

REVATHI EQUIPMENT LIMITED

CIN : L29120TZ1977PLC000780

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

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

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

NOTICE TO MEMBERS

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

Ordinary Business:

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

Special Business:

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

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

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

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

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

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

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

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

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

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

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

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

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

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

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

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

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

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

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

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

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

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

Any other information that may be relevant – NIL

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

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

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

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

ITEM NO. 4

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

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

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

ITEM NO. 5

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

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

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

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

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

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

ITEM NO. 6

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

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

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

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

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

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

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

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

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

By Order of the Board
For Revathi Equipment Limited

Place: Coimbatore

Date: 13th August 2022

Nishant Ramakrishnan
Company Secretary & Compliance Officer

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

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

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

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

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

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