025	1,025
Others	-	-	915
Total	<u>16,147</u>	<u>15,611</u>	<u>35,501</u>
* 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.			
5.3 Other financial assets			
Non current bank balances (having maturity of more than 12 months)*	2,183	7,437	40,260
Total	<u>2,183</u>	<u>7,437</u>	<u>40,260</u>
* kept as margin money with bank			
6. NON CURRENT OTHER ASSETS			
Advance lease rent	226	688	906
Total	<u>226</u>	<u>688</u>	<u>906</u>
7. INVENTORIES			
Raw materials	62,082	80,517	108,126
Work-in-progress	163,264	30,160	68,443
Finished goods	40,018	41,282	44,453
Total	<u>265,364</u>	<u>151,959</u>	<u>221,022</u>
8 FINANCIAL ASSET : CURRENT			
8.1 Investment			
Quoted investments			
(i) Investment in Mutual Funds (at FVTPL)			
Nil units (In FY 16-17 : nil units; 1st April 2016 : 522,879.53 units) in HDFC liquid fund (growth)	-	-	20,000
Total	<u>-</u>	<u>-</u>	<u>20,000</u>
8.2 Trade receivables			
- Unsecured considered good	589,402	844,694	1,297,530
- Doubtful	16,034	6,181	18,352
Less : Provision for bad debts	(16,034)	(6,181)	(18,352)
Total	<u>589,402</u>	<u>844,694</u>	<u>1,297,530</u>
8.3 Cash & cash equivalents			
Balances with banks			
- in Current Accounts	138,011	185,645	145,643
- in Fixed deposit with maturity of up to 3 months	104,406	300	300
Cash on hand	522	2,238	1,594
Total	<u>242,939</u>	<u>188,183</u>	<u>147,537</u>

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
8.4 Bank balance			
Balances with banks			
- in Fixed deposit with maturity of up to 3-12 months	71,169	70,677	65,677
Earmarked balances			
- Unpaid dividend	-	11	11
Other balance			
- Margin money	32,448	83,244	44,874
Total	<u>103,617</u>	<u>153,932</u>	<u>110,562</u>
Note : Margin Money deposit is under lien with banks against Bank Guarantee and Letter of Credit.			
8.5 Loans			
Unsecured, considered good unless otherwise stated			
Related Parties			
- Loan to holding company	9	-	-
- Loan to subsidiaries, joint venture, associate and others	41,097	30,040	29,330
Loans to employees	5,911	1,909	3,866
Loans to others (refer note (i))	25,000	-	25,000
Security deposit	-	-	-
- Earnest money deposit	2,302	2,081	2,551
- Others	872	1,250	5,971
Total	<u>75,191</u>	<u>35,280</u>	<u>66,718</u>
(i) Loan was given to Vasundhara International, a sole proprietary concern on April 03, 2017 for general corporate purposes at interest rate of 13% per annum.			
8.6 Other financial asset			
Interest accrued on			
- Loan to holding company	1,191	-	-
- Deposits with bank	1,813	2,615	4,240
Accrued income	761	-	357
Unbilled revenue	40,824	36,717	33,884
Total	<u>44,589</u>	<u>39,332</u>	<u>38,481</u>
9 CURRENT TAX ASSET (NET)			
A Advance payment of tax (net of provision Rs 87,795 (Previous year Rs 55,847))	84,637	76,708	67,716
Total	<u>84,637</u>	<u>76,708</u>	<u>67,716</u>
10 OTHER ASSETS (CURRENT)			
Capital advances	-	11	284
Other advances	(549)	2,352	4,083
Prepaid expenses	16,896	20,055	13,974
Advances to suppliers/contractors	21,181	24,929	5,245
Balance with statutory authorities	64,591	25,712	12,477
Gratuity prepayment	-	-	1,400
Total	<u>102,119</u>	<u>73,059</u>	<u>37,463</u>

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
11. NON CURRENT ASSET HELD FOR SALE			
Asset classifies as held for sale			
I Non current			
Property plant & equipment			
Leasehold land	65,014	65,014	65,014
Building	73,693	73,693	73,693
Plant & machinery	12,405	13,069	13,069
Production tooling's	117	117	117
Data equipment	640	698	702
Office equipment	402	419	419
Furniture & fittings	125	125	125
	<u>152,395</u>	<u>153,135</u>	<u>153,139</u>
Less: Impairment of asset	(69,895)	-	-
Total asset	<u>82,500</u>	<u>153,135</u>	<u>153,139</u>

12 EQUITY SHARE CAPITAL

Authorised share capital

3500000 (previous year 31 March 2017 :3500000 shares ; April 01, 2016 : 3500000 shares)

Equity shares of Rs. 10 /- each

35,000	35,000	35,000
<u>35,000</u>	<u>35,000</u>	<u>35,000</u>

Issued, subscribed and fully paid up

3066943 (previous year March 31, 2017 : 3066943 shares ; April 01, 2016 : 3066943 shares)

Equity shares of Rs. 10 /- each

30,669	30,669	30,669
<u>30,669</u>	<u>30,669</u>	<u>30,669</u>

Total

<u>30,669</u>	<u>30,669</u>	<u>30,669</u>
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(i) Reconciliation of number and amount of equity shares outstanding:

	No. of shares	Amount
As at April 01, 2016	3,066,943	30,669
Addition during the year	-	-
As at March 31, 2017	3,066,943	30,669
Addition during the year	-	-
As at March 31, 2018	3,066,943	30,669

Terms & right attached to equity shares

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs 10 each fully paid						
Renaissance advanced consultancy limited	1,768,953	57.68%	1,768,953	57.68%	1,768,953	57.68%
Renaissance Stock Ltd (Wholly owned subsidiary of AVL)	457,000	14.90%	457,000	14.90%	457,000	14.90%

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

(iii) Rights, preferences and restrictions attached to equity shares

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

The Company declares and pays 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.

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
--	-------------------------	-------------------------	------------------------

13 FINANCIAL LIABILITY : NON CURRENT
13.1 Borrowings

Secured at amortised cost

From bank

- Term loan

Total

353	698	920
353	698	920

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

13.2 Other Financial Liability

Retention Money Payable

Total

8,390	5,792	1,488
8,390	5,792	1,488

14 NON CURRENT PROVISION

Provision for employee benefits

- Gratuity

- Leave Encashment

- Pension

Total

35,720	40,115	35,828
11,701	11,665	11,369
-	-	-
47,421	51,780	47,197

15 DEFERRED TAX ASSET

MAT Credit Entitlement

Deferred tax liability (Net)

Total

76,905	76,114	44,165
39,332	34,061	19,891
116,237	110,175	64,056

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

(i) Movement in deferred tax items
for the year ended March 31, 2018

	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax liability / (asset) on account of				
Expenses allowable on payment basis and others	20,794	(7205)	-	13,589
Carry forward losses and unabsorbed depreciation	25,779	16535	-	42,314
Remeasurement of Defined Benefit Obligations	-	-	(1,495)	(1,495)
Depreciation difference	(14,651)	(2435)	-	(17,086)
Provision for doubtful debt	2,139	(129)	-	2,010
Net deferred tax liability / (asset)	34,061	6,766	(1,495)	39,332
MAT credit entitlement	76,114	790	-	76,905
Total	110,175	7,556	(1,495)	116,237
for the financial year March 31, 2017				
Deferred tax liability / (asset) on account of				
Property, plant & equipment	(3,887)	(10,764)	-	(14,651)
Payment of gratuity	(485)	424	-	(61)
Remeasurement of Defined Benefit Obligations	-	989	(758)	230
Carry forward losses and unabsorbed depreciation	-	25,779	-	25,779
Provision of leave encashment / sick leave	17,912	2,713	-	20,625
Provision of doubtful debts	6,351	(4,212)	-	2,139
	19,891	14,929	(758)	34,061
MAT Credit Entitlement	44,165	31,948	-	76,114
Total	64,056	46,877	(758)	110,175

16 FINANCIAL LIABILITY : CURRENT

16.1 Short term borrowings

Secured - at amortised cost

Bank

- Cash credit / WCDL

Unsecured - at amortised cost

- From body corporate

- From related party

Total

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
- Cash credit / WCDL	263,071	268,808	521,571
- From body corporate	-	-	40,000
- From related party	-	-	239,500
Total	263,071	268,808	801,071

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

Primary :

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

Collateral :

Second charge on fixed assets of the company.

b. Loan from related party refers to inter corporate deposits from Renaissance Advanced consultancy Limited has been fully repaid during the previous financial year.

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
16.2 Trade payables			
a) Micro, small and medium enterprises	9,367	11,488	10,474
b) Others	195,784	258,400	215,234
Total	205,151	269,888	225,708
16.3 Other financial liabilities			
Current maturities of long term borrowings	288	264	452
Interest Accrued & Not Due	-	27	-
Security Deposit Received	20	20	3,480
Other Payables	25,237	24,073	27,747
Expenses payable - Other	57,871	20,530	16,575
Total	83,416	44,914	48,254
17 OTHER CURRENT LIABILITY			
Advances from customers	2,753	8,011	18,752
Withholding and other taxes	38,212	24,373	24,471
Employee related dues	36,234	62,854	83,422
Total	77,199	95,238	126,645
18 CURRENT PROVISION			
Provision for employee benefits			
- Gratuity	4,172	5,376	6,520
- Leave encashment	3,559	4,014	2,342
Provision for Warranties claims	4,821	23,522	9,863
Provision for contingency *	12,400	12,400	12,400
Total	24,951	45,312	31,125
(i) Information about warranty claims.			
<p>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. The timing of the outflows is expected to be within the period of two years.</p>			
(ii) Movement in warranty provision			
Particulars	2017-18	2016-17	2015-16
Opening Balance	23,522	9,863	5,739
Provided during the year	918	25,073	15,854
Utilization during the year	(19,620)	(11,414)	(11,730)
Closing balance	4,821	23,522	9,863

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
19 REVENUE FROM OPERATIONS		
Sale of products (Finished Goods)		
Sale of drills / Construction Equipments	59,776	837,167
Sale of Spares	369,729	450,528
Sale of Services	1,187,493	929,001
Other Operating Revenue	4,138	1,725
Total	1,621,136	2,218,421
20 OTHER INCOME		
Interest income	19,692	16,011
Interest income on income tax refund	3,520	2,698
Provision/liabilities no longer required written back	6,671	20,173
Lease rental income	-	752
Tender document charges received	2,441	3,580
Profit on sale of current Investments	-	1,222
Profit/Loss on sale of fixed assets (net)	741	552
Bad debts recovered	3,490	85
Miscellaneous income	2,500	1,523
Total	39,055	46,596
21 COST OF MATERIAL CONSUMED		
Works Contract Expenses	535,084	217,113
Under Carriage assemblies	4,152	42,070
Compressors and accessories	6,739	26,280
Electrical components	7,067	105,252
Hydraulic components	120,222	123,140
Pipes and valves	36,858	40,623
Gear/chain assemblies	7,761	56,001
Others	55,022	36,938
Total	772,905	647,417
22 PURCHASES OF STOCK IN TRADE		
Consumption of Spares (Drill)	47,479	159,271
Consumption of Spares (CED)	119	1,189
Change In stock in trade		
Add: Closing Stock	40,018	41,282
Less: Opening Stock	(41,282)	(44,453)
Purchases during the year	46,334	157,289
23 PROCESSING CHARGES AND PURCHASE OF MATERIALS THROUGH SUB-CONTRACTORS		
Material Purchase through Subcontractors	23,792	36,596
	23,792	36,596

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
24 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE & WORK-IN-PROGRESS		
Inventories at the beginning of the year		
Work-in-Process	30,160	68,443
Finished Goods	41,282	44,453
	71,442	112,896
Less - Inventories at the end of the year		
Work-in-Process	163,264	30,160
Finished Goods	40,018	41,282
	203,282	71,442
Changes in inventories of finished goods, stock-in-trade & work-in-progress	(131,840)	41,454
25 EMPLOYEE BENEFITS EXPENSES		
Salaries, wages, Allowances & Commission	504,756	533,234
Contribution to Gratuity, Provident & Other funds	48,588	44,678
Staff welfare expenses	15,216	16,723
	568,560	594,635
26 FINANCE COSTS		
Interest on		
a. Working capital loan	29,183	71,507
b. Others	4,876	(5,652)
Total	34,059	65,855
27 DEPRECIATION AND AMORTIZATION EXPENSE		
i. Tangible asset	15,414	13,702
ii. Intangible asset	2,729	2,982
	18,143	16,684
28 OTHER EXPENSE		
Consumption of stores and spare parts	4,309	4,222
Power and fuel Consumption	9,757	10,862
Repair and maintenance		
-Machinery Repairs	1,879	1,293
-Building repairs	336	3,912
- Vehicle maintenance	4,634	5,749
-Other repairs	11,337	12,303
Rent	25,852	27,627
Insurance	9,122	7,047
Rates and Taxes	10,186	19,899
Travelling and conveyance	65,114	59,081
Freight, clearing and packing	8,790	8,183
Legal and professional	108,698	140,056
Directors' sitting fees	1,550	1,200
Directors' Commission	-	1,600
Payment to auditor (Refer details below)	2,282	1,206
Selling commission	8,197	29,950

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Balances written off	17,296	27,124
Bank Charges	9,151	12,324
Service Charges	6,024	5,254
Liquidated Damages	6,680	13,546
Corporate social responsibilities	1,900	1,422
Provision for advances to related party	-	19,643
Provision for Bad & Doubtful Debts	5,137	-
Product Development Expenses	1,242	18,873
Loss on sale of fixed assets - net	172	-
Loss on sale of Investment	301	-
Other administrative charges	10,383	11,834
Tender Fee	221	-
Foreign exchange difference (loss)	758	1,460
Miscellaneous expenses	18,989	27,438
Less: Expense attributable to discontinued operation	(5,336)	(6,735)
Total	344,961	466,373
29 TAX EXPENSE		
Current Tax		
Current year	5,575	36,338
Income Tax pertaining to earlier years	529	9,923
	<u>6,104</u>	<u>46,260</u>
Deferred tax		
Deferred tax	(6,765)	(14,929)
Minimum Alternate Tax	(791)	(31,948)
	<u>(7,556)</u>	<u>(46,877)</u>
Total	(1,453)	(617)
(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	1,495	758
Total income tax expense recognised in other comprehensive income	1,495	758
Total income tax expense recognised	42	141
(ii) Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:		
Profit / (loss) before tax	33.063%	34.608%
	(89,597)	108,082
Income tax expense calculated at 33.063% (including surcharge and education cess) (2016: 34.608%)	(29,623)	37,405
Effect of income chargeable at different rate of tax	(424)	
Additional deduction on research and development expenditure	(1,080)	(12,943)
Effect of expenses that are non-deductible in determining taxable profit	23,109	
Effect of brought forward losses set off during the year on which no deferred tax asset was recognised	-	(31,851)
Other adjustments	7,531	(1,118)
Earlier year tax provision	529	8,649
Total income tax expense recognised in profit & loss account	<u>42</u>	<u>141</u>

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	For the Year ended March 31, 2018	For the Year ended March 31, 2017
30 OTHER COMPREHENSIVE INCOME		
Item that will be reclassified to profit or loss		
Foreign currency translation reserve	(773)	4,294
Item that will not be reclassified to profit or loss		
Actuarial gain / (loss) on defined benefit obligation	5,285	2,192
Total Other Comprehensive Income	4,512	6,485
31 EARNING PER SHARE		
Face value of equity Shares (in Rs.)	10	10
Total number of equity shares outstanding	3,066,943	3,066,943
Weighted average number of equity shares in calculating basic and diluted EPS	3,066,943	3,066,943
Continued Operation		
Net profit for calculation of basic and diluted EPS (₹ in '000)	(17,885)	104,850
EPS (Basic & Diluted) (₹)	(5.83)	34.19
Discontinued Operation		
Net profit for calculation of basic and diluted EPS (₹ in '000)	(74,771)	(2,636)
EPS (Basic & Diluted) (₹)	(24.38)	(0.86)
Total Operations		
Net profit for calculation of basic and diluted EPS (₹ in '000)	(92,656)	102,214
EPS (Basic & Diluted) (₹)	(30.21)	33.33

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

32 Contingent Liabilities (not provided for) in respect of:

S.No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a)	Customers claims for damages	15,450	3,678	3,678
b)	Sales tax / VAT & Service tax demands	5,899	1,989	2,777
c)	Default in TDS	1,577	1,550	-
	Total	22,925	7,217	6,455

Based on contractual agreements with customers the company has issued bank guarantees aggregating Rs.163,518 thousand (previous year March 31, 2017 : Rs. 221,895 thousand March 31, 2016 : 247,771 thousand). The management believes that none of the bank guarantees will be cashed by any of the customers.

33 Capital and other commitments:

S.No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-	-
b)	Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)	-	-	-

34 Remuneration paid to auditors (included in miscellaneous expenses) :

Particulars	2017-18	2016-17
Statutory auditor	1,267	1,361
Other services	593	505
Reimbursement of expenses	422	375
Total	2,282	2,241

35 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	2017-18	2016-17	01-Apr-16
a)	Principal amount and Interest due thereon remaining unpaid to any supplier as at end of each accounting year	9,367	11,488	10,474
b)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-	-
c)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
d)	the amount of interest accrued and remaining unpaid	-	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-	-
	Total	9,367	11,488	10,474

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

36 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 segment

- Manufacturing of equipments
- Engineering 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.

A. Summary of Segmental Information

	Year ended March 31, 2018	Year ended March 31, 2017	
1 Segment Revenue (Gross)			
a) Manufacturing of equipments	457,359	1,321,323	
b) Engineering design services	1,164,927	897,098	
Total	1,622,286	2,218,421	
Less: Inter Segment Revenue	1,150	-	
Total income from operations (net)	<u>1,621,136</u>	<u>2,218,421</u>	
2 Segment Results			
Profit (+)/Loss(-) before interest and tax from each segment			
a) Manufacturing of equipments	53,232	225,523	
b) Engineering design services	(38,510)	(55,435)	
Total	<u>14,722</u>	<u>170,088</u>	
Add: Exceptional Item			
Less: Interest	34,059	65,855	
Total Profit before tax	(19,337)	104,233	
Total Profit/(loss) before tax from discontinued operation	(74,771)	(2,636)	
3 Segment assets -			
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Manufacturing of equipments	1,040,108	1,229,242	1,609,768
b) Engineering design services	906,918	908,762	992,924
Total segment assets	1,947,026	2,138,004	2,602,692
Less: Inter segment assets	(1,191)	(60,051)	(82,506)
Add: Unallocable assets	448,625	448,625	448,625
Total assets	<u>2,394,460</u>	<u>2,526,578</u>	<u>2,968,811</u>

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

Segment liabilities -

a) Manufacturing of equipments	422,371	553,558	1,077,884
b) Engineering design services	288,772	288,925	287,084
Total segment liabilities	711,143	842,483	1,364,968
Less: Inter segment liabilities	(1,191)	(60,051)	(82,506)
Add: unallocable liabilities	-	-	-
Total liabilities	709,952	782,432	1,282,462

4 Revenues from sale of products to external customers

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
India	1,322,636	1,959,639
Outside India	326,145	303,867

5 Segment Assets

Total of non-current assets other than financial instruments, investment in subsidiaries, joint ventures and associate and deferred tax assets broken down by location of the assets, is shown below:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
India	206,192	215,752	204,146
Outside India	16,785	11,629	15,097

37 Gratuity and other post employment benefit plans

Gratuity

Gratuity (being partly administered by a Trust) is computed as 15 days salary, for every recognized retirement / termination / resignation. The Gratuity plan for the company is a defined benefit scheme where annual contributions as per actuarial valuation are charged to the Statement of profit and loss.

The Provident Fund is a defined contribution scheme whereby the company deposits an amount determined as a fixed percentage of basic pay with the Regional Provident Fund Commissioner.

The Company also has a leave encashment scheme with defined benefits for its employees. The Company makes provision for such liability in the books of accounts on the basis of year end actuarial valuation. No fund has been created for this scheme.

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	2017-18		2016-17	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment
Current Service cost	9,627	13,122	8,122	15,142
Net Interest cost	2,749	565	2,918	667
Expected return on plan assets	(264)	-	(490)	-
Net actuarial (gain) / loss to be recognized	(3,576)	(264)	(2,857)	(2,225)
Past service cost (vested benefits)	2,596	(191)	963	89
Expenses recognized in the statement of profit & loss	11,132	13,232	8,655	13,673

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

Particulars	2017-18		2016-17	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment

B. Balance Sheet
i. Details of Plan assets/ (liabilities) for gratuity and Leave Encashment

Defined benefit obligation	60,179	10,926	73,768	10,607
Fair value of plan assets	23,215	-	28,278	-
Net Asset/(Liability) recognized in the Balance Sheet	36,964	10,926	45,491	10,607

ii. Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	73,768	10,709	69,683	10,139
Interest cost	4,256	565	4,752	667
Current service cost	9,627	13,122	8,122	15,142
Past service cost (vested benefits)	2,596	(191)	963	89
Benefit paid	(21,837)	(13,015)	(7,641)	(13,205)
Actuarial (gains)/losses on obligation	(5,303)	(264)	(2,111)	(2,225)
Closing defined benefit obligation	63,107	10,926	73,768	10,607

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

Particulars	2017-18	2016-17
Opening fair value of plan assets	28,361	29,222
Actual return on Plan Assets	1,771	2,325
Contribution during the year	14,125	2,846
Benefit paid	(21,025)	(6,112)
Actuarial gains / (losses) on plan asset	(18)	81
Closing fair value of plan assets	23,215	28,361

iv. The principal assumptions used in determining gratuity obligations for the Group plans are shown below:

Particulars	2017-18	2016-17
Discount rate (%)	7% to 8%	7%
Expected salary increase (%)	5% to 8%	6% to 10%
Demographic Assumptions		
Retirement Age (year)	58 / 60	58 / 60
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
Attrition Rate	8% to 20%	8% to 20%

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	2017-18	2016-17
Provident fund	25,281	21,597

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

Particulars	2017-18		2016-17	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment
vi Sensitivity analysis of the defined benefit obligation:				
Impact of the change in discount rate				
Impact due to increase of 0.50%	20339	5892	24638	4337
Impact due to decrease of 0.50%	(21,494)	(6,219)	(26,025)	(4,470)
Impact of the change in salary increase				
Impact due to increase of 0.50%	21529	6222	26053	4472
Impact due to decrease of 0.50%	(20,301)	(5,887)	(24,606)	(4,335)
Sensitivity due to mortality and withdrawals are insignificant and hence ignored.				
vii Other comprehensive income (OCI):				
Actuarial (gain)/loss for the year on PBO	(5,303)	(743)	(2,111)	(2,800)
Actuarial (gain)/loss for the year on plan asset	18	-	(81)	-
Unrecognized actuarial (gain)/loss at the end of the year	-	-	-	-
Total actuarial (gain)/loss at the end of the year	(5,285)	(743)	(2,192)	(2,800)

38 RELATED PARTY TRANSACTION

a) List of Related parties

i. Holding company

Renaissance Advanced Consultancy Ltd

ii. Key Management Personnel of the Company

Name	Status
Mr. Abhishek Dalmia	Executive Chairman
Mr. S. Hariharan	Whole Time Director & CFO
Mr. Sunil Puri	CEO & Executive Director
Mr. M.N.Srinivasan	Company Secretary

iv Relatives of Key Management personnel

Name	Relation	Status
Ms. Deepali Dalmia	Wife	Director
Mr. Chaitanya Dalmia	Brother	Director

v Enterprises having Shareholder/ Key Managerial Personnel in common with the Company (including its subsidiaries)

Renaissance stocks limited
Semac & Partners LLC
Semac Qatar WLL
Semac Construction Technologies India LLP (SCTILLP)

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

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	
			March 31, 2018	March 31, 2017
Key Managerial Personnel	Mr. Abhishek Dalmia	Salary & Perquisites	7,500	10,500
	Mr. S. Hariharan		5,405	6,207
	Mr. Sunil Puri - CEO		6,220	7,012
	Mr. M.N. Srinivasan - CS		1,822	1,765
	Ms. Deepali Dalmia	Board sitting fees	200	200
		Commission Payable	-	600
	Mr. Chaitanya Dalmia	Board sitting fees	200	150
Commission Payable		-	200	
Enterprises where Key managerial personnel or their relatives have significant influence	Semac Construction Technologies India LLP (SCTILLP)	Professional fees / reimbursement of expenses	103,587	16,186
Subsidiaries, Associates and Joint Venture of the Company	Semac Qatar WLL	Consultancy Income	-	109
	Renaissance Advanced Consultancy Limited	Interest paid	37	20,021
		Inter Corporate Deposits repaid	-	239,500

c) Balances Outstanding at Year End:

Nature of relationship	Name of related party	Nature of transaction	March 31, 2018	March 31, 2017	April 1, 2016
Enterprises where Key managerial personnel or their relatives have significant influence	Semac Construction Technologies India LLP (SCTILLP)	Trade Receivable	5,671	1,920	234
		Trade Payable	5,633	4,059	-
Joint Venture of the Company	Semac Qatar WLL	Loans	862	19,629	18,768
		Provision for Diminution	(862)	(19,629)	-
		Net Amount	-	-	18,768
		Trade receivables	188	269	126
		Provision for Doubtful Debts	(188)	(269)	-
		Net Amount	-	-	126
		Investments	1,172	1,172	1,172
		Less: Provision	(1,172)	(1,172)	(1,172)
	Net Amount	-	-	-	
Subsidiary Company	Renaissance Advanced consultancy limited	Loan taken and interest accrued thereon	-	41	239,500

39 Leases
(a) Payments recognised as expense

Particulars	2017-18	2016-17
Minimum lease payment	25,852	27,628

(b) Non-cancellable operating lease commitments

All the operating lease arrangements are cancellable, having a lease period of 3-5 years and are usually renewable by mutual consent on mutually agreeable terms.

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

40 Discontinued Operations

The directors of the Holding Company at its meeting held on June 09, 2013 has decided to discontinue the operations of Construction Equipment Division w.e.f. March 31, 2015.

- (a) Considering the market condition of construction equipment business (CED), the manufacturing facilities at Chennai were downsized and shifted both manufacturing and service resources located at Chennai to Coimbatore in previous years. Assets pertaining to said division at Chennai having written down value of Rs 82520 thousand on 31st March, 2018 (Previous year FY 16-17 Rs.153,154 thousand ; FY 15-16 Rs 153,314 thousand) comprising of lease hold land, building, plant and machinery, office equipment etc as disclosed in note 11 are therefore meant for disposal and necessary steps in this respect are being taken. Adjustment, if any, with respect to value realisable there against will be carried out as and when ascertained.
- (b) In view of above, certain inventories becoming non usable and surplus had been written off and provision against remaining items against expected loss in value thereof as per the Management's estimate had been made in previous years.

The carrying amounts of assets and liabilities of discontinuing operations are as follows:

	2017-18	2016-17	2015-16
Total Assets (Refer Note 11)	82,500	153,135	153,139
Total Liabilities (Refer Note 11)	—	—	—
Net Assets	<u>82,500</u>	<u>153,135</u>	<u>153,139</u>

The net cash flows attributable to discontinuing operations are as follows:

	2017-18	2016-17
Operating	(4,875)	(2,636)
Investing	-	-
Financing	-	-
Net cash inflows/(Outflows)	<u>(4,875)</u>	<u>(2,636)</u>

The amount of revenue and expenses in respect of discontinuing operations are as follows:

	2017-18	2016-17
Net Sales	461	4,099
Other Income	-	-
Total Expenses	(5,336)	(6,735)
Finance Cost	-	-
Profit before tax and exceptional items	(4,875)	(2,636)
Exceptional Items - Impairment of assets	(69,895)	-
Profit before tax	(74,771)	(2,636)
Tax expenses	-	-
Profit after tax	<u>(74,771)</u>	<u>(2,636)</u>

41 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.

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

42 Research & Development Expenditure

Expenses	2017-18	2016-17
Salary & wages	12,980	15,220
Consumables Stores	81	40
Power	129	73
Repair & maintenance	1,028	1,001
Insurance	88	8
Travel & conveyance	1,106	1,664
Legal & professional expenses	443	200
Stationery expenses	162	483
Postage & telephone expenses	74	94
Books and periodicals	36	61
Product development expenses	409	18,873
	16,535	37,717

43. Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-

- (i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

44. Information related to Consolidated Financial

The company is listed on stock exchange in India, the Company has prepared consolidated financial as required under IND AS 110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on company's web site for public use.

45. 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.

46. All amounts including those in contingent liabilities and notes have been expressed in Rupees thousand rounded off to the nearest thousands. Figures less than Rupees five hundred which are required to be shown separately have been shown at actuals in double bracket.

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:

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

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 short term borrowings obligations in the nature of cash credit.

Particulars	Fixed Rate Borrowing	Variable Rate Borrowing	Total Borrowing
As at March 31, 2018	641	263,071	263,712
As at March 31, 2017	962	268,808	269,770
As at April 1, 2016	280,872	521,571	802,443

Sensitivity analysis - For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

Sensitivity on variable rate borrowing	Impact on statement of profit and loss	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest rate increase by 0.25%	(657.68)	(672.02)
Interest rate decrease by 0.25%	657.68	672.02

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	Rs in `000	In FC	Rs in `000
Unhedged foreign currency exposure				
Foreign Exposure as at 31st March 2018				
US Dollars	123,468	57,418	231,927	21,820
Euro	-	-	3,269	3,893
Foreign Exposure as at 31st March 2017				
US Dollars	14,724	48,711	322,628	27,943
Euro	-	-	57,893	10,574
Foreign Exposure as at 1st April 2016				
US Dollars	89,096	69,965	464,108	31,440
Euro	-	-	30,703	21,010
GBP	-	-	1,967	187

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, 2018	For the year ended March 31, 2017
USD Sensitivity	+ 50 basis points	17.80	10.38
	- 50 basis points	(17.80)	(10.38)
Euro Sensitivity	+ 50 basis points	(1.95)	(5.29)
	- 50 basis points	1.95	5.29

* Holding all other variable constant

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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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 (primarily trade receivables and advances to suppliers) 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, 2018		As at March 31, 2017		As at April 1, 2016	
	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months
Gross carrying amount (A)	300,738	304,698	646,339	204,536	1,076,138	239,744
Expected Credit Losses (B)	(15,217)	(817)	(5,364)	(817)	(2,104)	(16,248)
Net carrying amount (A-B)	<u>285,521</u>	<u>303,881</u>	<u>640,975</u>	<u>203,719</u>	<u>1,074,034</u>	<u>223,496</u>

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, 2018, March 31, 2017 and April 1, 2016 is the carrying amounts as illustrated in note 47.

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.

Table hereunder provides the current ratios of the Company as at the year end.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total current assets	1507858	1,563,147	2,007,029
Total current liabilities	653788	724,160	1,232,803
Current ratio	2.31	2.16	1.63

REVATHI EQUIPMENT LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

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	Note	Fair value hierarchy	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	Financial asset at FVTPL Current							20,000	
2	Investments in Mutual Funds Financial asset at FVTOCI Non Current	B							
	Investments in equity shares								
	Quoted		Level 1	36	36	36	36	36	36
	Unquoted		Level 3	669	669	669	669	669	669
3	Financial assets designated at Amortised cost Non Current	D							
a)	Investment in Debentures			-		30,000			
b)	Loans			16,147		15,611		35,501	
c)	Others Financial Asset			2,183		7,437		40,260	
	Current								
a)	Trade receivables			589,402		844,694		1,297,530	
b)	Cash and cash equivalents			242,939		188,183		147,537	
c)	Bank Balances			103,617		153,932		110,562	
d)	Loans			75,191		35,280		66,718	
e)	Others Financial Asset			44,589		39,332		38,481	
	Total			1,074,773	705	1,315,174	705	1,757,294	705

Financial liabilities

Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	Financial liability designated at amortised cost Non Current	D							
a)	Borrowings			353		698		920	
b)	Other Financial Liability			8,390		5,792		1,488	
	Current								
a)	Borrowings			263,071		268,808		801,071	
b)	Trade payables			205,151		269,888		225,708	
c)	Other financial liabilities			83,416		44,914		48,254	
	Total			560,381	-	590,100	-	1,077,441	-

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.

REVATHI EQUIPMENT LIMITED

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(₹ in 000's)

- A Company has opted to fair value its Financial asset through profit & loss
- B Company has opted to fair value its financial asset through OCI
- C As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.
- D Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

* 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 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.

- 50 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, 2018				March 31, 2017			
	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								
Semac Consultants Private Limited	16.32%	390,670	35.35%	(31,691)	16.82%	430,030	-33.22%	(35,858)
Parent Subsidiary foreign								
Semac & Partners LLC	7.22%	172,929	-4.11%	3,680	6.62%	169,257	23%	25,106
Minority Share Holders	7.39%	176,882	4.13%	(3,705)	1.98%	50,551	13.81%	14,906

51 Transition to Ind AS

First-time adoption of Ind AS

These consolidated financial statements, for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2016, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

This note explains the principal adjustments made by the Company and an explanation on how the transition from the previous GAAP to Ind AS has affected its financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements for the year ended 31st March, 2017.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied on the transition from the previous GAAP to Ind AS.

a. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for a class of its property, plant and equipment as recognised in the financial statements as on the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost on the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

The Company has elected to continue with the carrying value of all classes of its property, plant and equipment and intangible assets, recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Business Combination

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 1, 2016. Ind AS 101 provides the option that the Indian GAAP carrying amounts of assets and liabilities that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. Business combinations occurring prior to the transition date have not been restated.

b. Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing on the date of transition to Ind AS, except where the effect is expected to be not material.

c. Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances on the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

d. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

e. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

f. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

g. Cumulative Translation Difference

Ind AS 21 require to recognise some translation differences in other comprehensive income and accumulate these in a separate component of equity. However a first-time adopter need not comply with these requirements for cumulative translation differences that existed at the date of transition to Ind ASs.

Reconciliation of equity as previously reported under IGAAP to IND AS as at April 01, 2016

	As at April 1, 2016 IGAAP	As at April 1, 2016 Adjustment	As at April 1, 2016 As Per IND AS
Assets			
Non - current assets			
Property, plant and equipment	198,541	(153,138)	45,403
Other intangible assets	6,922	(54)	6,868
Investment Property	-	166,265	166,265
Goodwill	448,625	-	448,625
Financial assets			
Investments	166,971	(166,266)	705
Loans	134,579	(99,078)	35,501
Others Financial Asset	-	40,260	40,260
Deferred tax assets (net)	19,892	44,164	64,056
Other non - current assets	82,515	(81,609)	906
	<u>1,058,045</u>	<u>(249,456)</u>	<u>808,589</u>
Current assets			
Inventories	221,022	-	221,022
Financial assets			
Investments	20,000	-	20,000
Trade receivables	1,297,530	-	1,297,530
Cash and cash equivalents	219,420	(71,883)	147,537
Bank balances	-	110,562	110,562
Loans	123,141	(56,423)	66,718
Others	-	38,481	38,481
Current tax assets (net)	-	67,716	67,716
Other current assets	38,481	(1,018)	37,463
Non Current Asset Held For Sale	-	153,139	153,139
	<u>1,919,594</u>	<u>240,574</u>	<u>2,160,168</u>
Total Assets	<u>2,977,639</u>	<u>(8,882)</u>	<u>2,968,757</u>
Equity and liabilities			
Equity			
Equity share capital	30,669	-	30,669
Other equity	1,471,647	(13,440)	1,458,207
	<u>1,502,316</u>	<u>(13,440)</u>	<u>1,488,876</u>
Non Controlling Interest	192,500	4,973	197,473
Liabilities			
Non - current liabilities			
Financial liabilities	920	-	920
Borrowings	-	1,488	1,488
Other Financial Liability	-	-	-
Provisions	47,197	-	47,197
Total	<u>48,117</u>	<u>1,488</u>	<u>49,605</u>

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

	As at April 1, 2016 IGAAP	As at April 1, 2016 Adjustment	As at April 1, 2016 As Per IND AS
Current liabilities			
Financial liabilities	801,197	(126)	801,071
Borrowings	227,196	(1,488)	225,708
Trade payables	-	48,254	48,254
Other financial liabilities	169,190	(42,545)	126,645
Other current liabilities			
Provisions	37,123	(5,998)	31,125
	<u>1,234,706</u>	<u>(1,903)</u>	<u>1,232,803</u>
Total Equity & Liabilities	<u>2,977,639</u>	<u>(8,882)</u>	<u>2,968,757</u>

Reconciliation of equity as previously reported under IGAAP to IND AS as at March 31, 2017

	As at March 31, 2017 IGAAP	As at March 31, 2017 Adjustment	As at March 31, 2017 As Per IND AS
ASSETS			
Non - current assets			
Property, plant and equipment	208,489	(153,134)	55,355
Other intangible assets	5,434	(1)	5,433
Investment Property	-	166,265	166,265
Goodwill	-	448,625	448,625
Financial assets			
Investments	196,971	(166,266)	30,705
Loans	172,554	(156,943)	15,611
Others	-	7,437	7,437
Deferred tax assets (net)	34,061	76,114	110,175
Other non - current assets	8,462	(7,774)	688
	<u>1,074,596</u>	<u>(234,302)</u>	<u>840,294</u>
Current assets			
Inventories	151,959	-	151,959
Financial assets			
Investments	-	-	-
Trade receivables	844,694	-	844,694
Cash and cash equivalents	342,116	(153,933)	188,183
Bank Balances	-	153,932	153,932
Loans	108,348	(73,068)	35,280
Others	-	39,332	39,332
Current tax assets (net)	-	76,708	76,708
Other current assets	39,332	33,727	73,059
Non Current Asset Held For Sale	-	153,135	153,135
	<u>1,486,449</u>	<u>229,833</u>	<u>1,716,282</u>
Total assets	<u>2,561,045</u>	<u>(4,469)</u>	<u>2,556,576</u>

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CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

EQUITY AND LIABILITIES
Equity

Equity share capital	30,669	-	30,669
Other equity	1,567,957	(5,067)	1,562,890
Non Controlling Interest	175,589	4,998	180,587
	<u>1,774,215</u>	<u>(69)</u>	<u>1,774,146</u>

LIABILITIES
Non - current liabilities
Financial liabilities

Borrowings	698	-	698
Other Financial Liability	5,792	-	5,792
Provisions	51,781	(1)	51,780
	<u>58,271</u>	<u>(1)</u>	<u>58,270</u>

Current liabilities
Financial liabilities

Borrowings	268,808	-	268,808
Trade payables	269,888	-	269,888
Other financial liabilities	-	44,914	44,914
Other current liabilities	140,161	(44,923)	95,238
Provisions	49,702	(4,390)	45,312
	<u>728,559</u>	<u>(4,399)</u>	<u>724,160</u>

Total equity & liabilities

	<u>2,561,045</u>	<u>(4,469)</u>	<u>2,556,576</u>
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Equity reconciliation

	2016	2017
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As Per IGAAP

	1,471,647	1,567,957
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Finance income on security deposit - Rent

	-	509
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Prior period adjustments (net of transfer to minority interest)

	-	(491)
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Advance Rent amortized

	(13,354)	(4,998)
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Security Deposit (operating lease)

	(86)	(86)
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As Per IND AS

	<u>1,458,207</u>	<u>1,562,890</u>
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Statement of profit and loss for the year ended 31.03.2017

Particulars	As at	Adjustment	As at
	March 31, 2017		March 31, 2017
	IGAAP		As Per IND AS
Revenue from operations	2,084,545	133,876	2,218,421
Other income	49,080	(2,484)	46,596
Total income	<u>2,133,625</u>	<u>131,392</u>	<u>2,265,017</u>
Expenses			
Cost of materials consumed	647,417	-	647,417
Purchases of stock in trade	157,289	-	157,289
Processing charges and purchase of materials through sub-contractors	36,596	-	36,596
Excise Duty on Sale of goods	-	134,481	134,481
Changes in inventories of finished goods, stock-in-trade and work-in-progress	41,454	-	41,454

REVATHI EQUIPMENT LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in 000's)

Employee benefits expenses	595,538	(903)	594,635
Finance costs	62,760	3,095	65,855
Depreciation and amortization expenses	16,684	(0)	16,684
Other expenses	469,297	(2,924)	466,373
Total expenses	<u>2,027,035</u>	<u>133,749</u>	<u>2,160,784</u>
Profit / (loss) before exceptional items and tax	106,590	(2,357)	104,233
Exceptional items	-	-	-
Profit / (loss) before tax	106,590	(2,357)	104,233
Tax expense			
Current Tax	14,313	31,947	46,260
Deferred Tax	(14,171)	(32,706)	(46,877)
	<u>142</u>	<u>(759)</u>	<u>(617)</u>
Profit / (loss) from continuing operations	106,448	(1,598)	104,850
Profit / (loss) from discontinued operations	-	(2,636)	(2,636)
Tax expense of discontinued operations	-	-	-
Profit / (loss) from discontinued operations (after tax)	-	(2,636)	(2,636)
Profit / (loss) for the period	106,448	(4,234)	102,214
Minority Interest	1,812	(1,073)	739
Profit / (loss) for the period after minority interest	104,636	(3,161)	101,475
Other comprehensive income			
Items that will not be reclassified to profit or loss	-	2,192	2,192
Income tax relating to items that will not be reclassified to profit or loss	-	(758)	(758)
Items that will be reclassified to profit or loss	-	4,294	4,294
Income tax relating to items that will be reclassified to profit or loss	-	-	-
	<u>-</u>	<u>5,727</u>	<u>5,727</u>
Minority Interest	-	2,486	2,486
Other comprehensive income after minority Interest	-	3,241	3,241
Total comprehensive income for the period			
Minority Interest	1,812	1,413	3,225
Other than Minority Interest	104,636	80	104,715
	<u>106,448</u>	<u>1,493</u>	<u>107,941</u>
Profit reconciliation for the year ended March 31, 2017			
		Amount	
Profit As per IGAAP March 31, 2017		106,448	
Advance Lease rent Amortised		(491)	
Finance Income on Security Deposit (Operating Lease)		509	
Transfer of actuarial loss to OCI		(2,192)	
Transfer of FCTR on foreign operation to OCI		(2,818)	
Tax Impact t/f to OCI		758	
Profit As Per IND AS March 31, 2017		102,214	

REVATHI EQUIPMENT LIMITED**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and Statement of Profit and Loss for the year ended March 31, 2017 :****a. Financial assets & financial liabilities**

The previous year's including figures as on the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

b. Other comprehensive income

Under the previous GAAP, the Company did not present total comprehensive income and other comprehensive income. Hence, it has reconciled the previous GAAP profit to profit as per Ind AS. Further, the previous GAAP profit is reconciled to other comprehensive income and total comprehensive income as per Ind AS.

c. Property, plant and equipment & Intangible Assets

Under Ind AS, the Company has elected to opt for cost model with respect to property, plant and equipments, capital work in progress and intangible asset. Therefore the balance of revaluation reserve of Rs 265 thousand as on April 01, 2016 has been transferred to Retained earnings.

d. Investment Property

Under Ind AS, Investment in land or building or both held for rental or capital appreciation is to be classified as investment property. Hence the Investment in Panchatatva Reality, for the purpose of constructing real estate complex in chembur and Mumbai, is reclassified from long term investment to Investment property amounting to Rs 166265 thousand.

e. Discontinued Operation - Construction Equipment Division

The company has classified its Construction Equipment Division as discontinued operation w.e.f. 31st March, 2015. Under IGAAP, the statement of profit & loss include the revenue and expense of discontinued operation with separate disclosure in notes to account. Under Ind AS the company has excluded the revenue and expense related to discontinued operation and presented profit / loss and tax expense relating to discontinued operation as a single line item.

Consequentially the sale has been decreased by Rs 40.99 lakhs and expense has been decreased by Rs 67.35 lakhs Under Ind AS , asset and associated liabilities and other comprehensive income of discontinued operation have been separately presented on the balance sheet. Based on the disclosure made by management to discontinue its Construction Equipment Division, the assets amounting to Rs 15.31 crores related to the division has been classified as Non Current Asset Held For Sale.

f. Trade receivables

Under Indian GAAP, the Company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

g. Investments

Under Indian GAAP, the company accounted for long term investments in quoted and unquoted equity shares, debentures and mutual funds as investment measured at cost less provision for other than temporary diminution in the value of investments. In Ind As the company has elected to value its share in quoted and unquoted equity share at FVTOCI which correspond to its cost of acquisition on March 31, 2017 and on April 01, 2016 respectively.

For investment in debentures, these are to be carried at amortised cost in Ind AS and hence no adjustment is required as the cost of acquisition represents the same.

Investment in mutual funds are to be carried at FVTPL. As all the investment in mutual funds are derecognised in FY 2016-17 no adjustment on account of Ind AS is required.

h. Translation of Foreign Operations

Under IGAAP, differences arising on account of translation of foreign operations into functional currency is recognised as gain or loss in the statement profit & loss account. However, in Ind AS such difference are to be recognised in other comprehensive income. Thus foreign currency translation gain of Rs 2818 thousand for the FY 16-17 has been recognized in other comprehensive income.

REVATHI EQUIPMENT LIMITED**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****i Defined benefit obligation**

Both under Indian GAAP and Ind AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost is increased by Rs 2192 thousand on account to re-measurement gain for the FY 2016-17 and remeasurement gain on defined benefit plan has been recognized in the OCI, net of tax as at March 31, 2017.

j Deferred tax liability (net)

Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which were not required under the previous GAAP. Moreover, carryforward of unused tax credits are to be treated as deferred tax assets which was earlier considered as Other non-current non-financial assets.

k Long term financial asset at amortised cost

Under Indian GAAP, long-term financial assets such as interest free deposit were recognised at the contractual amount and were not discounted. Under Ind AS, where the effect of time value of money is material, the amount of asset should be recognised at the present value of amount expected to be realised. These assets are subsequently measured at amortised cost method.

l Revenue

Under the previous GAAP, revenue from sale of goods was presented as net of excise duty and service tax on sales. However, under Ind AS, revenue from sale of goods includes excise duty and service tax and such taxes & duty is separately presented as an expense on the face of the Statement of Profit and Loss. Thus, under Ind AS, sale of goods for the year ended 31st March, 2017 has increased by Rs 137975 thousand.

m Retained earnings

Retained earnings as at the transition date has been adjusted consequent to the above Ind AS transitional adjustments.

52. Previous year's figures have been regrouped / re-classified wherever necessary to make them more comparable.

As per our report of even date
For S.S. Kothari Mehta & Co.
Chartered Accountants
FRN: 000756N

Sunil Wahal

Partner
Membership No : 087294
Place : Coimbatore
Date : 29.05.2018

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

V.V. Subramanian

Director
DIN: 05232247

Sunil Puri

CEO & Executive Director
DIN: 08088386

S. Hariharan

Whole Time Director & CFO
DIN: 06363724

M.N. Srinivasan

Company Secretary

GREEN INITIATIVE REQUEST

Dear Shareholder,

Date : 06.08.2018

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% 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)" <info@skdc-consultants.com> or by post by filling in the following format:

S.K.D.C. Consultants Ltd

Unit: Revathi Equipment Ltd.

Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore – 641 006

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 97.9% have already dematerialized their shares. We are aiming to reach 100% 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

R Sudhir

CFO & Compliance Officer



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