



Revathi

32nd
Annual Report
2008 - 09



REVATHI EQUIPMENT LIMITED

Acquisition Criteria

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

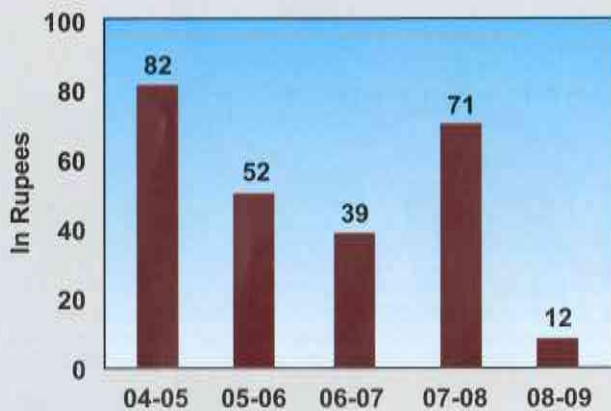
Here's the sort of business we are looking for :

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

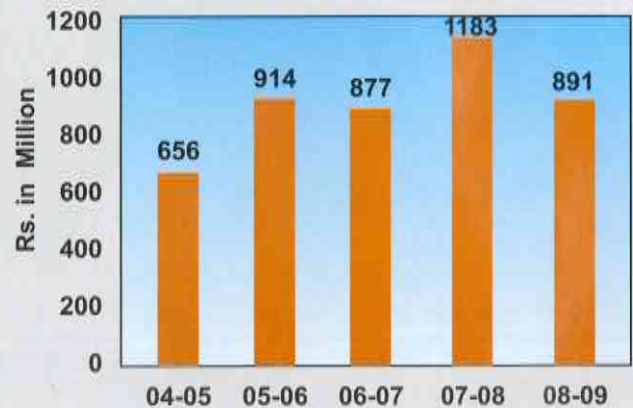
We will not engage in unfriendly takeovers. We can promise complete confidentiality and a very fast answer as to whether we are interested. We prefer to buy for cash, but will consider issuing stock when we receive as much in intrinsic business value as we give.

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

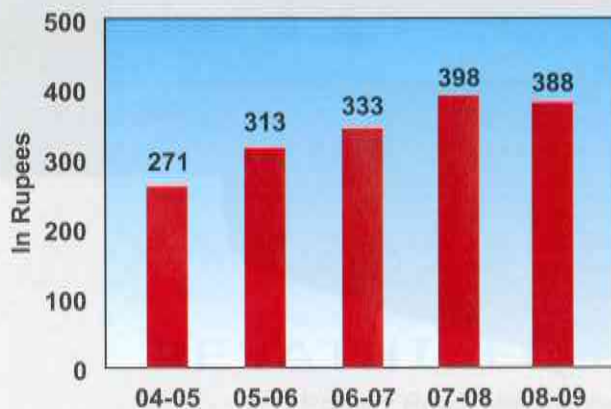
EARNING PER SHARE



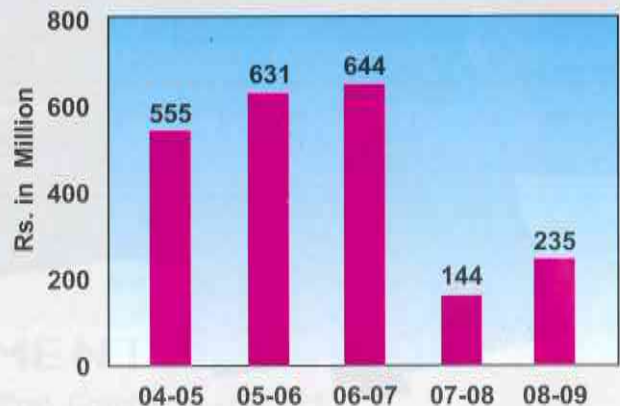
SALES



BOOK VALUE PER SHARE



GROSS FIXED ASSETS



Revathi Equipment Limited

CORPORATE DATA

BOARD OF DIRECTORS

ABHISHEK DALMIA
Executive Chairman

P.M. RAJANARAYANAN
Managing Director

CHAITANYA DALMIA

S.C. KATYAL

AJAY KUMAR DHAGAT

B.D. NARANG

SHARE TRANSFER AGENTS

S.K.D.C. CONSULTANTS LTD.,
P.B. No. 2979
No.11, STREET No. 1,
S.N. LAYOUT, TATABAD,
COIMBATORE - 641 012.

COMPANY SECRETARY

M.N. SRINIVASAN

REGISTERED OFFICE

POLLACHI ROAD,
MALUMACHAMPATTI POST,
COIMBATORE - 641 021.
Website : <http://www.revathi.co.in>

BANKERS

AXIS BANK LIMITED
CANARA BANK
DENA BANK
HDFC BANK LIMITED
ICICI BANK LIMITED
STATE BANK OF BIKANER & JAIPUR
STATE BANK OF INDIA

AUDITORS

LODHA & Co.,
KOLKATA

MANAGEMENT TEAM

K.V. RAMASUBRAMANIAN
Senior Vice - President
Business Unit Head - Drilling Equipment Division

S. HARIHARAN
Vice - President (Finance)

RAMAKRISHNAN SANJEEVI
Vice-President
Business Unit Head - Construction Equipment Division

Revathi's corporate performance vs. the Nifty

Year	Annual percentage change in		Relative results
	Per share book value of Revathi (1)	Nifty 50 with dividend included (2)	(1) - (2)
2002-03	9.0%	-11.7%	20.7%
2003-04	21.6%	86.3%	-64.7%
2004-05	41.3%	17.3%	24.0%
2005-06	19.1%	70.0%	-50.9%
2006-07	11.6%	13.8%	-2.2%
2007-08	16.6%	25.7%	-9.1%
2008-09	-2.5%	-35.4%	32.9%
Average Annual Gain (FY03 - FY09)	15.6%	17.1%	-1.5%
Overall gain (FY 03 - FY 09)	175.1%	202.7%	-27.6%

Notes :

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

CHAIRMAN'S LETTER

Our loss in consolidated net worth during FY09, after a goodwill write-off of Rs. 66 million, was Rs.30 million, which decreased the per share book value by 2.5%. Over the last six years (that is, since the present owners took over) per share book value, has grown from Rs.151 to Rs. 388, which, after factoring in dividend paid during this period, works out to a rate of 15.6% compounded annually.

This goodwill write-off is a mandatory charge due to the applicability of Accounting Standard 26. According to this Standard, any difference between acquisition cost and book value is goodwill and must be written off over a period of ten years. So whereas the value of the business may be growing, its carrying cost on our books will keep going down. So far, we have written off Rs 97 million due to this Standard. Further, according to the new International Financial Reporting Standard 3, which will become mandatory with effect from April 1, 2011, the acquiring company must only test for impairment in the value of the asset annually. Only if there is a permanent impairment must a charge be recorded.

Before you read further, here is a cautionary statement: This year's letter is not going to give you the usual mood lift. With the ferocity and speed of the global meltdown, which is widely recognized as the worst since 1929, everyone was caught completely unawares.

This year, it was though a blanket of fog had dropped over commerce. Visibility was near zero. The year ended with the world economy stopping to shrink. Rarely, if ever, those words have been used to describe a positive emotion. However, in the context of the current state of the global economy, that is the most positive way in which I can describe the state of affairs of global business. The reason I am not as exuberant as the Sensex, is that the world economy has been kept alive by a huge and continuing shot of mojo, injected deep into its veins. The consumer in the countries that have been the cause of the dramatic rise of China have spent all their pocket money, and then some. Also, when you are not sure if you will be welcome at office tomorrow, you are in no mood to buy a new car or invest in a new house.

What we have seen in recent months is perhaps a government-funded parachute rather than a more robust green shoot. Over the past five years, almost everyone was running downhill. When government and central bank bailouts cease globally, as they must, the terrain will now turn uphill. As a consequence, over the next few years, we will find out who the real athletes are.

India however, has been different. Mr. YV Reddy never allowed the kind of asset bubbles, which have since become the nemesis of the world economy, to build in the first place. That said, the mood upto September 2008 can be likened to the adventurous couple on their first date - no one thought that anything could go wrong. Those are the kind of times when greed is all pervasive and everyone is tripping over each other to make the next killing. Never mind that that behavior may get you killed. We ourselves ventured out further than I would deem as prudent, but then such things become clearer after the hangover is over. Thankfully, that adventure has not been life threatening and is unlikely to cause serious damage to our long-term health. Let us see how each of our businesses fared in this global storm.

Drill sales, apart from a fifty per cent drop in exports, was also hurt by delay in placement of a major order. These factors caused sales to fall to a touch below the level achieved two years ago. While sales dropped twenty per cent over last year, operating profits dropped twenty five per cent, due to the same factor, operating leverage, which caused a bump up last year.

On the back of the real estate industry meltdown that started in October, our Construction Equipment business shrank thirty per cent. This does not tell the whole story. I wrote about our new facility outside Chennai for the Construction business. By the time we got ready to get started, we were all dressed up and nowhere to go. As real estate projects went into suspended animation, so did our equipment sales. The freeze started to thaw only twelve months later. South, which is a major market for us, was particularly hard hit due to its dependence on the IT industry. All in all, the core engine of our business sputtered during the year and left tell tale marks on our financial results.

The good news is studies by the housing finance industry, the real estate industry, government and international agencies, confirm the gap between demand and supply in both, dwelling units as well as infrastructure. As the recessionary headlights dim, the real estate industry deer will start to sprint again. We have started seeing the first signs of that. To be sure, the industry had raced so far ahead of underlying demand that it will take a while for the unsold inventory to wind down. However, infrastructure projects and affordable housing are likely to be two exceptions to this and we hope these engines will be strong enough to make up for the lack of demand in other verticals of the real estate industry.

Potential, which focuses on non-industrial buildings (Commercial buildings in industry parlance) bore the full brunt of an economy where cash absolutely dried up. With end user demand evaporating overnight, developers stopped projects mid-stream. The buildings that shone bright under night-lights, cranes towering over them, suddenly looked like ghost towns. This phenomena was not limited to any city or region, it was global. When developers were unable to sell their projects the entire value chain went dry. During the year, RBI put top guns in the real estate industry under the scanner to ascertain if they would stay solvent or whether a possible default would pose a risk to the banking system. Things got really dire and the real estate industry stocks fell on an average by about ninety per cent. Even at the time of writing this letter, the BSE Realty index is only a third of its peak, scaled almost two years ago. This tells as much, the story of excess, as of the subsequent crisis. In this kind of ruthless environment, the business that has hardly ever written off bad debts, took a write off of almost ten per cent of Billings! Despite this, I am not sure if we have seen the last of bad debts.

Semac, which is more in the industrial buildings domain was somewhat more resilient, relatively speaking. Ongoing industrial investments were less exposed to the vagaries of end-user demand for, by and large, industry believed that, in the Indian context, the downturn is exaggerated and the market will turn much sooner than the global economy in general. Despite this broader view, new projects slowed down and the same cashflow issues made the business charge off four per cent of its billings to write-offs.

Combined, Potential + Semac had a seriously tough year, where Revenues struggled, but managed to stay flat; where working capital, riding on the back of ballooning receivables rocketed up seventy per cent and profits dropped to less than half the levels achieved in the previous year. These numbers only tell one part of the story. In our Commercial business, which is headquartered at Bangalore, the hardest hit Region owing to its dependence on the IT industry, headcount went from 250 in April 2007 to about 400 in June 2008 and came back down to 300 by year-end, and falling. To a financial analyst, this headcount reduction would probably be too little, but for an operating manager, there can be no other more harrowing experience than telling your colleagues that they need not come to work tomorrow. I personally know people who have had a heart attack after they shut a plant down. There is probably nothing more stressful, and yet to save the business, we had to do it. We found ourselves between a rock and a hard place in October 2008, and in order to save 300 families, we had to ask 100 of our people to go. The storm had not ceased at the end of the year and more pain lies ahead. There is no greater teacher than a crisis. Many hard lessons have been learnt, which will hold us in good stead in the years ahead.

That Monarch, a business dependent on non-discretionary consumption for the most part, faced an almost total disruption of demand for one whole quarter, tells you how severe the crisis was at its peak. It is neither practical nor wise to fine-tune your cost structure based on quarter-to-quarter vicissitudes of the market. So while our costs stayed at our expected level of operation, demand sank as our customers consumed their inventories while waiting for the windscreen view to get clearer. Given that costs were constant, this factor alone caused a dent of Rs. Four crores on our profits. The bad news does not end there.

As the global economy crashed, it took down with it commodity prices, which also witnessed a free fall. Nickel, one of our key raw materials, fell by a third in the first half of the year and then fell another fifty per cent between August and October. When you are holding inventory bought at higher prices and the demand for your product collapses, it is the seller who has to take the hit by marking his inventory down to market prices. The impact of this was another Rs. Four crores.

When the US economy led the global economy into the abyss, everyone believed that the US Dollar was doomed. After all, how could a rapidly deteriorating economy have a rapidly appreciating currency? However, no one anticipated that the TINA (there is no alternative) factor would cause a huge surge in the demand for dollar. Globally, there was no other currency that had the credentials as a reserve currency that matched the dollar's. The flight to safety that followed, as it usually does in times of crisis, resulted in a huge surge in the value of the dollar vis-à-vis most other currencies. Our Rupee was no exception it duly fell from about Rs.40 to the dollar in early April 2008 to Rs.50 by the end of March, the following year. As with commodity prices, most of this correction was concentrated between August and October. No prizes for guessing our bill yes, Rs. Four crores.

Is there any positive side to all this crashing and burning? The core engine remains strong. We have a strong suite of products and an ever-increasing list of international customers is appreciative of our quality and competitive prices. Our core business model is robust and our recent entry into noble metal catalysts reaffirms my belief that we have a good team with a quality production facility and competitive offering.

We got a harsh reminder about operating in the global market. Merely producing a good quality, competitive product is not enough. A significant part of our business risk comes not from our performance in the R&D lab but from the greed-led follies of smart MBAs in the global financial markets. Accordingly, we have evolved a stringent policy for managing risk arising out of both, commodity price and currency movements.

This crisis has also made the team hungrier and keener to undo the damage done to our balance sheet this year. Both, the Marketing and the Operations teams have taken more aggressive targets and I expect FY 10 to reverse much, if not all, of the adverse result of this year.

During the year, we invested Rs. Seventeen crores in acquiring an interest in a land in Mumbai, with the intent of joint development. Given the new infrastructure developments in the vicinity and the general prices in the area, this should prove to be a worthwhile investment. We have no intention of getting into real estate development in a systematic way and this was more of an opportunistic investment. This amount is reflected in the capital work-in-progress number in the Fixed Assets schedule.

We have had one of the toughest years in living memory. I do not expect the economy to see a 'V' shaped recovery and FY10 is likely to be a sedate year as opposed to a terrific one. Hopefully if regulators continue to do a good job of managing this crisis, we should see a better FY11.

Abhishek Dalmia
Chairman of the Board

REPORT OF DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

For the year ended March 31, 2009

Your Directors have pleasure in presenting the Thirty Second Annual Report together with the audited accounts of your Company for the year ended March 31, 2009.

Financial Results

All figures in Rs. Million

Particulars	FY 09	FY 08
Total Income	947	1383
Total Expenditure	905	1100
Profit before tax	42	282
Less: Provision for tax	6	63
Profit after tax	36	219

Appropriation made as under:

Transfer to General Reserve	30	22
Dividend including tax thereon	-	36
Surplus carried to Balance Sheet	6	161

Dividend

No dividend has been declared considering the need to preserve cash for development in the financial year under review.

Performance Review

Sales of your company decreased by 24.6% to Rs. 891.3 million from Rs. 1182.9 million. This drop in sales was due to inordinate delay in finalization of tenders and release of orders for Drills of large values. Further, sale of concrete equipments dropped substantially particularly during second half of the year due to economic meltdown.

Profit before tax decreased by 85% to Rs. 42.3 million from Rs. 282.8 million due to reduction in sales, increase in interest costs on fixed and current assets. Besides, prior year had the benefit of profit on sale of investments in power sector (Rs 98 Million).

Overview of the Economy

The year 2008-09 experienced the worst financial and economic crisis since 1930s. All emerging and developing economies suffered a big blow and India too lost momentum of economic growth built over the last few years. Global economic slowdown led to the softening of commodity prices such as crude oil, aluminium, nickel, iron ore, steel and copper etc as well as sharp drop in interest rates. The positive effect of softening of commodity prices dealt a severe blow to the industry as they were saddled with inventories at higher costs and banks were not willing to lend. The depreciation of rupee added to the business woes.

Poor infrastructure has been uniformly considered by both Indian Economists and the World Bodies as the single most important factor impeding business growth. Equally important related factor is continuing deficiencies in policy and regulatory framework and resultant undue delays in decision making. The finalization of tenders, delayed award of contracts and particularly tardy execution of projects has resulted in actuals being around 25/30% of targets for 2008-09. The balance of power is shifting in favour of States requiring Indian Business to wade through different and complex bureaucratic procedures which has slowed down the decision making. While some States have shown great performance in this regard, most are way behind the targets.

The government has recognised speedy infrastructure development as the key GDP multiplier and has taken various steps in this regard.

Business Environment

The company's products are catering to the needs of mining and infrastructure industries. The blast hole drilling equipments are predominantly used by coal companies for the production of coal, lignite etc. The company is in the process of upgrading and developing new drilling equipments.

The company is also engaged in the production of concrete equipments like batching plants, transit mixers and Concrete pumps. The company is developing new range of concrete equipments like Transit Mixer of 8/9 Cu M, Concrete pump of 45 Cu M, Boom Pump of 28/32 M, Batching Plant of 20Cu M and Boom Pump of 37 M. These new range of products will certainly meet the requirements of the existing customers and new customers.

The outlook of the company's business, both for drilling and concrete equipments, is encouraging. The company believes that export business would make a significant progress with the continuous efforts being taken.

The manufacturing facility has been established at SIPCOT industrial estate at Gummidipoondy near Chennai and is ready for start of operations as soon as the business environment improves.

Strategic Investments:

Your company has strategic investments (26%) in Monarch Catalyst Private Ltd. Mumbai and (48.3.%) in Potential Service Consultants Private Limited, Bangalore..

Monarch Catalyst P.Ltd.

Monarch Catalyst's sales came down from Rs. 1135.0 Million in FY 08 to Rs. 773.4 in FY 09 registering a reduction of 31.8%. Further the investee company suffered a loss of Rs. 75.3 million in FY 09 against profit before tax of Rs 76.2 Million in FY 08. The company was very badly hit by sharp decline in nickel prices and the blow became much harder with depreciation of rupee. Sharp fall in volumes in the second half of the year, impact of high cost inventories, falling selling prices in line with fall in nickel prices and forex losses resulted in heavy losses.

Various steps were initiated to closely co-relate the inventory procurement with order intake, to put in place a stricter forex hedging policy in place, to expand the market base and closely monitor costs, particularly the material costs. These steps are yielding results and the company has been recording profits right from the beginning of the year. Barring unforeseen circumstances, the company expects to record profits for the year.

Potential Service Consultants P.Ltd

Receipt of professional fees of Potential Service Consultants P.Ltd came down to Rs.347 Million from Rs. 373 Million registering a reduction of 6.8% comparing to last year. Further profit before tax (PBT) was down to Rs 20.6 Million from Rs.121.5 Million . This company serves the realty sector---primarily the residential & commercial sectors which has been hit very severely by the economic slowdown. The business came literally to a standstill and the problems were compounded with non receipt of receivables. The company had to take steps to restructure the organisation in line with business needs and had to bear the burden of write off of large amounts of receivables.

The restructured operations together with steps to improve the efficiency of operations, improving the reach in new markets and continuing cost control should help the company to improve its operations in FY 10. However, much depends on revival of housing/real estate market.

Subsidiary Companies:

The company made an another investment of Rs.455 Million (70% stake in the equity capital) in Semac Ltd. in FY 09. This company is providing total engineering solutions to building / Construction sector. By the virtue of holding 70% stake, Semac became the subsidiary company of Revathi Equipment Ltd. This company is predominantly in Industrial sector and slow down in this sector was much less than that in housing & commercial segments of realty market.

Here also, similar steps as in Potential have been initiated to protect and improve the revenue and profit streams.

Revathi Drilling and Mining Ltd., wholly owned subsidiary, has not commenced its operations.

Consolidated Financial Statements

Your directors have pleasure in attaching the consolidated financial statements by consolidating accounts of Revathi Drilling and Mining Ltd. (wholly owned subsidiary company) and Semac Ltd. (subsidiary company) under Accounting Standard 21 of the Institute of Chartered Accountants of India, accounts of Potential Service Consultants P.Ltd and Monarch Catalyst P.Ltd. in terms of Accounting Standard 27 of the Institute of Chartered Accountants of India. On consolidation basis, the total income was Rs 1642.9 Million and profit after tax (Loss) was Rs (27) Million after charging Rs 66 Million towards goodwill.

Human Resources

Your company realizes that it has to re-orient its organization as dynamics of business are changing fast. The company is taking steps to retain its talent pool, enhance skill of existing people and recruit the most suited talent to spearhead its growth initiatives. Your company's business has been divisionalised and business unit heads are in place. Organizational development is our key priority.

Business Outlook and Prospects for FY 2009-10

It is expected that domestic coal mining will go in an accelerated pace with focus on private mining. This would be helpful for the growth of drilling equipment business. Export prospects for drilling equipments are also encouraging. With Government focus on infrastructure projects, the construction equipment industry is likely to have better progress in the third/fourth quarters. Based on tender enquiries from Coal India and private sector and prospects of export business, good growth in FY 10 is visible though delays in finalization of tenders and award of contracts remains a concern.

The improvement in business environment for construction equipment division will be the last to improve after road and real estate projects are allotted and initial work is complete and after inventories of existing equipments are deployed. A good recovery is imminent but benefits may not fully accrue this year. Various preparatory steps to make the operations cost effective and to improve our market reach are being taken.

Our Associate companies and subsidiary are expected to post better results as aforesaid.

Risks and Concerns:

Macro economic and industry outlook are encouraging. However, delays in execution of infrastructure projects in respect of roads, power, ports etc. can impact the business. One of our major concern is delays, sometimes huge, in finalization of tenders and award of contracts

Cautionary Note

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

Internal Control

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

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

Board constitution

In accordance with the Articles of Association of the company, Mr. Ajay Kumar Dhagat and Mr.B.D.Narang retire by rotation and being eligible, seek re-appointment.

Conservation of Energy

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

Technology Absorption

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

Foreign exchange earnings and outgo

The Company earned foreign exchange of Rs. 109 million and the foreign exchange outgo during the year amounts to Rs 259 million.

Personnel/Industrial relations

Industrial relations were satisfactory during the year. The particulars, as required under section 217(2A) of the Companies Act, 1956 and the rules framed there under are furnished in the annexure B.

Directors' responsibility statement

The Board of Directors confirm that:

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

Appreciation

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

For and on behalf of the Board of Directors

Satish Katyal
Director

P.M. Rajanarayanan
Managing Director

ANNEXURE - A

Form for disclosure of particulars with respect to absorption

Research and Development (R&D)

1. Specific areas in which R&D carried out by the company :
 1. Development of Electric Tall Mast Blast hole drill for Exports
 2. Development of Concrete pump of 45 Cu M.
 3. Development of 120 Cu M Batching Plant.

2. Benefits derived as a result of the above R&D : New product development.

3. Future plan of action : Development of
 1. Underground drill.
 2. Transit Mixer of 8/9 Cu M.
 3. Boom Pump of 28/32 M.
 4. Batching Plant of 20Cu M.
 5. Boom Pump of 37 M.
 6. High Pressure Large volume compressor system for Blasthole drills

4. Expenditure on R&D :
 - (a) Capital : Rs. - Million
 - (b) Recurring : Rs. 14.1 Million
 - (c) Total : Rs. 14.1 Million
 - (d) Total R&D expenditure as a percentage of total turnover : 1.58%

Technology absorption, adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation :
 1. Progressive indigenisation of Transit Mixers, Batching Plant and concrete pump.
 2. Weight reduction and indigenisation of valves in C650 / C750 drills.
 3. Incorporation of DGMS safety features for Blasthole drills
 4. Development of 4 rod loader for 311mm drill.
 5. Design of FOPS cabin for domestic drills.

2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc. :

Import substitution and cost reduction.
Improved drill performance & customer satisfaction.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), the following information may be furnished.
 - a. Technology imported : Technical know-how for manufacture of Batching Plant, Transit Mixer Concrete Pump and Boom Pump
 - b. Year of Import : FY 2005-06/ FY 2006-07
 - c. Has technology been fully absorbed? : yes
 - d. If not fully absorbed, areas where this has not taken place, reasons therefore, and future plans of action : Not applicable

ANNEXURE - B

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2 A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2009.

NAME	AGE	DESIGNATION / NATURE OF EMPLOYMENT	REMUNERATION in Rs.	QUALIFICATION / EXPERIENCE	DATE OF EMPLOYMENT	PREVIOUS EMPLOYMENT DESIGNATION / NAME OF EMPLOYER
Mr. Abhishek Dalmia.	40	Executive Chairman Contractual	4,539,725	FCA, AICWA, B.COM.(H) 17 Years	01.04.2003	Managing Director / Utkal Investments Ltd.
Mr. Rajanarayanan P.M.	60	Managing Director Contractual	4,399,888	B.E. (Mech.) 37 Years	20.10.1982	Area Sales Manager / Greaves Cotton & Co.Ltd.
Mr.Ramasubramanian K.V.	60	Business Unit Head - Drill division	3,109,344	B.E.(Elec.) PGDIE 36 Years	01.07.1982	Industrial Engineer / PSG Industrial Institute
Mr.Hariharan S.	50	Vice President - Finance	2,694,958	B.Com., A.I.C.W.A. 26 Years	23.10.1992	Deputy Manager - Accounts / S R F Ltd.
Mr.Sunil Puri	45	General Manager (Marketing) - Drill Division	2,495,962	B.E. (Mech.) 23 Years	01.07.2006	Elgi Equipments Ltd / General Manager - Marketing
Mr.Ramakrishnan Sanjeevi	48	Business Unit Head - Construction Equipment Division	2,588,637	B.E. (Mech.), DIP Computer Management 27 Years	12.04.2007	Elgi Equipments Ltd / Vice President - Division Head

- NOTE : 1. Remuneration shown above has been computed under the provisions of Section 198 of the Companies Act, 1956.
 2. Mr. Abhishek Dalmia is related to Mr. Chaitanya Dalmia, Director of the Company
 3. Others are not related to any of the Directors of the Company.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2008-09
Company's philosophy on code of governance:

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

Board of Directors:

The Board presently comprises 6 Directors including 2 Executive and 4 Non-Executive Directors, of which 3 are Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The Board is headed by Executive Chairman.

The Board met six times during the Financial Year on 28th June, 2008, 31st July, 2008, 19th August, 2008, 24th October, 2008, 03rd January, 2009 and 29th January, 2009. The composition and attendance of Directors at the Board Meetings and the Annual General Meeting held during the years are as under :-

Name of director	Category	Attendance particulars		No. of directorships in other public companies	No. of Committee positions held in companies \$	
		Board meeting	Last AGM		Chairman	Member
Mr. Abhishek Dalmia	Executive Chairman- Not Independent	5	absent	15	Nil	Nil
Mr. P M Rajanarayanan	Managing Director - Not Independent	6	present	-	Nil	Nil
Mr. Chaitanya Dalmia	Non-Executive - Not Independent	4	absent	16	Nil	Nil
Mr. S C Katyal	Non-Executive - Independent	5	present	5	Nil	Nil
Mr. Ajay Kumar Dhagat #	Non-Executive - Independent	3	absent	-	Nil	Nil
Mr. B D Narang *	Non-Executive - Independent	1	absent	-	Nil	Nil
Mr. Ravinder Kumar Gilani **	Non-Executive- Independent	-	absent	-	Nil	Nil
Mr. V.S.Rajan ***	Non-Executive- Independent	2	present	-	Nil	Nil

Mr. Ajay Kumar Dhagat appointed with effect from 28.06.2008

* Mr. B D Narang appointed with effect from 29.09.2008

** Mr. Ravinder Kumar Gilani resigned with effect from 06.08.2008.

*** Mr. V.S.Rajan resigned with effect from 29.09.2008.

\$ Audit Committee, Shareholder's Grievance Committee have been considered for committee membership. Mr. Abhishek Dalmia and Mr. Chaitanya Dalmia are related amongst themselves.

Criteria for independence of a director

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

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

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

Committees of the board

Audit Committee

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges. The role and terms of reference of the Audit Committee covers the matters specified for Audit Committee under Clause 49 of Listing Agreement which, inter alia, include overseeing financial reporting process, reviewing periodic financial results, financial statements, internal control and internal audit systems, accounting policies and practices, related party transactions, performance of internal and statutory auditors, adequacy of internal audit function, discussions with internal and statutory auditors.

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

During the year under review, the Committee met 4 times on 28th June 2008, 31st July 2008, 24th October 2008 and 29th January 2009. The Composition of the Audit Committee and the attendance of each member of the Committee is given below.

Name of Directors	Chairman / Member	No. of Meetings attended
Mr.S.C.Katyal	Chairman	4
Mr.Ajay Kumar Dhagat	Member	2
Mr.B.D.Narang	Member	1
Mr.Ravinder Kumar Gilani *	Member	Nil
Mr.V.S.Rajan**	Member	2

* Mr. Ravinder Kumar Gilani resigned with effect from 06.08.2008.

** Mr. V.S.Rajan resigned with effect from 29.09.2008.

The Company Secretary acts as the Secretary to the Committee. The minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note of. The Audit Committee considered and reviewed the accounts for the year 2008-09, before it was placed before the Board.

Remuneration Committee

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

The following Directors are the members of the Remuneration Committee:

Name of the Directors	Category	Designation
Mr. S.C.Katyal	Independent	Chairman
Mr. Ajay Kumar Dhagat	Independent	Member
Mr. B.D.Narang	Independent	Member

During the year under review, the committee had one meeting on 28th June, 2008.

The remuneration paid/ payable to the executive directors of the Company for the year ended 31st March 2009, are as under:-

Name of Directors	Gross Remuneration paid / payable (in Million)	Service Contract
Mr. Abhishek Dalmia (Executive Chairman)	4.54	3 Years with effect from 01.04.2008
Mr. P.M.Rajanarayanan (Managing Director)	4.40	3 Years with effect from 01.04.2007

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

The details of the remuneration paid during the year 31st March 2009 to the non-executive directors are as under:

(In Rupees)

Name of Directors	Sitting Fees	Consultancy Charges	Total
Mr. Abhishek Dalmia	0	0	0
Mr. P.M. Rajanarayanan	0	0	0
Mr. Chaitanya Dalmia	8000	0	8000
Mr. S.C. Katyal	18000	21,99,999	2209999
Mr. Ajay Kumar Dhagat	10000	0	10000
Mr. B.D. Narang	4000	0	4000
Mr. Ravinder Kumar Gilani		0	0
Mr. V.S. Rajan	8000	0	8000

The Company currently does not have any Stock Option Scheme

Statement showing number of equity shares held by the non- executive Directors as on March 31,2009:-

Name of Directors	No. of Shares held. (as on 31.03.2009)
Mr. Chaitanya Dalmia	Nil
Mr. S.C.Katyal	10058
Mr. Ajay Kumar Dhagat	Nil
Mr. B D Narang	Nil
Mr. Ravinder Kumar Gilani *	Nil
Mr. V.S.Rajan **	Nil

* Resigned from Board w.e.f. 06.08.2008

** Resigned from Board w.e.f. 29.09.2008

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive independent directors during the year.

Share holders' Committee

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

Name of Directors	Category	Designation
Mr. S.C.Katyal	Independent-Non Executive	Chairman
Mr. Ajay Kumar Dhagat	Independent-Non Executive	Member
Mr. B.D.Narang	Independent-Non Executive	Member

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

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

The share transfers/ transmissions approved by the committee are placed at the board meetings from time to time. During the year ended 31st March 2009, 11 meetings of the Committee were held.

The total number of complaints received and replied to the satisfaction of shareholders during the year ended on 31st March 2009 was 2. There was no outstanding complaints as on 31st March 2009.

Management Discussion and Analysis Report

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

General Body Meetings

Details of the last three Annual General Meetings held are given as under:

Year	Location	Date and time	Special Resolutions passed
2007-08	Aruthra Hall, Coimbatore	29.09.2008 10 AM	Alteration of Articles of Association
2006-07	Indian Chamber of Commerce, Coimbatore	25.07.2007 10 AM	Delisting of Shares from Coimbatore Stock Exchange
2005-06	Indian Chamber of Commerce, Coimbatore	22.07.2006 10 AM	1) Re-appointment of Executive Chairman 2) Payment of Commission to Managing Director

Whether any Special resolution was passed through postal ballot:

Yes. The Details are furnished below:

- 1) An ordinary resolution was passed through postal ballot on 30.11.2007 for disposal of wind mills under section 293(1) (a) through postal ballot. Out of the total of 267 members holding 20,04,864 shares who had exercised the voting rights through postal ballot; 250 members holding 20,02,798 shares have voted for the Ordinary Resolution which works out to 99.90% of the total votes polled in favour of the Ordinary Resolution.
- 2) An Ordinary resolution was passed through postal ballot on 29.03.2008 for sale/disposal of drill division under section 293(1) (a) through postal ballot. Out of the total of 210 members holding 20,13,279 shares who have exercised the voting rights through postal ballot; 200 members holding 20,11,665 shares have voted for the Ordinary Resolution which works out to 99.92% of the total votes polled in favour of the Ordinary Resolution.

Mr.M.D.Selvaraj, Company Secretary in practice was appointed as scrutiner for conducting the postal ballots as above.

A special resolution is proposed to be passed by postal ballot on 01.07.2009 for alteration of Object Clause of the Memorandum of Association of the company and for commencement of new business.

Procedure for postal ballot

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

Disclosures:

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

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

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

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

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

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

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

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

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

Company has a Remuneration Committee comprising of three non-executive independent directors.

Code of Conduct

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

The Company's Managing Director's declaration to this effect forms a part of this report.

Code for prevention of Insider Trading

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

Means of Communication

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

Official news releases are made whenever it is considered necessary.

General shareholder information:

<p>32nd Annual General Meeting</p> <p>Date and Time :</p> <p>Venue :</p>	<p>27.11.2009 at 10.00 AM</p> <p>At the registered office of the Company</p>
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Financial Calendar

Financial year: April to March

Financial Year: 2009-10:

Period of reporting	Proposed Board meeting dates
Qtr ending 30th June 2009	Last week of July 2009
Qtr ending 30th September 2009	Last week of October 2009
Qtr ending 31st December 2009	Last week of January 2010
Year ending 31st March 2010	Last week of April 2010

<p>Date of Book closure:</p> <p>Dividend payment date:</p>	<p>From 13.11.2009 to 27.11.2009 (both days inclusive)</p> <p>Not applicable as no dividend declared</p>
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Listing of shares on Stock Exchanges

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

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

Coimbatore Stock Exchange Limited
 Stock Exchange Building
 Trichy Road
 Coimbatore – 641 005

Note:

Annual listing fees for the year 2009-10 were paid to Bombay Stock Exchange Limited & National Stock Exchange of India Limited. Due to non-receipt of necessary intimation letter from Coimbatore Stock Exchange Limited the listing fee has not been paid so far.

Stock Market Data

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

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

For the Period : April 2008 to March 2009

Monthly high and low quotations as well as the volume of Shares traded during the year 2008-2009 are given below :

	National Stock Exchange			Bombay Stock Exchange		
	Highest Rs.	Lowest Rs.	Volume Nos.	Highest Rs.	Lowest Rs.	Volume Nos.
April, 2008	1,570.00	1,315.00	14,294	1548.80	911.05	23,493
May	1,334.00	1,230.00	4,299	1299.95	999.00	9,908
June	1,185.20	1,128.00	5,189	1151.00	851.00	7,569
July	1,013.50	980.00	3,852	1040.20	820.00	10,282
August	925.00	889.50	1,947	946.70	777.15	7,614
September	870.00	845.00	3,915	893.65	726.20	11,546
October	806.00	805.10	7,806	824.00	476.10	5,576
November	642.00	525.00	4,174	555.00	330.00	4,437
December	465.00	417.00	10,507	457.00	330.00	13,725
January, 2009	484.00	457.00	63,293	490.00	409.00	46,019
February	501.00	440.00	7,066	460.00	360.20	3,906
March	448.80	386.10	8,144	445.00	348.00	8,270
Total			134,486	Total		152,345

% of volume traded to average number of shares outstanding : 4.39

4.97



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

Head Office :
S.K.D.C Consultants Ltd.,
No.11, Street No.1, S N Layout,
Tatabad, Coimbatore 641012.
Tel: 0422-6549995
Fax: 0422-2499574
E-mail : info@skdc-consultants.com

Compliance Officer's Details

M.N.Srinivasan, Company Secretary,
Revathi Equipment Ltd,
Pollachi Road, Malumichampatti P O,
Coimbatore - 641021.
e-mail : srinivasan@revathi.co.in
Phone: 0422-2610851, 6655111
Fax: 0422-2610427

Share Transfer System

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

The total number of shares transferred (physically) during the year 2008-09 was 2185 (previous year 10074).

Category of shareholding as on March 31, 2009

Category	2008 - 09		
	Number of holders	Number of Shares held	% to paid-up capital
Promoter and promoter group	3	1969878	64.2
Financial Institutions/ Banks	6	78483	2.6
Insurance Companies	Nil	Nil	Nil
FII/NRI/OCB	72	19624	0.7
Bodies Corporate	161	145187	4.7
Public	4598	853771	27.8
Total	4840	3066943	100

Distribution of shareholding as on March 31, 2009

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares	% of Share holding
01 - 100	3,710	76.65	1,34,125	4.37
101 - 200	495	10.23	84,743	2.76
201 - 500	396	8.18	1,35,468	4.42
501 - 1000	124	2.56	92,102	3.00
1001 - 5000	88	1.82	1,62,396	5.30
5001 - 10000	9	0.19	56,772	1.85
10001 and above	18	0.37	24,01,337	78.30
Total	4,840	100.00	30,66,943	100.00

Dematerialisation of Shares and liquidity

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

During the financial year 2008-09, 5500 (0.18%) shares were dematted. As on 31st March, 2009, total shares in demat form is 29,60,830 shares and 106,113 shares in physical form. This represents 96.54% shares of the company are in demat form and 3.46% shares are in physical form. The shares are compulsorily tradable in demat form with effect from 26.6.2000 for all investors.

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

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

Plant location

Revathi Equipment Limited
 Pollachi Road, Malumachampatti Post,
 Coimbatore – 641021.

Address for Correspondence:

M.N.Srinivasan, Company Secretary
 Revathi Equipment Ltd.,
 Pollachi Road, Malumichampatti P.O.,
 Coimbatore – 641021
 e-mail : srinivasan@revathi.co.in
 Phone: 0422-2610851, 6655111
 Fax: 0422-2610427

CEO Declaration on Code of Conduct pursuant to clause 49(l)(D) of the listing agreement.

It is hereby declared that

- the Board of Directors has laid down a code of conduct for all board members and senior management personnel.
- the code of conduct has been posted in the website of the company namely www.revathi.co.in
- all the board members and senior management personnel have affirmed compliance with the code of conduct for the year ended March 31, 2009.

Place : Coimbatore
Date : May 15, 2009

P.M. RAJANARAYANAN
Chief Executive Officer &
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Revathi Equipment Limited:

1. We have examined the compliance of conditions of corporate governance by Revathi Equipment Limited, for the year ended on March 31, 2009, as stipulated in Clause 49 of Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. As per the representation received from the Registrar of the Company, no investor grievances are pending for a period exceeding one month against the Company.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Lodha & Co.
Chartered Accountants

14, Government Place East,
Place: Kolkata
Date : 15.05.2009

H.S. Jha
Partner
Membership No. : 55854

AUDITORS' REPORT

**To the members of
REVATHI EQUIPMENT LIMITED**

We have audited the attached Balance Sheet of Revathi Equipment Limited ('the Company') as at 31st March 2009 and the Profit and Loss Account for the year ended on that date, annexed thereto and the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003(as amended), issued by the Central Government in exercise of the power conferred by section 227 (4A) of The Companies Act, 1956 and according to the information and explanation given to us and on the basis of such checks, as we considered appropriate, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to the above, we report that;
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and cash flow statement referred to in this report are in agreement with the books of accounts;
 - d. In our opinion, except as given in Note 30(b) regarding non-disclosure of details in respect of joint venture. the Profit and Loss account, the attached Balance Sheet and Cash Flow Statement of the Company as at 31st March, 2009, comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors, as on 31 March, 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March, 2009 from being appointed as a director of the Company in terms of Sec. 274 (1) (g) of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in case of the Balance Sheet, the state of affairs of the Company as at 31st March, 2009;
 - ii) in case of the Profit and Loss Account, the Profit of the Company for the year ended on that date; and
 - iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

For LODHA & CO.
Chartered Accountants

Place: 14, Government Place East, Kolkata
Date : 15.05.2009

H.S. Jha
Partner
Membership No. : 55854

REVATHI EQUIPMENT LIMITED

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) We are informed that the Company has carried out physical verification of its fixed assets during the year by the Company and no material discrepancies were noted on such verification.
- (c) During the year, the Company has not disposed off substantial part of its fixed assets, which could affect the going concern status of the company.
- (ii) (a) As explained to us, the stocks of finished goods, spare parts and raw materials (including components) have been physically verified by the management;
- (b) In our opinion and according to information and explanation given to us the procedures of physical verification of inventory followed by the management are generally reasonable and adequate considering the items of the inventory, volume thereof, size of the Company and the nature of its business;
- (c) In our opinion, the Company has maintained proper records of its inventory and the discrepancies between the physical stock and book records were not material.
- (iii) (a) The Company has not granted any loans, secured and unsecured, from/to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) The Company has taken unsecured loans from three companies covered in the register maintained under section 301 of the Act. The maximum amount of such loans during the year was Rs. 179, 000 thousand and the aggregate amount outstanding as at the year end was Rs. 109, 000 thousand..
- (c) The rate of interest and other terms and conditions of the aforesaid loans, wherever stipulated is prima facie not prejudicial to the interest of the company.
- (d) The above loans have not been recalled and interest, wherever due, has not been paid.
- (iv) Having regard to the explanation given that comparative quotations are not available in respect of items of branded/special nature purchased during the year, in our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods and services. Further during the course of our audit we have neither come across nor have we been informed of any instances of major weaknesses in the aforesaid internal control procedures and continuing failure on the part of the management to take corrective course of action in this regard.
- (v) (a) To the best of our knowledge and belief and according to information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act 1956 have been entered in the register required to be maintained under that section; and
- (b) Transactions of purchase of services etc. made in pursuance of such contracts or arrangements exceeding value in rupees five lacs, namely consultancy and taking premises on rent are proprietary/technical and of special nature and therefore comparable quotations thereof are not available and as such reasonableness with respect to prevailing market price as such is not ascertainable.
- (vi) The Company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the internal audit carried out during the year by a firm of Chartered Accountants appointed by the management was commensurate with the size of the Company and the nature of its business in respect of areas covered by them.
- (viii) We are informed that the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the power generation business.
- (ix) (a) According to information and explanations given to us and as per the records of the Company examined by us, in our opinion the Company is regular in depositing with the appropriate authorities undisputed material statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess as applicable to it; and
- (b) According to information and explanations given to us, there are no amount outstanding in respect of sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute. The particulars of income tax as at 31st March, 2009 which has not been deposited on account of dispute there against are as follows:-

Name of the Statute	Nature of Dues	Amount under dispute not yet deposited (Rs. In '000)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	209.45	1982-83	High Court (Madras)
		98.23	1983-84	
		850.24	1984-85	
		1039.43	1985-86	
		1935.01	1986-87	

- (x) The Company has no accumulated losses as on 31st March 2009 and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- (xii) According to information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the said order are not applicable to the company.
- (xiv) Based on our examination of documents and records and evaluation of the related internal controls, in respect of dealing/trading in securities, in our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made in those records. We also report that the Company has held the shares, securities, debentures and other investments in its own name except to the extent pending transfer and/or exempted under section 49(5) of the Companies Act, 1956.
- (xv) According to information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provision of clause 4(xv) of the Order is not applicable to the company.
- (xvi) According to information and explanations given to us and based on the documents and records produced to us, the Company has applied the term loans raised during the year for the purpose for which they were raised.
- (xvii) According to information and explanations given to us and on overall examination of the balance sheet of the Company, we report that the company has not used the funds raised on short-term basis for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year.
- (xix) The Company did not have any outstanding debentures during the year. Accordingly, the provision of clause 4(xix) of the order is not applicable to the Company.
- (xx) The Company has not raised any money through a public issue during the year. Accordingly, provision of clause 4(xx) of the Order is not applicable to the company.
- (xxi) During the course of our examination of the books of accounts carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such case by the management.

For **LODHA & CO.**
Chartered Accountants

H.S. Jha
Partner
Membership No. : 55854

Place: 14, Government Place East, Kolkata
Date : 15.05.2009

REVATHI EQUIPMENT LIMITED
BALANCE SHEET -- MARCH 31, 2009
 (All amounts in thousands of Indian Rupees)

	Notes	2009	2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	2	30,669	30,669
Reserves and surplus	3	1,186,165	1,150,799
		<u>1,216,834</u>	<u>1,181,468</u>
LOAN FUNDS			
Secured loan	4	882,197	525,060
Unsecured Loan	5	123,001	-
		<u>1,005,198</u>	<u>525,060</u>
Total		<u>2,222,032</u>	<u>1,706,528</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	1(b) & 6	235,187	144,381
Less: Depreciation		(96,708)	(79,787)
Net Block		138,479	64,594
Add: Capital Work-in-Progress		263,024	74,080
		<u>401,503</u>	<u>138,674</u>
INVESTMENTS	1(d) & 7	1,004,312	638,237
DEFERRED TAX ASSETS (net)	8	3,506	2,887
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	1(e) & 9	675,660	418,530
Sundry debtors	10	255,940	461,349
Cash and bank balances	11	119,204	240,370
Loans and advances	12	91,942	82,762
		<u>1,142,746</u>	<u>1,203,011</u>
Less: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	13	324,033	227,896
Provisions	14	6,002	48,385
		<u>330,035</u>	<u>276,281</u>
Net current assets		<u>812,711</u>	<u>926,730</u>
Total		<u>2,222,032</u>	<u>1,706,528</u>

The accompanying notes are an integral part of this balance sheet.

Lodha & Co
 Chartered Accountants

Abhishek Dalmia
 Executive Chairman

P.M.Rajanarayanan
 Managing Director

H.S. Jha
 Partner
 Membership No: 055854

M.N. Srinivasan
 Company Secretary

S.Hariharan
 Vice President (Finance)

 Kolkata
 May 15, 2009

 Mumbai
 May 15, 2009

REVATHI EQUIPMENT LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2009

(All amounts in thousands of Indian Rupees)

	Notes	<u>2009</u>	<u>2008</u>
INCOME			
Gross Sales (include service income)	1(f)&15	950,353	1,274,737
Less:Excise Duty / Service Tax Recovered		(58,980)	(91,764)
Net Sales	1(f)&15	891,373	1,182,973
Other income	16	56,153	200,109
		<u>947,526</u>	<u>1,383,082</u>
EXPENDITURE			
Cost of materials	17	(544,522)	(762,284)
Employee costs	18	(85,497)	(75,512)
Manufacturing and other expenses	19	(147,091)	(147,175)
Interest and financial charges	20	(110,887)	(59,100)
Depreciation	1(b)&6	(18,885)	(56,171)
Less:Transferred from Revaluation Reserve		1,713	26
		<u>(905,169)</u>	<u>(1,100,216)</u>
Profit before taxes		42,357	282,866
Provision for taxes	21	(6,181)	(63,400)
Profit after taxes		36,176	219,466
PROFIT AND LOSS ACCOUNT, beginning of year		728,740	567,101
Profit available for appropriation		764,916	786,567
Proposed Dividend		-	(30,669)
Provision for Dividend Distribution Tax		-	(5,212)
Transfer to General Reserve		(30,000)	(21,947)
PROFIT AND LOSS ACCOUNT, end of year		734,916	728,740
Net profit available to equity shareholders		36,176	219,466
Weighted average number of shares used for computing basic earnings per share		3,066,943	3,076,122
Basic and diluted earnings per share (equity shares, par value Rs 10 each)		11.80	71.35

The accompanying notes are an integral part of this statement.

Lodha & Co
 Chartered Accountants

Abhishek Dalmia
 Executive Chairman

P.M.Rajanarayanan
 Managing Director

H.S. Jha
 Partner
 Membership No: 055854

M.N. Srinivasan
 Company Secretary

S.Hariharan
 Vice President (Finance)

 Kolkata
 May 15, 2009

 Mumbai
 May 15, 2009

REVATHI EQUIPMENT LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2009

(All amounts in thousands of Indian Rupees)

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	42,357	282,866
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation	17,172	56,145
Liability no longer required written back	-	(5,710)
Interest and dividend income	(25,362)	(19,220)
(Profit)/Loss on sale of investments	(20,627)	(46,255)
Write-down in the value of current investments	2,572	283
Interest on borrowings	101,801	52,943
(Profit)/Loss on sale of fixed assets	(213)	(97,835)
	<u>117,700</u>	<u>223,217</u>
Changes in current assets and liabilities:		
(Increase)/Decrease in inventories	(257,130)	(67,327)
(Increase)/Decrease in trade and other receivables	193,426	(189,496)
(Decrease)/Increase in current liabilities and provisions	90,538	27,247
Cash generated from operation	144,534	(6,359)
Direct taxes paid(Net of Refund)	(2,457)	(175,519)
Net cash provided by/(used in) operating activities	<u>142,077</u>	<u>(181,878)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of fixed assets	234	448,101
Purchase of fixed assets	(281,735)	(103,277)
Sale/redemption of investments	202,448	768,773
Purchase of investments	(550,468)	(663,749)
Interest and dividend received	23,822	21,334
Net cash provided by/(used in) investing activities	<u>(605,699)</u>	<u>471,182</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from / (repayment) of long term borrowings	53,599	(26,099)
Proceeds from / (repayment) of short term borrowings	412,538	2,024
Buyback of shares including share premium	-	(51,410)
Interest paid	(87,800)	(52,943)
Dividend paid	(30,669)	(30,780)
Tax on dividends paid	(5,212)	(5,212)
Net cash provided by/(used in) financing activities	<u>342,456</u>	<u>(164,420)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(121,166)</u>	<u>124,884</u>
CASH AND CASH EQUIVALENTS		
Beginning of the year	240,370	115,486
End of the year	119,204	240,370

The accompanying notes are an integral part of this statement.

"The cash flow statement is prepared by the indirect method set out in Accounting Standard-3 on Cash Flow Statement."

Cash and Cash equivalents presented in the statement consists of Cash on hand, and demand deposits with banks as on the balance sheet date.

Lodha & Co
 Chartered Accountants

Abhishek Dalmia
 Executive Chairman

P.M.Rajanarayanan
 Managing Director

H.S. Jha
 Partner
 Membership No: 055854

M.N. Srinivasan
 Company Secretary

S.Hariharan
 Vice President (Finance)

 Kolkata
 May 15, 2009

 Mumbai
 May 15, 2009

REVATHI EQUIPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

(All amounts in thousands of Indian Rupees, unless otherwise stated)

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention except for certain fixed assets which are revalued, on the accrual basis of accounting and in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956. The significant accounting policies are as follows:

(a) Use of Estimates

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

(b) Fixed assets and depreciation

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

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

	Per cent
Buildings	1.64-3.34
Plant and machinery	10
Production tooling	20,33,33,50-100
Data processing equipment	25
Furniture and fittings	15
Office equipment	15
Vehicles	20
Intangible assets-computer software	25
Intangible assets-Technical knowhow	33.33

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

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

Individual plant and machinery items, and other assets with an original cost of Rs 5000/- or less are fully depreciated in the year of acquisition.

(c) Impairment of Fixed Assets

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

(d) Investments

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

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

(e) Inventories

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

(f) Revenues and Other Income

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

(g) Product warranty costs

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

(h) Foreign currency transactions

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

(i) Research and development costs

Capital expenditure on research and development is included in fixed assets. Other expenditure on research and development is charged to the statement of profit and loss as incurred.

(j) Employee benefits

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

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

Defined contributions plans:

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

Defined benefits plans:

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

(k) Income taxes

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

(l) Provision, Contingent Liabilities and Contingent Assets

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

(m) Borrowing Cost

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

2. SHARE CAPITAL

	<u>2009</u>	<u>2008</u>
Authorised 3,500,000 (2008 - 3,500,000) equity shares of Rs. 10/- each	<u>35,000</u>	<u>35,000</u>
Issued, subscribed and paid-up 3,066,943 (2008 - 3,066,943) equity shares of Rs. 10/- each fully paid up	<u>30,669</u>	<u>30,669</u>
(i) Of the above equity shares, 1,428,860 shares (2008: 1,922,160 shares) are held by erstwhile Holding Company-Utkal Investments Limited.		
(ii) 2,407,350 equity shares have been issued as bonus shares by capitalisation of general reserve, share premium account and profit on reissue of forfeited shares.		
(iii) 159,800 equity shares have been issued as fully paid-up pursuant to a contract without payment being received in cash.		
(iv) In the year 2006-07 and 2007-08, the Company bought back and extinguished 142,857 equity shares.		

3. RESERVES AND SURPLUS

	<u>2009</u>	<u>2008</u>
Capital reserve	149	149
Capital redemption reserve		
Balance, beginning of year	3,111	2,339
Transfer from General Reserve	-	772
Balance, end of year	<u>3,111</u>	<u>3,111</u>
Revaluation reserve		
Balance, beginning of year	3,651	3,677
Transfer to profit and loss account (see Note 1(b) & 6)	<u>(1,713)</u>	<u>(26)</u>
Balance, end of year	<u>1,938</u>	<u>3,651</u>
General reserve		
Balance, beginning of year	415,148	444,838
Excess divided provision written back	903	-
Premium on Buy back of equity shares	-	(50,638)
Amount Transferred to Capital Redemption Reserve on Buyback of equity shares	-	(772)
Adjustment pursuant to the transitional provisions of Accounting Standard - 15 (Revised) in relation to Employee Benefits (net of deferred tax Rs.Nil(2008-Rs.116)	-	(226)
Transfer from profit and loss account	<u>30,000</u>	<u>21,947</u>
Balance, end of year	<u>446,051</u>	<u>415,148</u>
Profit and loss account	<u>734,916</u>	<u>728,740</u>
	<u>1,186,165</u>	<u>1,150,799</u>

4. SECURED LOAN

Long Term Loan from Banks	31,421	53,333
Foreign currency loan	286,053	320,001
Rupee Loan	562,537	150,000
Cash Credit	2,186	1,726
Vehicle Loan	<u>882,197</u>	<u>525,060</u>

Notes on Secured loans :

1. Long term foreign currency loan of Rs 31,421 (2008:Rs 53,333) from ICICI Bank is secured by pari-passu charge on the fixed assets of the company located in Coimbatore and a lien on fixed deposit amounting to Rs 54,402/- placed with ICICI Bank.
2. Long term loan of Rs 126,053/-(2008: Rs 120,000/-) from HDFC Bank has been secured by exclusive charge on land and building and plant and machinery of the company situated at SIPCOT Industrial Estate, Gummidipoondi, Tamilnadu, financed out of term loan.
3. Long term loan of Rs 160,000/-(2008: Rs 200,000/-) from Axis Bank has been secured by first pari-passu charge on fixed assets of the Company excluding assets specifically charged to other lenders and second pari-passu charge on current assets of the company.
4. Cash credit Loan of Rs 562,537/-(2008: Rs 150,000/-) under multiple banking arrangement has been secured by way of pari-passu charge on entire current assets of the company and second charge on fixed assets of the company.
5. Vehicle Loan of Rs 2,186 (2008:Rs 1,726) is secured by hypothecation of vehicles.

5. UNSECURED LOAN

	<u>2009</u>	<u>2008</u>
Loan from Bodies Corporate	<u>109,000</u>	-
(including Rs.9,000 (2008-Rs.Nil) from a subsidiary		
Interest accrued and due	<u>14,001</u>	-
	<u>123,001</u>	-

6. FIXED ASSETS

	Balance, beginning of year	Additions/ charge	Deletions	Balance, end of year
Gross Block				
Tangible Assets				
Freehold/Leasehold land	941	61,911	-	62,852
Buildings	37,679	473	-	38,152
Plant and machinery	45,208	9,400	-	54,608
Production tooling	11,273	505	-	11,778
Data processing equipment	14,447	698	558	14,587
Furniture and fittings	3,578	1,572	-	5,150
Office equipment	5,265	5,599	413	10,451
Vehicles	7,714	2,503	1,014	9,203
Intangible Asset				
Technical knowhow	14,207	3,383	-	17,590
Computer software	4,069	6,747	-	10,816
	<u>144,381</u>	<u>92,791</u>	<u>1,985</u>	<u>235,187</u>
Previous year	<u>643,757</u>	<u>30,862</u>	<u>530,238</u>	<u>144,381</u>
Accumulated depreciation				
Tangible Assets				
Freehold/Leasehold land	-	837	-	837
Buildings	11,741	2,803*	-	14,544
Plant and machinery	26,115	3,386	-	29,501
Production tooling	9,143	1,845	-	10,988
Data processing equipment	7,892	2,451	558	9,785
Furniture and fittings	1,613	584	-	2,197
Office equipment	2,193	684	411	2,466
Vehicles	4,847	1,790	995	5,642
Intangible Asset				
Technical knowhow	13,197	1,855	-	15,052
Computer software	3,046	2,650	-	5,696
	<u>79,787</u>	<u>18,885</u>	<u>1,964</u>	<u>96,708</u>
Previous year	<u>203,585</u>	<u>56,171</u>	<u>179,969</u>	<u>79,787</u>
Net Block				
Tangible Assets				
Freehold/Leasehold land	941			62,015
Buildings	25,938			23,608
Plant and machinery	19,093			25,107
Production tooling	2,130			790
Data processing equipment	6,555			4,802
Furniture and fittings	1,965			2,953
Office equipment	3,072			7,985
Vehicles	2,867			3,561
Intangible Asset				
Technical knowhow	1,010			2,538
Computer software	1,023			5,120
	<u>64,594</u>			<u>138,479</u>
Previous year	<u>440,172</u>			<u>64,594</u>
Capital Work-in-progress	74,080			263,024

1. * Includes depreciation of Rs. 1,713 (2008 -- Rs 26) transferred from revaluation reserve.

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

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

3. Capital Work in progress includes :

- Rs 170,000 (2008-Rs.Nil) paid towards joint development of property with another Corporate body.
- Rs.14,058 (2008-Rs.Nil) towards interest on loan taken for the purpose of the project at Chennai.
- Rs. 60,569 (2008 - Rs.71,172) in respect of capital advance.

7. INVESTMENTS (non-trade)
Long term
Unquoted - Mutual Funds

	<u>2009</u>	<u>2008</u>
12,271(2008 - 12,271) bonds of Rs.100 each 6.75% Tax free US-64 Bonds of UTI	1,227	1,227
1,16,056(2008 - 1,16,056)Units of Rs.100 each of 6.60% Tax free ARS Bonds of UTI	11,605	11,605
	<u>12,832</u>	<u>12,832</u>

Unquoted - Shares
Shares in Joint Ventures

3,94,355 (2008-3,37,821)Equity Shares of Rs.10/-each in Potential Service Consultants Pvt. Ltd.	322,525	311,315
1,50,800 (2008-1,50,800)Equity Shares of Rs.100/-each in Monarch Catalyst Pvt. Ltd.	62,400	62,400

Shares in Subsidiary Companies :

1000,000(2008-1000,000)Equity Shares of Rs.10/-each in Revathi Drilling & Mining Ltd.	10,000	10,000
187,978(2008-Nil)Equity Shares of Rs.100/-each in SEMAC Ltd.	456,138	-
	<u>863,895</u>	<u>396,547</u>

Quoted
Shares

Nil (2008-11,290) Equity Shares of Rs.10/-each in Aditya Birla Nuvo	-	7,006
Nil (2008-2,65,380) Equity Shares of Rs.10/-each in Andhra Bank	-	17,342
40,000 (2008-40,000) Equity Shares of Rs.10/-each in Andhra Sugars Ltd	5,094	5,094
5,07,500 (2008-5,07,500)Equity Shares of Rs.10/-each in Ashiana Housing Ltd	34,078	34,078
Nil (2008-3,00,000) Equity Shares Rs. 10/-each in Chambel Fertilizers & Chemicals Ltd	-	6,292
24,809 (2008-24,809)Equity Shares of Rs.10/-each in Cords Cable Industries Ltd	3,349	3,349
44,500(2008-44,500)Equity Shares of Rs.10/-each in Federal Bank Ltd	9,946	9,946
Nil (2008-17,500) Equity Shares of Re.1/-each in Hindustan Lever Ltd	-	2,034
70,000 (2008-70,000) Equity Shares of Rs.10/-each in Indorama Synthetics Ltd	4,853	4,853
Nil (2008-25,000) Equity Shares of Rs.10/-each in ITC Ltd	-	1,477
4,00,436 (2008-4,00,436)Equity Shares of Rs.10/-each in Lakshmi Vilas Bank Ltd	23,930	23,930
30,000 (2008-30,000) Equity Shares of Rs 10/-each in LIC Housing Finance Ltd	4,603	4,603
1,30,000 (2008-1,30,000) Equity of Shares of Rs.10/- each in Mahanagar Telephone Nigam Ltd	16,380	16,380
29,000(2008-Nil)Equity shares of Rs.10/-each in Oriental Bank of Commerce	4,950	-
50,000 (2008-50,000) Equity Shares of Rs.10/-each in Tata Sponge Ltd	8,206	8,206

Current
Mutual Funds

Nil (2008-37,74,576) Units of Rs.10/- each in Birla Income Plus Quarterly Dividend Payout (**)	5,450	10,014
5,40,008 (2008 -5,40,008) units of Rs 10/- each in Franklin India Smaller Companies Fund	2,500	30,000
1,21,048 (2008-5,06,136) Units of Rs.10/- each in Prudential ICICI Liquid Plan Growth Option	-	-
Nil (2008-26,50,785) Units of Rs.10/-each in ICICI Prudential Income Plan-Dividend Quarterly Payout(**)	-	5,100
Nil(2008-2,18,706) Units of Rs.10/-each in ICICI Prudential Income Plan Growth	19,650	6,600
12,16,553 (2008-4,46,788) Units of Rs.10/-each in ICICI Prudential Flexible Income Plan Growth	142,989	241,690
	<u>(2,572)</u>	<u>-</u>
	<u>140,417</u>	<u>241,690</u>
Less:Diminution in value of investments	<u>1,004,312</u>	<u>638,237</u>

(**)Nil(2008-5,650,785.516)Units amounting to Rs.Nil(2008-Rs.61,966) are secured against long term loan from HDFC Bank Limited

Book value of quoted Investments	115,389	144,590
Book value of Unquoted Investments	863,895	396,547
Book value of Investments in Mutual Funds(Quoted)	25,028	97,100
	<u>1,004,312</u>	<u>638,237</u>

Aggregate market value of quoted Investments

77,528 194,922

Aggregate NAV of investments in Mutual Fund

25,305 99,820

Refer Note 25 (I-a&b) for details of purchases and sales of investments during the year.

8. DEFERRED TAX ASSETS / (LIABILITIES) - NET

The various component of Deferred Tax Assets and Liabilities are follows:

	Opening balance as on 01.04.2008	Charge / (credit) during the year	Closing balance as on 31.03.2009
Deferred Tax Assets:			
Provision for Leave Encashment and Gratuity	1,279	510	1,789
Provision for Employee Welfare Fund (Fidelity)	2,219	917	3,136
	3,498	1,427	4,925
Deferred Tax Liabilities:			
Depreciation Difference	(611)	(808)	(1,419)
Net Deferred Tax Assets / (Liabilities)	2,887	619	3,506

9. INVENTORIES

	2009	2008
Raw material and components, including goods-in-transit		
Work-in-progress	300,030	175,408
Merchandising goods, including goods-in-transit	302,887	181,482
	72,743	61,640
	675,660	418,530

10. SUNDRY DEBTORS (unsecured)

Considered good unless stated otherwise		
Outstanding for more than six months		
Considered good	73,063	16,296
Considered doubtful	-	-
	73,063	16,296
Others		
Considered good	182,877	445,053
	255,940	461,349

11. CASH AND BANK BALANCES

Cash in hand	482	1,996
Balances with scheduled banks		
- in Cash Credit	50	57,736
- in Current accounts	40,970	148,088
- Dividend accounts (restricted)	203	296
Deposit accounts, including margin money of Rs.17,863 (2008 - Rs. 27,629)	77,499	32,254
	119,204	240,370

12. LOANS AND ADVANCES

Advances recoverable in cash or in kind or for value to be received	30,368	39,905
Deposits	10,954	7,272
Balances with customs and excise authorities	26,900	4,666
Other receivables	842	3,698
Advance Payment of Tax (net of provision)	22,878	27,221
	91,942	82,762

Disclosure under clause 32 of the Listing Agreement:

Loans and Advances to Employees

	Max.Amt.outstanding during 2008-09	Outstanding at the end of the year	Max.Amt.outstanding during 2007-08	Outstanding at the end of the year
Housing Loan to employees (Interest @ 5%)	1,723	1,462	2,037	1,723
Other loans and advances (Interest free)	385	403	1,165	385

13. CURRENT LIABILITIES

	<u>2009</u>	<u>2008</u>
Acceptances	9,882	-
Sundry creditors	29	-
-Due of Micro enterprises and Small enterprises (Refer Note 29)	233,202	133,548
-Others	253	346
Unclaimed dividends and fixed deposits*	32,935	39,894
Advances from customers	47,732	54,108
Accrued expenses and other liabilities	324,033	227,896

* These amounts are not yet due to be credited to "Investors Education & Protection Fund".

14. PROVISIONS

Proposed final dividend	-	30,669
Dividend distribution tax	-	6,116
Provision for warranty claims	6,002	11,600
	<u>6,002</u>	<u>48,385</u>

15. REVENUES

Sale of drills / Construction Equipment	482,512	778,878
Sale of spares	413,665	396,990
Gross Sales	896,177	1,175,868
Less: Excise Duty Recovered	(57,604)	(90,107)
Net Sales	838,573	1,085,761
Sale of power	-	45,390
Service income	54,176	53,479
Less : Service Tax Recovered	(1,376)	(1,657)
Net Service Income	52,800	51,822
	<u>891,373</u>	<u>1,182,973</u>

16. OTHER INCOME

Dividend from mutual funds and other investments from		
- Long term	14,993	7,465
- Current	4	8,788
Profit on sale of investments (net)		
- Long term	19,520	44,125
-Current	1,107	2,413
Interest on investments and deposits (gross of tax deducted at source of Rs.1,165 (2008 - Rs. 180)	10,365	2,968
Exchange gain (net)	-	13,009
Provision for doubtful debts no longer required written back	-	5,709
Earlier year provision no longer required written back	63	-
Profit on sale of fixed assets	213	97,835
Others	9,888	17,797
	<u>56,153</u>	<u>200,109</u>

17. COST OF MATERIALS

Raw material and components consumed		
Opening stock	175,408	130,664
Add: Purchases	563,596	641,503
Less: Closing stock, including raw material and components in-transit	(300,030)	(175,408)
	<u>438,974</u>	<u>596,759</u>
Purchase of merchenting components	195,346	150,160
Processing charges and purchase of materials through sub-contractors	42,710	37,948
Decrease/(increase) in work-in-progress and merchenting components	(132,508)	(22,583)
	<u>544,522</u>	<u>762,284</u>

18. EMPLOYEE COSTS

	<u>2009</u>	<u>2008</u>
Salaries, wages, allowances, bonus etc	59,446	51,047
Contribution to provident and other funds	9,614	8,615
Staff welfare expenses	16,437	15,850
	<u>85,497</u>	<u>75,512</u>

19. MANUFACTURING AND OTHER EXPENSES

Consumption of stores, spares, small tools, jigs and fixtures	13,026	12,517
Power and fuel	5,143	4,509
Rent	4,977	3,920
Repairs and maintenance		
Buildings	8,406	6,456
Plant and machinery	1,394	2,951
Others	3,096	2,796
Insurance	2,148	3,237
Rates and taxes	2,637	2,595
Travelling and conveyance	28,949	25,964
Freight, clearing and packing	13,505	16,270
Legal and professional charges	14,121	14,499
Directors' sitting fees	48	50
Directors' Commission	-	400
Selling commission	16,093	20,221
Write-down in the value of Current Investment	2,572	283
Exchange loss (net)	7,052	-
Bad debts and advances written-off (net of recoveries Rs.75 (2008 - Rs. 4))	471	2,510
Miscellaneous expenses	23,453	27,997
	<u>147,091</u>	<u>147,175</u>

20. INTEREST AND FINANCIAL CHARGES

Interest		
Fixed loans	64,334	34,434
Cash credit	36,020	18,357
Others	1,447	151
Bank charges	9,086	6,158
	<u>110,887</u>	<u>59,100</u>

21. PROVISION FOR TAXES

Current tax	4,400	172,000
Provision for Tax of earlier years written back	-	(17,891)
Deferred tax	(619)	(92,909)
Fringe Benefit Tax	2,400	2,200
	<u>6,181</u>	<u>63,400</u>

22. CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debts	3,678	3,678
Customer claims for damages	4,132	4,132
Income-tax	7,810	7,810

23. CAPITAL COMMITMENTS

On account of intangible assets	-	2,327
On account of tangible assets	16,053	4,566
	<u>16,053</u>	<u>6,893</u>

24. RESEARCH AND DEVELOPMENT EXPENDITURE

Research and development expenditure	14,146	17,817
--------------------------------------	--------	--------

25. SUPPLEMENTARY DATA
a. Managerial remuneration
(i) Managing Director & Executive Chairman

	2009	2008
Salary	4,634	4,500
Commission	-	1,486
Contribution to provident and other funds	1,637	1,590
Perquisites and other benefits	2,667	2,200
Total Managerial remuneration	8,938	9,776

(ii) Non Executive Directors

Commission	-	400
------------	---	-----

b. Computation of net profit in accordance with section 349 of the Companies Act, 1956

Net profit before tax	42,357	282,866
Add: Managerial remuneration	8,938	9,776
Commission to Non Executive Directors	-	400
Directors' sitting fees	48	50
Depreciation in the books of account	18,859	56,147
Loss on Sale of Fixed Assets	0	-
Loss on sale of Investments (including Notional Loss, if any)	6,142	316
	<u>76,344</u>	<u>349,555</u>
Less: Depreciation under section 350 of the Companies Act, 1956	18,859	56,147
Profit on sale of fixed assets	-	97,835
Profit on sale of Investment	26,486	46,853
Net profit under section 349 of the Companies Act, 1956	<u>30,999</u>	<u>148,720</u>
Maximum Managerial Remuneration payable at 10 percent	3,100	14,872
Maximum commission payable to non-executive directors at 1 percent Restricted to	-	1,487
	-	400

In view of the inadequacy of profit, the above Managerial remuneration of Rs.8938 is subject to approval of the shareholders under Clause B of Sec II of Part II of Schedule XIII of the Companies Act, 1956.

c. Payments to auditors

(included in Miscellaneous expenses, excluding service tax)

As auditors	230	230
Other services	355	255
Reimbursement of out-of-pocket expenses	221	221
	<u>806</u>	<u>706</u>

d. Value of imports on CIF basis

Raw material, components and traded goods	254,196	258,668
	<u>254,196</u>	<u>258,668</u>

e. Expenditure in foreign currency

Travel	1,327	1,882
Selling commission	934	903
Technical know-how	2,590	-
Others	-	144
	<u>4,851</u>	<u>2,929</u>

f. Consumption of raw material and components

	Unit	2009		2008	
		Quantity	Value	Quantity	Value
Under carriage assemblies	Nos	38	33,635	37	43,463
Compressors and accessories	Nos	47	12,847	60	20,392
Electrical components	*	*	72,351	*	112,857
Hydraulic components	*	*	106,694	*	127,951
Pipes and valves	*	*	47,415	*	46,488
Gear/chain assemblies	*	*	59,911	*	39,822
Others (individually less than 10 per cent of total consumption)	*	*	106,123	*	205,786
			<u>438,976</u>		<u>596,759</u>

* It is not practicable to furnish quantitative information in view of the considerable number of items, with diverse size and nature.

Note:

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

g. Consumption of imported and indigenous raw material, components, stores and spares

	2009		2008	
	Value	Percent	Value	Percent
Consumption of raw material and components				
Imported	135,626	30.90	211,008	35.36
Indigenous	303,350	69.10	385,751	64.64
	<u>438,976</u>	<u>100.00</u>	<u>596,759</u>	<u>100.00</u>
Consumption of stores and spares				
Indigenous	13,026	100.00	12,517	100.00
	<u>13,026</u>	<u>100.00</u>	<u>12,157</u>	<u>100.00</u>

Note:

See comments in Note 24(f) above.

h. Earnings in foreign exchange

	2009	2008
FOB value of exports	109,156	181,522
	<u>109,156</u>	<u>181,522</u>

i. Purchase of merchanting goods

	2009		2008	
	Quantity	Value	Quantity	Value
Compressors	16	7,388	26	11,204
Others	*	180,730	*	138,955
		<u>188,118</u>		<u>150,159</u>

* It is not practicable to furnish quantitative information in view of the considerable number of items, with diverse size and nature.

j. Inventories and sales

2009	Unit	Opening stock		Sales		Closing stock	
		Quantity	Value	Quantity	Value	Quantity	Value
Waterwell rigs, blast hole rigs & Construction equipments	Nos	-	-	82	435,330	-	-
Merchandising goods	Nos	*	61,640	*	403,243	*	71,535
Power	KWH	-	-	-	-	-	-
			<u>61,640</u>		<u>838,573</u>		<u>71,535</u>
2008							
Waterwell rigs, blast hole rigs & Construction equipments	Nos	-	-	181	778,878	-	-
Merchandising goods	Nos	*	62,334	**	396,990	*	61,640
Power	KWH	-	-	16514606**	45,390	-	-
			<u>62,334</u>		<u>1,221,258</u>		<u>61,640</u>

* It is not practicable to furnish quantitative information in view of the considerable number of items, with diverse size and nature.

**Billed (net of Unit 122,376 taken for consumption)

***Billed (net of Unit 104,882 taken for consumption)

Note:

Manufactured components represent components sold during the year and those identified for spares sales.

k. Installed capacity and production

Class of goods	Unit	Installed capacity		Production quantity	
		2009	2008	2009	2008
Waterwell and blast hole rigs, Cons. Equipment	Nos	100*	100*	82	181
Manufactured components (see note)		**	**	**	**
Power	KWH	11150 (Per hour)	11150 (Per hour)	-	16,807,114

* As certified by the management and relied upon by the auditors. The installed capacity is subject to product mix, utilisation of plant and machinery and availing of sub-contracting facilities.

** It is not practicable to furnish quantitative information in view of the considerable number of items, with diverse size and nature.

*** as per the meter reading certified by the developer

Note: Manufactured components represent the components used for manufacture of waterwell and blast hole rigs, those sold during the year and those identified for spares sale.

l. A) Statement of purchases and sales of investments in shares during the year

	Purchases Value	Sales Value
Aditya Birla Nuvo Ltd	120,037	120,037
	<u>120,037</u>	<u>120,037</u>

B) Statement of purchases and sales/redemptions of investments other than shares during the year

	Purchases Value	Sales/Redemptions Value
Current, quoted		
Prudential ICICI Liquid Plan Growth	22,500,000	30,840,202
Prudential ICICI Flexible Income Plan	19,650,000	6,874,552
Prudential ICICI Short Term Cumulative Plan	4,700,000	4,803,868
	-	-
	<u>46,850,000</u>	<u>42,518,622</u>

26. EMPLOYEE BENEFITS

The disclosures required under AS-15 "Employee Benefits" notified in Companies (Accounting Standards) Rules, 2006, are given below:

Defined Contribution Scheme:

Contribution to Defined Contribution Plan recognised for the year are as under

Rs'(000)

Employer's Contribution to Provident Fund - 4,416 (2008-3, 623)

Employer's Contribution to Superannuation Fund - 2,706 (2008-2,574)

Defined Benefit Scheme:

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

Rs. in '000

(a) Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuation as on 31 March, 2009

Expenses recognised during the year ended March 31, 2009, (included in Schedule 18 of Profit and Loss Account)		Gratuity (Funded)	Gratuity (Funded)	Leave Encashment (Non-Funded)	Leave Encashment (Non-Funded)
		31.03.2009	31.03.2008	31.03.2009	31.03.2008
1	Current Service Cost	1,185	1,258	277	336
2	Interest Cost	1,369	892	266	192
3	Expected return on plan assets	(1,420)	(1,037)	-	-
4	Actuarial Losses / (Gains)	782	1,238	(606)	(80)
	Total Expenses	1,916	2,351	(63)	448
Change in the obligation during the year ended March 31, 2009					
1	Present value of Defined Benefit Obligation at the beginning of the year	17,822	15,638	3,462	3,381
2	Current Service Cost	1,185	1,258	277	336
3	Interest Cost	1,369	892	266	192
4	Benefit Paid	(1,404)	(1,534)	(264)	(367)
5	Actuarial (Gains) / Losses	805	1,568	(606)	(80)
	Present value of Defined Benefit Obligation at the end of the year	19,777	17,822	3,135	3,462
Change in Assets during the year ended March 31, 2009					
1	Plan Assets at the beginning of the year	18,842	17,085	-	-
2	Contribution by Employer	1,955	1,924	264	367
3	Expected return on plan assets	1,420	1,037	-	-
4	Benefit Paid	(1,404)	(1,534)	(264)	(367)
5	Actuarial Gains / (Losses)	23	330	-	-
	Plan Assets at the end of the year	20,836	18,842	-	-
Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet during the year ended March 31, 2009					
1	Net Asset / (Liability) at beginning of the year	1020	1,447	(3,462)	(3,381)
2	Employer Expenses	(1,916)	(2,351)	62	(448)
3	Employer Contributions	1,955	1,924	264	367
4	Net Asset / (Liability) at the end of the year	1059	1,020	(3,136)	(3,462)
Actuarial Assumptions					
1	Discount Rate	8%	8%	8%	8%
2	Expected Rate of Return on Plan Assets	8%	8%	-	-

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

27. SEGMENT REPORTING

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

A : PRIMARY SEGMENT

With the sale of the Power Division towards the end of the previous year, the Company has only one reportable segment, viz. Construction and Mining. Hence the figures in this respect has not been disclosed.

B. SECONDARY SEGMENT (Geographical segment)

	2008-09			
	Revenue	Asset	Liabilities	Capital Expenditure
Within India	7,80,905	25,21,653	3,07,800	92,791
Outside India	1,10,468	30,424	23,138	-
	2007-08			
	Revenue	Asset	Liabilities	Capital Expenditure
Within India	10,06,265	19,59,571	2,06,582	30,862
Outside India	1,76,707	23,850	70,309	-

C. SEGMENT INFORMATION

1) Segments have been identified in line with the Accounting Standard AS- 17 taking into account the organisation structure as well as the difference in risk and return.

28. WARRANTIES

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

	2008-09	2007-08
Opening Balance as on 1/4/2008	11,600	12,118
Provided during the year (*)	4,456	9,832
Amounts used during the year	10,054	10,350
Closing Balance as on 31/3/2009	6,001	11,600

(*) remains adjusted with cost of material

29 Disclosure of sundry creditors under current liabilities is based on the information available with the company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the balance sheet date. Based on the above the relevant disclosures u/s 22 of the Act are as follows:

	2008-09
a) Principal amount outstanding at the end of the year	29
b) Interest amount due at the end of the year	Nil
c) Interest paid to suppliers	Nil

30. INFORMATION ABOUT JOINT VENTURES

(a) Jointly Controlled entities

Name of the Joint Ventures	Country of incorporation	Percentage of ownership interest	
		2008-09	2007-08
1. Potential Service Consultants Pvt. Ltd. (Potential)	India	48.34%	41.41%
2. Monarch Catalysts Pvt. Ltd. (Monarch)	India	26.00%	26.00%

(b) In the absence of audited accounts for the year ended 31st March 2009, details in respect of contingent liabilities, capital commitments, interest in assets, liabilities, income and expenses cannot be furnished.

31. PREVIOUS YEAR COMPARATIVES

Previous year comparatives have been regrouped / reclassified to conform with the current years presentation, wherever considered necessary.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(All amounts in thousands of Indian Rupees)

(a) Registration details		
Registration number	:	CIN : L 290TZ1977PLC000780
State code	:	18
Date of balance sheet	:	March 31, 2009
(b) Capital raised during the period		
Public issue	:	Nil
Rights issue	:	Nil
Bonus issue	:	Nil
Private placement	:	Nil
(c) Position of mobilisation and deployment of funds		
Total liabilities and shareholders' funds	:	<u>2,222,032</u>
Total assets	:	<u>2,222,032</u>
Sources of funds		
Paid-up capital	:	30,669
Reserves and surplus	:	1,186,165
Secured loans	:	882,197
Unsecured loans	:	123,001
Application of funds		
Net fixed assets	:	401,503
Investments	:	1,004,312
Net current assets	:	812,717
(d) Performance of the Company		
Turnover	:	891,373
Other income	:	56,153
Total expenditure	:	905,169
Profit before tax	:	42,357
Profit after tax	:	36,176
Earning per share (in Rs)	:	11.80
Dividend rate (%)	:	-
(e) Generic names of three principal products/services of the Company		
Item Code No (ITC Code)	:	8430 6900
Product Description	:	Blasthole drilling rigs
Item Code No (ITC Code)	:	8430 6900
Product Description	:	Ram trac drilling rigs
Item Code No (ITC Code)	:	8705 9000
Product Description	:	Waterwell drilling rigs
Item Code No (ITC Code)	:	8705 4000
Product Description	:	Concrete Mixer
Item Code No (ITC Code)	:	8413 4000
Product Description	:	Concrete Pumps
Item Code No (ITC Code)	:	8474 3110
Product Description	:	Concrete Batching Plant

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

Name of the Subsidiary Company		Revathi Drilling and Mining Limited
Financial year ending of the Subsidiary		March 31, 2009
Extent of Holding Company's interest in the Subsidiary at the end of the financial year (Number of shares held and percentage)		Holders of entire issued equity share capital of 1,000,000 equity shares of Rs.10 each.
Net aggregate amount of Profit/ (Loss) of the Subsidiary not dealt within the Holding Company's accounts	For the current financial year of the Subsidiary	Since the subsidiary company has not commenced commercial operations, the Profit and Loss account for the period ending March 31, 2009 was not prepared and hence the dealing of subsidiary profit/(loss) does not arise.
	For the previous financial year of the Subsidiary	Not applicable
Net aggregate amount of Subsidiary's Profit/ (Loss) dealt with in the holding Company's accounts	For the current financial year of the Subsidiary	Since the subsidiary company has not commenced commercial operations, the Profit and Loss account for the period ending March 31, 2009 was not prepared and hence the dealing of Subsidiary profit/(loss) does not arise.
	For the previous financial year of the Subsidiary	Not applicable

Abhishek Dalmia
Executive Chairman

P.M.Rajanarayanan
Managing Director

M.N. Srinivasan
Company Secretary

S.Hariharan
Vice President (Finance)

Place : Mumbai
Date : May 15, 2009

Promoter Group of 'Revathi Equipment Limited' pursuant to Regulation 3(1)(e) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997.

1. Utkal Investments Ltd.
2. Renaissance Asset Management Company Pvt. Ltd.
3. Renaissance Stocks Ltd.
4. Syt. Abhishek Dalmia
5. Syt. Chaitanya Dalmia
6. Syt. A. H. Dalmia
7. Smt. Usha Dalmia
8. Smt. Deepali Dalmia
9. Smt. Puja Dalmia
10. Ajai Hari Dalmia (HUF)
11. Shri Finance
12. Raghu Trading & Investment Company Pvt. Ltd.
13. Spangle Marketing Ltd
14. Hilltop Metals Ltd
15. Saffron Agencies Ltd.

DIRECTORS' REPORT

For the period ended 31st March 2009

Your Directors have pleasure in presenting the second Annual Report together with the audited accounts of your Company for the period ended March 31, 2009.

Accounts

Your company was incorporated on 20th March 2008. No Profit and Loss account was prepared by the company as the manufacturing and trading activities had not commenced till March 31, 2009.

Miscellaneous expenditure not written off includes amount of Rs. 0.251 Million paid by Revathi Equipment Limited towards Registration and Filing Fees on behalf of your company.

The company has not commenced its commercial operations.

Directors

Mr.Abhishek Dalmia and Mr.Chaitanya Dalmia retire by rotation and being eligible, seek re-appointment.

Directors' responsibility statement

The Board of Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the period, March 31, 2009.
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis.

For and on behalf of the Board of Directors

S.C.Katyal
Director

P.M.Rajanarayanan
Director

Place : Mumbai
Date : May 15, 2009

CIN : U14290TZ2008PLC014320
AUTHORISED CAPITAL : RS.1,00,00,000/-

SECRETARIAL COMPLIANCE CERTIFICATE

To,

The Members
Revathi Drilling and Mining Limited,
Pollachi Road,
Malumachampatti P.O,
Coimbatore 641021.

I have examined the registers, records, books and papers of **Revathi Drilling and Mining Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ending on **31st March 2009** (Financial Year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure "A"** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in **Annexure "B"** to this certificate, with the Registrar of Companies, Coimbatore. However no other forms or returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company, being a Public Limited Company, has the paid up capital of Rs.1,00,00,000/- (Rupees One Crore).
4. The Board of Directors duly met **5** times respectively on 16.06.2008, 19.08.2008, 19.08.2008, 24.10.2008 and 29.01.2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2008 was held on 29.09.2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting(s) was held during the financial year. However the Company has conducted a Statutory Meeting on 15.09.2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has:
 - (i) delivered all the certificates on allotment of shares or any other purpose in accordance with the provisions of the Act.
 - (ii) not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) not paid/posted warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) no amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for period of seven years to be transferred to Investor

- (v) duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the Company is duly constituted. The first directors were appointed on 20.03.2008 in terms of the Articles of Association of the Company. Other than this there was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
 15. The Company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year.
 16. The Company has not appointed any sole selling agents during the financial year.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such authorities prescribed under the various provisions of the Act during the financial year.
 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. The Company has issued any shares, debentures or other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. The Company has not issued any preference shares/ debentures and hence the question of redemption of preference shares or debentures during the financial year does not arise.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A read with Companies (Acceptance of Deposits) Rules, 1975.
 24. The Company has not made any borrowings during the financial year ended 31.03.2009.
 25. The Company during the financial year has made loans to other bodies corporate and has made necessary entries in the register kept to for the purpose. However, the Company has not made any investments, or given guarantee and provided securities to other bodies corporate(s) during the financial year.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association during the financial year.
 31. There were no prosecution initiated against or show cause notices received by the Company, and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year.
 33. The provisions of Section 418 are not applicable as there are no employees in the Company.

Place: Coimbatore
Date : May15, 2009

Practicing Company Secretary: M.D.Selvaraj
C.P.No: 411 (FCS.960)

ANNEXURE A - SECRETARIAL COMPLIANCE CERTIFICATE

Revathi Drilling and Mining Limited
CIN : U14290TZ2008PLC014320
Authorised Capital : RS.1,00,00,000/-

REGISTERS AS MAINTAINED BY THE COMPANY

1. Register of Members under Section 150 and Index of Members under Section 151.
2. Register of particulars of Contracts in which Directors are Interested under Section 301(1) & 301(3).
3. Register of Directors under Section 303.
4. Register of Director's Shareholdings under Section 307.
5. Minutes Book of Board Meetings under Section 193
6. Minutes Book of General Meeting under Section 193

ANNEXURE B - SECRETARIAL COMPLIANCE CERTIFICATE

Revathi Drilling and Mining Limited
CIN : U14290TZ2008PLC014320
Authorised Capital : RS.1,00,00,000/-

Forms and Returns as filed by the Company with Registrar of Companies, Coimbatore, Regional Director, Central Government or other authorities during the financial year ended 31st March 2008.

REGISTRAR OF COMPANIES, COIMBATORE

Sl. No.	Form No. Return	Filed under Section	For filing	Date of filing & Receipt Number	Whether filed within prescribed time Y/N	If Delay in filing whether requisite additional fee paid Y/N
01	Form 22B Dt:21.03.2008	Section-187C (1)	Declaration by person referred in Section 187C (1), (2) & (3) of the Companies Act, 1956.	A35546951 12-04-2008	Yes	Not Applicable
02	Form 2 Dt:31.03.2008	Section 75 (1)	Allotment of 9,50,000 Equity Shares of Rs. 10 each	A43035880 12-08-2008	No	Yes
03	Form 66 Dt:31.03.2008	Section 383A	Compliance Certificate	P23371571 24-10-2008	Yes	Not Applicable
04	Form 23 Dt:29.09.2008	Section 372A	Sanction of Inter Corporate Loan to Holding Company, Revathi Equipment Limited	A49898133 12-11-2008	No	Yes
05	Form 23 AC & 23ACA Dt:31.03.2008	Section 220	Balance Sheet and Profit and loss account	P25790213 12-11-2008	No	Yes
06	Form 20 B Dt:29.09.2008	Section 159	Schedule V - Annual Return	P27870203 04-12-2008	No	Yes
07	Form 22 Dt:15.09.2008	Section 165	Statutory Report	A56153745 14-02-2009	No	Yes

REGIONAL DIRECTOR

NIL

CENTRAL GOVERNMENT & OTHER AUTHORITIES

NIL

Place: Coimbatore
Date : May 15, 2009

Practicing Company Secretary: M.D.Selvaraj
C.P.No: 411 (FCS.960)

AUDITORS' REPORT

To the members of Revathi Drilling and Mining Limited

We have audited the attached Balance Sheet of Revathi Drilling and Mining Limited ('the company') as at 31st March, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 ('the Act') and on the basis of such checks of the books of records of the company as we considered appropriate and according to the information and explanations given to us, we report that:
 - i) The Company has no fixed assets and accordingly, clauses (i) (a) to (i) (c) of the Order are not applicable to the Company.
 - ii) The Company has no inventory and accordingly, clauses (ii) (a) to (ii) (c) of the Order are not applicable to the Company.
 - iii) (a) The company has given interest free loan to its' holding company which is also covered in the register maintained under Section 301 of the Act. The maximum amount involved and the year end balance was Rs. 90,00,000.
 - (b) In our opinion, as given in Para (a) above regarding interest and other terms and conditions on which the unsecured loans have been granted were prima facie not prejudicial to the interest of the Company keeping in view of the long term involvement with the holding company
 - (c) According to the information and explanations given to us, the principal amount and interest in respect of loan granted as mentioned in (a) above are repayable on demand and these have not been recalled.
 - (d) As informed to us, having regards to terms and conditions of the loan as mentioned above, there is no overdue amount outstanding in respect of such loan and interest there on.
 - (e) As informed to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause (iii) (e), (f) and (g) of the Order are not applicable to the company.
 - iv) As there is no purchase of inventories and fixed assets or any sale of goods the clause 4(iv) of the Order is not applicable to the Company.
 - v) According to the information and explanations given to us and as per the records of the Company, there is no transaction that needs to be entered in the register required to be maintained under section 301 of the Act. Accordingly, the provisions of Clause 4 (v)(b) of the Order is not applicable to the Company.
 - vi) During the year, the Company has not accepted any deposits from the public and as such compliance of the provisions of Section 58A and 58AA or any other relevant provisions of the Act and Companies (Acceptance of Deposits) Rules 1975 does not arise.
 - vii) The requirement of internal audit system is not applicable to the Company.
 - viii) Since the Company has not commenced its operation the requirement for maintenance of cost records as prescribed by the Central Government Clause (d) of sub section 209 of the Act, is not applicable to the Company.
 - ix) (a) According to the information and explanation given to us and as per the records of the Company Investor Education and Protection Fund, Provident Fund, Employee State Insurance, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax are not applicable during the year to the Company. There is no amount outstanding as at 31st March, 2009 for more than six months from the date they become payable in respect of Income Tax.
 - (b) According to the information and explanations given to us and read with Para (a) above there are no dues that have not been deposited with the appropriate authority on account of any disputes.

- x) The Company has been registered for a period of less than five years, thus the provisions of Clause(x) of the Order are not applicable to the Company.
- xi) The Company has no amounts due to financial institutions or debenture-holders or bank. Accordingly provisions of clause (xi) of the Order are not applicable to the Company.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause (xii) of the Order are not applicable to the Company.
- xiii) In our opinion, the Company is not a Chit fund or Nidhi/ Mutual benefit funds / society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xiv) In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
- xvi) As per the information and explanations given to us, no term loan has been taken during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that no short term funds have been utilized for long term investments.
- xviii) The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4 (xviii) of the Order are not applicable to the Company.
- xix) The Company has not issued any debenture during the year. Accordingly, the provisions of clause 4 (xix) of the Order are not applicable to the Company.
- xx) The Company has not raised money by public issue during the year. Accordingly, provision of clause 4 (xx) of the Order is not applicable to the Company.
- xxi) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India, we have neither come across any instances of fraud on or by the Company, noticed and reported during the year, nor have we been informed of any such case by the management.

B. Further to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and beliefs were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- c) The Balance Sheet dealt with by this report is in agreement with the books of account.
- d) In our opinion, the Balance Sheet dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in Section 211(3C) of the Act.
- e) On the basis of written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of Sub sec (1) of Section 274 of the Act.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the act in the manner so required and read together with other notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.

For **Lodha & Co.**
Chartered Accountants

H S Jha
Partner

Place: Kolkata
Date : May 15, 2009

Membership No: 55854

REVATHI DRILLING AND MINING LIMITED
(Wholly owned subsidiary of Revathi Equipment Ltd)

BALANCE SHEET - MARCH 31, 2009
(All amounts in thousands of Indian Rupees)

	Schedule	As at 31 March 2009	As at 31 March 2008
SOURCES OF FUNDS			
Shareholders' Funds:			
Share capital	1	<u>10,000</u>	<u>10,000</u>
Total		<u>10,000</u>	<u>10,000</u>
APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS AND ADVANCES:			
Cash and bank balances		1,000	10,000
(Balance with Scheduled bank)			
Loan to Holding Company		<u>9,000</u>	-
		<u>10,000</u>	<u>10,000</u>
Less: CURRENT LIABILITIES AND PROVISIONS:			
Current liabilities		<u>351</u>	<u>240</u>
		<u>351</u>	<u>240</u>
Net current assets		9,649	9,760
Miscellaneous expenditure not written off:			
Preliminary Expenses		<u>351</u>	<u>240</u>
Total		<u>10,000</u>	<u>10,000</u>
Significant Accounting policies & Notes to Accounts	2		

Lodha & Co
Chartered Accountants

Abhishek Dalmia
Director

P.M. Rajanarayanan
Director

H.S.Jha
Partner
Membership Number: 055854

Place : Kolkata
Date : 15-05-2009

Mumbai
15-05-2009

REVATHI DRILLING AND MINING LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009

(Rs. in 000's)

Schedule 1	As at	As at
Share Capital	31 March 2009	31 March 2008
Authorised 1,000,000 equity shares of Rs.10/- each	<u>10,000</u>	<u>10,000</u>
Issued, subscribed and paid-up 1,000,000 equity shares of Rs.10/- each	<u>10,000</u>	<u>10,000</u>
All the above equity shares are held by its holding company - Revathi Equipment Ltd.		

Schedule 2
ACCOUNTING POLICIES AND NOTES ON ACCOUNTS
1. Accounting Policies
A) General

- a. The Accounts have been prepared on historical cost basis and on the accounting principles of going concern.
- b. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

B) Use of Estimates

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

C) Miscellaneous Expenditure

Miscellaneous Expenditure is written off over a period of five years after commencement of operation by the Company.

2. Related Party disclosures pursuant to Accounting Standard 18 (as identified by the management)
(a) Enterprise where control exists:

Revathi Equipment Limited, being holding of the Company.

(b) The aggregate amount of transaction with the related party as mentioned above is as given below:

Nature of transaction	Holding Company	
	2008-09	2007-08
Loan given during the year		
Revathi Equipment Limited	9000	--
Advances taken during the year		
Revathi Equipment Limited	61	190
Balance at the end of the period		
Loans		
Revathi Equipment Limited	9000	--
Advance received		
Revathi Equipment Limited	251	190

3. No Profit and Loss account has been prepared by the company as the manufacturing and trading activities had not commenced till March 31, 2009 during the year.
4. The Company was incorporated on 20th March 2008. Previous period's figures have been re-arranged/ re-grouped wherever necessary.

For **Lodha & Co.**
Chartered Accountants

H S Jha
Partner

Place: Kolkata
Date : May15, 2009

On Behalf of the Board

Abhishek Dalmia
Director

P.M. Rajanarayanan
Director

Mumbai
May 15, 2009

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

Name of the Subsidiary Company		SEMAC LTD.
Financial year ending of the Subsidiary		March 31, 2009
Extent of Holding Company's interest in the Subsidiary at the end of the financial year (Number of shares held and percentage)		Holding 187978 equity shares of Rs 100 each. Percentage of holdings 70.
Net aggregate amount of Profit/ (Loss) of the Subsidiary not dealt within the Holding Company's accounts	For the current financial year of the Subsidiary	Rs. 27,417,525,10
	For the previous financial years of the Subsidiary	Not applicable
Net aggregate amount of Subsidiary's Profit/ (Loss) dealt with in the holding Company's accounts	For the current financial year of the Subsidiary	NIL
	For the previous financial years of the Subsidiary	Not applicable

Abhishek Dalmia
Executive Chairman

P.M.Rajnarayanan
Managing Director

M.N. Srinivasan
Company Secretary

S.Hariharan
Vice President (Finance)

Place : Coimbatore
Date : October 23, 2009

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 40th ANNUAL REPORT TOGETHER WITH THE AUDITED ACCOUNTS of the Company for the year ended 31st March 2009.

FINANCIAL PERFORMANCE

The Company's financial performance has come down when compared to earlier years. However, it is satisfying to note that the increasing trend in the Revenue is maintained in the challenging economic scenario, brought about by the slow down of the economy and its effect on the real estate and support industries. The Fee and other collections during the year is Rs. 32,26,37,292/- as against the previous year's figure of Rs. 31,67,02,731/- showing a marginal increase of 1.87%. The Company hopes to achieve better results in the current year.

The collections for the year under review include foreign exchange receipt of Rs. 10,27,858/- from Semac & Partners LLC., Muscat. The summary of the financial results is given below.

	2008-2009 Rs.	2007-2008 Rs.
Professional Fees and Other Collections	32,26,37,292	31,67,02,731
LESS : Expenses and other Costs	25,80,51,920	21,26,59,135
Profit before Prior Period Items	6,45,85,372	10,46,65,080
Add : Prior Period Items	(7,58,289)	(48,051)
Profit Before Taxation	6,38,27,083	10,46,17,029
LESS : Current Tax	2,46,05,000	3,69,00,000
Fringe Benefit Tax	7,87,868	15,54,432
Wealth Tax	24,290	34,891
Deferred Tax	(7,57,968)	(24,38,170)
Profit after Taxation (PAT)	3,91,67,893	6,85,65,906
ADD : Balance brought forward	8,23,30,773	2,37,06,651
PROFIT AVAILABLE FOR APPROPRIATION	12,14,98,666	9,22,72,557

Keeping in view the provisions of the Companies Act, 1956, the Directors propose to appropriate the profit as follows :

APPROPRIATION

• Transfer to General Reserve	-	68,00,000
• Proposed Dividend	-	26,85,400
• Income Tax on Dividend	-	4,56,384
• Balance to be Carried to next year	12,14,98,666	8,23,30,773
TOTAL	12,14,98,666	9,22,72,557
Earnings per Share	145.85	255.33

DIVIDEND

Given the necessity to preserve and deploy cash in the business, your Directors do not recommend any dividend for the financial year ended 31st March, 2009.

DUBAI OFFICE

The Fee Collections of Dubai Office of the Company during the year is Rs1,01,90,475/- as against the previous year's figure of Rs. 1,04,64,069/-. The Audited Accounts of the Dubai Office for the year 2008-09 has been incorporated in the Accounts of the Company

SEMAC WLL, QATAR

The Company has invested 49% of Equity in Semac WLL, Qatar and that Company has commenced its operations from May, 2008. The audited Accounts of the Company are yet to be received.

SUBSIDIARY COMPANIES

M/s. Semac & Partners LLC, Muscat is a subsidiary company of our Company. The statement pursuant to section 212 of the Companies Act, 1956 relating to this subsidiary company as also its annual accounts form part of the Company's Annual Report.

HOLDING COMPANIES

M/s. Revathi Equipment Ltd., Coimbatore, a public Company, has acquired 70% of the Equity Shares of the Company on 8th May, 2008 and has become Holding Company. Our Company has become a Subsidiary Company of M/s. Revathi Equipment Ltd., Coimbatore with effect from that date.

DIRECTORS

The following are the changes in the Board of Directors of the Company.

- a) Mr. Abhishek Dalmia who was appointed as a Director of the Company at the previous Annual General Meeting of the Company retires at this meeting and is eligible for reappointment.
- b) Mr. Chaitanya Dalmia who was appointed as a Director of the Company at the previous Annual General Meeting of the Company retires at this meeting and is eligible for reappointment.
- c) Mr. Satish C Katyal who was appointed as a Director of the Company at the previous Annual General Meeting of the Company retires at this meeting and is eligible for reappointment.
- d) Mr. M.N.Raghavendra Rao, Director of the Company resigned from Office on 7th October, 2008.
- e) Mr. R.Sridhar, Director of the Company resigned from Office on 7th October, 2008
- f) Mr. N.S.Rajendran, Director of the Company resigned from Office on 7th October, 2008.

The Directors wish to place on record the excellent services rendered by Mr. M.N.Raghavendra Rao, Mr. R.Sridhar and Mr. N.S.Rajendran, the outgoing Directors.

DIRECTORS RESPONSIBILITY STATEMENT

As stipulated under Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that :-

- a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this 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 on a going concern basis.

ADDITIONAL INFORMATION

- a) Conservation of Energy : Not Applicable to our Company having regard to the nature of activities of the Company.
- b) Technology Absorption : Not Applicable to our Company having regard to the nature of activities of the Company.
- c) Foreign Exchange Earnings & Outgo.

	2008-09	2007-08
	Rs.	Rs.
Earnings	89,07,025	11,52,968
Outgo	8,996	2,25,237

COMPLIANCE CERTIFICATE.

The Company has obtained Compliance Certificate from Mr. A.V. Sundaresh, Bangalore, a Wholetime Practising Company Secretary, in accordance with the provisions of the Companies Act, 1956 and a copy of the certificate is enclosed herewith.

PARTICULARS OF EMPLOYEES

Particulars of Employees under the provisions of section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 : Particulars are given in Annexure I to this Report.

AUDITORS

The Auditors of the Company, M/s. Lodha & Co., Kolkatta and Auditors of Dubai Office of the Company, M/s. Behl, Lad & Al Sayegh, Dubai retire at the forthcoming Annual General Meeting and are eligible for reappointment.

AUDITORS OBSERVATIONS IN THEIR AUDIT REPORT

In view of the sudden slowdown in the market, certain debts have been outstanding for a longer time than the normal credit period. The Company has taken several steps to ascertain the recoverability of the amounts and the company considers such debts currently to be good and receivable.

APPRECIATION

Your Directors place on record their deep appreciation of the devoted efforts and the spirit of team-work and co-operation evinced by the employees of the Company at all levels, and for their loyalty to the Company's ideals and their efforts in achieving high standards of performance. The Directors thank the clients, business associates and bankers of the Company for their support to the Company.

For and on behalf of the Board of Directors

RAMESH PANGASA
(MANAGING DIRECTOR)

ABHISHEK DALMIA
(CHAIRMAN)

Date : 19th August, 2009
Place :Bangalore,

STATEMENT PURSUANT TO S-212(1)(e) OF COMPANIES ACT, 1956

- 1. Name of the Subsidiary Company : Semac and Partners LLC, Muscat.
- 2. Financial Year ended on : 31-03-2009

Sl. No.	Description	Amount (Rs.)
3.	Shares of the Subsidiary Company held by the Company on the above date	
a)	Number and Face Value Omani: 1/- ; Rs.6,62,800/-	65,650 shares of Rial
b)	Extent of Holding	65.00%.
4.	Net aggregate amount of profits/loss of the subsidiary company for the above financial year so for as they concern the members of the Company	
a)	Dealt with in the accounts of the Company for the year ended 31.03.2009	Rs. 75,32,323/-
b)	Not dealt with in the accounts of the Company for the year ended 31.03.2009	Rs. 12,01,886/-
5.	Net aggregate amount of Profit/losses for previous years of the subsidiary Company since it became a subsidiary so far as they concern the members of the Company.	
a)	Dealt with in the accounts of the Company for the year ended 31.03.2009	Rs. 1,08,58,933.86/-
b)	Not dealt with in the accounts of the Company for the year ended 31.03.2009	Rs. 42,25,551/-

For and on behalf of the Board of Directors

RAMESH PANGASA
(MANAGING DIRECTOR)

ABHISHEK DALMIA
(CHAIRMAN)

Date : 19th August, 2009
Place : Bangalore,

ANNEXURE - 1 TO THE DIRECTORS' REPORT

INFORMATION UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956
READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULE 1975.

FOR THE YEAR ENDED 31ST MARCH 2009.

NAME	AGE	DESIGNATION / NATURE OF DUTIES	GROSS REMUNERATION Rs.	QUALIFICATION	YEARS OF EXPERIENCE	DATE OF COMMENCEMENT OF EMPLOYMENT	PREVIOUS EMPLOYMENT
Mr.A.D.Pavate	71	Chairman	1,99,084	M.E.	46	July 1969	John Mowlem Co., Ltd.,
Mr. Ramesh Pangasa	64	Managing Director	45,53,525	B.Sc (Engg)	38	July 1978	Gulf Design Group
Mr. M.N. Raghavendra Rao (upto 7th October, 2008)	63	Jt. Managing Director	18,23,642	M.E.	40	December 1969	First Appointment
Mr. M.N. Raghavendra Rao (From 8th October, 2008)	63	Principal Consultant	17,00,230	M.E.	40	October 2008	Semac Pvt. Ltd.,
Mr. N.S. Rajendran (upto 7th October, 2008)	47	Whole-time Director	20,35,161	M.E.	21	August 1987	First Appointment
Mr. N.S. Rajendran (From 8th October, 2008)	47	Principal Consultant	25,00,336	M.E.	21	October 2008	Semac Pvt. Ltd.,
Mr. R.Sridhar (upto 7th October, 2008)	55	Whole-time Director	18,30,473	M.E.	31	September 2006	AEC Infotech P Ltd.,
Mr. R.Sridhar (From 8th October, 2008)	55	Principal Consultant	17,00,499	M.E.	31	October 2008	Semac Pvt. Ltd.,

NOTES:

- Gross Remuneration stated above includes Salary, Perquisites, Medical Reimbursement and Company's Contribution to Provident Fund.
- None of the employees mentioned above is a relative of any Director of the Company.

For and on behalf of the Board of Directors

RAMESH PANGASA
(MANAGING DIRECTOR)

ABHISHEK DALMIA
(CHAIRMAN)

Date : 19th August, 2009

Place: Bangalore

Ref. :

Date :

COMPLIANCE CERTIFICATE

CIN : U5110KA1969PLC001808

Authorised Capital : Rs. 100 LAKHS

To
The Members
M/S. SEMAC LIMITED,
Bangalore.

I have examined the registers, records, books and papers of M/S. SEMAC LIMITED, (previously SEMAC PRIVATE LIMITED) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31.03.2009 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provision of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under
3. The Company being a Public Limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met 11 times respectively on 21.04.2008, 07.05.2008, 08.05.2008, 14.06.2008, 19.07.2008, 11.08.2008, 27.08.2008, 18.11.2008, 19.01.2009, 12.02.2009 and on 13.03.2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members or Debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2008 was held on 26.09.2008 after given due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. One Extra Ordinary General Meeting was held during the financial year after giving due notice to members held on 26.09.2008 at the registered office of the company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Companies Act, 1956.
9. The Company has duly complied with the provisions of section 297 of the act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government, as the cast may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. The Company states that :-
 - (i) Delivered all the certificate on lodgment thereof for transfer in accordance with the provision of the Act.
 - (ii) Deposited the amount of dividend declared including interim dividend in a separate bank account.
 - (iii) Posted dividend to all the members within a period of 30 (thirty) days from the date of declaration and that all unpaid dividend has been transferred to Unpaid Dividend Account of the Company
 - (iv) Not applicable
 - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the Company is duly constituted and the appointments of additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The Company has not appointed any Managing Director/Whole time Director/Manager during the Financial Year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

19. The Company has not issued any Shares during the financial year.
20. The Company has not bought back any Shares during the Financial year.
21. There was no redemption of Preference Shares or Debentures during the Financial Year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus Shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the Financial Year.
24. The amount borrowed by the Company from directors, members, public, financial institution, bank and others during the financial year is within the borrowing limits of the company.
25. The Company has not made loans or advances or given guarantees or provided securities to other bodies corporate during the Financial Year.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
28. The Company has altered the provisions of the Memorandum with respect to Name of the Company during the year under scrutiny and complied with the provisions of the Act, consequent to conversion of the Company from Private Limited to Public Limited Company.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under Scrutiny.
30. The Company has altered its Articles of Association at the Extra-ordinary General Meeting held on 26-09-2008 and complied with the applicable provisions of the Companies Act,
31. There was no prosecution initiated against or show cause notices received by the Company during the Financial Year, for offences under the Act.
32. The Company has not received any money as security from its employees during the Financial Year.
33. The Company has not constituted any separate Trust for its employees and hence the question of deposit of contribution with prescribed authorities Pursuant to Section 418 of the Act does not apply.

Place : Bangalore
Date : August 19, 2009

Signature
Name of the Company Secretary
C.P. NO.

Forms and Returns as filed by the company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2009.

Annexure A

Registers as maintained by the Company :-

1. Register of Members Section 150
2. Registrar of Directors.
3. Register of Charges (Sec. 143)
4. Register of investments u/s. (372A)
5. Register of Contracts, Companies & firms in which Directors are interested.
6. Minutes of the Board and the General Meeting with Attendance Register

Annexure B

- | | |
|---|---------------------|
| 1. Balance Sheet as on 31.03.2008 | Filed on 21.10.2008 |
| 2. Annual return dated 26.09.2008 | Filed on 12.11.2008 |
| 3. Compliance Certificate | Filed on 21.10.2008 |
| 4. Form No. 32 (4 Nos) dated 08.05.2008 | Filed on 19.07.2008 |
| 5. Form 23 dated 26.09.2008 | Filed on 24.10.2008 |
| 6. Form No. 25C(4 Nos) dated 24.10.2008 | Filed on 24.10.2008 |
| 7. Form No. 62 | Filed on 24.11.2008 |

AUDITORS' REPORT

To the members of
SEMAM LIMITED

We have audited the attached Balance Sheet of Semam Limited ('the Company') as at 31st March 2009 and the Profit and Loss Account for the year ended on that date, annexed thereto and the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003("the order"), as amended by the Companies (Auditor's Report)(Amendment) Order, 2004 issued by the Central Government in exercise of the power conferred by section 227 (4A) of The Companies Act, 1956, ("the Act") and according to the information and explanation given to us and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, we state that:
 - (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
 - (b) As explained to us, the fixed assets of the Company are physically verified by the management over a phased manner, which we consider reasonable considering the size of the Company and nature of its assets. As explained to us such verification has been carried out by the management and the necessary reconciliation with the book records was under progress at the year end.
 - (c) During the year, the Company has not disposed off substantial part of its fixed assets, which could affect the going concern status of the company.
 - (ii) The Company is a Service Company, primarily rendering engineering consulting services. The Company does not hold any inventory and accordingly clause (ii) of the order are not applicable to the Company.
 - (iii) As per the records of the Company, it has not taken/ granted any loans, secured or unsecured to any companies, firms or other parties covered in the Register maintained under Section 301 of the Act. Accordingly clauses 4 (iii) of the Order are not applicable to the Company.
 - (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets and for the services rendered. During the course of our audit we have not observed any major weaknesses in the internal controls. In respect of sale of services, the internal control needs to be strengthened further.
 - (v) (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the Register maintained under section 301 of the Act, have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the market prices prevailing at the relevant time.
 - (vi) The Company has not accepted any deposits under sections 58A and 58AA of the Act from the public during the year. Accordingly clause (vi) of the Order is not applicable to the Company.
 - (vii) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
 - (viii) The maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act for the business the company is engaged in. Accordingly clause (viii) of the Order is not applicable to the Company.
 - (ix) (a) According to information and explanations given to us and as per the records of the Company examined by us, in our opinion the Company is regular in depositing with the appropriate authorities undisputed material statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess as applicable to it.
On the basis of the records of the Company there are no amounts outstanding in respect of undisputed Income Tax, Wealth Tax, and Cess and other material statutory dues which were due for more than six months as on 31st March, 2009 from the date they become payable.
 - (b) According to information and explanations given to us, there are no amount outstanding in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
 - (x) The Company has no accumulated losses as on 31st March 2009 and it has not incurred cash losses in the current and immediately preceding financial year.
 - (xi) The Company has no outstanding dues in respect of loans from Banks, Financial Institution or debenture holders. Accordingly clause (xi) of the Order is not applicable to the Company.

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances.
- (xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi mutual fund/society. Therefore, the provisions of clause (xiii) of the Order is not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 3(xiv) of the order are not applicable to the company.
- (xv) According to information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provision of clause 4(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, no term loans have been obtained by the Company. Accordingly clause (xvi) of the Order is not applicable to the Company.
- (xvii) According to information and explanations given to us and on overall examination of the balance sheet of the Company, we report that the Company has not used the funds raised on short-term basis for long-term investments.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly clause (xviii) of the Order is not applicable to the Company.
- (xix) The Company did not have any outstanding debentures during the year. Accordingly, the provision of clause 4(xix) of the order is not applicable to the Company.
- (xx) The Company has not raised any money through a public issue during the year. Accordingly, provision of clause 4(xx) of the Order is not applicable to the company.
- (xxi) During the course of our examination of the books of accounts carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such case by the management.
2. Attention is invited to Note 2 of Schedule 15 regarding non-provision of certain overdue debtors and accordingly necessary provisions could not be made in these accounts, the impact of which on the profit for the year is not ascertained.
3. We did not audit the financial statements of the Dubai branch of the Company, whose financial statements reflect total assets of Rs.86,10,420 as at March 31, 2009 and total revenues of Rs. 1,01,90,475 for the year ended. These financial statements have been audited by other auditor, duly qualified to act as auditor in the country of incorporation of the said branch, whose report have been furnished to us, and which were relied upon by us for our opinion on the financial statements of the Company.
4. Further to the above, we report that;
- Except as given in Note 17 of Schedule 15, we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of those books;
 - The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of accounts;
 - In our opinion, excepting as given in Note 12 (c) and 12(d) of Schedule 15 regarding accounting of gratuity payable to executive directors as per management estimate and in respect of the overseas branch and Note 13(b) of Schedule 15 regarding non disclosure of certain details in respect of the joint venture, the Profit and Loss account and the attached Balance Sheet of the Company as at 31st March, 2009, comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - On the basis of written representations received from the directors, as on 31 March, 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March, 2009 from being appointed as a director of the Company in terms of Sec. 274 (1) (g) of the Companies Act, 1956.
 - In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to our remarks as given in Para 2 above the impact of which is not ascertainable and Note 13 of Schedule 15 regarding non-availability of details relating to Micro, Small and Medium Enterprise Development Act, 2006 and read together with the accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - in case of the Balance Sheet, the state of affairs of the Company as at 31st March, 2009;
 - in case of the Profit and Loss Account, the Profit of the Company for the year ended on that date; and
 - in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For LODHA & CO,
Chartered Accountants

H. S. Jha
Partner
Membership Number: 055854

Place: Kolkata
Date: 19th August, 2009

BALANCE SHEET AS AT 31ST, MARCH 2009

PARTICULARS	SCHEDULE No.	As At 31.03.2009 Amount (Rs.)	As At 31.03.2008 Amount (Rs.)
SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS :			
Share Capital	1	2,685,400	2,685,400
Reserves and Surplus	2	143,301,042	106,736,487
		145,986,442	109,421,887
LOAN FUNDS :			
Secured Loans	3	4,669,598	4,920,594
TOTAL		150,656,040	114,342,481
APPLICATION OF FUNDS			
FIXED ASSETS :			
Gross Block	4	69,655,789	61,158,606
Less : Depreciation		31,813,508	24,656,116
Net Block		37,842,281	36,502,490
DEFERRED TAX ASSETS (Refer Note No. 6 of Schedule 15)		5,468,099	3,401,426
INVESTMENTS	5	3,361,326	4,283,000
CURRENT ASSETS, LOANS AND ADVANCES :			
(A) Current Assets			
Sundry Debtors	6	100,010,761	57,166,246
Cash and Bank Balances		35,180,589	46,185,997
Other Current Assets		7,037,489	2,655,783
(B) Loans and Advances			
	7	73,989,902	52,199,733
		216,218,741	158,207,759
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	8	48,517,249	33,783,299
Provisions	9	63,717,158	54,268,895
NET CURRENT ASSETS		103,984,334	70,155,565
TOTAL		150,656,040	114,342,481
Significant Accounting Policies and Notes on Accounts	15		

Schedules and Notes referred to above form an integral part of the Balance Sheet

For and on behalf of the Board

ABHISHEK DALMIA
(Chairman)RAMESH PANGASA
(Managing Director)As per our report of even date attached.
For **LODHA & Co.**
(Chartered Accountants)**H S Jha**
(Partner)
Membership No. : 055854Place : Bangalore
Date : August 19, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST, MARCH 2009.

PARTICULARS	SCHEDULE No.	2008-09 Amount (Rs.)	2007-08 Amount (Rs.)
INCOME :			
PROFESSIONAL FEES		346,753,112	348,267,991
Less : Service Tax Realised		<u>32,731,020</u>	35,474,835
		314,022,092	312,793,156
Miscellaneous Receipts	10	<u>8,615,200</u>	4,531,058
TOTAL		<u>322,637,292</u>	<u>317,324,214</u>
EXPENDITURE :			
Operational Expenses	11	65,782,556	65,838,043
Employee Expenses	12	137,465,685	117,839,011
Administrative Expenses	13	45,793,993	21,688,895
Financial Charges	14	896,202	619,509
Depreciation	4	8,113,484	6,673,677
TOTAL		<u>258,051,920</u>	<u>212,659,135</u>
Profit before Prior Period Items		64,585,372	104,665,080
Prior Period Items (Net) (Refer Note No. 7 of Schedule 15)		<u>(758,289)</u>	(48,051)
Profit before Tax and after prior period Items		63,827,083	104,617,029
Less: Provision for Taxation			
Income Tax			
Current year		24,605,000	36,900,000
Fringe Benefit Tax		787,868	1,554,402
Wealth Tax		24,290	34,891
Deferred Tax (Refer Note 6 of schedule 16)		(757,968)	(2,438,170)
Profit after tax		39,167,893	68,565,906
Add: Balance Brought Forward from previous year		82,330,773	23,706,651
PROFIT AVAILABLE FOR APPROPRIATION		<u>121,498,666</u>	<u>92,272,557</u>
APPROPRIATIONS :			
Proposed Dividend		-	2,685,400
Tax on Proposed Dividend		-	456,384
Transfer to General Reserve		-	6,800,000
Balance Carried Forward		121,498,666	82,330,773
TOTAL		<u>121,498,666</u>	<u>92,272,557</u>
Basic and Diluted Earning Per Share (Rs.) (Equity Shares of Face Value of Rs. 10 each)		145.85	255.33
Significant Accounting Policies and Notes on Accounts	15		

Schedules and Notes referred to above form an integral part of the Balance Sheet

For and on behalf of the Board

ABHISHEK DALMIA
(Chairman)

RAMESH PANGASA
(Managing Director)

As per our report of even date attached.
For **LODHA & Co.**
(Chartered Accountants)

H S Jha
(Partner)
Membership No. : 055854

Place : Bangalore
Date : August 19, 2009

SCHEDULES TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST, MARCH 2009.

PARTICULARS	2008-09 Amount (Rs.)	2007-08 Amount (Rs.)
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
10,00,000 Equity Shares of Rs. 10/- each	<u>10,000,000</u>	<u>10,000,000</u>
ISSUED, SUBSCRIBED & PAID-UP		
2,68,540 Equity Shares of Rs. 10/- each fully paid up,	<u>2,685,400</u>	<u>2,685,400</u>
	<u>2,685,400</u>	<u>2,685,400</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	24,343,936	17,543,936
ADD - Transfer from Profit & Loss Account during the year	-	6,800,000
LESS- Adjustment pursuant to the transitional provisions of Accounting Standard-15(Revised) Employee Benefits (net of deferred tax Rs. 1308705) (Refer Note 12 of Schedule 15)	<u>(2,541,560)</u>	<u>-</u>
	<u>21,802,376</u>	<u>24,343,936</u>
FOREIGN CURRENCY TRANSLATION RESERVE		
As per last Balance Sheet	61,778	61,778
Less : Transfer to Prior Year Income (Refer Note No 11 of Schedule 15)	61,778	-
	<u>-</u>	<u>61,778</u>
	<u>21,802,376</u>	<u>24,405,714</u>
Profit & Loss Account	<u>121,498,666</u>	<u>82,330,773</u>
	<u>143,301,042</u>	<u>106,736,487</u>
SCHEDULE - 3		
SECURED LOANS		
ICICI Bank Loan (Secured by mortgage of buildings)	4,276,391	4,719,271
Vehicle Loan (Secured by hypothecation of vehicles)	393,207	201,323
	<u>4,669,598</u>	<u>4,920,594</u>

SCHEDULE - 4
FIXED ASSETS

(In Rs.)

Sl. No.	Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 01-04-2008	Additions During The Year	Deduction During The Year	Cost as at 31-03-2009	as on 01-04-2008	For The Year	Deduction During The Year	as on 31-03-2009	as on 31-03-2009 Rs.	as on 31-03-2008 Rs.
1	BUILDINGS	14,537,968	2,296,737	-	16,834,705	1,242,265	750,598	-	1,992,863	14,841,842	13,295,703
2	COMPUTERS	22,499,823	3,387,565	80,260	25,807,128	14,356,669	3,930,453	22,553	18,264,569	7,542,559	8,143,154
3	OFFICE EQUIPMENTS	9,616,814	2,278,925	94,850	11,800,889	2,629,589	1,204,085	24,654	3,809,020	7,991,869	6,987,225
4	TYPEWRITERS	55,398	-	-	55,398	51,915	484	-	52,399	2,999	3,483
5	FURNITURE & FIXTURES	5,012,762	404,663	63,978	5,353,447	2,138,355	659,904	12,354	2,785,905	2,567,542	2,874,407
6	VEHICLES	9,435,841	1,607,827	1,239,446	9,804,222	4,237,323	1,567,960	896,531	4,908,752	4,895,470	5,198,518
	TOTAL	61,158,606	9,975,717	1,478,534	69,655,789	24,656,116	8,113,484	956,092	31,813,508	37,842,281	36,502,490
	PREVIOUS YEAR	48,586,467	14,158,034	1,585,896	61,158,605	18,816,359	6,673,677	833,920	24,656,116	36,502,489	

SCHEDULES TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST, MARCH 2009.

PARTICULARS	2008-09 Amount (Rs.)	2007-08 Amount (Rs.)
SCHEDULE - 5		
INVESTMENTS		
At Cost (Non trade, Unquoted)		
128 Fully Paid-Up Equity Shares of Rs. 25/- each in Shamrao Vittal Co-op. Bank Ltd.	3,200	3,200
3600 Fully Paid up Equity Shares of Rs. 10/- each in Lakeland Hotels Ltd.	36,000	36,000
Nil (Previous year - 16,000) Partly Paid up Equity Shares of Rs. 10/- each in Gromax Buildwell Pvt. Ltd.	-	2,000,000
1,48,100 Fully Paid up Equity shares of Rs. 10/- each in AEC Infotech Pvt. Ltd.	1,481,000	1,481,000
Shares in Subsidiary Company:		
65,650 Equity Shares of OR 1/- in Semac Oman - LLC, Muscat	662,800	662,800
Shares in Joint Venture:		
98 (Previous year Nil) Fully Paid-Up Shares of QR 1000/- each in Semac Qatar WLL, Doha.	1,078,326	-
	<u>3,261,326</u>	<u>4,183,000</u>
At Cost (Non trade, Quoted)		
10,000 Units of Rs.10/- each of Standard Chartered Mutual Fund Units	100,000	100,000
	<u>3,361,326</u>	<u>4,283,000</u>
SCHEDULE - 6		
A. CURRENT ASSETS :		
Sundry Debtors		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	28,254,642	6,756,974
Other Debts	71,756,119	50,409,272
	<u>100,010,761</u>	<u>57,166,246</u>
Cash and Bank Balances		
Cash in hand	96,693	98,613
Balances with Scheduled Banks		
On Current Accounts	33,632,852	43,112,218
On Deposit Accounts	1,206,024	1,956,621
On Current Account with National Bank of Dubai, Dubai	245,020	1,018,545
	<u>35,180,589</u>	<u>46,185,997</u>
Other Current Assets		
(Unsecured, Considered Good)		
Rent Deposits	6,480,529	2,222,880
Sundry Deposits	554,290	396,060
Interest accrued on term deposits with banks.	2,670	36,843
	<u>7,037,489</u>	<u>2,655,783</u>
SCHEDULE - 7		
B. LOANS & ADVANCES		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for value to be received	3,347,303	3,465,354
.Advance Income Tax	67,712,790	47,525,155
.Advance Wealth Tax	-	44,990
Advance Fringe Benefit Tax	2,929,809	1,164,234
	<u>73,989,902</u>	<u>52,199,733</u>

SCHEDULES TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST, MARCH 2009.

PARTICULARS	2008-09 Amount (Rs.)	2007-08 Amount (Rs.)
SCHEDULE - 8		
CURRENT LIABILITIES		
Sundry Creditors (Refer Note 17 of Schedule 15)	343,219	2,604,001
Advances received from Customers	1,101,155	1,113,866
Outstanding Liabilities for Expenses	30,474,996	20,651,355
Other Liabilities	16,597,879	9,414,077
	<u>48,517,249</u>	<u>33,783,299</u>
SCHEDULE - 9		
PROVISIONS		
Provision for Income tax	61,505,000	49,650,000
Provision for Wealth tax	24,290	77,111
Provision for Fringe Benefit tax	2,187,868	1,400,000
Proposed Dividend	-	2,685,400
Tax on Proposed Dividend	-	456,384
	<u>63,717,158</u>	<u>54,268,895</u>
SCHEDULE - 10		
MISCELLANEOUS RECEIPTS		
Interest from Bank (TDS - Rs.37,347/- Previous year - Rs.25,011/-)	206,912	413,040
Dividend Received from Semac & Partners LLC, Muscat (Subsidiary Company)	7,532,323	1,027,858
Dividend Receipts from Others	480	296,584
Tender Document Charges	235,200	704,263
Provision no longer required written back	276,484	621,483
Profit on sale of Fixed Assets	287,585	792,112
Miscellaneous Income	76,216	675,719
	<u>8,615,200</u>	<u>4,531,058</u>
SCHEDULE - 11		
OPERATIONAL EXPENSES		
Professional Charges paid	53,147,682	50,355,058
Printing & Stationery	4,207,226	5,048,288
Power & Fuel	2,417,818	2,530,383
Site Expenses and Allowances	2,520,243	1,497,658
Repairs & Maintenance:		
-Building	232,692	2,194,933
- System & Equipments	1,951,287	973,724
-Others	1,305,608	3,238,000
	<u>65,782,556</u>	<u>65,838,043</u>
SCHEDULE - 12		
EMPLOYEE EXPENSES		
Salaries	107,056,959	77,901,771
Directors' Remuneration	8,203,762	23,097,750
Gratuity Employees	4,303,335	651,244
Gratuity Directors	297,551	3,165,000
Contribution to Provident Fund	6,834,451	5,283,971
DLIF, PF & DLIF Admin charges	682,848	510,980
Directors' Medical Expenses & Insurance	4,970	66,875
Staff Welfare Expenses	10,081,810	7,161,420
	<u>137,465,685</u>	<u>117,839,011</u>

SCHEDULES TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST, MARCH 2009.

PARTICULARS	2008-09 Amount (Rs.)	2007-08 Amount (Rs.)
SCHEDULE - 13		
ADMINISTRATIVE EXPENSES		
Rent	7,882,442	6,564,655
Postage & Telephone	4,095,436	3,483,389
Travel & Conveyance	10,979,808	7,482,735
Rates & Taxes	944,534	472,489
Insurance	589,099	739,981
Seminar & Training Expenses	165,460	
Books & Periodicals	167,248	205,027
Business Promotion	122,662	162,736
Membership and Subscription	85,651	124,568
Bad Debts written off	13,637,909	-
Equipment & Furniture Hire	180,871	426,231
Vehicle Maintenance	3,157,352	
Donations	35,601	72,935
Auditors' Remuneration	402,581	229,472
Advertisement	66,211	297,115
Loss on sale of fixed assets	79,327	-
Loss on forfeiture of investments	2,000,000	-
Loss on investments	-	40,000
Directors Sitting Fees	-	420,000
Board Meeting Expenses	20,166	-
Security Charges	54,167	45,685
Foreign Exchange Difference	23,918	
Miscellaneous Expenses	1,103,549	921,878
	<u>45,793,993</u>	<u>21,688,895</u>
SCHEDULE - 14		
FINANCIAL CHARGES		
Interest on Fixed Loans	439,982	451,807
Interest - Others	312,935	10,305
Bank Charges	143,285	157,397
	<u>896,202</u>	<u>619,509</u>
SCHEDULE 15		
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :		
1. SIGNIFICANT ACCOUNTING POLICIES :		
1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS		
The accounts have been prepared under the historical cost convention and in accordance with the provision of the Companies Act, 1956 and accounting standards notified vide Companies (Accounting Standards) Rules, 2006. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.		
1.2 USE OF ESTIMATES		
The preparation of financial Statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the period. Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Difference between the actual results and the estimates are recognised in the period in which the results become known/ materialise.		
1.3 FIXED ASSETS		
Fixed Assets are stated at cost less cumulative depreciation. Fixed assets shown under Gross Block are valued at cost of acquisition, inclusive of Freight, duties, taxes, incidental expenses related to acquisition and also includes cost of erection, installation, wherever incurred.		

1.4 REVENUE RECOGNITION

Income is recorded in the books on the basis of achievement of milestones as relevant to each contract/assignment or proportionate completion method as applicable. When there is uncertainty as to measurement or ultimate collectibility, revenue recognition is postponed until uncertainty is resolved. Expenses are accounted on accrual basis.

Dividend from foreign subsidiary company is accounted on receipt basis.

1.5 DEPRECIATION

Depreciation has been provided at the rates and in the manner specified in Schedule XIV of the Companies Act 1956 on the written down value of Assets except in case of overseas branch where depreciation has been provided on straight line method. Depreciation on additions to fixed assets during the current year is charged on pro-rata basis for the period of use.

1.6 IMPAIRMENT

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

1.7 INVESTMENTS

Current Investments are carried at the lower of cost or fair value. Long Term investments are carried at cost less provisions recorded to recognize any decline, other than temporary in the carrying value of each investment.

1.8 EMPLOYEE BENEFITS

Employee benefits are accrued in the year services are rendered by the employees.

Contribution to defined contribution schemes such as Provident Fund etc. are recognized as and when incurred.

Long term employee benefits under defined benefit scheme such as contribution to gratuity, leave, etc. are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gain and losses are recognized in the year when they arise.

Liability for gratuity in respect of directors determined at the close of the year, as per Management estimates, is being provided for.

In respect of overseas branches, provision is made for end-of-service gratuity payable to the staff at the balance sheet date in accordance with the local labour laws.

1.9 INCOME TAX

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

1.10 FOREIGN CURRENCY TRANSACTIONS

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

In respect of the overseas branch, which is considered to be integral foreign operation, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate on the date of transactions. Branch monetary assets and liabilities are restated at the yearend rates. Differences arising therefrom are considered as expense or income as the case may be.

1.11 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

2. The Company has carried out a detailed reconciliation of its sundry debtors with invoices and other relevant details and has prepared the ageing statement accordingly. However, certain debts are overdue for payment. In view of the steps being taken to recover these amounts they have been considered to be good and recoverable excepting certain balances which have been written off as bad debts during the year.

3. Auditor's Remuneration(including service tax)

Particulars	2008-09 Rs.	2007-08 Rs.
(i) Statutory Auditors		
For Audit	66,180	13,483
For Tax Audit	16,545	8,989
For Management Services		
Reimbursement of Out of Pocket Expenses	11,792	Nil
(ii) Branch Auditors	3,08,064	207,000
	<u>4,02,581</u>	<u>229,472</u>

4. Expenditure in Foreign Currency:

Particulars	2008-09 Rs.	2007-08 Rs.
Membership and Subscriptions	8,996	4,487
Travelling	-	85,098

5. Income in Foreign Currency:

Particulars	2008-09 Rs.	2007-08 Rs.
Dividends	75,32,323	10,27,858
Reimbursement of Travelling	2,50,702	1,25,110
Professional Fees	11,24,000	-

6. The break-up of Deferred Tax Assets and Liabilities is follows:

	Opening as on 1st April, 2008	Transitional Provision (*)	Charge/(Credit) during the year	Closing as on 31st March, 2009
Deferred Tax Assets				
Expenses Allowable on Payment Basis and Others	48,22,313	13,08,705	(13,06,912)	74,37,830
Sub Total	48,22,313	13,08,705	(13,06,912)	74,37,830
Deferred Tax Liabilities				
Depreciation Difference	14,20,787	Nil	5,48,944	19,69,731
Sub Total	14,20,787	Nil	5,48,944	19,69,731
Net Deferred Tax Assets / (Liabilities)	34,01,426	13,08,705	7,57,968	54,68,099

(*)Refer Note No. 12 (a)

7. Prior Period Adjustments include

Particulars	2008-09 Rs.	2007-08 Rs.
Income:		
Project management Fees	8,56,911	-
Others	46,174	-
Foreign Currency Translation Reserve	61,778	-
Expenditure:		
Repairs and Maintenance	28,000	-
Gratuity	15,40,384	-
Business Promotion	16,978	-
Rent	36,000	-
Professional fees	95,906	-
Taxes	-	48,051
Others	5,884	-
Total (Net)	7,58,289	48,051

8. (a) Managerial Remuneration paid to Whole Time Directors during the year.

	2008-09 Rs.	2007-08 Rs.
Salary	68,07,258	2,30,97,750
Contribution to Provident Fund, etc.	7,92,871	12,42,000
Other Allowances	10,98,046	27,74,324
Total	86,98,175	2,71,14,074

Company's contribution to Gratuity Fund and Leave Encashment to the extent applicable has not been considered above.

(b) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956

Particulars	2008-09 (Rs.)
Profit before tax	6,38,27,083
Add:	
Depreciation	81,13,484
Managerial Remuneration	86,98,175
Director Sitings Fees	Nil
Loss on Sale of Investments	20,00,000
Loss on sale of fixed assets	79,327
Bad Debts	1,36,37,909
Less:	
Depreciation as per Section 350	81,13,484
Profit on sale of Fixed Assets	2,87,585
Net Profits as per Section 350 of the Companies Act, 1956	8,79,54,909
Maximum managerial remuneration payable @ 10% of Net Profits	87,95,491
Restricted to	86,98,175

The Company has become a public company with effect from May 8, 2008. Accordingly, the above section is applicable to it from the said date. Computation as above has been made by using proportionate method for both the profit and the managerial remuneration.

9. RELATED PARTY DISCLOSURES:

Related Party Disclosures as required by AS-18, "Related Party Disclosures", are given below:

A. List of Related Parties:

Name of the Party	Nature of Relationship
A.D.Pavate	Chairman upto 08.05.2008
Ramesh Pangasa	Managing Director
M.N.Raghavendra Rao	Joint Managing Director upto 07.10.2008.
R.Sridhar	Director upto 07.10.2008.
N.S.Rajendran	Director upto 07.10.2008.
Revathi Equipment Ltd.	Holding Company
Semac & Partners LLC-Oman	Subsidiary Company
Semac WLL, Qatar	Joint Venture Company

B. The details of related party transactions entered into by the company are as follows:

B 1. Transactions with Directors

(In Rs.)

Name	Remuneration	Rent Paid to Directors	Rent paid to spouses of directors
Ramesh Pangasa	36,57,445 (57,71,530)	-	430,968
M.N.Raghavendra Rao	12,66,220 (58,61,038)	-	200,000
R.Sridhar	12,70,339 (58,61,038)	-	200,000
N.S.Rajendran	14,73,203 (60,33,161)	200,000	-

Company's contribution to Gratuity Fund and Leave Encashment to the extent applicable has not been considered above. Previous years figures have been given in the bracket. ()

B 2. Transactions with Subsidiary and Joint Ventures

Name	Loan & Advances taken during the year	Interest Paid
Semac & Partners LLC-Oman	42,23,352	1,91,526
Semac WLL, Qatar	5,82,569	-

B.3 Outstanding at the end of the year

Name	Payable	Receivable
Semac & Partners LLC-Oman	44,14,878	Nil
Semac WLL, Qatar	5,82,569	Nil

Note:

- (i) In respect of the above parties, there is no provision for doubtful debts as on 31.03.2009 and no amount has been written off or written back during the year in respect of debts due from /to them.
 - (ii) The above related party information is as identified by the management and relied upon by the auditors.
10. Loss on forfeiture of investments represents loss arising on account of forfeiture of shares by Gromax Buildwell P.Ltd., New Delhi due to non-payment of called up amount of Rs. 20,00,000. Auditors have relied upon the management representation in this respect.
11. The opening balance in the Foreign Currency Translation Reserve, Rs.61,278 has been transferred to Profit and Loss account in accordance with the requirements of Accounting Standard 11 in respect of recognition of difference arising out of translation of the financial statements of the integral foreign operations.

12. (a) Effective 1.4.2008, the Company has adopted Accounting Standard 15 on "Employee Benefits" (AS-15) notified in the Companies (Accounting Standards) Rules, 2006. The effect of transitional liability being additional charge of Rs 25,41,560 (net of deferred tax of Rs 1308,705), as required in terms of AS-15 has been adjusted to opening balance of General Reserve of the Company in respect of gratuity while the same for leave encashment remains adjusted in the profit and loss account.
- (b) The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

Defined Contribution Scheme

Contribution to Defined Contribution Schemes, recognized for the year is as under:

Employer's Contribution to Provident Fund Rs. 6834,451

Defined Benefit Scheme

The employee's gratuity scheme is a defined benefit plans. The present value of obligations are determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes 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.

Gratuity (Funded)
As on 31st March, 2009
Rs.

i) Change in the present value of the defined benefit obligation		
representing reconciliation of opening and closing balances thereof are as follows		
Liability at the beginning of the year		81,65,057
Interest Cost		6,04,848
Current Service Cost		8,38,727
Actuarial (gain) / loss on obligations		25,57,280
Benefits paid		(1,93,657)
Liability at the end of the year		1,19,72,255
ii) Changes in the Fair Value of Plan Asset representing reconciliation of opening and closing balances thereof are as follows:		
Fair value of Plan Assets at the beginning of the year		50,51,453
Expected Return on Plan Assets		4,65,792
Contributions by the Company		7,17,490
Benefits paid		(5,43,657)
Actuarial (gain)/loss on Plan Assets		(18,926)
Fair value of Plan Assets at the end of the year		56,72,152
iii) Expenses Recognized in the Income Statement		
Current Service Cost		8,38,727
Interest Cost		6,04,848
Expected Return on Plan Assets		(4,65,792)
Net Actuarial (gain) / loss to be Recognized		25,76,206
Expenses Recognized in Profit & Loss Account		35,53,989
iv) Balance Sheet Reconciliation		
Opening Net Liability		(31,13,604)
Expenses as above		(35,53,989)
Employers Contribution		7,17,490
Amount Recognized in Balance Sheet		(63,00,103)
v) Principal Actuarial assumptions at the Balance Sheet		
Discount Rate		7-8%
Rate of Return on Plan Assets		9-9.10%

Note:

- Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled. Further, these are different for each of the location.
- This being the first year of implementation, previous year's figures have not been given.
- The gratuity payable to the executive directors / key management personnel is as per estimation of the management and the same has not been actuarially determined.
- The above compilation does not include the charge on account of the overseas branch of the Company.

13. Information on Joint Ventures:

a) Name of the Joint Venture	Country of Incorporation	Percentage of Ownership Interest
Semac WLL, Doha	Qatar	49%

b) In the absence of audited accounts for the year ended March 31, 2009, details in respect of contingent liabilities, capital commitment, interest in asset, liabilities, income and expenses cannot be furnished.

14. The Company has taken office premises on operating lease and rent amounting to Rs. 78,82,442/- (Previous Year-Rs.65,64,655/-) has been debited to Profit and Loss Account. The future minimum lease payment is as under:

(In Rs.)

Particulars	2008-09	2007-08
Not later than one year	1,792,000	1,792,000
Later than one year and not later than five years	3,799,063	4,320,423
Later than five years	3,684,595	4,149,235

15. The Company operates mainly in one business segments viz. Engineering Consultancy for Industrial Projects being primary segment and all other activities revolve around the main activity. The secondary segment is geographical, information related to which is given under:

Geography	Revenue	Asset	Liabilities	Capital Expenditure
Within India	312,446,817 (30,68,60,145)	255,131,542 (19,51,47,039)	10,28,69,909 (8,31,14,668)	83,76,505 (1,25,72,138)
Outside India	1,01,90,475 (1,04,64,069)	77,58,905 (72,47,636)	93,64,498 (49,37,526)	1,20,678 (Nil)

(Previous year figures are shown in brackets)

16. Disclosure of Earnings per share under Accounting Standard 20 – Earnings per share:

S.No.	Particulars	2008-09	2007-08
1	Net Profit attributable to share holders (Rs.)	39,167,893	6,85,65,906
2	Weighted Average Number of Equity Shares issued (Nos.)	2,68,540	2,68,540
3	Basic Earnings Per Share of Rs.10/- each (Rs.)	145.85	255.33

17. The company is in the process of compiling information with regard to suppliers covered under Micro, Small and Medium Enterprise development Act, 2006. To the extent identified, the Company has no information from the suppliers under the Act and accordingly the disclosure as required in Section 22 of the said Act could not be given in these accounts.

18. Particulars of Capacity utilisation, sales, stocks, etc required pursuant to para 3 & 4 of Part II of Schedule VI of the Companies Act 1956, are not applicable, in view of the nature of business of the Company.

19. Figures have been rounded off to the nearest rupee.

20. The figures of the previous year have been regrouped and rearranged wherever considered necessary.

Signatures to Schedules 1 to 15.

For and on behalf of the Board of Directors

ABHISHEK DALMIA
(Chairman)

RAMESH PANGASA
(Managing Director)

As per our report of even date attached.
For **LODHA & Co.**
(Chartered Accountants)

H S Jha
(Partner)
Membership No. : 055854

Place : Bangalore
Date : August 19, 2009

Cash flow statement for the year ended 31 March 2009

	Year ended 31 March 2009
A) Cash flow from operating activities :	
Net profit / (loss) before tax and after prior period items	63,827,083
Adjustments for :	
Depreciation	8,113,484
(Profit) / Loss on sale of fixed assets	(208,258)
Foreign Currency Translation Reserve (Refer Note 11 of Schedule 15)	(61,778)
Loss on forfeiture of investments	2,000,000
Dividend on long term investments	(7,532,803)
Provision no longer required written back	(276,484)
Interest received	(206,912)
Interest paid	896,202
Bad Debts Written Off	13,637,909
Operating profit / (loss) before working capital changes	<u>80,188,443</u>
Adjustment for:	
Trade and other receivables	(60,780,251)
Trade Payables	11,160,168
Cash generated from operations	<u>(49,620,083)</u>
Direct taxes paid	(34,735,331)
Net cash from operating activities (A)	<u>(4,166,971)</u>
B) Cash flow from investing activities :	
Purchase of fixed assets	(9,975,717)
Sale of fixed assets	730,700
Investment in Share in joint venture	(1,078,326)
Interest received	241,085
Dividend received	7,532,803
Net cash used in investing activities (B)	<u>(2,549,455)</u>
C) Cash flow from financing activities :	
Secured loan taken / (repaid)	(250,996)
Interest Paid	(896,202)
Dividend Paid	(2,685,400)
Dividend Tax	(456,384)
Net cash used in financing activities (C)	<u>(4,288,982)</u>
D) Net decrease in cash and cash equivalents (A+B+C)	(11,005,408)
Cash and cash equivalents as at the beginning of the year	46,185,997
Cash and cash equivalents as at the end of the year	35,180,589

Note:

- The above Cash Flow Statement has been compiled / prepared based on the audited accounts of the Company under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement and the reallocations made as required for the purpose.
- In accordance with the transitional provisions of the Accounting Standard 3-"Cash Flow" previous year's figures for the cash flows have not been given.
- Cash and Bank balances as on 31.03.2009 includes Fixed Deposits amounting to Rs. 12,06,024.

For and on behalf of the Board of Directors

ABHISHEK DALMIA
(Chairman)

RAMESH PANGASA
(Managing Director)

As per our report of even date attached.
For **LODHA & Co.**
(Chartered Accountants)

Place : Bangalore
Date : August 19, 2009

H S Jha
(Partner)
Membership No. : 055854

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(All amounts in thousands of Indian Rupees)

(a) Registration details

Registration number	:	1808
State code	:	18
Date of balance sheet	:	March 31, 2009

(b) Capital raised during the period

Public issue	:	Nil
Rights issue	:	Nil
Bonus issue	:	Nil
Private placement	:	Nil

(c) Position of mobilisation and deployment of funds

Total liabilities and shareholders' funds	:	150656
Total assets	:	150656

Sources of funds

Paid-up capital	:	2685
Reserves and surplus	:	143301
Secured loans	:	4670
Unsecured loans	:	Nil

Application of funds

Net fixed assets	:	37842
Investments	:	3361
Net current assets	:	103984

(d) Performance of the Company

Turnover	:	322637
Total expenditure	:	258052
Profit / Loss before tax	:	63827
Profit / Loss after tax	:	39168
Earning per share (in Rs)	:	146
Dividend rate (%)	:	-

(e) Generic names of three principal products/services of the Company (as per monetary terms)

Item Code No (ITC Code)	:	Nil
Product Description	:	Engineering Consultancy Services
Item Code No (ITC Code)	:	Nil
Product Description	:	Nil
Item Code No (ITC Code)	:	Nil
Product Description	:	Nil

Note : For ITC Code of Products please refer to the publication Indian Trade classification based on harmonized commodity description and coding system by Ministry of Commerce, Directorate General of Commercial Intelligence & Statistics, Calcutta - 700 001.

The Board of Directors
Revathi Equipment Limited

- 1 We have audited the attached Consolidated Balance Sheet of Revathi Equipments ("the company") and its' subsidiaries, jointly controlled entities and joint venture ("the Group") as at 31st March, 2009 and the Consolidated Profit & Loss account for the year ended on that date annexed thereto and the Consolidated Cash Flow statement for the year ended on that date. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are prepared, in material respect, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statement presentation. We believe that our audit and report of other auditors provide a reasonable basis for our opinion.
- 3
 - (a) We did not audit the financial statements of the joint venture whose financial statements reflect the Group's total assets of Rs. 818 and total revenues of Rs.2,976 thousand in the Consolidated Financial Statements. In the absence of the audited financial statements of a said joint venture as given in Note 1(i) of Schedule 19, share of joint venture as disclosed in the financial statement have been considered based on unaudited financial statements as prepared and submitted to us by the management.
 - (b) We did not audit the financial statements of the jointly controlled entity whose financial statements reflect the Group's total assets of Rs. 204,187 and total revenues of Rs.199,457 thousand in the Consolidated Financial Statements. The financial statements of jointly controlled entity has been audited by other auditor whose report has been furnished to us and in our opinion, so far as it relates to the amounts included in respect of the said entities are based solely on the report of the other auditor.
 - (c) We did not audit the financial statements of the Dubai Branch of the Company and the subsidiary company, whose financial statements reflect the Group's total assets of Rs. 8,610 and Rs 44712 thousand respectively and total revenues of Rs.10,190 and Rs 79,360 respectively in the Consolidated Financial Statements. These financial statements have been audited by other auditor, duly qualified to act as auditor in the country of incorporation of the said branch and subsidiary company, and which were relied upon by us for our opinion on the financial statements of the Company.
 - (c) As given in Note 1(j), 2.6-6.3and 6-6.6 of Schedule 19 material impacts, if any, of the varying accounting policies with respect to employee benefits, depreciation and valuation of raw materials followed by the foreign branch, subsidiary company, jointly controlled entity and joint venture on the consolidated Financial Statements have not been ascertained and given effect to for the purpose of consolidation.
 - (d) As given in Note 3 of Schedule 15, pending reconciliation of balances outstanding to/from the subsidiary company and joint venture, adjustments which are presently not ascertainable have not been accounted.
 - (e) As given in Note 1(h) of Schedule 15, in the absence of necessary details disclosures pursuant to Para 51 and 52 of Accounting Standard (AS-27) have not been furnished.
 - (f) As given in Note 9 of Schedule 15 no provision has been made for certain overdue debtors and accordingly necessary provisions have not been made in these accounts.
- 4 Subject to our comments in Para 3(a), (c) to (f) above, we report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures", on the basis of separate audited financial statements of the Company and its subsidiary included in Consolidated Financial Statements.
- 5 We further report that overall impact with respect to Para 3(a), (c) to (f) above cannot be ascertained and commented upon by us and consequential effect on consolidated loss for the year and respective balances of assets / liabilities cannot be determined.
- 6 Based on our audit and on the consideration of report of other auditors' and on the other financial information of the components and on the basis of information and explanations given to us, we are of the opinion that the said Consolidated Financial Statements, subject to our comments in Para 3 above, whereby as given in Para 5 above we are unable to ascertain and indicate the impact thereof on these consolidated financial statements and Note 19 of schedule 15 regarding non-availability of details relating to micro, small and medium enterprise as define under Micro, Small and Medium Enterprise Development Act, 2006, and read together with the other notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009 and
 - (ii) in case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year ended on that date; and
 - (iii) in the case of Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

REVATHI EQUIPMENT LIMITED
CONSOLIDATED BALANCE SHEET -- MARCH 31, 2009
 (All amounts in thousands of Indian Rupees)

As at
31st March, 2009
(Rs. In '000)

As at
31st March, 2008
(Rs. In '000)

	Schedule		
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	30,869	30,669
Reserves and Surplus	2	<u>1,162,045</u>	<u>1,192,486</u>
		<u>1,192,714</u>	<u>1,223,155</u>
Minority Interest		63,045	-
LOAN FUNDS			
Secured Loans	3A	994,337	590,946
Unsecured Loans	3B	<u>114,001</u>	<u>26,000</u>
		<u>1,108,338</u>	<u>616,946</u>
DEFERRED TAX LIABILITIES (Net) (Note No. 13 OF Schedule 19)		-	3,719
TOTAL		<u><u>2,364,097</u></u>	<u><u>1,843,820</u></u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	1,154,529	579,447
Less: Depreciation		<u>(280,266)</u>	<u>(130,884)</u>
Net Block		874,263	448,563
Add: Capital work in progress		<u>263,304</u>	<u>76,310</u>
		<u>1,137,567</u>	<u>524,873</u>
INVESTMENTS	5	158,029	258,261
DEFERRED TAX ASSETS (net) (Note 13 of Schedule 19)		2,484	-
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	689,414	452,533
Sundry Debtors	7	484,017	584,904
Cash and Bank Balances	8	175,281	275,068
Loans and Advances	9	<u>167,524</u>	<u>115,575</u>
		<u>1,516,237</u>	<u>1,428,080</u>
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	10	425,972	309,697
Provisions	11	<u>25,461</u>	<u>59,431</u>
		<u>451,433</u>	<u>369,128</u>
NET CURRENT ASSETS		<u>1,064,805</u>	<u>1,058,952</u>
Miscellaneous Expenditure to the extent not written off			
Preliminary Expenses (includes share of Joint Ventures Rs. 1210		1,212	1,734
Previous year Rs. 1,494)			
TOTAL		<u><u>2,364,097</u></u>	<u><u>1,843,820</u></u>

Significant Accounting Policies and Notes on Accounts 19

Schedules referred to herein form an integral part of the Balance Sheet.
As per our report of even date attached hereto

Lodha & Co
Chartered Accountants

Abhishek Dalmia
Executive Chairman

P.M.Rajanarayanan
Managing Director

H.S. Jha
Partner

M.N. Srinivasan
Company Secretary

S.Hariharan
Vice President (Finance)

Place : Kolkata
Date : October 23, 2009

Coimbatore
October 23, 2009

REVATHI EQUIPMENT LIMITED
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2009

(All amounts in thousands of Indian Rupees)

2008-09
 (Rs. In '000)

2007-08
 (Rs. In '000)

	Schedule	2008-09 (Rs. In '000)	2007-08 (Rs. In '000)
INCOME			
Gross Sales (including Service Income)		1,677,148	1,724,462
Less: Excise Duty / Service Tax Recovered		(88,303)	(91,764)
Net Sales	12	1,588,844	1,632,698
Other income	13	54,054	198,847
		<u>1,642,899</u>	<u>1,831,545</u>
EXPENDITURE			
Cost of materials	14	(723,302)	(988,759)
Employee costs	15	(325,745)	(143,914)
Manufacturing and other expenses	16	(340,919)	(215,799)
Interest and financial charges	17	(126,702)	(70,120)
Depreciation	4	(105,388)	(95,275)
Less: Transferred from Revaluation Reserve		1,713	26
		<u>(1,620,343)</u>	<u>(1,513,841)</u>
Profit / (Loss) before taxes		22,556	317,704
Prior period items		(773)	-
Provision for taxes	18	(35,228)	(87,843)
Profit/ (Loss) after taxes		(13,445)	229,861
Less: Minority Interest		(13,563)	-
Profit / (Loss) after taxes and minority interest		(27,008)	229,861
Consolidation adjustment reserve		(11,872)	-
PROFIT AND LOSS ACCOUNT, beginning of year		741,297	596,123
Profit available for appropriation		702,418	825,984
Proposed Dividend		-	(30,669)
Provision for Dividend Distribution Tax		-	(6,792)
Transfer to General Reserve		(30,489)	(21,947)
Group's proportionate share in Transfer to General Reserve of Joint Ventures		-	(25,279)
PROFIT AND LOSS ACCOUNT, end of year		671,928	741,297
Net profit/ (Loss) available to equity shareholders		(13,445)	229,861
Weighted average number of shares used for computing basic earnings per share		3,076,122	3,076,122
Basic and diluted earnings per share (equity shares, par value Rs 10 each)		(4.37)	74.72

Significant Accounting Policies and Notes on Accounts

19

 Schedules referred to herein form an integral part of the Profit and Loss Account
 As per our report of even date attached hereto

Lodha & Co
 Chartered Accountants

Abhishek Dalmia
 Executive Chairman

P.M.Rajanarayanan
 Managing Director

H.S. Jha
 Partner

M.N. Srinivasan
 Company Secretary

S.Hariharan
 Vice President (Finance)

 Place : Kolkata
 Date : October 23, 2009

 Coimbatore
 October 23, 2009

REVATHI EQUIPMENT LIMITED
STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2009
 (All amounts in thousand of Indian Rupees)

	2008-09
A) Cash flow from operating activities :	
Profit before tax but after prior period items	21,783
Adjustments for :	
Interest income	(11,350)
Dividend Income	(3,818)
(Profit) / Loss on Sale of investments	(20,627)
Write-down in the value of current investments	2,572
(Profit) / Loss on sale / retirement of fixed assets, net	(67)
Interest Paid	126,702
Depreciation	105,388
Liabilities Written back	(1,728)
Bad Debts Written off	28,562
Provision for bad and doubtful debts	3,891
Unrealised foreign exchange loss, net	16,514
Operating cash flow before working capital changes	267,822
Changes in working capital:	
Decrease / (Increase) in sundry debtors and loans and advances	20,708
Decrease/ (Increase) in inventories	(236,881)
Increase / (Decrease) in current liabilities and provisions	104,514
Cash generated from operations	(111,659)
Direct taxes paid	(41,669)
Net cash used in operating activities (A)	114,494
B) Cash flow from investing activities :	
Purchase of fixed assets	(677,383)
Sale of fixed assets	2,375
Sale / (Purchase of Investments)	118,287
Interest and dividend received	15,212
Net cash used in investing activities (B)	(541,510)
C) Cash flow from financing activities :	
Proceeds from / (repayment) of long term borrowings	403,391
Proceeds from / (repayment) of short term borrowings	88,001
Interest paid	(126,702)
Dividend paid	(30,669)
Tax on dividends paid	(6,792)
Net cash used in financing activities (C)	327,229
D) Net decrease in cash and cash equivalents (A+B+C)	(99,787)
E) Cash and cash equivalents as at the beginning of the year	275,068
F) Cash and cash equivalents as at the end of the year	175,281

Note :

- 1) The above consolidated cash flow statement has been compiled / prepared based on the audited accounts of the Group under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement and the reallocation made as required for the purpose.
- 2) Cash and Cash equivalents presented in the statement consists of Cash in hand, balances in current account, margin money and demand deposits with banks as on the balance sheet date.
- 3) Figures related to joint venture / jointly controlled entities remain included in the respective items above.

Lodha & Co
 Chartered Accountants

Abhishek Dalmia
 Executive Chairman

P.M.Rajanarayanan
 Managing Director

H.S. Jha
 Partner

M.N. Srinivasan
 Company Secretary

S.Hariharan
 Vice President (Finance)

 Place : Kolkata
 Date : October 23, 2009

 Coimbatore
 October 23, 2009

REVATHI EQUIPMENT LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	Year ended 31st March, 2009 (Rs. In '000)	Year ended 31st March, 2008 (Rs. In '000)
1. Share Capital		
Authorised 3,500,000 equity shares of Rs.10/- each	<u>35,000</u>	<u>35,000</u>
Issued, subscribed and paid-up 3,066,943 equity shares of Rs. 10/- each fully paid up	<u>30,669</u>	<u>30,669</u>
<p>(i) of the above equity shares, 1,428,860 shares (2008: 1,922,160 shares) are held by erstwhile holding Company-Utkal Investments Limited.</p> <p>(ii) 2,407,350 equity shares have been issued as bonus shares by capitalisation of general reserve,share premium account and profit on reissue of forfeited shares.</p> <p>(iii) 159,800 equity shares have been issued as fully paid-up pursuant to a contract without payment being received in cash</p> <p>(iv) In the year 2006-07 and 2007-08,the Company bought back and extinguished 142,857 equity shares.</p>		
2. Reserves and surplus		
Capital reserve	149	149
Capital redemption reserve	3,111	3,111
Revaluation reserve	1,938	3,651
General reserve	442,804	411,559
Foreign currency translation reserve	1,086	-
Consolidation Adjustment Reserve	8,310	-
Profit and loss account	<u>671,928</u>	<u>741,297</u>
Total	<u>1,129,326</u>	<u>1,159,767</u>
Group's proportionate share in reserves (Other than balance in P & L Account) of Joint Ventures	<u>32,719</u>	<u>32,719</u>
	<u>1,162,045</u>	<u>1,192,486</u>
3A. Secured loan		
Long Term Loan from Banks	321,750	373,334
Cash Credit	562,537	150,000
Vehicle Loan	2,579	1,726
Total	<u>886,867</u>	<u>525,060</u>
Share of Joint Ventures- Note 1(c) of schedule 19	<u>107,471</u>	<u>65,886</u>
Grand Total	<u>994,337</u>	<u>590,946</u>
<p>1. Long term foreign currency loan of Rs 31,421 (2008:Rs 53,333) from ICICI Bank is secured by pari-passu charge on the fixed assets of the company located in Coimbatore and a lien on fixed deposit amounting to Rs 54,402/- placed with ICICI Bank.</p> <p>2. Long term loan of Rs 126,053/-(2008: Rs 120,000/-) from HDFC Bank has been secured by exclusive charge on land and building and plant and machinery of the company situated at SIPCOT Industrial Estate,Gummidipoondi,Tamilnadu, financed out of term loan.</p> <p>3. Long term loan of Rs 160,000/-(2008: Rs 200,000/-) from Axis Bank has been secured by first pari-passu charge on fixed assets of the Company excluding assets specifically charged to other lenders and second pari-passu charge on current assets of the company.</p> <p>4. Long term loan of Rs. 4,276 from ICICI Bank Limited has been secured by mortgage of Building.</p> <p>5. Cash credit Loan of Rs 562537 /-(2008: Rs 150,000/-) under multiple banking arrangement has been secured by way of pari-passu charge on entire current assets of the company and second charge on fixed assets of the company.</p> <p>6. Vehicle Loan of Rs 2,579 (2008:Rs 1,726) is secured by hypothecation of Vehicles.</p>		
3B. Unsecured loan		
Loan from Bodies Corporate	100,000	-
Interest accrued and due	14,001	-
Share of Joint Ventures- Note 1(c) of schedule 19	<u> </u>	<u>26,000</u>
Grand Total	<u>114,001</u>	<u>26,000</u>

REVATHI EQUIPMENT LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET
4. Fixed assets

Gross Block	Balance, beginning of year	Addition on acquisition of Semac Ltd	Additions	Deletions	FCTR	Balance End of the year
Tangible Assets						
Freehold/Leasehold land	941	-	61,911	-	-	62,852
Buildings	37,679	14,538	2,770	-	-	54,987
Plant and machinery	45,208	55	9,400	-	-	54,663
Production tooling	11,273	-	505	-	-	11,778
Data processing equipment	14,447	22,500	4,086	638	-	40,394
Furniture and fittings	3,578	8,269	2,599	64	1,064	15,445
Office equipment	5,265	15,378	9,382	508	1,925	31,442
Vehicles	7,714	19,188	7,275	3,351	3,207	34,034
Intangible Assets						
Technical knowhow	14,207	-	3,383	-	-	17,590
Computer software	4,069	-	7,865	-	118	12,053
Goodwill	297,493	-	363,129	-	-	660,622
Total	441,874	79,928	472,305	4,561	6,314	995,860
Share in joint venture	137,573	3,742	18,084	783	53	158,669
Total	579,447	83,670	490,389	5,344	6,367	1,154,529
Previous year	737,187	-	373,408	531,149	-	579,446
Accumulated depreciation	Balance, beginning of year	Addition on acquisition of Semac Ltd	Charge	Deletions	FCTR	Balance End of the year
Tangible Assets						
Freehold /Leasehold land	-	-	837	-	-	837
Buildings (*)	11,741	1,320	3,475	-	-	16,537
Plant and machinery	26,115	52	3,386	-	-	29,553
Production tooling	9,143	-	1,845	-	-	10,988
Data processing equipment	7,892	14,767	5,971	581	-	28,050
Furniture and fittings	1,613	5,164	1,549	12	937	9,250
Office equipment	2,193	7,207	2,229	436	1,403	12,596
Vehicles	4,847	11,407	4,981	1,892	2,295	21,638
Intangible Assets						
Technical knowhow	13,197	-	1,855	-	-	15,052
Computer software	3,046	23	2,852	-	24	5,945
Goodwill	31,740	-	65,841	-	-	97,581
Total	111,527	39,940	94,822	2,920	4,658	248,027
Share in Joint venture	19,357	2,427	10,566	116	4	32,239
Total	130,884	42,367	105,388	3,036	4,662	280,266
Previous year	215,774	-	95,275	180,165	-	130,884
Net Block	Balance, beginning of year					Balance End of the year
Tangible Assets						
Freehold /Leasehold land	941	-	-	-	-	62,015
Buildings	25,938	-	-	-	-	38,450
Plant and machinery	19,093	-	-	-	-	25,110
Production tooling	2,130	-	-	-	-	790
Data processing equipment	6,555	-	-	-	-	12,345
Furniture and fittings	1,965	-	-	-	-	6,195
Office equipment	3,072	-	-	-	-	18,846
Vehicles	2,867	-	-	-	-	12,396
Intangible Assets						
Technical knowhow	1,010	-	-	-	-	2,538
Computer software	1,023	-	-	-	-	6,108
Goodwill	265,753	-	-	-	-	563,041
Total	330,347	-	-	-	-	747,833
Share in joint venture	118,216	-	-	-	-	126,430
Total	448,563	-	-	-	-	874,263
Previous year	521,414	-	-	-	-	521,414

REVATHI EQUIPMENT LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Capital Work-in-progress(includes share in joint venture Rs. 280 Previous year Rs. 2230)	76,310	263,304
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1. * Includes depreciation of Rs.1,713 (2008 -- Rs 26) transferred from revaluation reserve.
2. The Company had revalued its freehold land and buildings on June 30, 1985. The net amount added to the cost of fixed assets on such revaluation was Rs 4,239, under the following asset heads:

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

3.Capital Work in progress includes :

- a) Rs 170,000 (2008-Rs.Nil) paid towards joint development of property with another Corporate body.
- b). Rs. 14,058 (2008-Rs.Nil) towards interest on loan taken for the purpose of the project at Chennai.
- c) Rs. 60,569 (2008 - Rs.71,172) in respect of capital advance.

5. Investments (non-trade)
As at 31 March 2009
As at 31 March 2008
Long term
Quoted Shares

In fully paid up equity shares	115,389	144,590
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Unquoted

In Mutual Funds	12,832	12,832
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In fully paid up equity shares	1,520	-
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Current

Mutual Funds	27,700	97,100
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Total	157,441	254,522
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Less : Diminution in value of investments	(2,572)	-
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	154,869	254,522
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Share of Joint Ventures- Note 1(c) of schedule 19	3,160	3,739
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Grand Total	158,029	258,261
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Book value of quoted Investments	115,389	144,590
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Book value of Unquoted Investments	14,375	12,855
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(includes share of joint ventures-Rs. 23- Previous year Rs.23)

Book value of Investments in Mutual Funds(Quoted)	28,265	100,816
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(includes share of joint ventures-Rs. 2464 -Previous year Rs.3,716)

	158,029	250,261
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Aggregate market value of quoted Investments	77,528	194,922
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Aggregate NAV of investments in Mutual Fund	25,305	99,820
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6. Inventories

Raw material and components, including goods-in-transit	300,030	175,408
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Work-in-progress	302,887	181,482
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Merchanting goods, including goods-in-transit	72,743	61,640
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Total	675,660	418,530
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Share of Joint Ventures- Note 1(c) of schedule 19	13,754	34,003
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Grand Total	689,414	452,533
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REVATHI EQUIPMENT LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31 March 2009	As at 31 March 2008
7. Sundry debtors (unsecured)		
Considered good unless stated otherwise	102,479	16,296
Outstanding for more than six months	-	-
	<u>102,479</u>	<u>16,296</u>
Others	269,728	445,053
Total	<u>372,207</u>	<u>461,349</u>
Less: provision for doubtful debts	(2,161)	-
Total	<u>370,046</u>	<u>461,349</u>
Share of Joint Ventures- Note 1(c) of schedule 19	113,971	123,555
Grand Total	<u>484,017</u>	<u>584,904</u>
8. Cash and bank balances		
Cash in hand	741	1,996
Balances with scheduled banks		
- in Cash Credit	50	57,736
- in Current Accounts	83,764	158,088
- Dividend Accounts (restricted)	203	296
- Deposit accounts including margin money of Rs.17,863 (2008-Rs.27,629)	87,222	32,254
Total	<u>171,980</u>	<u>250,370</u>
Share of Joint Ventures- Note 1(c) of schedule 19	3,301	24,698
Grand Total	<u>175,281</u>	<u>275,068</u>
9. Loans and advances		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	37,106	39,715
Deposits	17,989	7,272
Balances with customs and excise authorities	26,900	4,666
Other receivables	594	3,698
Advance Payment of Tax (net of provision)	27,327	27,221
Total	<u>109,916</u>	<u>82,572</u>
Share of Joint Ventures- Note 1(c) of schedule 19	57,609	33,003
Grand Total	<u>167,524</u>	<u>115,575</u>
10. Current liabilities		
Acceptances	9,882	-
Sundry creditors (Refer Note 14 of Schedule 19)	233,574	133,548
Unclaimed dividends and fixed deposits*	253	346
Advances from customers	34,036	39,894
Accrued expenses and other liabilities	93,373	54,108
Amount due to directors	178	-
Total	<u>371,296</u>	<u>227,896</u>
Share of Joint Ventures- Note 1(c) of schedule 19	54,676	81,751
Grand Total	<u>425,972</u>	<u>309,647</u>
* These amounts are not yet due to be credited to "Investors Education & Protection Fund".		
11. Provisions		
Proposed final dividend	-	30,669
Dividend distribution tax	-	6,116
Provision for warranty claims	6,002	11,600
Provision for contingencies	2,642	-
Total	<u>8,644</u>	<u>48,385</u>
Share of Joint Ventures- Note 1(c) of schedule 19	16,817	11,046
Grand Total	<u>25,461</u>	<u>59,431</u>

REVATHI EQUIPMENT LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	2008-09	2007-08
12. Revenues		
Sale of drills/Construction Equipments	482,512	778,878
Sale of spares	413,665	396,990
Gross Sales	<u>896,177</u>	<u>1,175,868</u>
Less: Excise Duty Recovered	<u>(57,604)</u>	<u>(90,107)</u>
Net Sales		
Sale of power	838,573	1,085,761
Service Income	433,865	53,479
Less: Service Tax Recovered	<u>(30,699)</u>	<u>(1,657)</u>
Net Service Income	<u>403,166</u>	<u>51,822</u>
Total	<u>1,241,739</u>	<u>1,182,973</u>
Share of Joint Ventures- Note 1(c) of schedule 19	<u>347,106</u>	<u>449,725</u>
Grand Total	<u>1,588,844</u>	<u>1,632,698</u>
13. Other income		
Dividend from mutual funds and other investments from		
- Long term	3,814	7,465
- Current	4	5,198
Profit on sale of investments (net)		
- Long term	19,520	44,125
- Current	1,107	2,413
Interest on investments and deposits (gross of tax deducted at source of Rs.1,189(2008 - Rs 180).	10,612	2,968
Exchange gain-net	-	13,009
Provision for doubtful debts no longer required written back	893	-
Earlier year provision no longer required written back	63	-
Profit on sale of fixed assets (Refer Note 11 of Schedule 19)	605	97,835
Others	<u>10,161</u>	<u>17,797</u>
Total	<u>46,779</u>	<u>196,519</u>
Share of Joint Ventures- Note 1(c) of schedule 19	<u>7,275</u>	<u>2,328</u>
Grand Total	<u>54,054</u>	<u>198,847</u>
14. Cost of materials		
Raw material and components consumed		
Opening stock	175,408	130,664
Add: Purchases	563,596	641,503
Less: Closing stock, including raw material and components in-transit	<u>(300,030)</u>	<u>(175,408)</u>
	438,974	596,759
Purchase of merchanting components	195,346	150,160
Processing charges and purchase of materials through sub-contractors	42,710	37,948
Decrease/(increase) in work-in-progress and merchanting components	<u>(132,508)</u>	<u>(22,583)</u>
Total	<u>544,522</u>	<u>762,284</u>
Share of Joint Ventures- Note 1(c) of schedule 19	<u>178,780</u>	<u>226,475</u>
Grand Total	<u>723,302</u>	<u>988,759</u>
15. Employee costs		
Salaries, wages, allowances, bonus etc	190,172	51,047
Contribution to provident and other funds	20,724	8,615
Staff welfare expenses	27,263	15,850
Total	<u>238,159</u>	<u>75,512</u>
Share of Joint Ventures- Note 1(c) of schedule 19	<u>87,586</u>	<u>68,402</u>
Grand Total	<u>325,745</u>	<u>143,914</u>

REVATHI EQUIPMENT LIMITED
SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	2008-09	2007-08
16. Manufacturing and other expenses		
Consumption of stores, spares, small tools, jigs and fixtures	13,026	12,517
Power and fuel	7,970	4,509
Rent	15,158	3,920
Repairs and maintenance:		
Buildings	8,614	6,456
Plant and machinery	3,260	2,951
Others	8,014	2,796
Insurance	3,934	3,237
Rates and taxes	4,463	2,595
Travelling and conveyance	40,706	25,964
Freight, clearing and packing	13,505	16,270
Legal and professional charges	67,206	14,499
Directors' sitting fees	48	50
Directors' Commission	-	400
Selling commission	16,093	20,221
Write-down in the value of Current Investment	2,572	283
Bad debts and advances written-off (net of recoveries Rs.75 (2008- Rs.4))	12,689	2,510
Provision for doubtful debts	3,891	-
Exchange loss(net)	16,514	-
Miscellaneous expenses	39,543	27,997
Total	<u>277,207</u>	<u>147,175</u>
Share of Joint Ventures- Note 1(c) of schedule 19	63,712	68,624
Grand Total	<u>340,919</u>	<u>215,799</u>
17. Interest and financial charges		
Interest:		
Fixed loans	64,728	34,434
Cash credit	36,020	18,357
Others	1,556	151
Bank charges	9,223	6,158
Total	<u>111,527</u>	<u>59,100</u>
Share of Joint Ventures- Note 1(c) of schedule 19	15,174	11,020
Grand Total	<u>126,702</u>	<u>70,120</u>
18. Provision for taxes		
Current tax	28,662	172,000
Provision for tax of earlier years written back	-	(17,891)
Deferred tax	(1,298)	(92,909)
Fringe Benefit Tax	3,106	2,200
Wealth Tax	22	-
Total	<u>30,491</u>	<u>63,400</u>
Share of Joint Ventures- Note 1(c) of schedule 19	4,737	24,443
Grand Total	<u>35,228</u>	<u>87,843</u>

Schedule 19
Consolidated Notes on Financial Statements for the year ended March 31, 2009
1. a) Principles of Consolidation

The Consolidated Financial Statements of Revathi Equipment Limited ("the Company") and its' Subsidiary Companies and the following companies ("Joint Ventures") have been prepared in accordance with Accounting Standard (AS 21) on "Consolidated Financial Statements" and Accounting Standard (AS 27) on "Financial Reporting of Interests in Joint Ventures". The basis of preparation of the Consolidated Financial Statements is as follows:

- The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with the Accounting Standard (AS-21) "Consolidated Financial Statements".
- Investments in jointly controlled entities/joint ventures have been accounted for by using the "proportionate consolidation method" in accordance with the Accounting Standard (AS-27) - "Financial Reporting of Interests in Joint Ventures".
- The difference between the cost of investment in the subsidiary and jointly controlled entities/joint ventures over the net assets at the time of acquisition of shares in the subsidiary and jointly controlled entities/joint ventures is recognised in the financial statements as Goodwill or Capital Reserve as the case may be. Such goodwill/capital reserve has been consolidated based on the audited financial statement of the subsidiary as on the reporting date immediately preceding the date on which the holding-subsidiary relationship came into existence.
- Minority Interest in the net assets of the consolidated subsidiary consists of (a) the amount of equity attributable to the minority share at the date on which investment in a subsidiary is made and (b) the minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

b) The Subsidiary which has been included in this Consolidated Financial Statements along with the Company's holdings therein are under:

No.	Name of the Company	Country of incorporation	% Voting Power	
			2008-09	2007-08
1.	Revathi Drilling & Mining Limited (RDML)	India	100.00	100.00
2.	Semac Limited (Semac)	India	70.00	-
3.	Semac Limited (Semac Muscat)	Sultanate of Oman	65.00	-

c) Disclosure pursuant to para 51, 52 and 53 of Accounting Standard (AS-27) is given below:

No.	Name of the Company	Description of interest	Country of Incorporation	% Voting Power	
				2008-09	2007-08
1.	Potential Service Consultants Pvt. Ltd (Potential)	Jointly Controlled Entity	India	48.34	41.41
2.	Monarch Catalyst Pvt. Ltd (Monarch)	Jointly Controlled Entity	India	26.00	26.00
3.	Semac Qatar W.L.L (Semac Qatar)	Joint Venture	Qatar	49.00	-

The Group's interest in these jointly controlled entities is accounted for using proportionate consolidation.

- d) There are no contingent liabilities that the Company has incurred in relation to its interests in joint ventures and there are no contingent liabilities which have been incurred jointly with other venturers.
- e) There are no contingent liabilities of the joint venturers of any joint venture.

- f) There are no capital commitments of the Company in relation to its interest in joint ventures and there are no capital commitments that have been incurred jointly with other venturers.
 - g) There are no capital commitments of the joint ventures themselves.
 - h) The information in d) to g) above does not include information regarding Semac Qatar in the absence of necessary details.
 - i) In absence of audited financial statement of a joint venture viz, Semac Qatar W.L.L (Semac Qatar), share of joint venture as disclosed in the consolidated financial statements, has been considered based on unaudited financial statements for the period from 11th June, 2008 to 31st March, 2009 as compiled by the local management. Impact with respect to variations arising from the audited financial statements on the amount of share in joint venture, are presently not ascertainable.
 - j) In absence of audited financial statement of a joint venture , uniform accounting policies and notes to accounts cannot be furnished in the consolidated financial statements in respect of the said joint venture.
 - k) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements, otherwise as stated elsewhere.
 - l) In absence of audited accounts on the date of acquisition of shares, goodwill has been computed based on the latest audited accounts after adjusting profit for the period till the date of acquisition on proportionate basis.
2. The Group has adopted Accounting Standard 15 (AS 15) (revised 2005) on 'Employee Benefits' except in respect of (i) Monarch, one of the jointly controlled entity; (ii) Overseas subsidiary, employees related to overseas branch, overseas joint ventures who have determined the valuation / provision for employee benefits as per requirements of their respective countries, and (iii) Semac and Potential have valued the gratuity in respect of the directors as per management estimate. In the opinion of the management, the impact of these deviations may not be material.
3. Balances outstanding to/from a subsidiary company and its' joint venture were under reconciliation as at the year end. Difference of Rs 21, 07,361 and Rs 14, 97,017 in this respect has been included under Other Liability and Loans & Advances in line with the balances as per the holding company. Necessary adjustments in this respect will be carried out as and when amounts thereof are reconciled and ascertained.
4. Semac Muscat, has transferred retained earnings to the Share Capital as per the local laws applicable it. The shareholding agreement though updated to ensure the percentage holding of the Parent Company, necessary entries in this respect have not been recorded as investment. Accordingly the difference has been taken to "Consolidation Adjustment Reserve."
5. Goodwill arising on consolidation of the subsidiary and jointly controlled entities/joint ventures are amortized over the period of 10 years.
6. Significant Accounting Policies

6.1. Basis of Accounting

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

6.2. Use of Estimates

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

6.3. Fixed assets and depreciation

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

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

	Percent
Buildings	1.64-3.34
Plant and machinery	10
Production tooling	20,33,33,50-100
Data processing equipment	25
Furniture and fittings	15
Office equipment	15
Vehicles	20
Intangible assets-computer software	25
Intangible assets-Technical know-how	33.33

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

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

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

6.4. Impairment of Fixed Assets

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

6.5. Investments

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

6.6. Inventories

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

6.7. Revenues and other income

Sale of Equipments and spares are recognised on despatch of goods/ raising of invoices to customers and are net of excise duty, sales-tax, trade discounts and returns. Service income is recognised upon rendering of the services. Dividends, interests, incentives etc are accounted on accrual basis. Income (Professional fee receipts) is recorded in the books on the basis of achievement of milestones as relevant to each contract/assignment or proportionate completion method as applicable. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until certainty is resolved. Expenses are accounted for on their accrual.

6.8. Product warranty costs

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

6.9. Foreign currency transactions

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

In respect of the overseas branch, which is considered to be integral foreign operation, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate on the date of transactions. Branch monetary assets and liabilities are restated at the yearend rates. Differences arising therefrom are considered as expense or income as the case may be.

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

6.10. Research and development costs

Capital expenditure on research and development is included in fixed assets. Other expenditure on research and development is charged to the statement of profit and loss as and when incurred.

6.11. Employee benefits

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

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

Defined contributions plan:

Company's contribution to provident fund, pension fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to profit and loss account except at Monarch in respect of liability for leave.

Defined benefits plan:

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

In case of Semac and Potential, liability for gratuity in respect of directors determined at close of the year, as per management estimate, is being provided for.

In case of overseas branch, subsidiary and joint venture, provision is made for end of service gratuity payable to the staff at the balance sheet date in accordance with local labour laws.

6.12. Income taxes

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

6.13. Provision, Contingent Liabilities and Contingent Assets

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

6.14. Borrowing Cost

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

6.15. Miscellaneous expenditure

Miscellaneous expenditure is written off over a period of five years after commencement of operations by the company.

7 Contingent Liability

	2008-2009	2007-2008
Claims against the Company not acknowledged as debts		
Customer claims for damages	3,678	3,678
Income-Tax	4,132	4,132
	<u>7,810</u>	<u>7,810</u>

8 Capital commitments

	2008-09	2008-09
On account of intangible assets	-	2,327
On account of tangible assets	17,165	4,566
	<u>17,165</u>	<u>6,893</u>

9. Semac and Potential have carried out a detailed reconciliation of its' sundry debtors with invoices and other relevant details and has prepared the ageing statement accordingly. However, certain debts are overdue for payment. In view of the steps being taken to recover these amounts these balances have been considered good and recoverable excepting certain balances which have been written off as bad debts during the year.
10. Semac Muscat, has created a provision during the year for doubtful debts equal to 2.5% on its gross invoices amounting to Rs. 21,61,152 as a matter of principle. Further in respect of legal case against the said subsidiary which was adjourned for out of court settlement the expected liability amounting to Rs. 26,42,090 has been provided as "provision for contingency".

11. Related Party Disclosure

- (a) Enterprise where control exists: Utkal Investments Limited - Holding Company (ceased to be holding company w.e.f 06.02.2009)
- (b) Other related parties with whom the company had transactions, etc.
- (i) Key Management Personnel & their relatives:
- | | |
|-----------------------|-------------------------------|
| Mr. Abhishek Dalmia | Executive Chairman |
| Mr. Chaitanya Dalmia | Director |
| Mr. P.M.Rajanarayanan | Managing Director |
| Mrs. R.Radha | Relative of Managing Director |
- (ii) Mr.S.C.Katyal Director / Consultant
 Mr. B.D. Narang Director / Consultant
- (c) Disclosure of transactions between the related parties & the status of outstanding balances as on 31st March, 2009.

Particulars	Holding	Key Management & Personnel & their relatives	Director/ Consultant
Rent expense	660	271	520
Directors sitting fees	-	8	20
Remuneration to key management personnel	-	8939	-
Consulting fee	-	-	2950
Balance as on 31 st March 2009			
(a)payable - remuneration	-	394	125
Rental deposit	-	226	120

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

A : PRIMARY SEGMENT (Business Segment)

1. Segment Revenue	2008-09	2007-08
Construction & Mining	891,373	1,137,583
Power	-	45,389
Specialty & Chemicals	201,085	295,122
Engineering Design Services	496,387	154,603
Net Sales/income from operation	<u>1,588,845</u>	<u>1,632,697</u>

2. Segment Results

	2008-09	2007-08
Construction & Mining	1,95,021	185,812
Power	-	11,777
Specialty & Chemicals	23,943	12,745
Engineering Design Services	208,163	50,449
Unallocable (* includes profit on sale of power division)	(277,869)	127,041
Total	149,258	387,824
Less: Interest	(126,702)	(70,120)
Profit before tax	22,556	317,704
Current Tax	32,712	192,854
Provision for Tax of earlier years written back	-	(17,891)
Deferred Tax	(1,095)	(89,858)
Fringe Benefit Tax	3,611	2,738
Profit after tax	(13,445)	229,861

3. Segment Assets and liabilities

Segment Assets and liabilities	2008-09		2007-08	
	Assets	Liabilities	Asset	Liabilities
Construction & Mining	1,386,810	276,048	1,061,142	237,925
Specialty & Chemicals	163,103	21,152	244,443	72,331
Engineering Design Services	253,255	32,812	97,720	28,224
	1,803,168	330,013	1,403,305	338,480
Unallocated Corporate assets and liability	1,012,362	1,229,758	809,643	625,313
Total	2,815,530	1,559,771	2,212,948	964,793

4. Capital Expenditure and Depreciation

	Capital Expenditure		Depreciation	
	2008-09	2007-08	2008-09	2007-08
Construction & Mining	90,288	103,276	15,382	12,497
Power	-	-	-	43,231
Specialty & Chemicals	13,550	39,538	5,740	3,851
Engineering Design Services	16,147	9,412	11,062	3,513
	119,985	152,226	32,814	63,092
Unallocable	7,276	297,493	71,493	32,157
Total	127,260	449,719	103,676	95,249

B. SECONDARY SEGMENT (Geographical segment)

	2008-09			
	Revenue	Asset	Liabilities	Capital Expenditure
Within India	1,385,850	2,732,241	406,619	120,074
Outside India	202,995	83,289	44,814	7,186
2007-08				
	Revenue	Asset	Liabilities	Capital Expenditure
Within India	1,326,398	2,169,383	857,808	442,324
Outside India	306,298	43,565	105,985	-

C. Segment Information

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

Segment Name	Company	Description
Construction and Mining	Revathi Equipment Limited	
Speciality and Chemicals	Monarch Catalyst Pvt. Ltd	Jointly Controlled Entity
Engineering Design Services	Semac Limited and Potential Service Consultants Limited	Subsidiary and Jointly Controlled Entity

- (d) The segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and administrative expenses allocated on a reasonable basis as estimated by the management.
- (e) As part of secondary reporting revenues are attributed to geographic areas and therefore the analysis of geographical segment is demarcated into India and outside India operations.
- (f) The subsidiary viz. RDML has not commenced operations.

13. The break up of Deferred tax Assets and Liabilities as follows :

	Opening as on 1st April, 2008	Charge/(Credit) during the year	Closing as on 31st March, 2009
Deferred Tax Assets			
Expenses Allowable on Payment Basis and Others	(3,498)	(8,865)	(12,363)
Share of joint venture	(1,430)	(1,151)	(2,581)
Sub Total	<u>(4,928)</u>	<u>(10,016)</u>	<u>(14,944)</u>
Deferred Tax Liabilities			
Depreciation Difference	611	2,778	3,389
Share of joint venture	8,036	1,035	9,071
Sub Total	<u>8,647</u>	<u>3,813</u>	<u>12,460</u>
Net Deferred Tax (Assets) / Liabilities	<u>3,719</u>	<u>(6,203)</u>	<u>(2,484)</u>

14. Except the company, its' subsidiaries and jointly controlled entities/ joint ventures are in the process of compiling information with regard to suppliers covered under Micro, Small and Medium Enterprise development Act, 2006. Accordingly, the detail given below represents such information in respect of the company only:

Particulars	2008-09
a) Principal amount outstanding at the end of the year	29
b) Interest amount due at the end of the year	Nil
c) Interest paid to suppliers	Nil

15. The figures have been given in Rs.thousands and rounded off to the nearest hundreds. The figures pertaining to the Subsidiary and jointly controlled entities/joint ventures have been regrouped / rearranged wherever considered necessary to bring them in line with the Company's financials statements. As Semac Ltd together with its overseas subsidiary and joint venture has been acquired during the year and there has been an increase in holding in one of the jointly/ controlled entities/ joint venture previous year figures are not strictly comparable. However, previous year's figures wherever necessary have been rearranged/regrouped/reclassified.

As per our report of even date

For Lodha & Co
Chartered Accountants

H.S. Jha
Partner
Membership Number: 055854

Abhishek Dalmia
Executive Chairman

M.N. Srinivasan
Company Secretary

P.M.Rajanarayanan
Managing Director

S.Hariharan
Vice President (Finance)

Place : Kolkata
Date : October 23, 2009

Coimbatore
October 23, 2009



Revathi

Registered Office : Pollachi Road, Malumachampatti Post, Coimbatore - 641 021
Proxy Form

Revathi Equipment Limited

I / We _____
of _____
being a Member / Members of Revathi Equipment Limited hereby appoint _____
of _____ or failing him _____
of _____ or failing him _____
_____ of as my / our proxy to vote for me / us and on
my / our behalf, at the Thirty Second Annual General Meeting of the Company to be held on Friday November 27, 2009 at 10.00 am and any adjournment thereof.

Signed this _____ day of _____ 2009.

Signed by the said _____

1 Re Revenue Stamp	Folio No. :
	DP ID No.
	Client A/c No. :
	No. of shares :

Note : This form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.



Revathi

Revathi Equipment Limited
Thirty Second Annual General Meeting
Attendance Slip

Folio No. :
DP ID No.
Client A/c No. :
No. of shares :

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall.

Only members or their proxies are entitled to be present at the Meeting.

Name and Address : _____

I here by record my presence at Thirty Second Annual General Meeting _____

* Signature of the Member / Proxy

* Strike out whichever is not applicable.

BANK ACCOUNT PARTICULARS / ECS MANDATE FORM

I / We _____ do hereby authorise Revathi Equipment Limited to

* Print the following details on my / our dividend warrant

* Credit my dividend amount directly to my Bank Account by ECS.

(* Strike out whichever is not applicable)

My Folio No. : _____

Particulars of Bank Account :

DP ID No. _____ **Client No. :** _____

- A. Bank Name : _____
- B. Branch Name : _____
- Address (for mandate only) : _____
- C. 9 Digit Code number of the Bank & Branch
 as appearing on the MICR cheque : _____
- D. Account Type (Saving / current) : _____
- E. Account No. as appearing on the cheque book : _____
- F. STD Code & Telephone No : _____

I / We shall not hold the Bank responsible if the ECS could not be implemented or the Bank discontinue(s) the ECS, for any reason.

Mail To :

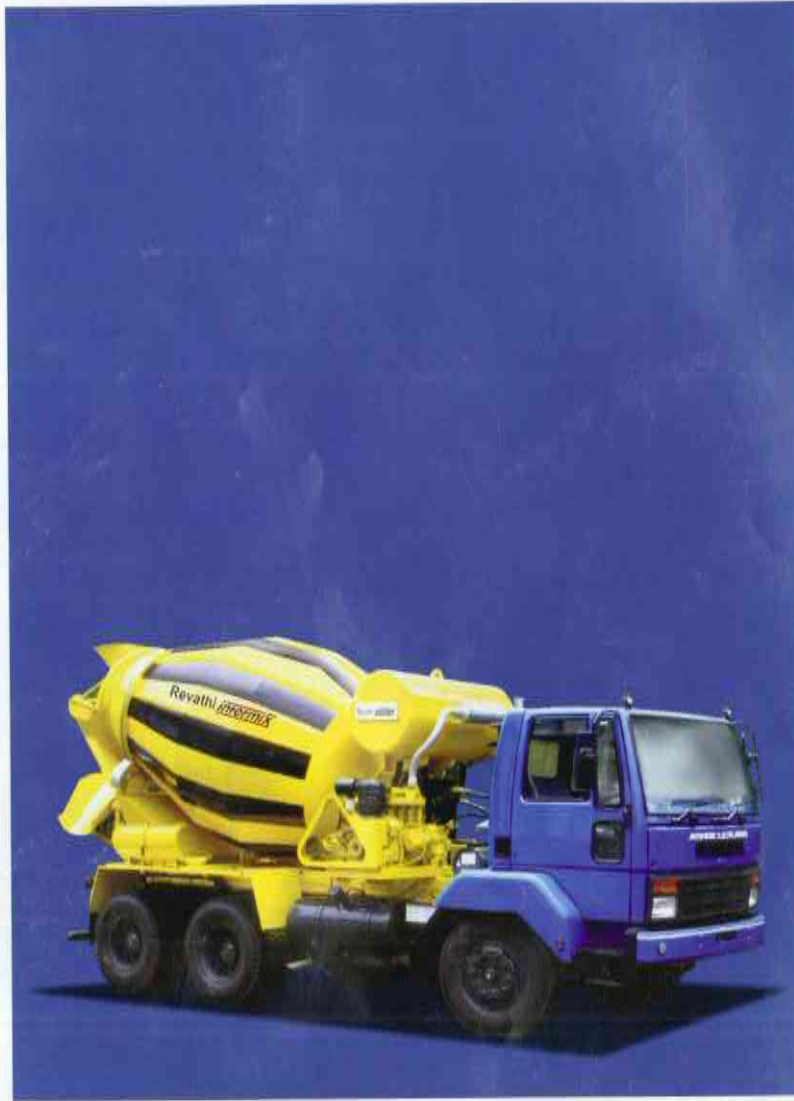
<p>S.K.D.C. CONSULTANTS LTD., P.B.No. : 2979, No. : 11, Street No. : 1 S.N. Layout, Tatabad, Coimbatore - 641 012.</p>

Signature of the member

Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the 9 digit code number.

In case you are holding shares in demat form, kindly advise your Depository Participant to take note of your Bank particulars / ECS mandate.





REVATHI EQUIPMENT LIMITED

Pollachi Road, Malumachampatti Post, Coimbatore - 641 021.
Phone : 91 - 422 - 2610851, 6655100 Fax : 91 - 422 - 2610427, 6655199
Website : <http://www.revathi.co.in>