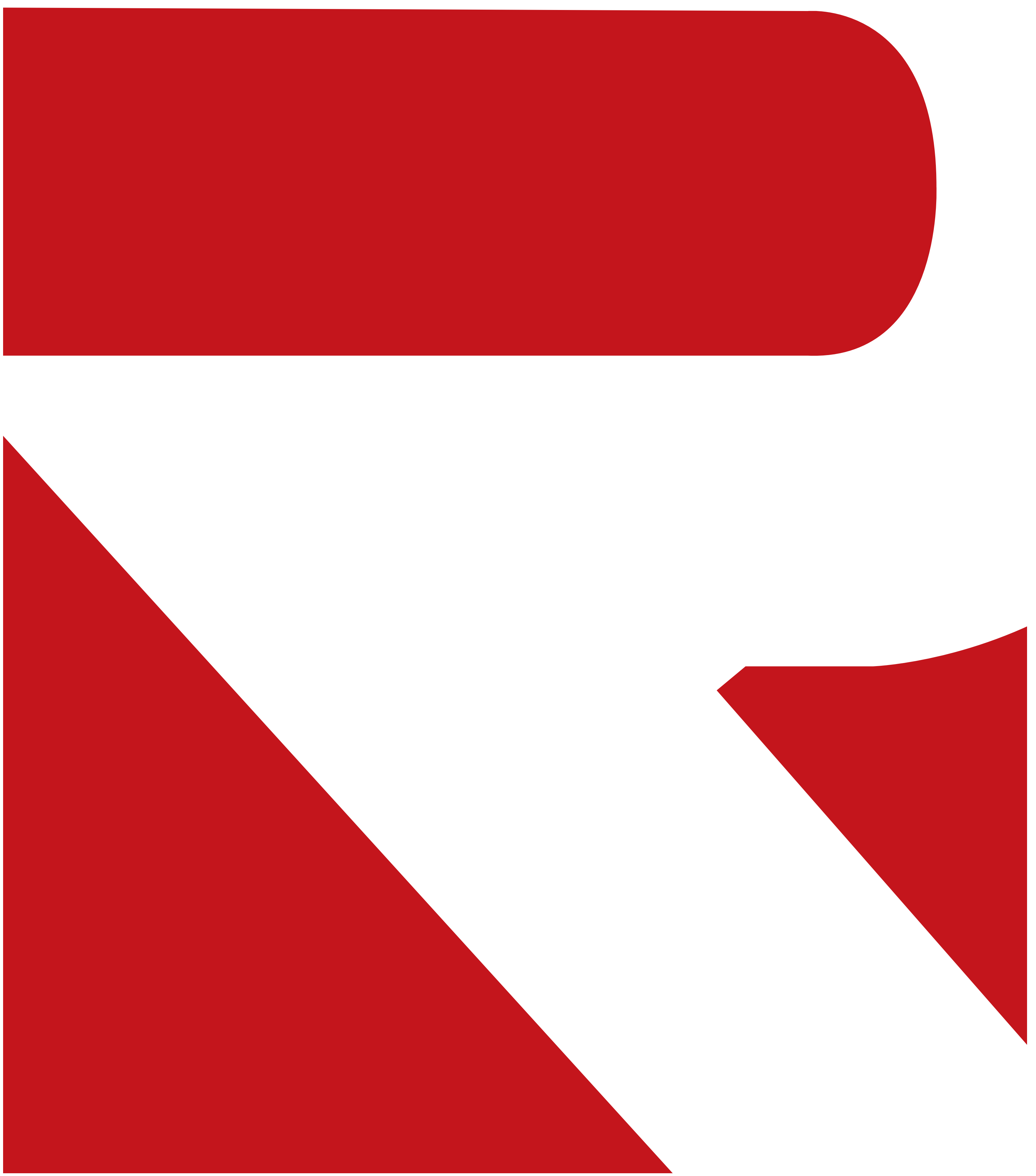
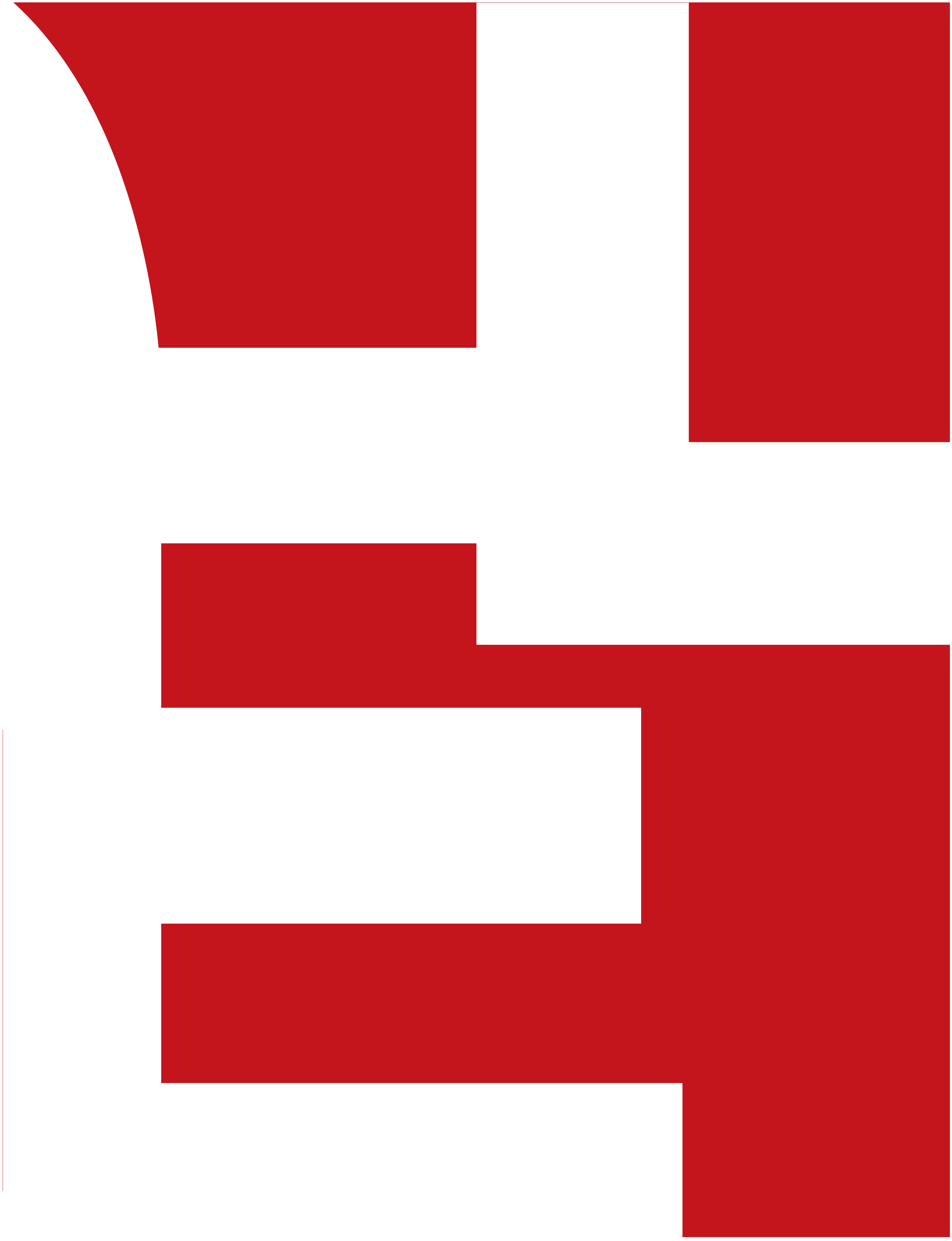
REVATHI EQUIPMENT LIMITED

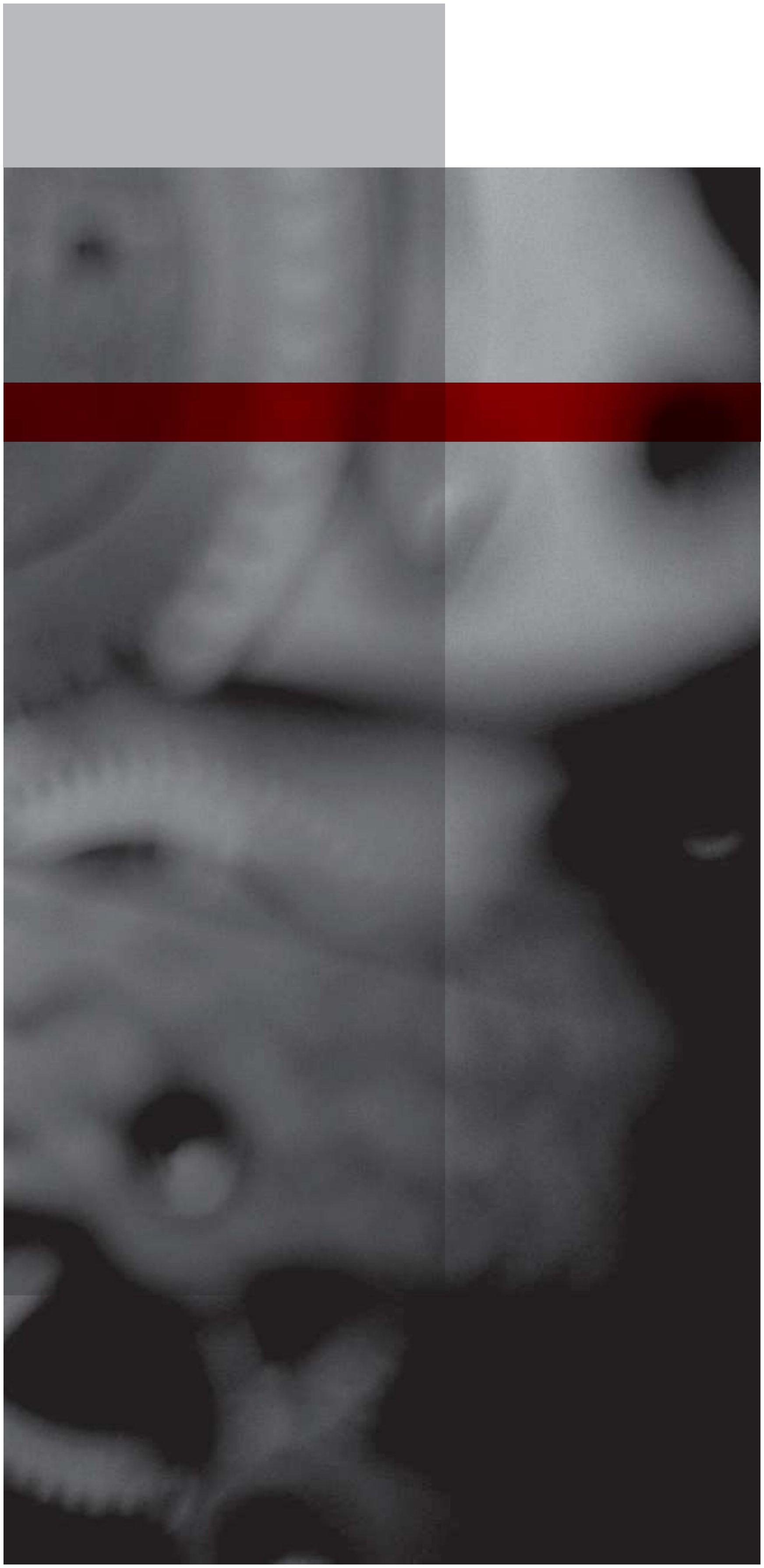
ANNUAL REPORT 2022-23





CONTENTS

CORPORATE DATA



BOARD OF DIRECTORS

MR. ABHISHEK DALMIA
CHAIRMAN AND MANAGING DIRECTOR
MS. DEEPALI DALMIA
NON-EXECUTIVE - NON INDEPENDENT DIRECTOR
MR. P MUTHUSEKKAR
NON-EXECUTIVE - NON INDEPENDENT DIRECTOR
MR. B V RAMANAN
NON-EXECUTIVE - INDEPENDENT DIRECTOR
MR. V V SUBRAMANIAN
NON-EXECUTIVE - INDEPENDENT DIRECTOR
MR. S G SUNDARASAMY
NON-EXECUTIVE - INDEPENDENT DIRECTOR

CHIEF FINANCIAL OFFICER

MR.R.SUDHIR

COMPANY SECRETARY

MR.NISHANT RAMAKRISHNAN

BANKERS

BANK OF INDIA
STATE BANK OF INDIA
ICICI BANK LIMITED
BANK OF BARODA

AUDITORS

S.S.KOTHARI MEHTA & CO
NEW DELHI

SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C-101, 247 Park,
LBS Marg, Vikhroli (WEST) - 400083

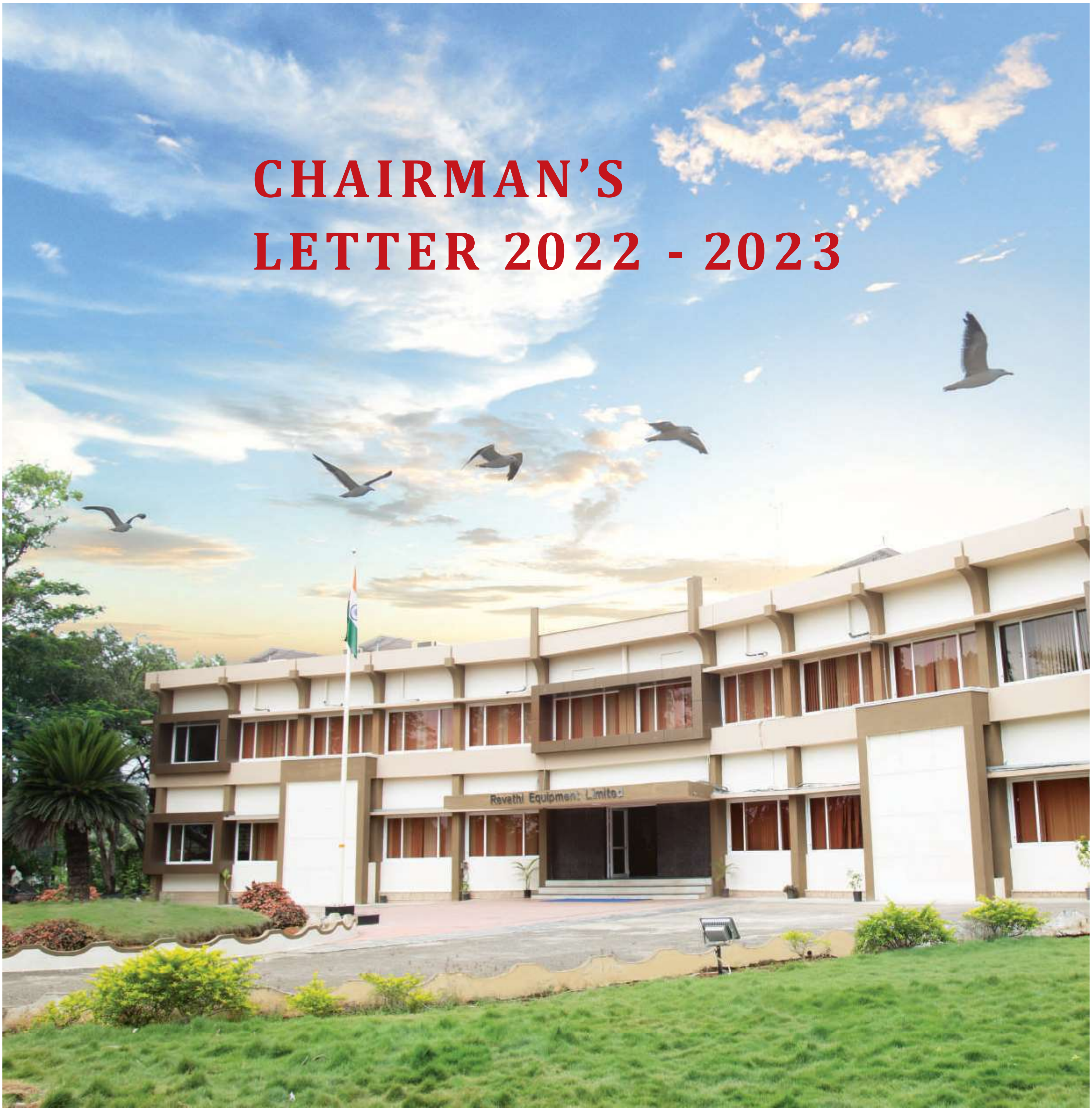
REGISTERED OFFICE

POLLACHI ROAD
MALUMACHAM PATTI POST
COIMBATORE – 641 050.
Website : http://www.revathi.in

SECRETARIAL AUDITORS

MDS & ASSOCIATES,
COIMBATORE

CHAIRMAN'S LETTER 2022 - 2023



During the year, our consolidated net worth increased by Rs.318 million, which increased the per share book value by 17%. Over the last twenty one years (that is, since the present owners took over) per share book value, has grown from Rs.151 to Rs.741 (Rs.819 after ignoring the effect of goodwill write-offs), which, after factoring in dividend paid during this period, works out to a rate of 11.3% (12%) compounded annually.

Over the years, I have been sharing annual updates with my business partners, the shareholders of Revathi Equipment. Generally, these updates have been about the performance of the various businesses during the course of that year. I think it is helpful, from time-to-time, to be able to zoom out from the day-to-day and look at the bigger picture. Last year's commentary had some perspectives on how the Revathi and Semac stories have unfolded over a couple of decades. This year, I intend to share some thoughts on how I think about both businesses, going forwardUnless there is a problem with corporate governance, shareholder value is driven primarily by two variables, i.e., year-on-year growth in earnings (profit after tax, not EBIDTA) and efficiency in capital utilization (as measured by return on capital employed, ideally unlevered, i.e., without use of much debt). Nature likes optimal utilization of its resources. Which is why, nothing is ever wasted in the natural environment. Business is also a natural system in a way. Hence, the same principles apply here as well. The more efficiently a business uses capital, the more valuable the business becomes. Generally speaking, due to the competitive forces a business faces, it is very hard to consistently deliver high returns on capital. Michael Porter's book, "Competitive Strategy: Techniques for Analyzing Industries and Competitors", first published in 2004 is a great read to understand why this is so. Therefore, it is rare to find businesses that consistently deliver high returns on capital despite growing profitability over long periods of time. Such businesses are valued very richly by investors. Rightly so.

Over the years, we have been iterating the various moving parts of both the businesses to try and find a method to deliver on the above two metrics consistently. Historically, we have failed miserably and I take full responsibility for that. However, this year (FY23), we have reached a point where all the hard work put in over the last five years has come to fruition. Of course, it is always a journey and the iterations will continue as we go along to keep refining the business model. This journey of iterating is usually filled with missteps, wrong turns, accidents, etc. Plus, the external environment (market, customers, competitors, suppliers, etc.) keeps changing. Which is why, one must expect metrics to bounce up and down. Ultimately, as the quality of management improves, the amplitude (of variability of the key metrics defined above) must go down.

This year was the first year when several things finally clicked in place to deliver the performance that the teams have delivered. Over the last ten years (FY13 to FY22), we were delivering a consolidated profit after tax of about Rs. 7-8 crores, which on a net worth of Rs.131 crores (FY13) would work out to a return on capital employed of about six percent. This climbed to an average profit after tax of Rs.10-12 crores over the last four years (FY19 to FY22), which on a net worth of Rs.161 crores would translate to a return on capital of seven percent. Rs.32 crores of profit after tax in FY23, on an average capital employed of Rs.222 crores translates to a return on capital of fourteen percent. Things are certainly looking up.

By the look of things, FY23 doesn't look like a one-off year like FY16. In other words, I expect some consistency in the profitability of the businesses going forward. Which means, we will aim to grow our year-on-year profit after tax by fifteen percent. It is entirely possible that some years may be way better (higher rate of growth) and some years may be worse. But if one takes a five-year view, one should be able to assume a rate of earnings compounding of about fifteen percent and a return on average capital employed of at least fifteen percent.
Let's now have a look at the Drilling Solutions business.

Old timers would know that our Drilling Solutions business has been a steady cash cow. It has consistently delivered a certain amount of revenue and profitability. However, it has not grown to even keep pace with inflation. Hence, we have needed to find other avenues to grow our business. Up until FY18, when professional CEOs were running the business, we did not make much progress in this direction.

Starting FY19, we started investing our energies into executing on the above strategy. This meant not only finding new markets for our products, but also upgrading product quality to make it acceptable to a more discerning global customer. The travel bans due to covid delayed our execution, but we have been steadfast in pursuing the opportunity. The old-world values of sincere effort, commitment, patience, being steadfast, etc., ultimately pay off.

FY23 was our best year in terms of order booking. Our historical batting average for order booking was in the Rs.80 crores to Rs.100 crores range. There was an outlier year (FY15) when we did a touch less than Rs.150 crores (Rs.148 crores). In FY23, we crossed the Rs.200 crore mark. However, our revenues were only about twenty percent better than the average revenues booked in recent years. This obviously means we have a big opening order book and the next financial year promises to be the best year in Revathi's history, not only from the perspective of sales but also profitability.

Improvement is a never-ending journey. While we have definitely come a long way in the last five years, our improvement journey has just begun and we have miles to go before I feel we have achieved something solid. Over the last five years, our primary focus has been to upgrade our team (get the right people on the bus), upgrade our product quality to levels acceptable to international customers and get the exports engine started. We have made some progress on all these dimensions.

The focus over the coming years will continue to be on upgrading product quality to attain global standards and cranking up our exports. Given we probably have a low single digit market share of the global market, if that, there is plenty of head room for growth. For starters, we have chosen a few geographies which are proximate to us. Once we start to reach a certain market share in our chosen markets, we will initiate coverage of other markets, of which there are plenty, around the world.

We are working on a couple of other new initiatives to fuel future growth, in addition to exports. It is a bit premature to talk about those, at the moment. Once we make substantive progress on these, I will update you in future letters.

I had mentioned that we are in the process of getting Semac listed independently. That process is almost complete, and we are finishing the final steps. I expect listing to happen within the second quarter of FY24. It has taken longer than we had anticipated. Thankfully, we are now towards the end of that journey.

I expect this listing to bring greater visibility in the quality of the two businesses and for the market to evaluate them independently of each other. I am hopeful that this step will help better price discovery and consequent unlocking of shareholder value.

The teams in both businesses have worked sincerely and diligently to deliver the above results in our seventy fifth year after Independence to launch us into Amrit Kaal. I feel happy with the progress made so far and am excited to see how the future unfolds. While there will be surprises, overall, I expect the journey to be much happier than the past decade. All this will only be possible if we have the right team, which is aligned and motivated to achieve ever higher goals. I have my job cut out for the next five years.

MR. ABHISHEK DALMIA
Chairman and Managing Director
DIN: 00011958

ACQUISITION CRITERIA

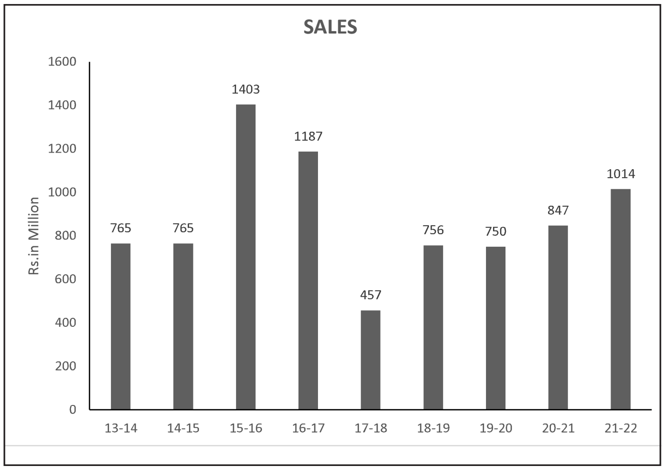
We use this space to communicate with potential sellers and their representatives, what we look for in a potential acquisition. If you, the reader, have no personal connection with a business that might be of interest to us but have a friend who does, perhaps you could pass this message on to him.

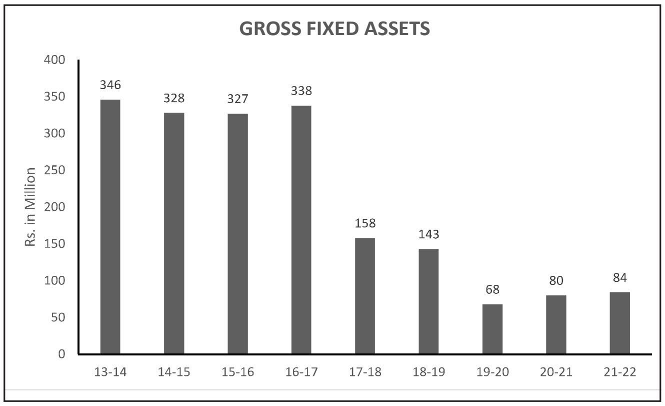
Here's the sort of business we are looking for:

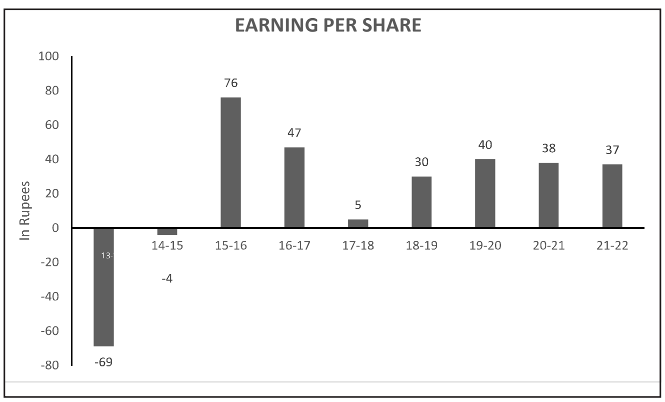
1. Enterprise value in the region of ₹ 100 crores (₹ 1 billion),
2. Demonstrated consistent earning power (future projections are of little interest to us, nor are "turnaround" situations),
3. Businesses earning good returns on equity while employing of no dept
4. Management in place,
5. Simple businesses,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

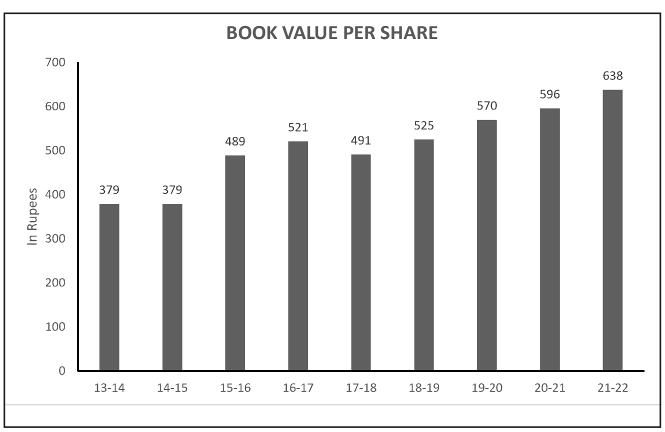
We will not engage in unfriendly takeovers. We can promise complete confidentiality and a very fast as to whether we are interested. We prefer to buy for cash, but will consider issuing stock when we receive as much in intrinsic business value as we give.

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


SALES
Rs.in Million
1600
1400
1200
1000
800
600
400
200
0
765
765
1403
1187
457
756
750
847
1014
13-14
14-15
15-16
16-17
17-18
18-19
19-20
20-21
21-22


GROSS FIXED ASSETS
Rs. in Million
400
350
300
250
200
150
100
50
0
346
328
327
338
158
143
68
80
84
13-14
14-15
15-16
16-17
17-18
18-19
19-20
20-21
21-22


EARNING PER SHARE
In Rupees
100
80
60
40
20
0
-20
-40
-60
-80
-69
-4
76
47
5
30
40
38
37
14-15
15-16
16-17
17-18
18-19
19-20
20-21
21-22


BOOK VALUE PER SHARE
In Rupees
700
600
500
400
300
200
100
0
379
379
489
521
491
525
570
596
638
13-14
14-15
15-16
16-17
17-18
18-19
19-20
20-21
21-22

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

A. OUTLOOK

Economic and Global Outlook

The financial year 2022-23, witnessed unprecedented disruption to human life and economic activity in India and across the globe. However the world economy witnessed a sharp recovery on the back of enhanced vaccination coverage and continued fiscal and monetary stimulus across countries. The recovery momentum was, however, weakened during the course of the year due to an unprecedented spike in commodity prices due to global supply chain disruptions, container shortages and congestion in ports. At the same time, fundamentals of the Indian economy continued to be strong, which should allow policy makers with sufficient room to navigate these challenges. Despite the risk factors outlined above, India is projected to continue to be the fastest growing economy in the world in 2022-23.

Industry Outlook

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

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

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

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

B. INDUSTRY STRUCTURE AND DEVELOPMENTS:

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

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

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

The NCLT Chennai bench vide its order dated 14th June 2023 approved the composite Scheme of Arrangement amongst Renaissance Advanced Consultancy Limited ("RACL") and Renaissance Consultancy Services Limited ("RCSL") and Renaissance Stocks Limited ("RSL") and Revathi Equipment Limited ("REL") and Semac Consultants Private Limited ("SCPL") and Renaissance Corporate Consultants Limited ("RCCL"). As per the NCLT order, all the existing business of designing, manufacturing, and marketing of blast hole drills for mining, deep core drilling exploratory rigs, track drills for construction, and allied products of Revathi Equipment Limited has been transferred to Company which was later renamed to Revathi Equipment India Limited.

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

C. OPPORTUNITIES &THREATS –

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

E. SEGMENT – WISE PERFORMANCE

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

F. RISKS AND CONCERNS:

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

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

India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and hasplans to increase its renewable energy capacity to 175 gigawatts (GW) by 2022.The shift away from coal-based energy sourcesto renewable sources poses a threat tocontinued revenue streams from supplying drilling equipment to Coal India Limited for coal mining operations in the long term. In the meantime the company is continuously evaluating other viable and sustainable avenues for diversification and growth.

The Company relies on third parties to source raw materials, parts and components used in the manufacture of its products. Some of these are small and medium sized enterprises where there is a risk of business continuity. However, the company has in place a Vendor Management team which is engaged in constant monitoring of the performance and financial position of such vendors. In addition, for some parts and components, the Company relies on imports which has inherent risks applicable to any imports such as currency and regulatory risks, timeliness, etc .The company has in place a robust risk management process to monitor and address the manageable risks.

G. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

H. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The Hon'ble National Company Law Tribunal, Chennai Bench vide its Order dated 14th June 2023 has approved the Composite Scheme of Arrangement providing for demerger and transfer of drilling equipment business of Revathi Equipment Limited (Presently Semac Consultants Limited) to the Company (Resulting Company). The Composite Scheme was made effective w.e.f. 10th July 2023 and from the appointed dated 01st April 2022. Consequently, the Company has restated the comparative numbers for all the periods presented in the standalone financial statements to give effect to the Composite Scheme from the aforementioned appointed date, using Pooling of Interest method of accounting in accordance with the requirements of Ind AS 103 "Business Combinations".

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

(Rupees in Lakhs)

Particulars	2023	2022
Total Revenue (including other income)	11,396	10,604
Total Expenditure (including Finance Cost)	9,433	8,928
Finance Cost	*382*	*463*
Profit /(Loss) before tax for the period	**1,963**	**1,677**
Tax Expense	625	546
Profit / (Loss) for the period (after tax and Exceptional Item)	**1,338**	**1,131**
Reserves & Surplus		
Capital Reserve	1.49	1.49
General Reserve	4,600.10	4,600.10
Retained earnings	15,798	14,475
Capital Reserve on business combination	(13,153)	(13,114)

The face value of shares to be issued pursuant to the scheme has been provided in Equity share capital – Suspense account.

During the year under review, our Company has earned a revenue of Rs. 11,396 lakhs as against Rs. 10,604 lakhs in the previous year. The expenditure incurred during the year under review was Rs.

9,433 lakhs as against Rs. 8,928 lakhs in the previous year. The Net profit of the Company during the year under review stood at Rs 1,338 lakhs as compared to Rs 1,131 lakhs in the previous year. The Company also incurred higher business expenditure to increase visibility in new exports markets. It is gratifying to note that despite the challenging business environment, the profit after tax of Company has grown by 18% during the year under review.

I. KEY FINANCIAL RATIOS:

Description	Numerator	Denominator	31st Mar'23	31st Mar'22	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	1.81	1.72	5.3%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.43	0.45	-3.1%	
Debt-service Coverage Ratio	Earnings available for Debt Service	Debt Service	4.92	3.63	35.8%	Increase in Interest cost during the year whereas profit is at same level
Return on Equity Ratio	Net profit After Tax	Average Shareholders' Equity	0.19	0.05	292.8%	
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	0.51	0.54	-5.1%	
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	0.92	0.74	23.6%	Average debtors during current year is less whereas Sales in more
Trade payables Turnover Ratio	Purchases	Average Trade Payables	2.82	2.02	39.6%	Purchases was very high whereas average trade payable was less during previous year
Net capital Turnover Ratio	Revenue from Operations	Working Capital	1.77	2.38	-25.9%	
Net Profit Ratio	Net Profit	Revenue from Operations	0.12	0.11	9.5%	
Return on Capital Employed	Earning before Interest and Taxes	Capital Employed	21.63%	23.48%	-7.8%	
Return on Investment	Market Value on Closing date Less Market Value on Opening day	Market Value on Opening date	5.61%	5.04%	11.3%	

J. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

The manpower strength as on 31st March 2023 is 196 permanent employees as against 217 permanent employees during the previous year.

As on	Executive	Non-Executive	Total
31.03.2022	70	126	**196**
31.03.2021	85	132	**217**

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

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

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

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

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

CAUTIONARY NOTE

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

By Order of the Board

For Revathi Equipment India Limited

Date : 13th August 2023

Place: Coimbatore

Abhishek Dalmia

Chairman & Managing Director

DIN: 00011958

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Annual Report of your Company together with the Audited Financial Statements for the financial year ended 31stMarch, 2023. The Hon'ble National Company Law Tribunal, Chennai Bench vide its Order dated 14th June 2023 has approved the Composite Scheme of Arrangement providing for demerger and transfer of drilling equipment business of Revathi Equipment Limited (Presently Semac Consultants Limited) to the Company (Resulting Company). The Composite Scheme was made effective w.e.f. 10th July 2023 and from the appointed dated 01st April 2022. Consequently, the Company has restated the comparative numbers for all the periods presented in the standalone financial statements to give effect to the Composite Scheme from the aforementioned appointed date, using Pooling of Interest method of accounting in accordance with the requirements of Ind AS 103 "Business Combinations".

Your Company's performance for the financial year ended 31st March 2023 as per restated numbers is summarized below:

FINANCIAL RESULTS

(Rupees in Lakhs)

Particulars	2023	2022
Total Revenue (including other income)	11,396	10,604
Total Expenditure (including Finance Cost)	9,433	8,928
Finance Cost	*382*	*463*
Profit /(Loss) before tax for the period	**1,963**	**1,677**
Tax Expense	625	546
Profit / (Loss) for the period (after tax and Exceptional Item)	**1,338**	**1,131**
Reserves & Surplus		
Capital Reserve	1.49	1.49
General Reserve	4,600.10	4,600.10
Retained earnings	15,798	14,475
Capital Reserve on business combination	(13,153)	(13,114)

The face value of shares to be issued pursuant to the scheme has been provided in Equity share capital – Suspense account.

RESULTS OF OPERATIONS

During the year under review, our Company has earned a revenue of Rs. 11,396 lakhs as against Rs. 10,604 lakhs in the previous year. The expenditure incurred during the year under review was Rs. 9,433 lakhs as against Rs. 8,928 lakhs in the previous year. The Net profit of the Company during the year under review stood at Rs 1,338 lakhs as compared to Rs 1,131 lakhs in the previous year. The Company also incurred higher business expenditure to increase visibility in new exports markets. It is gratifying to note that despite the challenging business environment, the profit after tax of Company has grown by 18% during the year under review.

SUBSIDIARY COMPANIES AND ACCOUNTS OF SUBSIDIARIES

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

The Composite Scheme was made effective w.e.f. 10th July 2023 and from the appointed dated 01st April 2022. Consequently, the Company has restated the comparative numbers for all the periods presented in the standalone financial statements to give effect to the Composite Scheme from the aforementioned appointed date, using Pooling of Interest method of accounting in accordance with the requirements of Ind AS 103 "Business Combinations". However the investments made by Revathi Equipment Limited (Presently Semac Consultants Limited) (Transferor Company/ Demerged Company) in M/s. Semac Consultants Private Limited was cancelled and was not transferred to Revathi Equipment India Limited (former Renaissance Corporate Consultants Limited) the Resulting Company in accordance to the scheme.

As of now the Company doesn't have any subsidiaries.

RESERVES

The Company has adjusted an amount of Rs (38.50) to its capital reserves during the year under review to give effect to the scheme. The Company has transferred a net profit of Rs.1,329.49 Lakhs which has been carried forward under the head 'Retained Earnings.

DIVIDEND

The Board of Directors do not recommend any dividend to the shareholders for the financial year 2022-2023 since the surplus is intended to be ploughed back into the business for its future growth.

FIXED DEPOSITS

The Company do not hold/ has not accepted any deposits within the meaning of Chapter V of the Companies Act, 2013 and the rules made there under. Since the Company has not accepted any fixed deposit covered under Chapter V of the Companies Act, 2013, and there are no deposits remaining unclaimed or unpaid as on 31st March, 2023, the question of default in repayment of deposits or payment of interest thereon during the year does not arise.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

CAPITAL STRUCTURE

The Authorized Share Capital of the Company is Rs.3,50,00,000/- (Rupees Three crore fifty lakh only) divided into 35,00,000 (Thirty-Five lakhs) equity shares of Rs 10/- each and the issued, subscribed and paid-up share capital of the Company is Rs. 10,000 (Rupees Ten thousand only) divided into 1,000 (Thousand) equity shares of Rs. 10/- each.

Pursuant to the Composite Scheme of Arrangement, the existing 1,000 equity shares of the Company will be cancelled and the Company will be issuing 30,66,943 (Thirty lakh Sixty Six thousand nine hundred and forty three) equity shares of Rs. 10/- each to the shareholders of Semac Consultants Limited (former Revathi Equipment Limited). The shares to be issued pursuant to the scheme has been accounted as Equity Share Capital – Suspense Account under the heading Equity in the Balance Sheet. The existing 1,000 equity shares of the Company will be cancelled.

Apart from the above, there was no change in the Capital Structure of the Company during the financial year under review.

EXTRACT OF ANNUAL RETURN

The Annual Return of the Company for the financial year 2022-23 as required under the Companies Act, 2013 is available on the website of the Company and can be accessed at the link http://www.revathi.in/investor-relations/financials/annual-return/.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of corporate governance and adherence to the corporate governance requirements as set out by the Companies Act 2013 and the Securities and Exchange Board of India (SEBI). The Company strives to achieve fairness for all stakeholders and to enhance long term shareholders value.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

During the year under review, Mr. S Balasundaram (Non-Executive - Non Independent Director) resigned from the Board with effect from 08th July 2023 due to personal reasons.

Mr. S Sundarasamy and Mr. Venkata Ramanan Bapoo was appointed as an Additional Director of the Company at the Board Meeting held on 25th May 2023 and was subsequently approved/ regularized as a Non-Executive Independent Director of the Company for a term of five consecutive years by the members of the Company at the Annual General Meeting held on 02nd June 2023.

The Board appointed Mr. P L Muthusekkar as the Non-Executive - Non Independent Director and Mr. Abhishek Dalmia as Managing Director of the Company at their meeting held on 28th July 2023.

The following are the Key Managerial Personnel of the Company:

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

The Board at its meeting held on 19th July 2023 appointed Mr. Sudhir R as Chief Financial Officer and Mr. Nishant Ramakrishnan as the Company Secretary to give effect to the scheme.

DECLARATION BY INDEPENDENT DIRECTORS

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

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

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

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

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

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

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

BOARD DIVERSITY POLICY

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

FAMILIARIZATION PROGRAMS

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

SELECTION AND PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS

The Nomination and Remuneration Committee is responsible for identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in the Nomination and Remuneration Policy. The Committee shall also recommend to the Board, the appointment of any new Directors/Key Managerial Personnel or removal of the existing Directors/Key Managerial Personnel. The Committee recommends to the Board as to whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of Independent Directors. After carefully evaluating and analyzing the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company decides whether to appoint a new Director/Key

Managerial Personnel or reappoint / remove an existing Director/ Key Managerial Personnel, as the case may be.

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

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

COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER MATTERS PROVIDED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013

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

BOARD MEETINGS

The Board Meetings of the Company were held with requisite notice and with a valid quorum. The Board met 4 (Four) times during the financial year 2022-2023 on 27th June 2022, 10th August 2022, 13th October 2022 and 16th January 2023. The maximum interval between any two meetings did not exceed 120 days. The details of the composition of the Board Meetings, attendance of the Directors and other relevant details are provided in the Annual Return uploaded in the Company's website.

COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

1. Audit Committee

2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

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

AUDIT COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

Consequent to the effectiveness of the Composite Scheme, the erstwhile subsidiary of the Company, Semac Consultants Private Limited has amalgamated into and with the Company. Therefore, the disclosure of material related party transactions with the Company made during the year have not been considered.

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

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

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future. The National Company Law Tribunal vide its order dated 14th June 2023 approved the demerger of Revathi Equipment Limited (presently Semac Consultants Limited) whereby all the business of manufacturing and sales of drilling rigs and spares of Revathi Equipment Limited, including all the associated assets and liabilities has been transferred to the Company, Revathi Equipment India Limited (former Renaissance Corporate Consultants Limited). The Company is presently in the business of manufacturing and sales of drilling rigs and spares.

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

The Hon'ble National Company Law Tribunal, Chennai Bench vide its Order dated 14th June, 2023 has approved the Composite Scheme of Arrangement providing for demerger of drilling equipment business of Revathi Equipment Limited (Presently Semac Consultants Limited) whereby all the business of manufacturing and sales of drilling rigs and spares of Revathi Equipment Limited including all the associated assets and liabilities was transferred to Revathi Equipment India Limited (formerly known as Renaissance Corporate Consultants Limited). The Composite Scheme was made effective w.e.f. 10th July 2023 and from the appointed dated 01st April 2022. As per the Scheme, transfer of all assets and liabilities of the Revathi Equipment Limited was accounted on an retrospective basis from 01st April 2022 to Revathi Equipment India Limited (formerly known as Renaissance Corporate Consultants Limited).

Consequently, the Company has restated the comparative numbers for all the periods presented in the standalone financial statements to give effect to the Composite Scheme from the aforementioned appointed date, using Pooling of Interest method of accounting in accordance with the requirements of Ind AS 103 "Business Combinations".

Apart from the above, there were no material changes and commitments, affecting the financial position of the Company.

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

The Hon'ble National Company Law Tribunal, Chennai Bench vide its Order dated 14th June, 2023 has approved the Composite Scheme of Arrangement amongst Renaissance Advanced Consultancy Limited ("RACL") and Renaissance Consultancy Services Limited ("RCSL") and Renaissance Stocks Limited ("RSL") and Revathi Equipment Limited ("REL") and Semac

Consultants Private Limited (“SCPL”) and Renaissance Corporate Consultants Limited (“RCCL”) and their respective shareholders and creditors (hereinafter referred as "Scheme").

As stated above the Composite Scheme was made effective w.e.f. 10th July 2023 and from the appointed dated 01st April 2022. In accordance with the Scheme, transfer of all assets and liabilities of the Revathi Equipment Limited was accounted on an retrospective basis from 01st April 2022 to Revathi Equipment India Limited (formerly known as Renaissance Corporate Consultants Limited). Renaissance Corporate Consultants Limited was renamed to “Revathi Equipment India Limited” inorder to increase the visibility of the Company and to identify with the previous Company business.

As per the scheme:

- Revathi Equipment India Limited (formerly known as Renaissance Corporate Consultants Limited) will issue fully paid up equity shares to the shareholders of REL as on the record date fixed by REL in 1:.1 ratio i.e for every 1 equity share of Rs. 10 each held by the shareholders of REL.
- The equity shares of RCCL will be listed and/ or admitted to trading on the Stock Exchanges on which the existing equity shares of REL are listed.

Apart from the above, there have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

STATUTORY AUDITORS

M/s B. R. Maheswari & Co LLP, Chartered Accountants, 312, JMD Pacific Square, Sector-15 (II), Gurgaon, India – 122001 was appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 1st Annual General Meeting of the Company held on 30th September 2020 for a period of 5 consecutive years till the conclusion of the 06th Annual General Meeting to be held in the year 2025. Consequent to the scheme becoming effective, M/s B. R. Maheswari & Co LLP, Chartered Accountants resigned from office of statutory auditors and the Board took note of the same at the Board Meeting held on 25th May 2023.

The Board of Directors at its meeting held on 25th May 2023 recommended the appointment of M/s. S.S. Kothari Mehta & Co (Firm Registration No. 000756N), Chartered Accountants, New Delhi, as the Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation of M/s B. R. Maheswari & Co LLP, Chartered Accountants. The members of the Company at the Annual General Meeting held on 02nd June 2023 approved the appointment of M/s. S.S. Kothari Mehta & Co (Firm Registration No. 000756N), Chartered Accountants, New Delhi, as the Statutory Auditors of the Company for a period of 5 years.

M/s. S.S. Kothari Mehta & Co (Firm Registration No. 000756N), Chartered Accountants, New Delhi shall hold office from the conclusion of the 4th Annual General Meeting of the Company held on 02nd June 2023 for a period of 5 consecutive years till the conclusion of the 09th Annual General Meeting to be held in the year 2028.

The Company has received necessary consent letter and certificate from M/s. S.S. Kothari Mehta & Co (Firm Registration No. 000756N), Chartered Accountants, New Delhi, to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) of the Act and that they are not disqualified from being appointed as the Statutory Auditors of the Company.

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

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act,2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. M. D. Selvaraj of M/s. MDS & Associates, Company Secretaries in Practice, Coimbatore to undertake the Secretarial Audit of the Company for the financial year 2023-2024.

COMMENTS ON AUDITOR'S REPORT

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

COST AUDITORS

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

The Company has appointed M/s. P. Mohankumar & Co, Cost Accountants (Firm Registration Number 100490) as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2023-2024. The Board of Directors has decided to pay a remuneration of Rs. 1,00,000 (Rupees One Lakhs only) (excluding all taxes and reimbursement of out-of-pocket expenses) to M/s. P. Mohankumar & Co, Cost Accountants (Firm Registration Number 100490) to audit the cost records of the Company for the financial year ending 31st March 2023. Pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Accounts) Rules, 2014, the remuneration payable for the year 2022-23 to the Cost Auditor of the Company is subject to ratification by the Shareholders at the ensuing Annual General Meeting. The Board recommends his remuneration.

REPORTING OF FRAUDS BY AUDITORS

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

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company has implemented and evaluated the Internal Financial Controls which provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. The Company has an effective internal control and risk mitigation system, which is reviewed and constantly updated. The effectiveness of the internal controls, including the internal financial controls, of the Company are reviewed by the Audit Committee and by the Board annually. The Directors and Management confirm that the Internal Financial Controls of the Company are adequate and commensurate with the size and nature of business of the Company.

INTERNAL AUDITORS

The Company has appointed M/s. PriceWaterhouseCoopers Services LLP, a reputed Audit firm located at Menon Eternity, 7th - 10th Floor, St. Mary's Road, Alwarpet, Chennai – 600018 as the Internal Auditors of the Company for the financial year 2023-2024. Further The Internal Auditors reviews and monitors the internal financial controls and their adequacy in the course of their audit. The Company reviews the opinions and recommendations of the Internal Auditors and takes action on the same.

CEO/CFO CERTIFICATION

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

RISK MANAGEMENT

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

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

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

HUMAN RESOURCES MANAGEMENT

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

PARTICULARS OF EMPLOYEES

The Company has 198 permanent employees on a standalone basis as of 31st March 2023. The disclosures as stipulated under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2022-23:

- No. of complaints at the beginning of the year 2022-23 : NIL
- No. of complaints received during the year 2022-23 : NIL
- No. of complaints disposed off during the year 2022-23 : NIL
- No. of complaints at the end of the year 2022-23 : NIL

PREVENTION OF INSIDER TRADING POLICY

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

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

The same will be applicable from the date on which shares of the Company listed on the stock exchanges.

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts for the financial year ending 31st March 2023, the applicable Accounting Standards have been followed and there are no material departures from those standards.

(b) the Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2023 and of the profit of the Company for the financial year ended on that date.

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) the Directors have prepared the annual accounts for the financial year ended 31st March 2023 on a 'going concern' basis.

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGMENTS

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

By Order of the Board
For Revathi Equipment India Limited

Date : 27th September 2023 **Sd/-**
Place: Coimbatore **Abhishek Dalmia**
Chairman& Managing Director
DIN: 00011958

ANNEXURE - I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on the Company's CSR policy

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

2. Composition of the CSR Committee

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

Sr. No	Name	Designation/ Nature of Directorship
1.	Mr. Abhishek Dalmia	Chairman & Managing Director (Chairman of the Committee)
2.	Mrs. Deepali Dalmia	Non-Executive Non Independent Director (Member)
3.	Mr. B. V. Ramanan	Non-Executive Independent Director (Member)
4.	Mr. V. V. Subramanian	Non-Executive Independent Director (Member)

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

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

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

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

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

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

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1.	2022-2023	-	-

6. **Average net profit of the Company as per section 135(5).**

The average net profit of the Company for the last three financial years is Rs. 1,652.00 lakhs.

7.

(a) Two percent of average net profit of the company as per section 135(5)	: Rs 33.00 lakhs
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	: Nil
(c) Amount required to be set off for the financial year, if any	: Nil
(d) Total CSR obligation for the financial year (7a+7b-7c).	: Rs 33.00 lakhs

8.

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs 33.00 lakhs	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

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

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

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

1.	2.	3.	4.	5.		6.	7.	8.	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes / No)**	**Location of the project**		**Amount Spent for the Project (in Rs)**	**Mode of Implementation Direct (Yes/No)**	**Mode of Implementation Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration No.**
1.	Poverty eradication program	(i) eradicating hunger, poverty and malnutrition, promoting health care	No	Uttar Pradesh	Mathura	Rs 14,00,000/-	No	The Hare Krishna Movement, Vrindavan	CSR00007223
2.	Promoting health care program	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventinve health care	Yes	Tamil Nadu	Coimbatore	Rs. 26,400/-	No	Coimbatore Cancer Foundation	CSR00002518
3.	Poverty eradication program	(i) eradicating hunger, poverty and malnutrition, promoting health care	No	Uttar Pradesh	Vrindavan	Rs. 5,00,000/-	No	Bhagwat Seva Sanstha, Vrindavan	CSR00005732
4.	Education projects	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the	No	Uttar Pradesh	Lucknow	Rs. 6,00,000/-	No	Bhaorao Deoras Seva Nivas	CSR00004454

		differently abled and livelihood enhancement projects.							
5.	Animal Welfare program	(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Yes	Tamil Nadu	Coimbatore	Rs. 1,15,000/-	No	Coimbatore Animal Welfare Society	CSR00018979
6.	Education projects	(ii) promoting education;	Yes	Tamil Nadu	Coimbatore	Rs. 1,00,000/-	No	Ramakrishna Mission Vidyalaya	
7.	Education projects	(ii) promoting education;	Yes	Tamil Nadu	Coimbatore	Rs. 5,00,000/-	No	Coimbatore Cityround Table 31 - Malumichampatti Govt.School	CSR00035329
8.	Water Purifier for Govt. primary school, Chettipalayam	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventinve health care and sanitation and making available safe drinking water.	Yes	Tamil Nadu	Coimbatore	Rs. 68,204/-	Yes	NA	NA
Total						**Rs 33,09,604/-**			

(d) Amount spent in Administrative overheads **:** Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) **:** Rs 33.00 lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs 33,00,000/-
(ii)	Total amount spent for the Financial Year	Rs 33,00,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9.

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

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

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

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

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

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

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

By Order of the Board
For Revathi Equipment India Limited

Date **27th September 2023**
Place **Coimbatore**

V. V. Subramanian	**Abhishek Dalmia**
Member of CSR Committee	**Chairman of CSR Committee**
DIN: 05232247	**DIN: 00011958**

ANNEXURE – II

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or transactions not at arm's length basis:

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2023, which were not at arm's length basis.

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

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

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

By Order of the Board
For Revathi Equipment India Limited

Date: 27th September 2023
Place: Coimbatore

Abhishek Dalmia
Chairman & Managing Director
DIN: 00011958

ANNEXURE – III

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

A. CONSERVATION OF ENERGY:

(i) Steps Taken for conservation of Energy:

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

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

The Company has installed Solar Panels including rooftop mounted systems in the office buildings to meet the energy requirements of the Company. The Company has taken steps to reduce the Carbon foot print (CO_2 emission - Net Zero 2050) using renewables (Solar) energy in place of diesel engine driven Air conditioning unit on C625D model. The Company has designed & developed Rotary type Blast Hole Drill Rig (Model: C650E) suitable for Coalfield mines with energy efficient electric motor in place of Diesel

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

(iii) Capital Investment on energy conservation equipment:

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

B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

(i) Technology Absorption, Adaptation and Innovation:

1) Efforts made towards technology absorption, adaptation and innovation:
   - Introducing virtual reality on C650D CIS machine towards demonstrating product salient features
   - Deployed digital initiatives for manufacturing drawing release process from R&D

- Migration of manufacturing drawings from 2D platform to 3D platform using Autodesk Inventor tool
- Handling digital engineering data like 3D model & 2D drawings through Product Data Management (PDM) tool i.e. Autodesk Vault

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

- Reliable product with First time right every time & with on time delivery
- Established process to track & monitor First time right every time for all the engineering deliverables
- To keep abreast on the recent trends in mining industry
- Design consultancy on new technologies like fleet management, compressor management, real time health monitoring, etc
- Helped in introducing customer complaint resolution tools like JDI (Just Do it), KKD (, RCA (Root Cause Analysis) based on the criticality like simple issue, Medium and Major (critical) issues respectively
- Performing VAVE (Value Analysis / Value Engineering) towards brining reliable alternate sources to reduce dependency on single supplier, especially on all internationally sourced parts
- Participated with Coal India Leadership team covering CMD, ED, GM, etc., to implement latest drill rig technologies like HMS (Health Monitoring System), FMS, MWD (Measure While Drilling), HNS (Hole Navigation System), FMS (Fleet Management System) etc.
- Product conformance & adherence to Director General of Mines Safety 2020 Circular
- Collaborative efforts with all stake holders (Suppliers, Service providers, Domain experts, etc.) towards technology upgradation / deployment
- Helped in competitor bench marking and market segmentation

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

1) the details of technology imported	1) Autonomous system from M/s. Flanders, USA 2) Hole Navigation System from M/s. CAN Automotion, Australia
3) the year of import	2020-21

4)	whether the technology been fully absorbed	Yes
5)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	-

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

1) Specific areas in which R&D carried out by the Company
    - Down the Hole technology drill rig for limestone (Cement) ore sector - C625D Jack less drill.
    - Fuel savings initiatives like Compressor Management system along with engine throttling and variable fan speed drive on cooling system
    - C650D EOH with autonomous drill
    - C625D EOH with autonomous drill
    - C650H POT MOBA Real time performance monitoring System
2) Benefits derived as a result of the above R&D
    - New product indigenously manufactured
    - Exploring new markets & new segment
    - Increased installed base in mining sector especially on international foot print like UAE, South Africa, Indonesia, CIS region. etc.
    - New product development for global customer with remarkable ergonomics, superior product quality and reliability
3) Future Plan of Action
    - To establish R&D laboratory to test / evaluate ore properties
    - Creating R&D Mechanical laboratory towards understanding different ore characteristics like Compressive strength, bailing velocity requirement, etc.
    - Introducing hydraulic test bench to validate all parts towards in-house testing before getting assembly at actual machine
    - Building design verification & validation teams to ensure product reliability
    - Using Emerging Technologies like 3D Printing
    - Building new team to develop Top Hammer type blast hole drill rig

4) Expenditure incurred on Research & Development:

(Rs. in Lakhs)

Expenditure on R&D	**2022-23**	**2021-22**
Capital		-
Revenue	226.59	213.24
Total	**226.59**	**213.24**
R&D Expenditure as a percentage of Turnover	1.99	2.01

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

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

(Rs. in Lakhs)

	2022-23	**2021-22**
Foreign Exchange Earnings	1,362/-	1,724/-
Foreign Exchange Outgo	116/-	88/-

By Order of the Board

For Revathi Equipment India Limited

Abhishek Dalmia

Chairman & Managing Director

DIN: 00011958

Date: 27th September 2023

Place: Coimbatore

Revised Independent Auditor's Report

To The Members of Revathi Equipment India Limited
(Formerly Renaissance Corporate Consultant Limited)

Report on the Audit of Revised Financial Statements considering Composite Scheme of Arrangement

Opinion

We have audited the accompanying Revised Financial Statements of **Revathi Equipment India LIMITED** ('the Company') which comprises the Revised Balance Sheet as at March 31, 2023, the Revised Statement of Profit and Loss (including Revised Other Comprehensive Income), the Revised Statement of Changes in Equity and the Revised Statement of Cash Flows for the year then ended, and notes to the Revised financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "Revised Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Revised Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2023, the Profit and total comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Revised Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Revised Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note no. 45, in relation to the revised financial statement which describes the basis for preparation of these financials statement. These financial statement have been prepared as per Composite Scheme of Arrangement (the Scheme) amongst the Revathi Equipment Limited(REL)(Name changed to Semac Consultants Limited (SCL) w.e.f. 27th July,2023), Renaissance Advanced Consultants Limited (RACL), Renaissance Stocks Limited (RSL), Semac Consultants Private Limited(SCPL), Renaissance Consultancy Services Limited (RCSL),Renaissance Corporate Consultants Limited (RCCL) , filed with the Hon'ble National company law Tribunal, Chennai Bench ("NCLT"),the scheme have been approved on 14th June,2023 with the appointed date as 1st April,2022 and the company has received certified copy of final order dated 21st June 2023.

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

In accordance with the Scheme, all assets, liabilities along with reserves of drilling business of REL were transferred to the Company w.e.f. the appointed date, upon filing of NCLT order (Form INC-28) with Registrar of Companies on 10th July 2023.

In accordance with the terms of the Scheme, the shareholders of Semac Consultants Limited (formerly REL) will receive 1 equity share of the Company (face value of 10 each) for every 1 equity share (face value of 10 each), held by them as on record date. Allotment of 3066943 equity shares to the shareholder will be made and currently is pending due to procedural requirements and have been disclosed under share suspense account.
Simultaneously, existing share capital of Rs.10000/- (1000 equity shares ; face value of Rs.10/- each) will be cancelled.

The revised financial statements for the period 31st March 2023 have been prepared pursuant to the Scheme and in accordance with Appendix C for accounting of entities under common control to Ind As 103 "Business Combination" and further as per the requirement of standard the merger has been given effect as if it has occurred from the beginning of the preceding period (i.e. 1st April 2021) in the revised financial statements after restating the comparative figures.

The other auditor issued a separate report dated 25 May 2023 on these financial statements to the members of the Company. The aforesaid petition having been approved subsequently, the Company has now prepared revised financial statements incorporating the impact of the merger from 1st April 2022. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the Financial Statements, have been carried out solely on this matter and no additional procedures have been carried out for any other events occurring after 25 May 2023 (being the date of our earlier audit report on the earlier financial statements). Other auditor earlier audit report dated 25 May 2023 on the earlier financial statements is superseded by this revised report on the revised financial statements.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the Revised Financial Statements of the current period. These matters were addressed in the context of our audit of the Revised Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Revised Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including annexures to Director's Report, but does not include the Revised Financial Statements and our auditor's report thereon.

Our opinion on the Revised Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

S S KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

In connection with our audit of the Revised Financial Statements, our responsibility is to read the other information, in doing so, consider whether the other information is materially inconsistent with the Revised Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Revised Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Revised Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive Loss, cash flows and changes in equity of the Company in accordance with the Ind AS and accounting principles generally accepted in India.

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

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

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

Auditor's Responsibility for the Audit of the Revised Financial Statements

Our objectives are to obtain reasonable assurance about whether the Revised Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Revised Financial Statements.

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

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

- Identify and assess the risks of material misstatement of the Revised Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Revised Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Revised Financial Statements, including the disclosures, and whether the Revised Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

The financial information pertaining to REIL (formerly Renaissance Corporate Consultants Limited) above, whose statement have been audited by their previous auditor under Accounting Standard framework for the year ended 31st March 2023 and 31st March 2022 who have issued unmodified reports vide their audit reports dated 25th May 2023 and 31st May 2022 respectively. The aforesaid

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

audit reports of other auditors have been furnished to us by the management and relied upon us for the purpose of our audit of accompanying statement. These financials statements have been furnished to us by the management after conversion as per Indian Accounting Standard for the year ended 31st March 2023 and 31st March 2022 and our opinion on the financial statements, in so far as it relates to the amounts & disclosures included in respect of the companies is based solely on such unaudited financial statements. As regards to assets and liabilities along with reserves of drilling business transferred from REL, is extracted from the Audited financial statement of REL as at 31st March 2023, have been audited by us being SS Kothari Mehta and company as the auditor.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure – A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The revised Balance Sheet, the revised Statement of Profit and Loss, the revised Statement of Cash Flows and the revised Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid Revised Financial Statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules issued thereunder;

   e. On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, during the year 2022-2023 reporting is not applicable to the formerly company RCCL and the separate report is based on our report issued in REL including the drilling business, refer to our separate revised report in "Annexure – B" to this revised report;

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

As per the information and explanation given to us and on the basis of our examination of the records, the managerial remuneration had been paid or provided as specified by the provisions of section 197 read with Schedule V to the Act before the implementation of Scheme by Semac Consultants Limited (Formerly REL). The remuneration paid before implementation of scheme have been merged along with transfer of drilling business in this company pursuant to Scheme.

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

i) the Company has disclosed that there is no pending litigation which may impact its financial position. Refer Note 32 to the Revised Financial Statements;

ii) there has been no material foreseeable losses on long term contracts including derivative contracts, therefore the Company has not made any provision as required under the applicable law or Indian Accounting Standards;

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

iv) a) On the basis of the representation from the management no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) On the basis of the representation from the management no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

v) The Company has not declared or paid any dividend during the year.

vi) As proviso to rule 3(1) of the Companies (Accounts) Rule, 2014 and amendment thereto is applicable for the company w.e.f. April, 2023. Therefore, reporting under this clause is not applicable.

For **S S Kothari Mehta and Company**
Chartered Accountants
Firm Registration No. 000756N

Neeraj Bansal
Partner
Membership No. 095960

Place: New Delhi
Date: 27.09.2023
UDIN: 23095960BGWRDA5418

"ANNEXURE – A" TO THE REVISED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Revathi Equipment India LIMITED

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

This Report supersedes the previous auditor Report dated 25th May 2023.

(i) (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The company has maintained proper records showing full particulars of Intangible Assets.

(b) The Company has physically verified these Property, Plant and Equipment as per its program of physical verification that covers every item of Property, Plant and Equipment over a period of three years. According to information and explanation given to us, no material discrepancies were noticed on such verification;

(c) According to information and explanation given to us and on the basis of our examination of the records of the company, title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreement are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company. However, the original title document for factory land and building which are pledged as security with SBI for securing the credit facilities extended to the company on paripassu charge basis with other lenders verified on the basis of confirmation received from SBI for original documents of title deed.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) As per information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. As explained to us, no discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in aggregate for each class of inventory.

(b) The company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate, from banks or financial institutions on the basis of security of current assets; the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

(iii) According to the information and explanations given to us and based on our examination, the Company has not provided any loan, guarantee, given any security or advance, in nature of loans, secured and unsecured to companies, firms, limited liability partnership or any other parties. The Company has made investments to companies, firms and LLP in respect of which the requisite information is as below.

(a) According to the information and explanations given to us and based on the audit procedures conducted by us, the company has not provided any loans, advances in the nature of loans, or stood guarantee, or provided security to any other entity. Hence reporting under sub clause A & B of this clause is not applicable.

(b) According to the information and explanation given to us, in our opinion the investments made are not prejudicial to the interest of the Company..

(c) According to information and explanation given to us and on the basis of our examination of the records, as there are no loans, advances in nature of loans, so repayment is not applicable. Hence, reporting under paragraph 3(iii)(c) is not applicable to the Company.

(d) According to the information and explanation given to us and on the basis of our examination of the records, the company has not given any loan or advances in the nature of loan which has fallen due during the year so there will no overdue and hence, reporting under paragraph 3(iii) (d) is not applicable to the company.

(e) According to the information and explanation given to us and on the basis of our examination of the records, the company has not granted any loan which has fallen due during the year, has been renewed or extended or fresh loans given to the same parties. Hence reporting under paragraph 3(iii) (e) is not applicable to the company.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under paragraph 3(iii)(f) is not applicable to the Company.

(iv) Based on records and according to the information and explanation given to us, provisions of sections 185 and 186 of the Act, have been complied in respect of investment made. The company has not given any loan, guarantee and security. Hence, reporting under paragraph 3(iv) of the order is not applicable to the company regarding loans, security and guarantee.

(v) As per the information and explanation given to us and on the basis of our examination of the records, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under paragraph 3(v) of the Order is not applicable to the company.

(vi) We have broadly reviewed the books and records required to be maintained as specified by the Central Government under sub-section (I) of section 148 of companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records are being maintained; We have not, however, made a detailed examination of same;

(vii) (a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, duty of customs, duty of excise, Value added tax, Goods and Services Tax, cess and other material statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date, they became payable.

S S KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS NEW DELHI

(b) According to the information and explanation given to us and based on our examination, there are no statutory dues referred to in sub-clause (a) above which have not been deposited on account of any dispute.

(viii) According to the information and explanation given to us and based on our examination, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the information and explanation given to us and based on our examination, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
(b) According to the information and explanation given to us and based on our examination, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(C) According to the information and explanation given to us and based on our examination, the term loans were applied for the purpose for which loans were obtained.
(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.
(e) According to the information and explanation given to us and based on the examination, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates.
(f) According to the information and explanation given to us and based on the examination, the company has not raised loans during the year on the pledge of securities held in its subsidiaries and associate companies.

(x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and therefore reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and therefore reporting under clause 3(x)(b) of the Order is not applicable.
However, the shareholders of the of the transferor companies as per scheme such as Semac consultants Limited (Formerly REL) will get shares as specified in the scheme shares to the existing shareholders with compliance of all the provisions of the Companies Act which has been shown as Equity share Capital suspense account.(Refer note no. 12 of Revised financial statements)

(xi) (a) According to the information and explanations given to us and based on our examination, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
(c) According to the information and explanation given to us and based on our examination, there is no whistle-blower complaints received during the year by the company.

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) According to the information and explanation given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 & 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards; Refer note no. 41 to the Revised Financial Statements.

(xiv) On the basis of information and explanations given to us, after implementation of the scheme of arrangement the company is required to have an internal audit system as per provisions of the companies Act 2013 and appointment of the internal auditor is under process.

a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business with respect to drilling business transferred to the company.

b) We have considered the Internal Audit reports of the transferor Company drilling business issued till date for the period under audit.

(xv) According to the information and explanation given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and therefore, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) As per the information and explanation given to us and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 therefore, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) As per the information and explanation given to us and based on our examination, in continuation of sub clause (a) of above clause (xvi) as there is no requirement to be registered under section 45- IA of the Reserve Bank of India Act, 1934 and the Company has not conducted any Non- Banking Financial or Housing Finance activities therefore, reporting under clause 3(xvi)(b) of the Order is not applicable.

(c) As per the information and explanation given to us and based on our examination, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, therefore reporting under clause 3 (xvi) (c) of the order is not applicable.

(d) As per the information and explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and therefore reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year, However, previous auditor has been resigned on 25.05.2023 and to fill the casual vacancy, company has appointed to us being SS Kothari Mehta and Company as auditor on 02.06.2023. Based on the No objection certificate received from the outgoing auditor there were no issues, objections or concerns.

SS KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.
(b) There are no ongoing CSR projects with the Company. Accordingly, reporting under paragraph 3(xx)(b) of the Order is not applicable for the year.

For **S S Kothari Mehta and Company**
Chartered Accountants
Firm Registration No. 000756N

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Neeraj Bansal
Partner
Membership No. 095960

Place: New Delhi
Date: 27.09.2023
UDIN: 23095960BGWRDA5418

"ANNEXURE – B" TO THE REVISED INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Revathi Equipment India Limited

In conjunction with our audit of the Revised Financial Statements of the Company for the year ended on that date. We report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of **Revathi Equipment India LIMITED** ("the Company") incorporated in India as at March 31, 2023.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

S S KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

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

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

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Revised 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 Revised Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

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

Opinion

In our opinion, based on records the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these revised financial statements and the internal controls over financial reporting with reference to these revised financial statements are generally operating effectively as at March 31, 2023 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".

Emphasis of Matter

We draw attention to note no. 45, in relation to the revised financial statement which describes the basis for preparation of these financials statement. These financial statement have been prepared as per Composite Scheme of Arrangement (the Scheme) amongst the Revathi Equipment Limited(REL)(Name changed to Semac Consultants Limited (SCL) w.e.f. 27th July,2023), Renaissance Advanced Consultants Limited (RACL), Renaissance Stocks Limited (RSL), Semac Consultants Private Limited(SCPL), Renaissance Consultancy Services Limited (RCSL),Renaissance Corporate Consultants Limited (RCCL) , filed with the Hon'ble National company law Tribunal, Chennai Bench ("NCLT"),the

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

scheme have been approved on 14th June,2023 with the appointed date as 1St April,2022 and the company has received certified copy of final order dated 21st June 2023.

In accordance with the Scheme, all assets, liabilities along with reserves of drilling business of REL were transferred to the Company w.e.f. the appointed date, upon filing of NCLT order (Form INC-28) with Registrar of Companies on 10th July 2023.

The revised financial statements for the period 31st March 2023 have been prepared pursuant to the Scheme and in accordance with Appendix C for accounting of entities under common control to Ind As 103 "Business Combination" and further as per the requirement of standard the merger has been given effect as if it has occurred from the beginning of the preceding period (i.e. 1st April 2021) in the revised financial statements after restating the comparative figures.

The other auditor issued a separate report dated 25 May 2023 on these financial statements to the members of the Company where the Internal Financials controls were not applicable to the company. The aforesaid petition having been approved subsequently, the Company has now prepared revised financial statements incorporating the impact of the merger from 1st April 2022. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the Financial Statements, have been carried out solely on this matter and no additional procedures have been carried out for any other events occurring after 25 May 2023 (being the date of our earlier audit report on the earlier financial statements).

Our opinion is not modified in respect of this matter.

For **S S Kothari Mehta and Company**
Chartered Accountants
Firm Registration No. 000756N

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Neeraj Bansal
Partner
Membership No. 095960

Place: New Delhi
Date: 27.09.2023
UDIN: 23095960BGWRDA5418

Revathi Equipment India Limited
(Formerly known as Renaissance Corporate Consultants Limited)
Revised statement of Balance sheet as at March 31, 2023

Rs in Lakhs

Particulars	Note	As at March 31, 2023 Amount	As at March 31, 2022 Amount
A. Assets			
(1) Non current assets			
(a) Property, plant and equipment	3	547.66	483.08
(b) Right of use asset	4	33.31	6.22
(c) Investment property	5	87.22	87.22
(d) Other intangible assets	3.1	16.70	18.21
(e) **Financial assets**			
(i) Investments	6.1	1,130.30	1,300.61
(ii) Other financial assets	6.2	14.88	43.20
(f) Deferred tax assets (net)	7	311.35	493.79
(g) Other non - current assets	8	40.70	6.58
Total Non-Current Assets		**2,182.13**	**2,438.91**
(2) **Current assets**			
(a) Inventories	9	5,892.71	4,768.71
(b) **Financial assets**	10		
(i) Investments	10.1	2,377.23	2,121.39
(ii) Trade receivables	10.2	3,574.95	2,392.31
(iii) Cash and cash equivalents	10.3	755.15	49.21
(iv) Bank balances other than (iii) above	10.4	167.75	204.58
(v) Loans	10.5	36.93	52.36
(vi) Others financial asset	10.6	180.96	64.92
(c) Other current assets	11	880.23	526.28
Total Current Assets		**13,865.90**	**10,179.76**
Total assets		**16,048.03**	**12,618.67**
B. Equity and Liabilities			
Equity			
(a) Equity share capital	12	0.10	0.10
(b) Equity share capital - Suspense	12	306.69	306.69
(c) Other equity	13	7,253.16	5,990.51
Total Equity		**7,559.95**	**6,297.30**
(1) **Non - current liabilities**			
(a) Financial liabilities			
(i) Borrowings	14	763.36	345.75
(ia) Lease Liabilities	4	30.99	-
(b) Provisions	15	40.26	57.47
Total Non-Current Liabilities		**834.61**	**403.22**
(2) **Current liabilities**			
(a) Financial liabilities	16		
(i) Borrowings	16.1	2,516.26	2,473.11
(ia) Lease Liabilities	4	2.44	6.37
(ii) Trade payables:			
- Total outstanding dues of the Micro enterprise and small enterprises	16.2	155.88	275.21
-Total outstanding dues of creditors other than Micro enterprise and small enterprises	16.2	2,110.27	1,806.88
(iii) Other financial liabilities	16.3	599.09	292.60
(b) Other current liabilities	17	1,762.78	619.50
(c) Provisions	18	129.43	41.19
(d) Current tax liabilities (net)	19	377.33	403.28
Total Current Liabilities		**7,653.50**	**5,918.14**
Total equity & liabilities		**16,048.03**	**12,618.67**

See accompanying notes to the financial staements 1 to 51

As per our report of even date

For and on behalf of
S S Kothari Mehta & Company
Chartered Accountants
FRN: 000756N

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Neeraj Bansal
Partner
Membership No: 095960

Place: New Delhi
Date: September 27, 2023

For and on behalf of the Board of Directors
Revathi Equipment India Limited
(Formerly known as Renaissance Corporate Consultants Limited)

Abhishek Dalmia
Managing Director
DIN: 00011958

V. V. Subramanian
Director
DIN: 05232247

Sudhir. R
Chief Financial Officer
Place: Coimbatore
Date: September 27, 2023

Nishant Ramakrishnan
Company Secretary

REVATHI EQUIPMENT INDIA LIMITED CBE-50

Revathi Equipment India Limited
(Formerly known as Renaissance Corporate Consultants Limited)
Revised statement of profit and loss for the year ended March 31, 2023

Particulars	Note	Year ended March 31, 2023 Amount	Year ended March 31, 2022 Amount
		Rs in Lakhs except for per share data	
Revenue from operations	20	10,965.66	10,146.67
Other income	21	430.62	457.67
Total income		**11,396.27**	**10,604.34**
Expenses			
Cost of materials consumed	22	4,831.34	4,276.10
Purchases of stock in trade	23	907.64	769.95
Changes in inventories of finished goods, stock - in - trade and work - in - progress	24	(742.47)	124.36
Employee benefits expense	25	1,623.36	1,228.30
Finance costs	26	381.73	463.38
Depreciation and amortization expense	27	101.31	88.85
Other expenses	28	2,329.95	1,976.54
Total expenses		**9,432.87**	**8,927.48**
Profit / (loss) before tax		**1,963.40**	**1,676.86**
Tax expense	29		
(1) Current Tax		591.19	511.25
(2) Deferred Tax		33.94	34.72
Total Tax Expense		**625.13**	**545.97**
Profit / (loss) for the year		**1,338.28**	**1,130.89**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss	30	(31.50)	23.56
(ii) Income tax relating to items that will not be reclassfied to profit or loss	29	9.17	(6.86)
		(22.33)	**16.70**
Total comprehensive income for the year		**1,315.95**	**1,147.59**
Earnings per equity share - basic & diluted (refer note 31) (Face value of Rs 10.00 each)	31	43.64	36.67

See accompanying notes to the financial staements 1 to 51

As per our report of even date

For and on behalf of
S S Kothari Mehta & Company
Chartered Accountants
FRN: 000756N

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Neeraj Bansal
Partner
Membership No: 095960

Place: New Delhi
Date: September 27, 2023

For and on behalf of the Board of Directors
Revathi Equipment India Limited
(Formerly known as Renaissance Corporate Consultants Limited)

Abhishek Dalmia
Managing Director
DIN: 00011958

V.V. Subramanian
Director
DIN: 05232247

Sudhir. R
Chief Financial Officer
Place: Coimbatore
Date: September 27, 2023

Nishant Ramakrishnan
Company Secretary

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

Revathi Equipment India Limited
(Formerly known as Renaissance Corporate Consultants Limited)
Revised statement of Cash Flows for the year ended March 31, 2023

Rs in Lakhs

	2022-23	2021-22
A. Cash flow from operating activities		
Net profit before tax	1,963.40	1,676.86
Adjustments:		
Depreciation / amortization	101.31	88.85
Divident Income	(2.14)	0.72
Impairment loss on financial assets - Trade Receivables	48.71	109.62
Provision no longer required write back	(189.14)	-
Write down in old Inventory	155.00	-
(Profit)/Loss on investments	(12.37)	4.09
Finance cost (including interest on lease)	381.73	463.38
Interest Income on deposits and investments	(247.13)	(80.08)
Interest on Loans and advances	(13.63)	(76.67)
Share of (Profit)/Loss received from SCTILLP	-	(74.80)
Share of (Profit)/Loss from Investments	(63.42)	-
Commission on Guarantee to Subsidiary	(17.01)	(1.10)
Net Gain on Investments at FVTPL	(20.30)	-
(Profit)/Loss on sale of PPE and assets written off	-	(10.29)
Operating profit before working capital changes	**2,084.99**	**2,100.58**
Adjustments for working capital changes :		
(Increase)/decrease in Inventories	(1,279.01)	(171.65)
Increase/ (decrease) in trade payables	333.86	(1,132.49)
(Increase)/ decrease in trade receivables	(1,231.34)	2,038.30
(Increase)/ decrease in other financial assets	(16.54)	383.32
(Increase)/ decrease in loans and other current assets	(388.07)	579.93
Increase/ (decrease) in provisions	71.02	(171.74)
Increase/ (decrease) in other financial liabilities	337.62	(130.69)
Increase/ (decrease) in other current liabilities	1,143.28	(389.92)
Cash generated from operations	**1,055.84**	**3,105.64**
Direct taxes (paid)/refund	(459.46)	(319.86)
Net cash generated / (used in) from operating activities	**596.38**	**2,785.78**
B Cash flow from investing activities		
Purchase of PPE and Intangible assets	(156.86)	(143.16)
Proceeds from sale of PPE and Intangible assets	-	13.65
Proceeds from maturity of fixed deposits(net)	50.86	12.45
(Purchase) / Sale of non current investments	162.17	(1,300.61)
(Purchase) / Sale of current investments	(224.76)	(1,400.75)
Loan (given to)/repayment from related party	-	445.00
Loan (given to)/repayment from other parties	-	500.00
Profit/(Loss) on investments	12.37	(4.09)
Share of profit from Investments	-	
Dividend received	2.14	-
Interest received	183.56	80.08
Net cash generated / (used in) from investing activities	**29.49**	**(1,797.44)**
C Cash flow from financing activities		
Proceeds from/(repayment of) short term borrowings(net)	43.15	(837.23)
Proceeds from long term borrowings	417.61	341.25
Repayment of Lease Liabilities	(7.13)	(7.19)
Payment of Interest on Lease liabilities	(1.59)	(1.18)
Finance cost	(371.97)	(462.20)
Net cash generated from / (used in) financing activities	**80.07**	**(966.55)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**705.94**	**21.77**
Cash and cash equivalents (Opening Balance)	**49.21**	**27.44**
Cash and cash equivalents (Closing Balance)*	**755.15**	**49.21**
Change in cash & cash equivalents	**705.94**	**21.77**

Components of cash & cash equivalents	**As at Mar'23**	**As at Mar'22**
Balances with banks		
- in Current accounts	753.25	45.24
Cash on hand	1.90	3.97

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

		Rs in Lakhs
Net cash & cash equivalents	**755.15**	**49.21**

Note:

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

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

As per our report of even date

For and on behalf of
S S Kothari Mehta & Company
Chartered Accountants
FRN - 000756N

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Neeraj Bansal
Partner
Membership No: 095960

Place: New Delhi
Date: September 27, 2023

For and on behalf of the Board of Directors of
Revathi Equipment India Limited
(Formerly known as Renaissance Corporate Consultants Limited)

Abhishek Dalmia
Managing Director
DIN: 00011958

V.V. Subramanian
Director
DIN: 05232247

Sudhir. R
Chief Financial Officer
Place: Coimbatore
Date: September 27, 2023

Nishant Ramakrishnan
Company Secretary

REVATHI EQUIPMENT INDIA LIMITED CBE-50

Revathi Equipment India Limited
(Formerly known as Renaissance Corporate Consultants Limited)
Revised statement of Changes in Equity for the period ended March 31, 2023

Rs in Lakhs

A. Equity share capital

Balance as at April 1, 2022	Change in equity share capital due to prior period errors	Restated balance at the beginning of 01.04.2022	Changes in equity share capital during the year	Balance as at March 31, 2023
0.10	-	0.10	-	0.10

Balance as at April 1, 2021	Change in equity share capital due to prior period errors	Restated balance at the beginning of 01.04.2021	Changes in equity share capital during the year	Balance as at March 31, 2022
0.10	-	0.10	-	0.10

B. Equity share capital - Suspense

Balance as at April 1, 2022	Change in equity share capital due to prior period errors	Restated balance at the beginning of 01.04.2022	Changes in equity share capital during the year	Balance as at March 31, 2023
306.69	-	306.69	-	306.69

Balance as at April 1, 2021	Change in equity share capital due to prior period errors	Restated balance at the beginning of 01.04.2021	Changes in equity share capital during the year	Balance as at March 31, 2022
306.69	-	306.69	-	306.69

Refer note 12 & 12.1

C. Other equity

Particulars	Reserves and Surplus				Equity in Subsidiary	Items of Other Comprehensive Nature	Total
	Capital Reserve	General Reserve	Capital Reserve on business combination	Retained Earnings		Acturial gain / loss	
Balance as at 1st April 2022	1.49	4600.10	(13,114.40)	14474.54	-	28.77	5990.51
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of 1st April 2022	1.49	4,600.10	-13,114.40	14,474.54	-	28.77	5990.51
Total Comprehensive Income for the current year	-	-	(38.50)	1,338.28	(0.00)	(22.33)	1277.45
Equity in Subsidiary	-	-		(14.79)	-	-	(14.79)
Transfer to retained earnings	-	-	-	-	-	-	-
Balance as at 31st March 2023	1.49	4,600.10	-13,152.90	15,798.03	(0.00)	6.45	7,253.16

Particulars	Reserves and Surplus				Equity in Subsidiary	Items of Other Comprehensive Nature	Total
	Capital Reserve	General Reserve	Capital Reserve on business combination	Retained Earnings		Acturial gain / loss	
Balance as at 1st April 2021	1.49	4600.10	-	13343.65	-	12.08	17957.33
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of 1st April 2021	1.49	4,600.10	-	13,343.65	-	12.08	17,957.33
Total Comprehensive Income for the current year	-	-	(13,114.40)	1130.89		16.70	-11966.81
Equity in Subsidiary	-	-	-	-		-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Balance as at 31st March 2022	1.49	4,600.10	(13,114.40)	14,474.54	-	28.77	5,990.51

Refer note 13

S S KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED
CBE-50

A. Nature of reserves

i Capital reserve represents funds to be utilised for specific purposes

ii 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.

iii 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.

iv 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.

v Capital reserve on business combination is created on implementation of the scheme

As per our report of even date

For and on behalf of
S S Kothari Mehta & Company
Chartered Accountants
FRN: 000756N

S S KOTHARI MEHTA & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

Neeraj Bansal
Partner
Membership No: 095960

Place: New Delhi
Date: September 27, 2023

For and on behalf of the Board of Directors
Revathi Equipment India Limited
(Formerly known as Renaissance Corporate Consultants Limited)

Abhishek Dalmia
Managing Director
DIN: 00011958

V.V. Subramanian
Director
DIN: 05232247

Sudhir. R
Chief Financial Officer
Place: Coimbatore
Date: September 27, 2023

Nishant Ramakrishnan
Company Secretary

REVATHI EQUIPMENT INDIA LIMITED CBE-50

1. Basis of accounting and preparation of financial statements

A. Corporate overview

Revathi Equipment India Limited ("the company") having corporate identity Number U74999TZ2020PLC033369 was incorporated on 22nd January 2020 under the provisions of Companies Act, 2013 having its registered office address at 331, Pollachi Road, Malumachampatti, Coimbatore - 641050. 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 September 27, 2023.

B. Statement of Compliance

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

C. Basis of preparation of accounts

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

- Certain financial assets and liabilities measured at fair value (Note no.47)
- Defined benefit plans as per actuarial valuation

D. Operating cycle

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

E. Functional and presentation currency

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

F. Use of estimates and assumptions

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

a. Property, plant and equipment and intangible assets Estimate

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

b. Recognition and measurement of defined benefit obligations Estimation

The cost of the leave encashment, defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are periodically reviewed at each reporting date.

c. Fair value measurement of financial instruments Estimate

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

d. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

e. Impairment of financial and non-financial assets

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

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

G. Fair value measurement

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

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

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

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

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

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

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

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

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

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

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

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

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

2. Significant accounting policies

A. Business Combination

Business combinations, when there are common control in entities, are accounted for using the pooling of interest method as at the date of the merger, which is the date at which control is transferred to the Company. The consideration transferred in the merger and the identifiable assets acquired and liabilities assumed are recognised at book values on their merger date.

The difference between the book value of net assets including reserves of the business combination is recorded as capital reserve on business combination in the books as prescribed under Appendix C of Ind AS 103 – Business Combination

Common Control:
Business combinations involving entities that are ultimately controlled by the same party before and after the business combination are considered as Common control entities and are accounted using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognise new assets or liabilities.
- Adjustments are made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against retained earnings.

The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

Refer note no.45

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.

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

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

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

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

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

C. Investment Property

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

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

D. Intangible assets

(a) **Intangible assets acquired separately.**

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

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

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

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

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

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

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

(c) De-recognition

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

E. Depreciation and amortization

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

F. Impairment of Non-financial assets

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

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

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

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

SS KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED CBE-50

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 Company is the lessee

The Company's lease asset classes primarily consist of leases for land. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset throughout the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows.

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 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.

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED CBE-50

I. Segment accounting and reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the 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"

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 Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary, using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company has an Employee Gratuity Fund managed by Life Insurance Corporation. The provision made during the year is recognised as a liability.

The Company's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

SS KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED CBE-50

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

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 is determined on First in First out basis.

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

L. Financial instruments

(a) Financial assets

i. Classification

The company classified financial assets as subsequently measured at amortized cost, fair value though other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and contractual cash flow characteristics of the financial asset.

ii. Initial recognition and measurement

The company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets (except for certain trade receivables) are recognized initially at fair value plus, for financial asset not subsequently measured at FVTPL, transaction costs that are directly attributable to the acquisition of financial assets. Trade receivables that do not contain a significant financing component (determined in accordance with IND AS 115 – Revenue Recognition) are initially measured at their transaction price and not at fair value.

iii. Subsequent Measurement

For the purpose of subsequent measurement, the financial assets are classified in three categories:
- At amortised cost - For debt instruments only.
- At fair value through profit & loss account
- At fair value through other comprehensive income

iv. Debt instruments at amortized cost

A Financial Asset i.e. a debt instrument is measured at the amortized cost if both the following conditions are met.

- The assets are held within a business model whose objective is to hold assets for collecting contractual cash flow (business model test), and

S S KOTHARI MEHTA & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

REVATHI EQUIPMENT INDIA LIMITED CBE-50

- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal 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 measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount and premium and fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

v. Debt instruments at Fair value through other comprehensive income

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

- The assets are held within a business model in which asset are managed both in order to collect contractual cash flows and for sale (business model test), and

- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal 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 asset (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.

-

S S KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

ix. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset. Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument. The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

(b) Financial liabilities & equity

i. Classification

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Initial recognition and measurement of financial liability

The company recognizes financial liability when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, for financial liability not subsequently measured at FVTPL, transaction costs that are directly attributable to the issue of financial liability.

iii. Subsequent measurement of financial liability

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

iv. Financial liability at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) Method. Gain and losses are recognised in statement of profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction cost. The EIR amortization is included as finance cost in the statement of profit and loss.

This category generally applies to loans & Borrowings.

v. Financial liability at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the 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.

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

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

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are, substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognised in the Statement of Profit and loss.

viii. Offsetting of financial instrument

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

M. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers.

Sale of goods

Sale of goods: Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue from the sale of goods is measured at the transaction price, which is adjusted for, net of returns and allowances, trade discounts and volume rebates/claims etc. Sales exclude Value added tax/sales tax / Service Tax / Goods & Service Tax

Sale of services

Revenue is recognised based on the performance of services as agreed in the contract with customers at a point in time.

N. Other Income

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

S S KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED
CBE-50

Dividends
Dividend income is recognized when the right to receive is established, which is generally when shareholders approve the dividend.

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

Financial statements have been presented in Indian Rupees, which is the Company's functional and presentation currency.

- **Initial recognition**

  Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

- **Conversion**

  Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

- **Exchange differences**

  The gain or loss arising on translation of monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

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.

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

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED CPE-50

income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

MAT credit is recognized as deferred tax assets as its part of Deferred tax.

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

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 settled the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the notes in case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation.
- A present obligation arises from the past event, when no reliable estimate is possible.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED CBE-50

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

Contingent assets

Contingent assets are not recognized in the financial statements.

T. Cash and cash equivalents

Cash and cash equivalents include 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.

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

Rs in Lakhs

3 Property, plant & equipments

Particulars	Land freehold	Buildings	Plant & machinery	Production tooling	Data processing equipment	Furniture & fixtures	Office equipment	Vehicles	Total
Gross Block									
as at March 31, 2021	9.28	181.25	197.08	5.06	92.91	28.66	32.03	116.42	**662.68**
Addition	-	3.54	11.96	-	15.61	1.56	2.18	96.23	**131.08**
Disposals	(0.01)	-	-	-	(2.58)	-	-	(10.85)	**(13.44)**
Other adjustments	-	-	-	-	-	-	-	-	**-**
as at March 31, 2022	9.27	184.79	209.04	5.06	105.94	30.22	34.21	201.80	**780.32**
Addition	-	1.59	119.68	-	17.28	3.85	6.07	-	**148.47**
Disposals	-	-	-	-	-	-	-	-	**-**
Other adjustments	-	-	-	-	-	-	-	-	**-**
as at March 31, 2023	9.27	186.38	328.72	5.06	123.22	34.07	40.28	201.80	**928.79**
Depreciation									
as at March 31, 2021	-	48.85	77.13	4.58	52.52	11.64	23.13	19.08	**236.93**
Addition		10.22	13.44	-	18.86	3.08	4.76	20.04	**70.40**
Disposals	-	-	-	-	(2.21)	-	-	(7.87)	**(10.08)**
Other adjustments	-	-	-	-	-	-	-	-	**-**
as at March 31, 2022	-	59.07	90.57	4.58	69.17	14.72	27.89	31.25	**297.25**
Addition		7.63	23.80	-	18.21	3.30	2.44	28.51	**83.89**
Disposals	-	-	-	-	-	-	-	-	**-**
Other adjustments	-	-	-	-	-	-	-	-	**-**
as at March 31, 2023	-	66.70	114.37	4.58	87.38	18.02	30.33	59.76	**381.14**
Net Block									
as at March 31, 2022	9.27	125.72	118.47	0.48	36.77	15.50	6.32	170.55	483.08
as at March 31, 2023	9.27	119.68	214.35	0.48	35.84	16.05	9.95	142.04	547.66

3.1 Intangible assets

Particulars	Intangible asset	
	Computer software	Total
Gross Block		
as at March 31, 2021	49.91	**49.91**
Addition	12.08	**12.08**
Disposals	-	-
Other adjustments	-	-
as at March 31, 2022	61.99	**61.99**
Addition	8.39	**8.39**
Disposals	-	-
Other adjustments	-	-
as at March 31, 2023	70.38	**70.38**
Depreciation		
as at March 31, 2021	**33.12**	**33.12**
Addition	**10.66**	**10.66**
Disposals	-	-
Other adjustments	-	-
as at March 31, 2022	43.78	**43.78**
Addition	**9.90**	**9.90**
Disposals	-	-
Other adjustments	-	-
as at March 31, 2021	53.68	**53.68**
Net Block		
as at March 31, 2022	18.21	18.21
as at March 31, 2023	16.70	16.70

4 Right-of-use assets

Gross Block

Particulars	Category of ROU
	Lease hold Building
Balance as at April 1, 2021	**30.71**
Additions	-
Disposal	2.01
Balance as at March 31, 2022	**28.70**
Additions	34.59
Disposal	-
Balance as at March 31, 2023	**63.29**

Provision for depreciation

Particulars	Category of ROU
	Lease hold Building
Balance as at April 1, 2021	14.75
Charge for the year	7.76
Disposal	-
Balance as at April 1, 2022	22.51
Charge for the year	7.51
Disposal	-
Balance as at March 31, 2023	30.02
Net Carrying Value as at March 31, 2023	33.31

S.S. KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

Company has taken office & residential premises on lease. These are accounted as per IND AS 116 and the management has consider all relevant facts and circumstances to classify some of the leases into short term. As a result company elects not to apply the requirements of INDAS 116 and recognise the lease payments associated with those leases on straight-line basis over the lease term.

Interest charge for the year on lease liabilities	**1.59**

Total cash outflow (payment) for leases

Leases for which Right to use assets is recognised	8.72
Leases considered as short term	Nil

Movement in Lease liabilites for the year ended March 31, 2023:-

Particular	Total
Balance as at April 1, 2021	**15.56**
Addition	-
Finance cost accrued during the period	1.18
Deletion	1.99
Payment of lease liability	8.38
Balance as at April 1, 2022	6.37
Addition	34.19
Finance cost accrued during the period	1.59
Deletion	-
Payment of lease liability	8.72
Balance as at March 31, 2023	**33.43**

<u>**Classification of Lease Liabilities**</u>

Non Current Lease Liabilities	30.99
Current Lease Liabilities	2.44

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

Rs. In Lakhs

5 Investment property

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Investment in Agricultural Land (Indore)	87.22	87.22
Total	**87.22**	**87.22**

6 Financial asset : non current

6.1 Investments

		As at March 31, 2023 Amount	As at March 31, 2022 Amount
	Unquoted investment		
i)	7.81% (PY 7.81%) share in Purple Orchid LLP (At fair value)	930.30	1,100.61
ii)	Other Long term Investments 4021 (PY 4021) Preferential shares of Rs.10/- each in Webklipper Tecchnologies Pvt Ltd (At fair value)	100.00	100.00
iii)	Grand Anicut GAAF Vyaapar II - 1,00,000 units (At fair value)	100.00	100.00
	Total	**1,130.30**	**1,300.61**
	Aggregate amount of unquoted investments	1,130.30	1,300.61

6.2 Other financial assets

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Security deposits	14.88	43.20
Total	**14.88**	**43.20**

7 Deferred tax

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
MAT credit entitlement	228.75	386.43
Deferred tax asset / (liability) (net)	82.60	107.37
Total	**311.35**	**493.79**

(i) Movement in deferred tax items

		Movement during the year		
FY 22-23	**Balance as at April 1, 2022**	**Recognised in Statement of P&L**	**Recognised in other comprehensive income**	**Closing balance as at March, 2023**
Deferred tax liability / (asset) on account of				
Property, plant & equipment	19.84	(10.40)	-	9.44
Payment of gratuity	(11.33)	16.98	9.17	14.83
Provision of leave encashment / sick leave	21.44	(5.65)	-	15.79
Provision of doubtful debts	68.04	(58.08)	-	9.96
Provision for Warranty	7.51	11.41	-	18.92
Provision for Bonus	-	13.65	-	13.65
Lease Liability	1.86	7.88	-	9.74
Right of use asset	-	(9.73)	-	(9.73)
Net Deferred tax liability / (asset)	**107.37**	**(33.94)**	**9.17**	**82.60**
MAT credit entitlement	**386.43**	(157.68)		**228.75**

FY 21-22	**Balance as at April 1, 2021**	**Recognised in Statement of P&L**	**Recognised in other comprehensive income**	**Closing balance as at March 31, 2022**
Deferred tax liability / (asset) on account of				
Property, plant & equipment	28.24	(8.40)	-	19.84
Payment of gratuity	2.27	(6.74)	(6.86)	(11.33)
Provision of leave encashment / sick leave	30.76	(9.32)	-	21.44
Provision of doubtful debts	36.12	31.92	-	68.04
Provision for Warranty	51.66	(44.15)	-	7.51
Lease Liability	(0.11)	1.97	-	1.86
Net Deferred tax liability / (asset)	**148.94**	**(34.72)**	**(6.86)**	**107.37**
MAT credit entitlement	**641.58**	(255.15)		**386.43**

S S KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED
CBE-50

Rs. In Lakhs

8 Other non current assets

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Unsecured considered good		
Capital advances	40.70	0.00
Reversal of Gratuity Provision	-	6.58
Total	**40.70**	**6.58**

9 Inventories

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Raw materials	2,066.67	1,685.12
Work-in-progress	2,500.05	1,474.32
Finished Goods	542.31	868.29
Stock-in-trade	783.68	740.99
Total	**5,892.71**	**4,768.71**

10 Financial Assets: Current

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
10.1 Investments		
Investment in Equity through PMS	249.13	1,026.23
Investment in Debentures through PMS	867.32	-
Investment in LLP	1,260.78	1,095.16
Total	**2,377.23**	**2,121.39**

10.2 Trade receivables

	As at March 31, 2023	As at March 31, 2022
Trade receivable considered good-secured	-	-
Trade receivable considered good-unsecured	3,574.95	2,392.31
Trade receivable-credit impaired	33.41	232.88
Less provision for ECL	(33.41)	(232.88)
Total	**3,574.95**	**2,392.31**

Trade Receivables ageing schedule as on Mar'23

Particulars	Outstanding for following periods from due date of payment						
	Not Due	**Less than 6 months**	**6months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	2443.56	1016.08	44.77	-	-	-	**3,504.41**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired		-	-	19.27	0.52	18.27	**38.06**
(iv) Disputed Trade Receivables–considered good		-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired		-	-	-	-	-	-
Total	**2,443.56**	**1,016.08**	**44.77**	**19.27**	**0.52**	**18.27**	**3,542.47**
Less : Allowance for doubtful trade receivables - Billed							**(33.41)**
							3,509.06
Trade receivables - Unbilled							**65.89**
Total							**3,574.95**

Trade Receivables ageing schedule as on Mar'22

Particulars	Outstanding for following periods from due date of payment						
	Not Due	**Less than 6 months**	**6months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good		2268.92	14.05				**2,282.97**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired		-	-	17.18	43.06	224.81	**285.05**
(iv) Disputed Trade Receivables–considered good		-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired		-	-	-	-	-	-
Total		**2,268.92**	**14.05**	**17.18**	**43.06**	**224.81**	**2,568.02**
Less : Allowance for doubtful trade receivables - Billed							**(232.88)**
							2,335.14
Trade receivables - Unbilled							**57.17**
Total							**2,392.31**

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED CBE-50

Rs. In Lakhs

10.3 Cash & cash equivalents

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Balances with banks		
- in Current Accounts	753.25	45.24
Cash on hand	1.90	3.97
Total	**755.15**	**49.21**

10.4 Bank balance

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Other balances		
- Margin money	167.75	204.58
Total	**167.75**	**204.58**

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

10.5 Loans

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Unsecured, considered good		
Loans to :		
- Employees	36.93	52.36
Total	**36.93**	**52.36**

10.6 Other financial asset

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Security deposits	105.57	1.53
Interest accrued on Deposits with bank	12.22	14.36
Interest accrued others	63.17	49.03
Total	**180.96**	**64.92**

11 Other current assets

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Prepaid expenses	238.06	100.86
Advances to suppliers/contractors	576.16	334.37
Balances with statutory authorities	36.20	60.46
Other advances	29.82	30.60
Total	**880.23**	**526.28**

12 Equity share capital

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Authorised share capital		
35,00,000 (previous year: 35,00,000) equity shares of Rs. 10 /- each	350.00	350.00
	350.00	350.00
Issued, subscribed and fully paid up		
1000 (previous year: 1000) equity shares of Rs. 10 /- each *	0.10	0.10
12.1 **Equity Share Capital - Suspense**		
30,66,943 (previous year: 30,66,943) equity shares of Rs. 10 /- each *	306.69	306.69
Total	306.79	306.79

* **Pursuant to the Scheme,** existing 1000 shares of company will be cancelled and simultaneously issue 3066943 shares to existing shareholders of REL which are pending for allotment

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED CBE-50

Rs. In Lakhs

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

	No. of shares	Amount
As at March 31, 2021	1,000	0.10
Movement during the year	-	-
As at March 31, 2022	1,000	0.10
Movement during the year	-	-
As at March 31, 2023	1,000	0.10

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	% of holding	No. of shares
Equity shares of Rs 10 each fully paid *				
Mr. Abhishek Dalmia	500	50.00%	500	50.00%
Mrs. Deepali Dalmia	495	49.50%	495	49.50%
Total	995	99.50%	995	99.50%

* The issue of 3066943 equity shares as per Scheme have not been considered which are pending for allotment

(iii) **Details of Promoters holding shares in the company**

Shares held by Promoters at the end of the year	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of holding	% Change during the year	% of holding	No. of shares	% Change during the year
Promoters Name *						
Mr. Abhishek Dalmia	500	50.00%	-	500	50.00%	
Mrs. Deepali Dalmia	495	49.5%	-	495	49.50%	
Total	995	99.50%		995	99.50%	

* The issue of 3066943 equity shares as per Scheme have not been considered which are pending for allotment

Terms and rights attached to equity shares

(iv) **Rights, preferences and restrictions attached to equity shares**

The Company has only one type of equity share having par value of Rs. 10/- each per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share except, in respect of any shares on which any calls or other sums payable have not been paid.
The Company pays and declares dividends in Indian Rupees. Whenever dividend is proposed by the Board of Directors, the same is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend, if any.

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

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

13 Other Equity

	As at March 31, 2023	As at March 31, 2022
A. Reserves & Surplus		
Capital Reserve		
Opening balance	1.49	1.49
Changes during the year	-	-
Closing balance	**1.49**	**1.49**
General Reserve		
Opening balance	4,600.10	4,600.10
Changes during the year	-	-
Closing balance	**4,600.10**	**4,600.10**
Capital Reserve on business combination		
Opening balance	(13,114.40)	-
Changes during the year	(38.50)	(13,114.40)
Closing balance	**(13,152.90)**	**(13,114.40)**
Retained Earnings		
Opening balance	14,474.54	13,343.65
Profit during the year	1,338.28	1,130.89
Transfer from Equity in Subsidiary	-	-
Closing balance	**15,812.82**	**14,474.54**
B. Other Comprehensive Income		
Remeasurement of the net defined benefit liability or asset		
Opening balance	28.77	12.08
Changes during the year	(22.33)	16.70
Closing balance	**6.45**	**28.77**

SS KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

14 Long term borrowings

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Working Capital Term Loan:		
- from bank	757.11	340.00
- Loan from directors	6.25	5.75
Total	**763.36**	**345.75**

a. The Company has availed Guaranteed Emergency Credit Line loan facility from Bank of India and State Bank of India. The details of securities are as follows:

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

b. (i) The term loan of Rs.4.38 Crores is repayable in 36 installments with a moratoriam of 12 months at interest rate which ranges from 7.50% to 9.25 per annum
(ii) The term loan of Rs.3.40 Crores is repayable in 36 installments with a moratoriam of 24 months at interest rate which ranges from 7.50 % to 9.25% per annum

15 Non current provision

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Provision for employee benefits (refer note 40)		
- Leave encashment	40.26	57.47
Total	**40.26**	**57.47**

16 Financial liability : Current

16.1 Short term borrowings

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Secured from Banks		
- Cash credit / WCDL	2,491.93	2,473.11
Current maturities of long term borrowings	24.33	-
Total	**2,516.26**	**2,473.11**

Also refer note 47 & 48

a. The Company has availed cash credit facility from consortium of banks. The details of securities are as follows:
Primary
First pari-passu charge on entire current assets of the Company.
Collateral
Second charge on fixed assets of the Company except Agricultural Land at Indore, Madhya Predesh

b. The Cash Credit is repayable on demand and carries floating interest rate which ranges from 8.9% to 10.85% per annum

16.2 Trade payables

		As at March 31, 2023 Amount	As at March 31, 2022 Amount
a)	Micro & Small enterprises (Refer Note No.34) *	155.88	275.21
b)	Due to other than Micro & Small enterprises	2,110.27	1,806.88
	Total	**2,266.16**	**2,082.10**

Trade payables ageing schedule as at 31st March 2023

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
(i) Micro and Small enterprises*	142.51	13.25	0.1	-		155.88
(ii) Medium enterprises	-	-	-	-	-	-
(iii) Others than Medium enterprises	1220.77	488.70	217.34	54.78	128.68	2,110.27
(iv) Disputed dues - Micro and Small enterprises	-	-	-	-	-	-
(v) Disputed dues - Medium enterprises	-	-	-	-	-	-
(v) Disputed dues - Others than Medium enterprises	-	-	-	-	-	-
Total	**1,363.28**	**501.96**	**217.46**	**54.78**	**128.68**	**2,266.16**

Trade payables ageing schedule as at 31st March 2022

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
(i) Micro and Small enterprises*		275.21	-	-	-	275.21
(ii) Medium enterprises		-	-	-	-	-
(iii) Others than Medium enterprises		1559	98.5	117	32.84	1,806.89
(iv) Disputed dues - Micro and Small enterprises		-	-	-	-	-
(v) Disputed dues - Medium enterprises		-	-	-	-	-
(v) Disputed dues - Others than Medium enterprises		-	-	-	-	-
Total		**1,834.21**	**98.50**	**116.55**	**32.84**	**2,082.10**

Also refer note 47 & 48

* MSME as per Micro, Small and Medium Enterprise development Act 2006

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

Rs. In Lakhs

16.3 Other financial liabilities

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Security deposits received	0.40	0.40
Expenses payables	375.75	184.48
Employee related dues	222.94	105.50
Financial Gaurantee liability	0.00	2.22
Total	**599.09**	**292.60**

Also refer note 47 & 48

17 Other current liability

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Advances from customers	1,554.71	466.39
Withholding and other taxes	208.07	153.12
Total	**1,762.78**	**619.50**

18 Provision (current)

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Provision for employee benefits (refer note 40)		
- Gratuity	51.31	-
- Leave encashment	13.95	16.15
Provision for warranty claims (refer note 42)	64.17	25.04
Total	**129.43**	**41.19**

(i) **Information about warranty claims.**
The Company provides warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications / replacements based on best estimate considering the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

19 Current tax liabilities (net)

	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Income tax provision (net of advance tax)	377.33	403.28
Total	**377.33**	**403.28**

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

Revsied notes to the financial statements for the period ended March 31, 2023 Rs. In Lakhs

20 Revenue from operations

	Year ended March 31, 2023 Amount	Year ended March 31, 2022 Amount
(a) Sale of Good and Services		
Sale of products (finished goods):		
- Drills / Construction equipments	4,651.96	5044.50
- Spares (Including Traded spares)	5,457.93	4341.97
Sale of services	818.89	709.25
	10,928.78	**10,095.72**
(b) Other Operating Icnome		
Sale of scrap	25.78	25.00
Export incentives	11.10	25.95
	36.88	**50.95**
Total Revenue from Opertions - (a + b)	**10,965.66**	**10,146.67**
(c') Revenue from contracts with customers disaggregated based on geography		
India	9,603.18	8,422.21
Outside India	1,362.48	1,724.46
Total revenue from contracts with customers	**10,965.66**	**10,146.67**
(d) Revenue disaggregated based on timing of revenue		
Goods transferred at a point in time	10,146.77	9,437.42
Services provided at a point in time	818.89	709.25
	10,965.66	**10,146.67**

21 Other income

	Year ended March 31, 2023 Amount	Year ended March 31, 2022 Amount
Interest income on Investments in LLP	233.00	80.08
Interest income on deposits	14.14	0.00
Profit on sale of property, plant and equipment	-	10.29
Interest on Loans & Advances	13.63	76.67
Interest income on security deposit lease	0.59	0.66
Divident Income	2.14	0.72
Provision no longer required Write back	36.14	137.03
Profit on sale of Investment in Financial Institutions	12.37	0.00
Handling charges recovery	17.88	0.00
Share of Profit from investments in LLP	63.42	74.80
Commission on Guarantee to Subsidiary	17.01	1.10
Net Gain on Investments at FVTPL	20.30	75.76
Miscellaneous Income	-	0.56
Total	**430.62**	**457.67**

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

Revsied notes to the financial statements for the period ended March 31, 2023 Rs. In Lakhs

22 Cost of material consumed

	Year ended March 31, 2023 Amount	Year ended March 31, 2022 Amount
Material purchased through subcontractors	396.61	377.49
Other materials:		
Under carriage assemblies	409.93	212.38
Compressors and accessories	39.53	222.72
Electrical components	484.09	271.75
Hydraulic components	747.89	706.14
Pipes and valves	353.57	648.55
Gear/chain assemblies	372.67	423.89
Others	2,027.05	1413.19
Total	**4,831.34**	**4,276.10**

23 Purchases of stock in trade

	Year ended March 31, 2023 Amount	Year ended March 31, 2022 Amount
Consumption of spares	864.95	577.11
Change In stock		
Add: Closing stock	783.68	740.99
Less: Opening stock	(740.99)	(548.15)
Purchases during the year	**907.64**	**769.95**

24 Changes in inventories of finished goods, stock - in - trade & work - in - progress

	Year ended March 31, 2023 Amount	Year ended March 31, 2022 Amount
Inventories at the beginning of the year		
Work-in-process	1,474.32	2659.81
Stock-in-trade	740.99	548.15
Finished goods	868.29	0.00
	3,083.59	**3207.96**
Less - Inventories at the end of the year		
Work-in-process	2,500.05	1474.32
Stock-in-trade	783.68	740.99
Finished goods	542.31	868.29
	3,826.05	**3083.59**
Changes in inventories of finished goods, stock - in - trade & work - in - progress	**(742.47)**	**124.36**

25 Employee benefits expenses

	Year ended March 31, 2023 Amount	Year ended March 31, 2022 Amount
Salaries, wages, & allowances	1,368.25	1022.08
Contribution to gratuity, provident & other funds	121.74	97.60
Staff welfare expenses	133.37	108.62
Total	**1,623.36**	**1,228.30**

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED CBE-50

Revsied notes to the financial statements for the period ended March 31, 2023 Rs. In Lakhs

26 Finance costs

	Year ended March 31, 2023 Amount	Year ended March 31, 2022 Amount
Interest on		
a. Working capital loan	294.27	395.11
b. Bill discounting	30.29	-
c. Statutory due delay	17.12	30.46
d. Others	40.05	37.80
Total	**381.73**	**463.38**

27 Depreciation and amortization expense

		Year ended March 31, 2023 Amount	Year ended March 31, 2022 Amount
i.	Depreciation	83.90	70.43
ii.	Amortisation	9.90	10.66
iii	Depreciation on Right of Use asset	7.51	7.76
	Total	**101.31**	**88.85**

28 Other expenses

	Year ended March 31, 2023 Amount	Year ended March 31, 2022 Amount
Consumption of stores and spare parts	99.26	43.54
Power and fuel consumption	46.46	33.56
Repair and maintenance		
-Machinery	9.41	7.41
-Buildings	17.83	4.51
-Others	72.45	54.02
Rates and taxes	9.95	45.37
Travelling and conveyance	541.55	431.33
Freight, clearing and packing	198.17	148.85
Legal and professional	149.48	211.60
Directors' sitting fees	11.70	11.20
Directors' Commission	145.43	54.00
Payment to auditor (Refer note 33)	12.43	14.76
Selling commission	375.12	339.47
Impairment loss on financial assets - Trade Receivables	48.71	109.62
Bank charges	25.82	55.75
Service charges	97.48	74.23
Liquidated Damages	47.42	-
CSR expenditure (Refer Note no.44)	33.10	29.01
Loss on foreign exchange fluctuation	105.72	68.21
Product development expenses	20.05	52.27
Telephone & Postage expenses	23.81	19.15
Printing & Stationery expenses	19.40	12.10
Advertisement expenses	51.54	28.01
Security Charges	33.96	26.23
Insurance	19.91	27.15
Miscellaneous expenses	113.80	75.19
Total	**2,329.95**	**1,976.54**

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

29 Tax expense

	Year ended March 31, 2023 Amount	Year ended March 31, 2022 Amount
Current tax		
Current year	591.19	511.25
	591.19	511.25
Deferred tax		
Deferred tax	33.94	34.72
	33.94	34.72
Total	**625.13**	**545.97**

(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	(9.17)	6.86
Total income tax expense recognised in other comprehensive income	(9.17)	6.86

(ii) Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:	29.120%	29.120%
Profit / (loss) before tax	1,963.40	1694.20
Income tax expense calculated at 29.120% (including surcharge and education cess) (March 31, 2022: 29.120%)	571.74	493.35
Effect of income chargeable at different rate of tax		0.48
Additional deduction on research & development expenditure	-	0.00
Effect of temporary differences	72.82	14.31
Effect of expenses that are non-deductible in determining taxable profit	(4.82)	(36.14)
Effect of tax for earlier years	-	0.00
Other adjustments	(48.56)	39.25
Effect due to change in rate and deferred tax	33.94	34.72
Total income tax expense recognised in Statement of profit and loss	**625.13**	**545.97**

30 Other comprehensive income

Item that will not be reclassified to profit or loss		
Acturial gain / (loss) on defined benefit obligation	(31.50)	23.56
Total other comprehensive income	**(31.50)**	**23.56**

31 Earning per Share

Face value of equity Shares (in Rs.)	10	10
Total number of equity shares outstanding	1,000	1,000
Weighted average number of equity shares in calculating EPS - basic	1,000	1,000
Weighted average number of equity shares- pending allotment in calculating EPS - diluted	30,66,943	30,66,943
Net profit for calculation of basic and diluted EPS (Rs. in Lakhs)	1,338.28	1,124.67
EPS - Basic & Diluted **	43.64	36.67

* For Basic & Diluted EPS , have been calculated considering the issue of 3066943 equity shares as per the Scheme which are pending for allotment.

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED CBE-50

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

S.N.	Particulars	2022-23	2021-22
a)	Performance Bank Guarantees	1,807.83	1,914.01
	Total	**1,807.83**	**1,914.01**

- Based on contractual agreements with customers the Company has issued performance bank guarantees. The management believes that none of the bank guarantees will be encashed by any of the customers.

33 **Remuneration paid to auditors:**

Particulars	2022-23	2021-22
Statutory audit	3.75	3.75
Limited review	5.75	5.75
Certification	0	2.32
Reimbursement of expenses	2.875	2.88
Total	**12.38**	**14.70**

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

S.N.	Particulars	2022-23	2021-22
a)	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	152.72	263.93
b)	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;		-
c)	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	3.16	11.28
d)	The amount of interest accrued and remaining unpaid at the end of accounting year; and		-
e)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23		-
	Total	**155.88**	**275.21**

35 **CIF value of imports**

S.N.	Particulars	2022-23	2021-22
a)	Raw materials & Components	1,201.60	994.64
b)	Spares	499.03	417.54
Total		**1,700.63**	**1,412.18**

36 **Expenditure in foreign currency (accrual basis):**

Particulars	2022-23	2021-22
Commission, consultancy, travelling and others	116.18	88.16

37 **Earnings in foreign currency (accrual basis):**

Particulars	2022-23	2021-22
Export of goods at FOB value	1,362	1,724

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

Particulars		Imported		Indigenous		Value of total consumption
		Value (Rs. in Lakhs)	% to total consumption	Value (Rs. in Lakhs)	% to total consumption	Value (Rs. in Lakhs)
Raw Materials	For the year ended March 31, 2023	885	18%	4,112	82%	4,996.52
	For the year ended March 31, 2022	940	18%	4,231	82%	5,170
Stores, Spares Parts and Components	For the year ended March 31, 2023	-	0%	99	100%	99
	For the year ended March 31, 2022	-	0%	44	100%	44

S S KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

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	Year ended March 31, 2023	Year ended March 31, 2022
India	9,603.18	8,422.21
Outside India	1,362.48	1,724.46

b) **Segment Assets**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	725.59	601.31
Outside India	-	-

(iii) Information about major customers:

Revenue from 5 customers contributing more than 10% of company's revenue is Rs. 7,019 Lakhs

40 Employee benefit obligations

The Company has in accordance with Ind AS 19 "Employee Benefits" calculated the various benefits provided to employees as under

Defined Contribution Plan :

i) Provident Fund

ii) Employee State Insurance Plan

The Provident Fund and the Employee state insurance defined contribution plan are operated by the Regional Provident Fund Commissioner and Regional Director of ESIC respectively.

Defined benefit plans

Gratuity

Employees are entitled to gratuity computed as fifteen days salary for every completed year of service or part thereof in excess of six months and is payable on retirement/ termination. The benefit vests after five years of continuous service. The company has taken a group Gratuity Policy in LIC of India and makes contribution to LIC of India to fund its plan

Leave Encashment

Leave Encashment is payable to eligible employees who have earned leaves during the employment and/or on seperation as per the Company's policy. Liability has been accounted for on the basis of acturial valuation certificate for the balance of earned leaves at the credit of employees at the end of the year

A. Statement of profit and loss

Net employee benefit expense

Particulars	2022-23		2021-22	
	Gratuity (Partly funded)	Leave encashment	Gratuity (Partly funded)	Leave encashment
Current Service cost	20.2	15.61	13.8	35.87
Past Service cost	4.7	(1.43)		
Net Interest cost	0.25	3.12	1.62	1.07
Administration expenses	1.30	-	1.80	-
Net actuarial (gain)/loss recognised during the period	-	5.91	-	(0.64)
Expenses Recognized in the Statement of Profit and Loss	26.39	23.21	17.21	36.30

S S KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED
CBE-50

Rs. In Lakhs

B. Balance Sheet

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

Particulars	2022-23		2021-22	
	Gratuity (Partly funded)	Leave encashment	Gratuity (Partly funded)	Leave encashment
Defined benefit obligation	221.80	54.21	159.21	35.87
Fair value of plan assets	170.49	-	165.79	-
Net liability recognized in the Balance Sheet	51.31	54.21	(6.58)	35.87

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

Particulars	2022-23		2021-22	
	Gratuity (Partly funded)	Leave encashment	Gratuity (Partly funded)	Leave encashment
Opening defined benefit obligation	159.20	35.87	174.87	60.52
Interest cost	12.14	3.12	12.77	1.07
Current service cost	20.18	15.61	13.80	35.87
Past serivce cost	4.65	(1.43)		
Benefit paid	(5.89)	(4.87)	(18.70)	(60.94)
Actuarial (gains)/losses on obligation	31.51	5.91	(23.54)	(0.64)
Closing defined benefit obligation	221.79	54.21	159.20	35.87

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

Particulars	2022-23	2021-22
Opening fair value of plan assets	165.79	158.74
Expected return on Plan Assets	11.88	11.16
Contribution during the year	-	16.38
Benefit paid	(5.89)	(18.70)
Administrative expenses	(1.30)	(1.80)
Actuarial gains / (losses) on plan asset	0.01	0.01
Closing fair value of plan assets	170.49	165.79

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

Particulars	2022-23 %	2021-22 %
Discount rate (%)	7.17%	7.03%
Expected salary increase (%)	7.00%	5.00%
Average Age (years)	38.00	37.00
Average past service (years)	8.00	8.00
Demographic Assumptions		
Retirement Age (year)	58 / 60	58 / 60
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition Rate	8.00%	8.00%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

v. Contribution to defined contribution plans:

Particulars	2022-23	2021-22
Provident fund	70.10	57.21

vi Sensitivity analysis of the defined benefit obligation:

Particulars	2022-23		2021-22	
	Gratuity (partly funded)	Leave encashment	Gratuity (partly funded)	Leave encashment
Impact of the change in discount rate				
Present value of obligation at the end of the year				
Impact due to increase of 1% (previous year 0.50%)	210.57	52.27	150.56	34.49
Impact due to decrease of 1% (previous year 0.50%)	(234.45)	(56.31)	(168.86)	(37.36)
Impact of the change in salary increase				
Present value of obligation at the end of the year				
Impact due to increase of 1% (previous year 0.50%)	234.24	56.55	168.46	37.54
Impact due to decrease of 1% (previous year 0.50%)	(210.59)	(52.01)	(150.45)	(30.36)

vii Other comprehensive income (OCI):

Particulars	2022-23 Gratuity (Partly funded)	2021-22 Gratuity (Partly funded)
Actuarial (gain)/loss for the year on PBO	31.51	(23.54)
Actuarial (gain)/loss for the year on plan asset	(0.01)	(0.01)
Unrecognized actuarial (gain)/loss at the end of the year	-	-
Total actuarial (gain)/loss at the end of the year	31.50	(23.55)

SS KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

Rs. In Lakhs

41 Related party transaction

a) List of related parties

i. Key Management Personnel of the Company

Name	Status
Mr. Abhishek Dalmia	Managing Director w.e.f 28-07-2023 (director upto 27-07-2023)
Ms. Deepali Dalmia	Director
Mr. B.V.Ramanan	Independent Director w.e.f 25-05-2023
Mr. V.V.Subramanian	Independent Director w.e.f 02-06-2023 (director upto 01-06-2023)
Mr. Sellappa Gounder Sundarasamy	Independent Director w.e.f 25-05-2023
Mr. S. Balasundaram	Director upto 08-07-2023
Mr. R. Sudhir	Chief Financial Officer w.e.f 19-07-2023
Mr. Nishant Ramakrishnan	Company Secretary w.e.f 19-07-2023

ii. Enterprises where Key managerial personnel or close members of the family have significant influence:

Semac Consultants Limited
Semac Construction Technologies India LLP (SCTILLP)
SWBI Design Informatics Private Limited

b) The following transactions were carried out with related parties in the ordinary course of business:

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year ended 31-Mar-23	For the year ended 31-Mar-22
Enterprises where Key managerial personnel or their relatives have significant influence:	Semac Consultants Limited	Investments	38.50	12.21
		Loan given to SCPL	1,725.00	555.00
		Loan repaid by SCPL	1,725.00	1,000.00
		Expenses paid	1.86	-
		Expenses reimbursed	1.86	-
		Interest received	13.63	29.27
		Corporate guarantee for obtaining Non Fund Based credit facility from ICICI Bank.	-	3,000.00
		Corporate guarantee for obtaining Non Fund Based credit facility from HDFC Bank.	1,450.00	2,000.00
	Semac Construction Technologies India LLP	Receipt on account of current account	-	474.80
	SWBI Design Informatics Private Limited	Delhi Office rent and Maintenance	9.20	3.07
Key Managerial Personnel	Mr. S. Balasundaram	Loan received during the year	0.50	1.25
Key Managerial Personnel		Short term employee benefits	181.11	166.26
		Post employment benefits	19.56	18.74
		Sitting fees	11.70	11.20
		Professional fees	-	0.42

All the transactions above (excluding the transaction of loan received from Mr.Balasundaram) were related to drilling business of SCL (formerly REL) and merged to REIL in accordance with the Scheme. Remuneration mentioned above was paid by REL's drilling business, since all assets, liabilities, operations were merged with company w.e.f appointed date i.e. 01.04.2022 corresponding remuneration were disclosed as per scheme.

c) Balances Outstanding at year end:

Nature of Relationship	Name of Related Party	Nature of Transaction	31-Mar-23	31-Mar-22
Enterprises where Key managerial personnel or their relatives have significant influence:	Semac Consultants Limited	Corporate guarantee for obtaining Non Fund Based credit facility from Lakshmi Vilas Bank Ltd.	-	1,500
		Corporate guarantee for obtaining Non Fund Based credit facility from ICICI Bank.	-	3,000
		Corporate guarantee for obtaining Non Fund Based credit facility from HDFC Bank.	-	2,000
	SWBI Design Informatics Private Limited	Rent and Maintenance Payable	-	0.70
		Security deposit paid	0.7	-
Key Managerial Personnel	Mr. S. Balasundaram	Outstanding Loan Payable	6.25	5.75

All the outstanding balances shown above (excluding the loan outstanding from Mr.Balasundaram) were related to drilling business of SCL (formerly REL) and merged to REIL in accordance with the Scheme.

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

Particulars	Year	Opening Balance	Additions	Utilisation	Reversed	Closing Balance
Warranty Provision	2022-23	25.04	61.80	22.67	-	64.17
	2021-22	173.30	71.24	82.46	137.04	25.04

There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Ind AS 'Provisions, Contingent Liabilities & Contingent Assets except as otherwise disclosed in these financial statements.

43 **Research & Development Expenditure**

Expe	2022-23	2021-22
Salary & Wages	169.18	99.65
Consumables Stores		0.00
Repair & Maintenance	22.15	21.31
Sponsership to Meeting	0.56	0.38
Travel & Conveyance	21.77	19.16
Legal & Professional Expenses		15.10
Stationery Expenses	2.58	4.34
Postage & Telephone Expenses	0.74	0.71
Books and Periodicals	0.09	0.12
Service charges	0.14	0.28
Product Development Expenses	9.38	52.19
	226.59	**213.24**

44 **Expenditure incurred on Corporate Social Responsibilities**

Gross amount required to be spent by the Company during the year is Rs.33.1 Lakhs

Particulars	Paid in Cash	Yet to be paid in cash	Total
Construction / Acquisition of any assets	-	-	-
Purposes other than above	33	-	33
Total	**33**	**-**	**33**

Corporate Social Responsibility

S.No	Particulars	Year ended 31st March 2023	Year ended 31st March 2022
1	Amount required to be spent by the company during the year	33.10	29.00
2	**Amount of expenditure incurred on:**		
	(a) Hare Rama Hare Krishna Movement - Hunger Reduction	14.00	27.00
	(b) Coimbatore Cityround Table 31 -Malumichampatti Govt.School	5.00	1.01
	(c) Coimbatore Cancer Foundation	0.26	1.00
	(d) Bhagwat Seva Sanstha, Vrindavan	5.00	-
	(e) Bhaorao Deoras Seva Nivas	6.00	-
	(f) Coimbatore Animal Welfare Society	1.15	-
	(g) Ramakrishna Mission Vidyalaya	1.00	-
	(h) Govt. primary school, Chettipalayam	0.68	-
3	Shortfall at the end of the year	-	-
4	Total of previous years shortfall	-	-
5	Reason for shortfall	-	
6	Nature of CSR activities	As per S.No. 2 of above	As per S.No. 2 of above

45 The Board of Directors ("Board") of the Revathi Equipment Limited(REL), Renaissance Advanced Consultancy Limited(RACL), Renaissance Stocks Limited(RSL), Renaissance Corporate Services Limited(RCSL), Renaissance Corporate Consultants Limited(RCCL) & Semac Consultants Private Limited(SCPL) at their respective board meetings considered and taking on record the Composite Scheme of Arrangement (the "Scheme") approved by the Hon'ble National Company Law Tribunal,Chennai Bench (NCLT) on June 14, 2023 and the company has received certiied copy of the final order dated June 21, 2023 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules thereunder.The appointed date is April 1, 2022 as per scheme.

In accordance with the Scheme, all assets, liabilities along with reserves of drilling business of REL were transferred to the Company w.e.f. the appointed date, upon filing of NCLT order (Form INC-28) with Registrar of Companies on 10th July, 2023.

In accordance with the terms of the Scheme, the shareholders of Semac Consultants Limited (formerly REL) will receive 1 equity share of the Company (face value of 10 each) for every 1 equity share (face value of 10 each), held by them as on record date. Allotment of 3066943 equity shares to the shareholder will be made. Simultaneously, existing share capital of Rs.10000/- (1000 equity shares ; face value of Rs.10/- each) will be cancelled.

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

Revised notes to the financial statements for the year ended March 31, 2023 Rs. In Lakhs

The merger of drilling equipment business has been recorded in the financial statements using the pooling of interest method as specified by Appendix C to Ind AS 103 'Business Combination', common control Business combination regarding transfer of certain assets, liabilities and businesses, between entities within the group.. The accounting treatment followed by the Company is in accordance with the accounting treatment specified in the approved Scheme. For the purpose of the financial statements, the merger has been recorded from the appointed date of April 1, 2022. The accounting treatment followed by the company is as follows:

(i) All the assets and liabilities including the reserves pertaining to the drilling business of REL, transferred to and vested in it pursuant to this Scheme at their respective book values as on the appointed date as appearing in the books of REL.

(ii) The balance of the retained earnings appearing in the financial statements of REL is aggregated with the corresponding balance appearing in the financial statements of the company.

(iii) The company shall credit its equity share capital account with the aggregate face value of the equity shares issued to the shareholders of REL pursuant to the Scheme.

(iv) Upon the Scheme becoming effective, the company shall debit its share capital account in its books of account with the aggregate face value of the shares cancelled. Subsequently, corresponding amount shall be credited to capital reserve account of the company.

(v) The difference between the book value of net assets including reserves of the drilling equipment business transferred from REL shall be recorded as capital reserve in the books of company as prescribed under Appendix C of IndAS 103 – Business Combination.

(vi) The financial information in the financial statement in respect of previous year has been restated as if the business combination had occurred from the beginning of the previous year irrespective of the actual date of the combination as per IndAS 103

(vii) The financial statement of the company for the year ended 31st March, 2023 was approved by the board of directors of the company at its meeting held on 25th May, 2023 without giving effect to the Scheme since the petition was pending before the NCLT.

Pursuant to the above, the Company has accounted for the merger of REL's drilling business with effect from the appointed date of April 1, 2022 in the financials as follows:

Sl. No	Particulars	Balance sheet as at 01-04-2022	Merger of drilling business (REL)	Balance sheet after merger as at 01-04-2022
A. Assets				
Non current assets				
(a)	Property, plant and equipment	-	483.08	483.08
(b)	Right of use asset	-	6.22	6.22
(c)	Investment property	-	87.22	87.22
(d)	Other intangible assets	-	18.21	18.21
(e)	Financial assets			
	(i) Investments	-	1,300.61	1,300.61
	(ii) Other Financial Assets	0.30	42.90	43.20
(f)	Deferred tax assets (net)	-	493.79	493.79
(g)	Other non - current assets	-	6.58	6.58
Total Non-Current Assets		**0.30**	**2,438.61**	**2,438.91**
	Current assets			
(a)	Inventories	-	4,768.71	4,768.71
(b)	Financial assets			
	(i) Investments	-	2,121.39	2,121.39
	(ii) Trade Receivable	-	2,392.31	2,392.31
	(iii) Cash & Bank Equivalents	0.35	48.86	49.21
	(iv) Bank Balances other than Above	-	204.58	204.58
	(v) Loans	-	52.36	52.36
	(vi) Other Financial Assets	-	64.92	64.92
(c)	Other current assets	-	526.28	526.28
Total Current Assets		**0.35**	**10,179.41**	**10,179.76**
Total assets		**0.65**	**12,618.02**	**12,618.67**

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

Rs. In Lakhs

B. Equity and Liabilities				
(a)	Equity share capital	0.10	-	0.10
	Equity Share Capital - Suspense A/c		306.69	306.69
(b)	Other equity	(5.29)	5,995.80	5,990.52
Total Equity		(5.19)	6,302.49	6,297.31
Non - current liabilities				
(a)	Financial liabilities			
	(i) Borrowings	5.75	340.00	345.75
(b)	Provisions	-	57.47	57.47
Total Non-Current Liabilities		5.75	397.47	403.22
Current liabilities				
(a)	Financial liabilities			
	(i) Borrowings		2,473.11	2,473.11
	(ii) Lease Liabilities		6.37	6.37
	(iii) Trade Payables			
	- Total outstanding dues of the Micro enterprise and small enterprises		275.21	275.21
	-Total outstanding dues of creditors other than Micro enterprise and small enterprises		1,806.88	1,806.88
	(iv) Other Financial Liabilities	0.08	292.52	292.60
(b)	Other current liabilities		619.50	619.50
(c)	Provisions		41.19	41.19
(d)	Current tax liabilities (net)		403.28	403.28
Total Current Liabilities		0.08	5,918.06	5,918.14
Total equity & liabilities		0.65	12,618.02	12,618.67

Pursuant to the NCLT order, the difference between the book value of the assets and liabilities transferred to the Company Rs. 13,152.90 lakhs (PY - Rs.13,114.40 lakhs)has been adjusted to the other equity of the Company under the head Capital reserve on business combination.

45.1

Particulars	Opening balance as at 01.04.2022	Cash Flows	Non Cash	Closing balance as at 31.03.2023
Short term borrowings	2,473.11	18.82	-	2,491.93
Current Maturities of long term debts	-	24.33	-	24.33
Lease Liability	6.37	(8.72)	35.78	33.43

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

S S KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

46 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 approprpiate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives

A Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions. The Company is exposed to following key market risks:

i. Interest Rate Risk :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowing obligations.

Amount in 'Lakhs

Particulars	Fixed Rate Borrowing	Variable Rate Borrowing	Total Borrowing
As at March 31, 2023	-	294.27	294.27
As at March 31, 2022	-	395.11	395.11

Sensitivity analysis - Since the company does not have any variable rate borrowings, the analysis is not required to be given.

Sensitivity on variable rate borrowings	Impact on statement of profit and loss For the year ended March 31, 2023	For the year ended March 31, 2022
Interest rate increase by 0.25%	(0.74)	(0.99)
Interest rate decrease by 0.25%	0.74	0.99

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 Foreingn trade receivables and payables.

The details of foreign currency exposure is as follows:

Particulars	Trade Receivable		Trade Payables	
	In FC	Rs in `Lakhs	In FC	Rs in `Lakhs
Unhedged foreign currency exposures				
Foreign Exposure as at March 31, 2023				
US Dollars	-	-	5,38,510	442.76
Euro	-	-	-	-
GBP		-	-	
Foreign Exposure as at March 31, 2022				
US Dollars	-	-	11,22,385	850.88
Euro	-	-	9,384	7.94

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, 2023	For the year ended March 31, 2022
USD Sensitivity	+ 50 basis points	(0.00)	(0.00)
	- 50 basis points	0.00	0.00
Euro Sensitivity	+ 50 basis points	(0.00)	(0.01)
	- 50 basis points	0.00	0.01

* Holding all other variable constant

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED CBE-50

B Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits and other financial instruments.

To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as disclosed below. The Company evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

The ageing of trade receivable is given below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months
Gross carrying amount (A)	3,459.64	148.72	2,268.92	356.27
Expected credit losses (B)	-	(33.41)	-	(232.88)
Net Carrying Amount (A-B)	3,459.64	115.31	2,268.92	123.39

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, 2023 and March 31, 2022 is the carrying amounts.

C Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's cash flow is a mix of cash flow from collections from customers on account of sale of drill equipments & engineering services. The other main component in liquidity is timing to call loans/ funds and optimization of repayments of loans installment, interest payments.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 are as follows

Particulars	Less than 3 months	3months to 1 year	More than 1 year	Total
Trade Payables	1,794.90	70.34	400.92	2,266.16
Other Financials Liabilities	599.09	-	30.99	630.08
Borrowings	2,491.93	24.33	757.11	3,273.37

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 are as follows **Rs. In Lakhs**

Particulars	Less than 3 months	3months to 1 year	More than 1 year	Total
Trade Payables	1,681.09	153.12	247.89	2,082.10
Other Financials Liabilities	292.60	-	-	292.60
Borrowings	2,473.11	-	340.00	2,813.11

47 Financial Instrument - Disclosure

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Financial assets

Sl. No	Particulars	Fair value hierarchy	As at March 31, 2023 Carrying Amount	As at March 31, 2023 Fair Value	As at March 31, 2022 Carrying Amount	As at March 31, 2022 Fair Value
1	**Financial asset at FVTPL**					
	Current					
	Investment in Equity through PMS	Level 2	249	249	1,026	1,026
	Investment in Debentures through PMS	Level 3	867	867	-	-
	Investment in LLP	Level 3	1,261	1,261	1,095	1,095
2	**Financial assets designated at amortised cost**					
	Non current					
a)	Others financial asset	Level 3	15	15	43	43
	Current					
a)	Trade receivables*	Level 3	3,575	3,575	2,392	2,392
b)	Cash and cash equivalents	Level 3	755	755	49	49
c)	Bank balances	Level 3	168	168	205	205
d)	Loans	Level 3	37	37	52	52
e)	Others Financial Asset	Level 3	181	181	65	65
3	**Investment in Purple Orchid LLP (At fair value)**	Level 3	930	930	1,101	1,101
4	**Investment in Webklipper Tecchnologies Pvt Ltd (At fair value)**	Level 3	100	100	100	100
5	**Investment in Grand Anicut GAAF Vyaapar II (At fair value)**	Level 3	100	100	100	100
	Total		**5,861**	**5,861**	**4,107**	**4,107**

S S KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

REVATHI EQUIPMENT INDIA LIMITED ★ CBE-50

Revised notes to the financial statements for the year ended March 31, 2023 Rs. In Lakhs

Financial liabilities

Sl. No	Particulars	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial liability designated at amortised cost**					
	Non current					
a)	Lease Liability	Level 3	31	31	-	-
	Current					
a)	Borrowings	Level 3	2,516	2,516	2,473	2,473
b)	Lease Liability	Level 3	2	2	6	6
c)	Trade payables*	Level 3	2,266	2,266	2,082	2,082
d)	Other financial liabilities	Level 3	599	599	293	293
	Total		**5,415**	**5,415**	**4,854**	**4,854**

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

* The carrying amounts are considered to be the same as their fair values due to short term nature.

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

48 Capital Management

For the purpose of the Company's capital management, equity includes issued equity capital and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

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

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

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Debt (i) [Also refer note 15.1]	3,280	2,819
Cash & bank balances [Also refer note 10.3 & 10.4]	923	254
Net Debt	**2,357**	**2,565**
Total Equity	**7,560**	**6,297**
Net debt to equity ratio (Gearing Ratio)	0.31	0.41

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

49 The audited GST return for the year ended March 31, 2023 is pending for the filing as due date for filing December 31, 2023. The Company is in process of reconciling the data of GSTR 2A with GSTR 3B. In view of the management on final reconciliation the impact will not be material.

SS KOTHARI MEHTA & COMPANY CHARTERED ACCOUNTANTS NEW DELHI

REVATHI EQUIPMENT INDIA LIMITED CBE-50

Revised notes to the financial statements for the year ended March 31, 2023 Rs. In Lakhs

50 **Additional Regulatory and statutory Information**

(i) All the Title deeds of Immovable Properties are held in name of the Company.

(ii) The company has not revalued any Property, Plant and Equipement including Right of Use Asset during the year

(iii) The company has not revalued any Intangible asset during the year.

(iv) The company has not granted any loans or advnaces to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(v) The company does not have any Capital work in progress during the year end.

(vi) The company does not have any intangible asset under development during the year end.

(vii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(viii) Borrowings secured against current assets - The company has filed the quarterly returns or statements of current assets with banks and in agreement with the books of accounts.

(ix) The lender of the company has not declared company as wilful defaulter and also company has not defaulted in loan repayment of loan to the lender

(x) The Company does not have any transactions with any companies struck off.

(xi) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(xii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(xiii) The internal audit was applicable and conducted for drilling busines which was merged with REIL pursuant to the scheme. Post merger, company has appointed internal audtors w.e.f 29.07.2023

(xiii) Ratios :

Description	Numerator	Denominator	31st Mar'23	31st Mar'22	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	1.81	1.72	5.3%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.43	0.45	-3.1%	
Debt-service Coverage Ratio	Earnings availble for Debt Service	Debt Service	4.92	3.63	35.8%	Increase in Interest cost during the year whereas profit is at same level
Return on Equity Ratio	Net profit After Tax	Average Sharholders Equity	0.19	0.05	292.8%	
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	0.51	0.54	-5.1%	
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	0.92	0.74	23.6%	Average debtors during current year is less whereas Sales in more
Trade payables Turnover Ratio	Purchases	Average Trade Payables	2.82	2.02	39.6%	Purchases was very high whereas average trade payable was less during previous year
Net capital Turnover Ratio	Revenue from Operations	Working Capital	1.77	2.38	-25.9%	
Net Profit Ratio	Net Profit	Revenue from Operations	0.12	0.11	9.5%	
Return on Capital Employed	Earning before Interest and Taxes	Capital Employed	21.63%	23.48%	-7.8%	
Return on Investment	Market Value on Closing date Less Market Value on	Market Value on Opening date	5.61%	5.04%	11.3%	

(xv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding whether
(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
(b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(xvi) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

(xvii) There is no transaction which are not recorded in the books of account that has been surrender or disclosed as income during the year in the tax assessments under the income

(xviii) The company is voluntarily adopting IndAS with effect from 1st April 2022 after implementation of the scheme

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

REVATHI EQUIPMENT INDIA LIMITED CBE-50

51 **Recent Accounting Pronouncements**

Ministry of Corporate Affairs has notified amendments to Ind AS on 31 March 2023 effective for annual reporting periods beginning on or after 1 April 2023. Amendments relate to

(i) **Ind AS 1 – Presentation of Financial Statements**

Disclosure of Accounting Policies, amended paragraphs 7, 10, 114, 117 and 122, added paragraphs 117A–117E and deleted paragraphs 118, 119 and 121. The amendments to Ind AS 1 are applicable for annual reporting periods beginning on or after 1 April 2023.The amendment seeks to replace significant accounting policies with material accounting policy information and provides guidance on material accounting policy information. The amendment requires complete review of existing disclosure of accounting policies and may involve redrafting, removing some of the accounting policies now being disclosed or adding new accounting policy disclosures. The company is reviewing its accounting policy disclosure to change the same as per the amendments

(ii) **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

Definition of Accounting Estimates, amended paragraphs 5, 32, 34, 38 and 48 and added paragraphs 32A, 32B and 34A. These amendments are applicable for annual reporting periods beginning on or after 1 April 2023. The amendment replaces the definition of changes in accounting estimates with a new definition of accounting estimates and provides guidance on that definition, what are regarded as changes in accounting estimates and how to apply changes in accounting estimates. The amendments shall be applied to changes in accounting estimates and changes in accounting policies that occur on or after 1 April 2023. Therefore, the amendments have no impact on the financial position, financial performance or the cash flows of the entity in the current and previous year

(iii) **Ind AS 12 – Income Taxes**

Deferred Tax related to Assets and Liabilities arising from a Single Transaction, amended paragraphs 15, 22 and 24 and added paragraph 22A. The amendment clarifies that in case, where at the time of initial recognition, equal amount of taxable and deductible temporary differences arise, the initial recognition exemption does not apply and the company shall recognise deferred tax liability and deferred tax asset on gross basis on that date of initial recognition depending on the applicable tax law. This happens typically when a lease liability and right-of-use asset is recognised initially or when decommissioning obligations are initially recognised and the same is added to the cost of the item of property, plant and equipment. If the application of this requirement results in unequal amount of deferred tax asset and deferred tax liability, the difference shall be recognised in profit or loss. These amendments are to be applied for annual reporting periods beginning on or after 1 April 2023 to transactions that occur on or after the beginning of the 1 April 2022. The amendment also requires deferred tax assets and deferred tax liabilities to be recognised on 1 April 2022 based on the carrying amounts of the lease liability and right-of-use asset as on 1 April 2022 and recognise any difference in opening balance of retained earnings or another component of equity, where appropriate, if the company has applied the initial recognition exemption requirements earlier or had recognised deferred tax assets and deferred tax liabilities on net basis. The same is also required for decommissioning obligations recognised initially and added to the cost of the item of property, plant and equipment. As the company has recognised deferred tax assets and deferred tax liabilities on gross basis on lease liability and right-of use assets, the amendment has no impact of the financial statements. Further, the requirements relating to decommissioning obligations are not applicable to the company.

(iv) Ind AS 16 – Property, Plant and Equipment:

The amendment creates a carve-out from IAS 16. IAS 16 requires any sale proceeds and cost of samples produced when testing whether the asset is functioning properly to be recognised in profit or loss whereas the amendment clarifies that the same shall be deducted from the cost of the property, plant and equipment. No transition provisions have been specified and therefore, this amendment shall be applicable retrospectively. The company has been following the practice as clarified by the amendment and hence no impact on the financial statements of the company.

(v) Rest of the Amendments to Ind AS 101, Ind AS 103, Ind AS 107, Ind AS 109 and Ind AS 34 are consequential and clerical in nature having no impact of the financial statements of the company

As per our report of even date

For and on behalf of
S S Kothari Mehta & Company
Chartered Accountants
FRN: 000756N

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

Neeraj Bansal
Partner
Membership No: 095960

Place : New Delhi
Date: September 27, 2023

For and on behalf of the Board of Directors
Revathi Equipment India Limited
(Formerly known as Renaissance Corporate Consultants Limited)

Abhishek Dalmia
Managing Director
DIN: 00011958

V.V. Subramanian
Director
DIN: 05232247

Sudhir. R
Chief Financial Officer
Place : Coimbatore
Date: September 27, 2023

Nishant Ramakrishnan
Company Secretary

REVATHI EQUIPMENT INDIA LIMITED CBE-50

REGISTERED OFFICE :
REVATHI EQUIPMENT INDIA LIMITED

MALUMACHAMPATTI POST, POLLACHI ROAD, COIMBATORE 641 050
T: 0422 6655100 | F: 0422 6655199 | E: compliance.officer@revathi.in