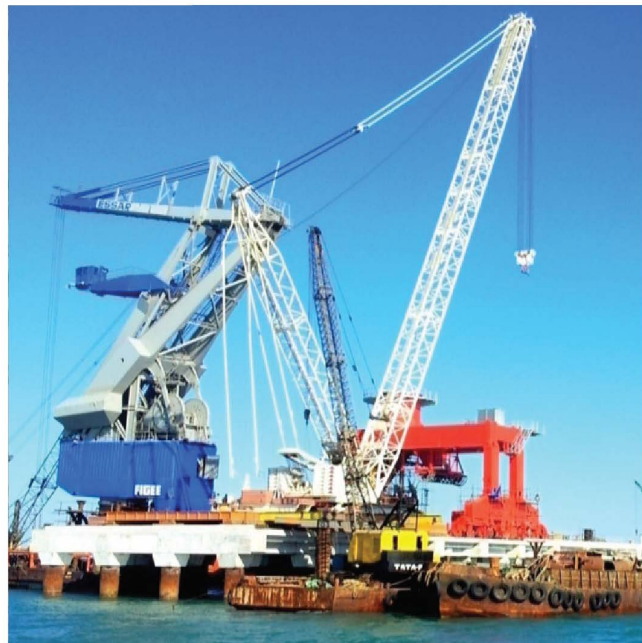




RKEC Projects Limited

Specialists in Construction of Bridges and Marine Works

ISO 9001, 14001 and OHSAS 18001 Certified Company



★ ————— ★

15th

★ ————— ★

ANNUAL REPORT

2019 - 2020

RKEC Projects Limited

15th ANNUAL GENERAL MEETING

to be held on

29th September, 2020 at 12:30 P.M.IST

Through

Video Conferencing (“VC”) /

Other Audio Visual Means (“OVAM”)



Reg. Office.:

RKEC Projects Limited

**#10-12-1, 3rd Floor, Rednam Alcazar Rednam Gardens
Opp. SBI Main Branch, Visakhapatnam - 530002**

Ph: 0891-2574517, Tele Fax : 0891-2574703

Email: info@rkecprojects.com

Web : www.rkecprojects.com

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INTRODUCTION

M/s RKEC Projects Ltd is an engineering construction company with a track record of 35 years. Specialized in the business of Civil and Defence Construction such as construction of Buildings, Highways, Marine Works and Bridges. During the last decade, the Company has undertaken and successfully completed many construction projects across India such as Andhra Pradesh, Tamil Nadu, Gujarat, Odisha, Rajasthan, Maharashtra, Kerala, Puducherry, Manipur, Uttar Pradesh, West Bengal and Karnataka with ongoing projects. The USPs of the company do include the following:

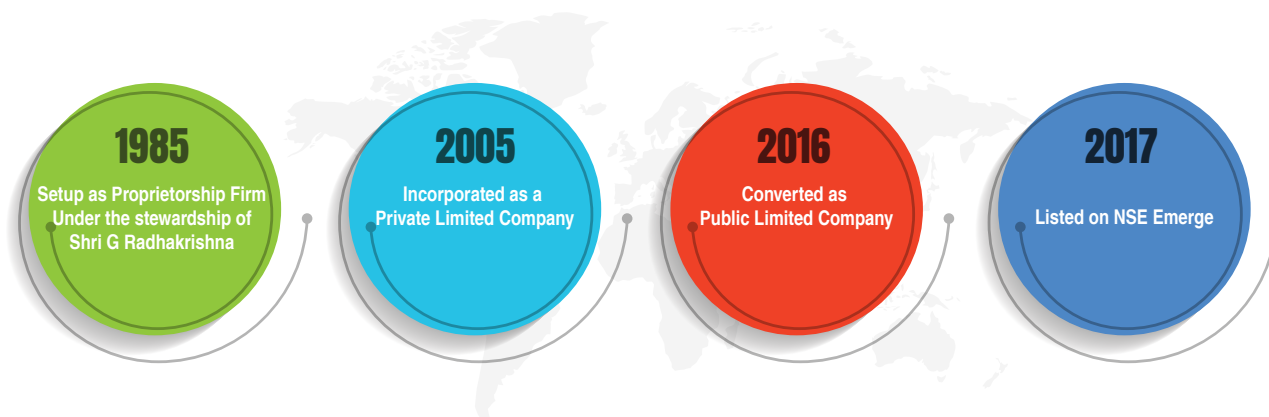
In-house capability of making cost effective designs without compromising on quality.

- High ranking position with respect to quality of its work.
- Track record of timely delivery.
- The strong and experienced project implementation team.
- It is a low debt company.
- It has got a stable and steady growth pattern and plans.
- The Company went public, wherein there was an over subscription of 18 times the issue size.
- Listed in NSE- SME platform.
- Migrating on to main board of NSE in FY 20-21
- Low break even sales of Rs 120 cr p.a

RKEC Projects Limited is ranked amongst the top five companies for designing and executing Marine Works in the country. The Company has been executing onshore and infrastructure projects since 1985 and offshore works since 1994. The Company is “Super Special Class” registered contractors with Ministry of Defence which gives unlimited tendering capability.

OUR JOURNEY

6



RKEC Projects Limited attained good reputation amongst its clients because of the track record, quality and timely delivery of all assignments. The clientele of the Company includes Defence Sector, Railways, Ports, Adani, Vedanta Limited, Rashtriya Ispat Nigam Limited and ESSAR etc.

CLIENTELE



STRENGTHS OF THE COMPANY

- RKEC Projects Limited gets its core strength from the Founder Chairman and Managing Director Shri Garapati Radhakrishna, whose integrity, astute, mature and professional leadership, intrinsic mental, moral and spiritual values, and spirit of entrepreneurship allows everyone in the Company to go beyond their brief, and excel in every endeavor.
- The Company has only earned laurels and plaudits in every project undertaken since inception without exception. The Managing Director is personally involved in every stage of the project from the planning, execution and post execution of any project which is certainly a key reason behind RKEC's growth.
- Experienced In-house Design Team Technical staff with experience of more than 20 years particularly in Marine Works.
- Possess Marine Equipment worth Rs. 30 Crore which is capable of executing major offshore piling works. Advantage of having own ancillary services cannot be understated.
- One amongst very few contractors in the Country to possess Jack Up Barge of capacity 500 MT.

VISION

- To be the most admired and responsible DIVERSIFIED company dealing in Integrated Marine and all- purpose construction and also to diversify into areas such as Rural Electrification, National Highways, Smart City Projects, Firefighting system and Pipeline projects with a National and International footprint, delivering sustainable value to all stakeholders

OUR VALUES

Passion, Ambition & Innovation

We enjoy what we do, work with passion using innovative and 'out of box' solutions and our ambition will enthuse our clients to excel.

Integrity and Honesty

Irreproachable, even if required to present hard truths

Safety

Safety is a core value

Care and Respect

Care for Stakeholders, the Environment, Customers & Shareholders and our employees and partners

Diligence

Do everything planning, preparation, deployment of assets, analysis, execution, review, mitigating risks etc with a thoroughness that delivers quality and excellence on time

Agility and Adaptability

Speed, Responsiveness and Proactive approach, multidimensional and non linearity of leadership, thought and action.

GLIMPSES OF MAJOR ONGOING PROJECTS

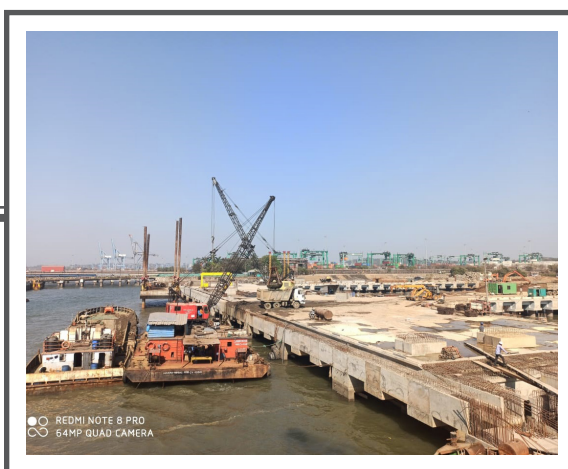


**Construction of New 4-lane Bridge
(2 x 12.5m wide twin two lane structures)
over river Ganga at
downstream of Farakka Barrage**

Work Value : Rs.52100 Lakhs
Client : NHAI, WB

**Construction Of Coastal Berth At
JN Port, Mumbai**

Work Value : Rs.14333 Lakhs
Client : JNPT, Mumbai



**Construction of Berth and Approach
Trestles for Development of a
Barge/Vessel loading Berth at Honnavar**

Work Value : Rs.7724 Lakhs
Client : Honnavar Port Private Limited



**Construction Of Liquid Cargo Handling
Jetty (Outer Terminal –li) Near 2nd Oil
Jetty on The River Hooghly at
Haldia Dock Complex, Kolkata Port Trust**

Work Value : Rs.7459t Lakhs
Client : Haldia Dock Complex





Construction of Intake Well in River Ganga and Associated onshore works at Sahibganj Location

Work Value : Rs.5891 Lakhs
Client : Adani Infra (I) Ltd

Construction of Jetty to Semi Submersible Pontoon (Ssp) for Dry Docking of Submarines (Phase-I:On Shore) at Visakhapatnam

Work Value : Rs.4695.99 Lakhs
Client : DGNP



Construction Of Ware House at Mo [V] for Storing Of P – 71 Spares

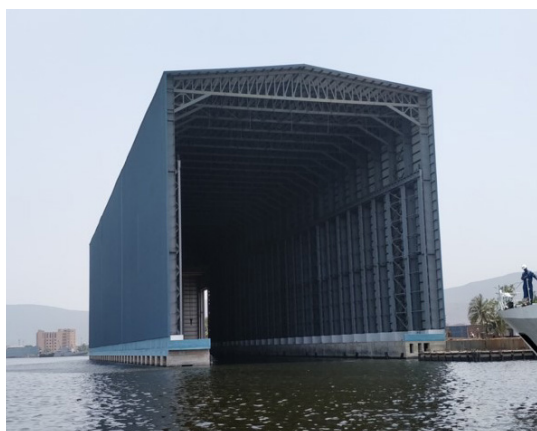
Work Value : Rs.3691 Lakhs
Client : MES

Construction Of Indoor Sports Arena Under Smart City Program, Visakhapatnam

Work Value : Rs.1990 Lakhs
Client : GVMC



GLIMPSES OF FEW COMPLETED PROJECTS



“Construction of Jetty With Loading Facility at Visakhapatnam”

Work Value	: Rs.14973 Lakhs
Client	: DGNP Visakhapatnam
Year of Completion	: 2019

“Construction of Multi-user Liquid Terminal at Puthuvypeen, Cochin Port”

Work Value	: Rs.21732 Lakhs
Client	: Cochin Port Trust, Cochin
Year of Completion	: 2018



“Construction of Road Over Bridge at Lc-43A at Km.38/175 Of NH 45A in Puducherry ”

Work Value	: Rs.3496 Lakhs
Client	: PWD, Puducherry
Year of Completion	: MAY, 2018

“Provn of OTM Accn No.1 at Leimakhong”

Work Value	: Rs.1973.74 Lakhs
Client	: MES, Shillong
Year of Completion	: Dec, 2017



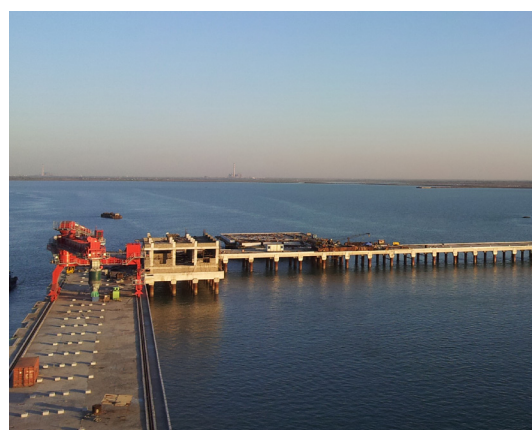


Liquid Chemical / POL Berth OFF Pir Pau, Mumbai

Work Value : Rs.12,920 Lakhs
Client : MBPT
Year of Completion : 2016

Coal Berth & Approach at Salaya

Work Value : Rs.10,000 Lakhs
Client : ESSAR
Year of Completion : 2012



Jetty N-14A at Naval Dockyard, Visakhapatnam

Work Value : Rs.6,250 Lakhs
Client : DGNP
Year of Completion : 2011

Major Bridge across River Beas

Work Value : Rs.3,709 Lakhs
Client : IVRCL
Year of Completion : Dec, 2010



FROM CHAIRMAN'S DESK

Dear Shareholders,

It's a great pleasure for us to present you the 15th Annual Report of Your Company. Over the last 35 years, we have been building infrastructure of the country and successfully executed projects across India and across segments like Roads, Bridges, Buildings, Marine works etc. The year 2019-20 remained progressive for our Company. We could continue to march forward to create value and enhancing of growth for the business.



During the year 2019-20 there were several macro economic uncertainties and challenges which plagued the global economy like trade war between USA and China, localized geopolitical conflict escalation in many regions and lately the outbreak of pandemic. We are simultaneously gearing for a phased reopening of the economy, and preparing for life with and beyond Covid-19.

Performance Snapshot: During FY 2020, we have secured seven new mandates of Rs. 333.80 crores aggregate value. New projects include two prestigious projects (i) Haldia-Fire Fighting, for a total contract price of Rs. 129.29 crores and (ii) Haldia- Liquid Cargo Jetty, for a contract price of Rs. 74.59 crores. With the above orders, our available order book at the end of FY 2020 stood at around Rs. 776.72 crores which would be executed in the next 12-36 months. We are currently bidding projects to the tune of Rs. 859.551 Crore and there is fair chance of success in these projects for maintaining a seamless growth.

During the year, our Company have completed two projects with contract price of Rs. 169.62 crores. You will be happy to know that, we have received orders to resume the Rural Electrification Work and complete the same, latest by 31 Dec 2020. This was a long pending expedient to the Company since 4/2018.

Your company has exhibited growth and strength on all key performance parameters. There has been a quantum jump in our Company's both top and bottom lines in FY 2020. Revenue, EBITDA and PAT steeply increased by 22.4%, 29.1% and 15.5% in FY 2020 over FY 2019 on standalone basis . This was primarily led by better volume, operational and cost efficiency.

Covid-19 impact: The period leading up to the lockdown and the subsequent stoppage of all economic activity from 25th March, 2020 has adversely affected your Company's operations in later part of FY 2019-20 as well as the of Q1 plus Q2 of FY 2020-21. The lockdown was progressively lifted from 14th April, 2020, with the initial resumption of operations being conducted under restrictions imposed by local authorities. Currently most of the project sites are active, and execution of jobs is progressing with remobilisation of labour force and with reduced level of labour turnover.

Future Outlook: India's infrastructure sector is poised for strong growth over the coming years as the government investment in public infrastructure projects is expanding. In the Union Budget 2019-20, the Government of India has given a push to the infrastructure sector by allocating Rs. 4.56 lakh crores for the sector. The government has a clear agenda of augmenting Infrastructure of this country through building roads & highways, railways, ports, airports, smart cities, metros etc. I believe that the improvement in infrastructure of this country is very much required to reach the target of Rs.5trillion economy in the next five years.

We have established our USPS in construction sector with clean track record of quality, time and cost of effectiveness. Moreover, our highly skilled & focused team and cost efficiencies during the process would help us in getting more contracts in the days ahead. From here on, our focus will be laid on strengthening our leadership further, on both volume and efficiency improvement.

We do participate in our country's growth story in Infrastructure by picking up feasible projects which would help us in expediting the momentum of our growth targets.

We have been able to achieve the success with the continued support and trust of all our stakeholders over the years. I feel privileged by your association, guidance and encouragement, and want to thank you all for helping us to reach these heights. We will continue to strive and remain focused on creating more value for all.

Thank You

G Radhakrishna

Chairman & Managing Director

CORPORATE INFORMATION

Board of Directors



Shri G Radhakrishna
Chairman & Managing Director



Smt. G Parvathi Devi
Whole Time Director



Shri G V Rammohan
Whole Time Director



Vice Admiral Satish Soni,
PVSM, AVSM, NM (Retd.)
Independent Director



Shri T Lucas Peter
(IRS) (Retd.)
Independent Director



Brig. J K Rao,
VSM
Independent Director



Lt Gen P R Kumar,
PVSM, AVSM, VSM (Retd.)
Independent Director



Dr. G Sita Ratnam
Director

Key Managerial Personnel

Shri G Radhakrishna	Chairman & Managing Director
Brig. G S Narayana, VSM (Retd.)	Chief Financial Officer
CS Deepika Rathi	Company Secretary & Compliance Officer

Statutory Auditors

M/s Brahmananda Reddy & Associates., Chartered Accountants

Secretarial Auditor

M/s P N Rao & Co., Practicing Company Secretaries

Cost Auditor

M/s Uppalapati & Associates, Cost Auditors

Internal Auditors

M/s Rao & Kumar, Chartered Accountants

COMPOSITION OF COMMITTEES

Audit Committee

Name of the Director	Status in Committee	Nature of Directorship
Shri T Lucas Peter (IRS) (Retd.)	Chairman	Independent Director
Vice Admiral Satish Soni, PVSM, AVSM, NM (Retd.)	Member	Independent Director
Shri G Radhakrishna	Member	Chairman & Managing Director

Nomination and Remuneration Committee

Name of the Director	Status in Committee	Nature of Directorship
Shri T Lucas Peter (IRS) (Retd.)	Chairman	Independent Director
Vice Admiral Satish Soni, PVSM, AVSM, NM (Retd.)	Member	Independent Director
Shri G Radhakrishna	Member	Chairman & Managing Director

Stakeholders Relationship Committee

Name of the Director	Status in Committee	Nature of Directorship
Shri T Lucas Peter (IRS) (Retd.)	Chairman	Independent Director
Vice Admiral Satish Soni, PVSM, AVSM, NM (Retd.)	Member	Independent Director
Shri G Radhakrishna	Member	Chairman & Managing Director

Corporate Social Responsibility Committee

Name of the Director	Status in Committee	Nature of Directorship
Shri G Radhakrishna	Chairman	Chairman & Managing Director
Shri G V Rammohan	Member	Whole Time Director
Brig. J K Rao, VSM	Member	Independent Director

Banks	Vijaya Bank, now Bank of Baroda
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Share Transfer Agent

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East,
Mumbai 400059, Maharashtra

Registered Office

10-12-1, Rednam Alcazar, Rednam Gardens Old Jail Road, Opp SBI Main Branch,
Visakhapatnam-530002,
Andhra Pradesh, India CIN: L45200AP2005PLC045795

NOTICE OF THE AGM

Notice is hereby given that the Fifteenth Annual General Meeting of the members of RKEC Projects Limited (CIN : L45200AP2005PLC045795) will be held on Tuesday, the 29th September 2020 at 12:30 P.M through Video Conferencing (“VC”) / Other Audio Visual Means (“OVAM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

- a) The Audited Financial Statements of the Company for the Financial Year ended 31st March 2020 together with the Reports of the Board of Directors and Auditors thereon; and
- b) The Audited Consolidated Financial Statements of the Company for the Financial Year end 31st March 2020 together with the Report of the Auditors thereon to pass the following resolution as Ordinary Resolution:

“RESOLVED THAT the Audited Financial Statements (both Standalone & Consolidated Financial Statements) of the Company for the Financial Year ended 31st March 2020, consisting of Balance Sheet as at 31st March, 2020 together with the notes to Financial Statements and Reports of the Board of Directors and Auditors including Annexure thereof laid before this meeting, be and are hereby considered and adopted.”

2. To appoint the auditors and to fix their remuneration by passing the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. SARC & Associates, Chartered Accountants (FRN: 006085N), be and is hereby appointed as the auditors of Company in place of the retiring auditors, M/s Brahmananda Reddy & Associates, Chartered Accountants (FRN:016662S), to hold office from the conclusion of this annual general meeting (“AGM”) till the conclusion of the 20th AGM to be held in the year 2025, at such remuneration, as may be mutually agreed between the Board of directors of the Company and the auditors.”

3. To re-appoint G Parvathi Devi (DIN: 00094961), who retires by rotation and being eligible, offer herself for re-appointment as a Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT G Parvathi Devi (DIN: 00094961), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

4. Appointment of Lt Gen P R Kumar, PVSM, AVSM, VSM, (Retd.) as an Independent Director

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

“RESOLVED THAT Lt Gen P R Kumar, PVSM, AVSM, VSM, (Retd.) (DIN: 07352541) who was appointed by the Board as an Additional Director of the Company with effect from 30 July 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and Article 104 of the Articles of Association of the Company but who is eligible for appointment be and is hereby appointed as Independent Director of the Company.

RESOLVED THAT that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 (“SEBI Listing Regulations”), as amended from time to time, the appointment of Lt Gen P R Kumar, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed there under, and the regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing 30 July 2020 to 29 July 2025.”

5. Ratification of Remuneration of Cost Auditors of the Company

To Consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof, for the time being in force) M/s Uppalapati & Associates, Cost Accountants, Visakhapatnam (Firm Registration No. 100506) whose appointment as the Cost Auditors of the Company, for the FY 2020-21 ending 31st March 2021, has been duly approved by the Board of Directors based on the recommendations of Audit Committee of the Company, be paid a sum Rs. 80,000/- (Rupees Seventy Five Thousand) only plus applicable tax (GST) and reimbursement of actual out of pocket expenses, if any, as a remuneration for audit of cost records of the Company for the FY 2020-21 ending 31st March 2021, as recommended by the Board of Directors based on the recommendation of the Audit Committee of the Company, be and hereby ratified.”

By the Order of the Board of the Directors For RKEC Projects Limited

Sd/-

Deepika Rathi

Company Secretary & Compliance Officer

Date: 4th September, 2020

Place: Visakhapatnam

NOTES

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporate is entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.rkecprojects.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

9. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (LODR) Regulations, 2015 the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 22nd day of September 2020 to Thursday, the 29th day of September, 2020 (both days inclusive).

10. The Company has appointed M/s Big share Services Private Limited, as its Registrars and Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly quoting Folio No., full name and name of the Company as RKEC Projects Limited.

11. Members desiring any information on accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready for reply.

12. Electronic copy of the Notice of the Annual General Meeting along with Annual Report is being sent to all the shareholders whose name appears in the prelist furnished by NSDL and CDSL as Beneficial Owner as on 4th September, 2020 at the email ID's registered with the Company/ RTA / DP for communication purposes. We request you to update, your email address with your depository participant to ensure that the annual report and other documents reach you in permitted mode.

13. Members may note that the Notice of this meeting has been hosted under the Investor's Tab of Company's website www.rkecprojects.com.

14. The details of Director's appointment or re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India is as below:

PARTICULARS	
Name	G Parvathi Devi
Date of Birth	10.06.1964
Date of Appointment as Director	01.04.2005
No. of shares held in the Company	47,000

15. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:- The remote e-voting period begins on 26th September 2020 at 9:00 A.M. and ends on 28th September 2020, at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL OR CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

- After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- Select “EVEN” of company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- Upon confirmation, the message “Vote cast successfully” will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pnraoandco@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@rkecprojects.com.

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to info@rkecprojects.com.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- I. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- II. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- III. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- IV. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

- a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

Explanatory Statement Pursuant to the Provisions of Section 102 of the Companies Act, 2013:

Item No. 4

Regularisation of Lt Gen P R Kumar, PVSM, AVSM, VSM, (Retd.) as a Director/ Independent Director

Lieutenant General PR Kumar, PVSM, AVSM, VSM is an alumnus of the National Defence Academy and was commissioned from the Indian Military Academy into the Regiment of Artillery on 15 Dec 1976. The General Officer in his illustrious career spanning 39 years has a very judicious mix of Command, Staff and Instructional Appointments in varied operational environments to include high altitude area, line of control opposite Pakistan, LAC opposite China, desert terrain.

The Nomination & Remuneration Committee at its Meeting held on 30 July 2020 considered, approved and recommended to the Board and/or Shareholders (Members), the appointment of Lt Gen P R Kumar, PVSM, AVSM, VSM, (Retd.) (DIN: 07352541), as an Independent Director for a period of five (5) years effective from 30 July 2020.

Subsequently, the Board of Directors at its meeting held on 30 July 2020, considered and approved, Lt Gen P R Kumar, PVSM, AVSM, VSM, (Retd.) (DIN: 07352541) as an Additional Director [Category – Independent Director] of the Company, to hold the office till the conclusion of the 15th Annual General Meeting of the Company. On such appointment by members, he will continue in office for a period of five years.

Accordingly, the Board of Directors of the Company recommends the Ordinary Resolution for the above appointment. None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said Resolution.

Item No. 5

Ratification of Remuneration of Cost Auditors of the Company

On recommendations of the Audit Committee, the Board of Directors of the Company, at its meeting held on 27 June 2020, approved and appointed, M/s Uppalapati & Associates, Cost Accountants, Visakhapatnam (Firm Registration No. 100506) as the Cost Auditors of the Company for the FY 2020-21 ending 31st March 2021 to audit the cost records of the Company at a remuneration of Rs. 80,000/- Only, plus applicable tax (GST) and reimbursement of actual out of pocket expenses, if any.

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (as amended), the remuneration as recommended by the Board of Directors, is subject to ratification by the Shareholders (Members) of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

Accordingly, the Board of Directors of the Company recommends the Ordinary Resolution for ratification of the Shareholders (Members) in the interest of the Company.

By Order of the Board of Directors For RKEC Projects Limited

Sd/-

Deepika Rath

Company Secretary & Compliance Officer

Date: 4th September, 2020

Place: Visakhapatnam

DIRECTORS' REPORT

To

THE MEMBERS

RKEC Projects Limited

Your Directors have pleasure in presenting before you the Fifteenth Annual Report of the Company along with audited Annual Financial Statements for the year ended 31st March, 2020.

1. Financial Performance/Highlights (Standalone & Consolidated):

During the year under review, the Company has earned net profit of Rs. 27,85,96,444/-. There is notable increase in profit after tax during the financial year 2019-20 when compared to the net profit of the previous year. Your Directors are confident that the performance of the Company will be improved on all fronts in the current Financial Year.

The summarized Financial Results of the Company for the Year ended 31st March, 2020 is as follows: (Amt. in Lakh)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from orations	29,793.41	24,399.08	30,398.24	22,576.55
Other Income	258.29	146.59	294.71	133.27
Total Income	30051.71	24545.67	30,692.96	22,709.82
Less: Expenditure	26,654.03	20,187.34	23,893.37	18,545.44
Profit/(loss) before Interest, Depreciation and Tax	5628.88	3,948.32	5466.70	4031.11
Less: Finance Cost	1132.56	544.14	1132.56	584.16
Less: Depreciation & Amortization Cost	649.49	353.54	649.49	353.55
Prior Period Items	-	-	-	-
Less: Extraordinary items	1332.88	-	1332.88	-
Profit/(loss)Before Tax	3846.83	3,460.64	3684.64	3226.67
Less: Tax Expenses	1060.86	1047.27	1130.18	992.55
Less: Deferred Tax	-26.67	-9.14	-26.67	-9.13
Profit/(loss)after Tax	2785.96	2413.38	2518.13	2243.25

2. DIVIDEND:

Considering the effect of COVID-19 Pandemic and to conserve the resources of the Company, Your Directors do not recommend any dividend for the Financial Year 2019-20

3. Capital Structure

The paid up share capital of the Company is Rs.23,99,06,000/- (Rupees Twenty Three Crores Ninety Nine Lakhs Six Thousand only) divided into 2,39,90,600 (Two Crore Thirty Nine Lakh Ninety Thousand and Six Hundred) equity shares of Rs.10/- each. The aforesaid Equity Shares is listed on NSE-Emerge Platform.

Further, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

4. Consolidated Financial Statement

The Financial Statement of the Company for the Financial Year 2019-20 are prepared in compliance with the applicable provisions of the Companies Act 2013, Accounting Standards and as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. The consolidated Financial Statement has been prepared on the basis of the audited Financial Statements of the Company, RKEC Projects Limited and its JV Firms as approved by the respective Board of Directors/Management. Pursuant to the provisions of Section 136 of the Act, applicable rules relating to Accounting Standards, the Financial Statements of the Company and the Consolidated Financial Statements along with all relevant documents and Auditors Report thereon form part of this Annual Report.

5. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

Since there was no unpaid/unclaimed dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

6. Change in the Nature of the Business of the Company

During the year, there is no change in the nature of the business of the Company.

7. Deposits

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

8. Transfer to Reserves

The Directors have decided to retain the entire amount of Rs. 29793.41 lakhs in the retained earnings.

9. Material Changes and Commitment, if any, Affecting the Financial Position of the Company occurred between the Ends of the Financial Year to which these Financial Statements relate and the Date of the Report.

There have been no material changes and commitments except Pandemic, which affect the financial position of the Company, that have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

10. Statement on Formal Annual Evaluation of Board

Nomination and Remuneration Committee annually evaluates the performance of individual Directors, Committees and of the Board as a whole in accordance with the formal system adopted by it. Further, the Board also regularly in their meeting held for various purposes evaluates the performance of all the Directors, Committees and the Board as a whole. The Board considers the recommendation made by Nomination and Remuneration Committee in regard to the evaluation of Board Members and also tries to discharge its duties more effectively. Each Board Members contribution, their participation was evaluated and the domain knowledge they bring. They also evaluate the manner in which the information flows between the Board and the Management and the manner in which the board papers and other documents are prepared and furnished.

11. Disclosure of Orders Passed by Regulators or Courts or Tribunal

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

12. Statement Concerning Development and Implementation of Risk Management Policy of the Company

The Company has developed and implemented risk management policy, which is displayed on the Company's website www.rkecprojects.com.

13. Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earning and Out-go:

A. Conservation of Energy:

Ours is not a Company with high energy consumptions. Further there are no permanent installations, the work done at various projects at various conditions and for shorter period, We, however could achieve a saving of energy cost by various measures, such as, installation of LED lights, air conditioners with high star ratings.

B. Technology Absorption:

We have been improving upon our designs, input materials and methodological upgradation on a consistent basis. Further we do not have any technology imported..

C. Foreign Exchange Earning & Out-Go:

Foreign Exchange Earning: NIL Foreign Exchange Outgo: NIL

14. Corporate Social Responsibility

A detailed outline of the Corporate Social Responsibility (CSR) policy of the Company on CSR activities

during the Financial Year 2019-20 are set out in “Annexure – 1A” of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is available on the website of the Company www.rkecprojects.com.

15. Particulars of Loans, Guarantees or Investments Made under Section 186 of the Companies Act, 2013

During the year, the Company has made no investment falling under the provision of Section 186 of the Companies Act, 2013 read with rules made there under. The Company has not given loan, guarantee or provided security in connection with the loan to any other body corporate or person. The members are requested to refer the notes to the Financial Statement which are forms the part of the Annual Report for detailed information.

16. Particulars of Contracts or Arrangements made with Related Parties

Particulars of Contracts or Arrangements made with related parties referred to in section 188 (1) of the Companies Act, 2013, in the prescribed form (Form AOC-2) is appended as Annexure- 1B” to the Board’s Report.

17. Directors

As per the provisions of Companies Act, 2013, Smt. G Parvathi Devi (DIN: 00094961) retires by rotation at the ensuing Annual General Meeting and being eligible seeks reappointment. Based on the recommendation of the nomination and remuneration committee, the Board recommends her reappointment.

The Independent Directors of the Company have submitted the declaration of independence pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provide in section 149 (6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

Lt Gen P R Kumar was appointed as an Additional director and independent director considering his integrity, expertise and experience effective July, 30, 2020 for a period of five years subject to the approval of the shareholders at the 15th AGM. The notice convening the meeting sets out the details of his appointment.

Mr G.V.Rammohan was appointed as additional director of the company on 29th May, 2019 and board appointed him as whole time director with effect from 29th August, 2019 and in the annual general meeting held on 26th September, 2019, members approved such appointment.

18. Key Managerial Personnel

Shri. G Radhakrishna-Managing Director, Brig G S Narayana, VSM (Retd)- Chief Financial Officer and CS Deepika Rathi- Company Secretary & Compliance Officer are Key Managerial Personnel of the Company in accordance with the provisions of section 2 (51) and Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Mr. J. Vijay Kumar resigned as Company Secretary and in his place Mrs. Deepika Rathi was appointed as Company Secretary and Compliance Officer with effect from 6th Dec 2019. Except this, there are no other changes in the Key Managerial Personnel (KMP) during the year under review.

19. Meetings of the Board of Directors

The Board met 4 times in the Financial Year 2019-20 viz, 29 May 2019, 29 Aug 2019, 14 Nov 2019, and 05 Mar 2020.

Details of Directors as on 31 Mar 2020 and their attendance at the Board Meetings and Annual General Meeting (AGM) during the Financial Year 2019-20 are given below:

Name of Directors	Designation	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM
Shri G Radhakrishna	Chairman & Managing Director	4	4	Yes
Smt G Parvathi Devi	Whole Time Director	4	4	Yes
Shri G V Rama Mohan	Whole Time Director	4	3	Yes
Vice Admiral Satish Soni PVSM, AVSM, NM (Retd)	Independent Director	4	3	No
Shri T Lucas Peter, IRS (Retd)	Independent Director	4	4	No
Brig JK Rao	Independent Director	4	4	Yes
Smt G Sita Ratnam	Director	4	3	No

20. Meetings of the Committees

Audit Committee

Name of Members	No. of Committee Meeting entitled	No. of Committee Meetings Attended
Shri T Lucas Peter, IRS (Retd)	4	4
Vice Admiral Satish Soni PVSM, AVSM, NM (Retd)	4	3
Shri G Radhakrishna	4	4

Nomination & Remuneration Committee

Name of Members	No. of Committee Meeting entitled	No. of Committee Meetings Attended
Shri T Lucas Peter, IRS (Retd)	1	1
Vice Admiral Satish Soni PVSM, AVSM, NM (Retd)	1	1
Shri G Radhakrishna	1	1

Corporate Social Responsibility (CSR) Committee

Name of Members	No. of Committee Meeting entitled	No. of Committee Meetings Attended
Shri T Lucas Peter, IRS (Retd)	2	2
Vice Admiral Satish Soni PVSM, AVSM, NM (Retd)	2	2
Shri G Radhakrishna	2	2

21. Directors Responsibility Statement

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- II. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31 March 2020 and of the profit of the Company for the year under review.
- III. The directors had 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.
- IV. The directors had prepared the annual accounts on a going concern basis.
- V. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

VI. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

22. Vigil Mechanism Policy for the Directors and Employees:

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has established Vigil Mechanism/Whistle Blower Policy for Directors and employees of the Company to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics Policy. The said mechanism also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The Board of Directors of the Company frequently reviews the Vigil Mechanism/Whistle Blower Policy in order to ensure adequate safeguards to employees and Directors against victimization. The said policy is also available on the website of the Company at www.rkecprojects.com.

23. Details of Investor's Grievances/ Complaints:

The Company has not received any complaints during the year. The pending complaints of the Shareholders/ Investors registered with SEBI at the end of the current Financial Year ended on 31st March, 2020 are NIL.

There were no pending requests for share transfer/dematerialization of shares as of 31st March 2020.

24. Adequacy of Internal Financial Controls

The Company has placed an adequate Internal Financial Controls with reference to Financial Statements. The Board has inter alia reviewed the adequacy and effectiveness of the Company's Internal Financial Controls relating to its Financial Statements.

During the year, such Controls were tested and no reportable material weakness was observed.

25. Compliance with the Secretarial Standards

The company has complied with applicable provisions of Secretarial standards issued by the Institute of Company Secretaries of India and approved by Government of India under section 118 (10) of the Companies Act, 2013.

26. Protection of Women at Workplace

The company has formulated a policy on prevention of sexual harassment of women at workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial Year ended 31st March, 2020, the Company has not received any complaints pertaining to sexual harassment.

27. Subsidiaries, Joint Ventures and Associate Companies

There are no subsidiary and associate companies which have become so and ceased as such during the financial year under review. The Company has entered into Joint Venture with M/s Suryadevara

Engineers & Contractors, Vijayawada, M/s Qingdao Construction Engineering Group Co. Ltd, M/s Rapid Net Sports System and M/s N.G. BHOIR & M/s Samudra Dredging Private Limited. The statement containing the salient feature of the JVs is given in “Annexure - 1C”.

28. Auditors

Statutory Auditors

M/s. Brahmananda Reddy & Associates, Chartered Accountants (FRN:016662S), Visakhapatnam, the present Auditor of the Company, has submitted their resignation vide their letter dated 27th August, 2020.

The Company has received a notice from a Member of the Company signifying his intention to propose the appointment of M/s. SARC & Associates, Chartered Accountants (FRN: 006085N) as Statutory Auditors to hold office from the conclusion of the 15th Annual General Meeting up to the conclusion of the 20th Annual General Meeting.

M/s. SARC & Associates, Chartered Accountants (FRN: 006085N) Visakhapatnam, have conveyed their willingness to accept appointment as Statutory Auditors of the Company at the fifteenth Annual General Meeting and have further confirmed their eligibility under section 139 of the Companies Act, 2013 for the appointment.

M/s Brahmananda Reddy & Associates, Chartered Accountants (FRN: 016662S), Visakhapatnam, has conveyed their no objection to the appointment of M/s. SARC & Associates, Chartered Accountants (FRN: 006085N) Visakhapatnam and accordingly did not want to make representations either in writing or in person.

The Board of directors of the company proposes to appoint M/s. SARC & Associates, Chartered Accountants (FRN: 006085N), as the Statutory Auditors of the company at the ensuing annual general meeting for a period of five years till the conclusion of 20th Annual General Meeting pursuant to the provisions of section 139 of the Companies Act, 2013.

Secretarial Auditor

M/s P N Rao & Co., Practicing Company Secretaries, Visakhapatnam was appointed as Secretarial Auditors of the Company to conduct Secretarial Audit pursuant to the provisions of Section 204 of the Companies Act, 2013 for FY 2019-20. Secretarial Audit Report given by M/s P N Rao & Co, Company Secretaries, Visakhapatnam forms part of this report and is marked as “Annexure-1D”

Board noted the observations/qualifications made in the report by the Secretarial auditor and desired to strictly adhere to the compliance requirements under the Companies Act, 2013 and filing of various documents within the stipulated time.

Cost Auditors

The Company has appointed M/s Uppalapati & Associates, Cost & Management Accountants, as Cost Auditors as pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014.

29. Reporting of frauds by Auditors:

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act.

30. Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Report and marked as "Annexure - 1E". No employee of the Company was in receipt of the remuneration exceeding the limits prescribed in the rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

31. Extract of the Annual Return

The extract of the annual return of the Company in Form MGT-9 for the Financial Year ended 31st march, 2020 is given in annexure-2 and forms part of the report.

Pursuant to the provisions in sub-section (3) of Section 134 of the Companies Act, 2013 the annual return referred to in sub-section (3) of section 92 has been placed on the website of the Company. www.rkecprojects.com..

32. Corporate Governance

Your Company has been complying with the principals of Corporate Governance over the years and is committed to the highest standards of compliance. Pursuant to regulation 15(2) of the SEBI (LODR) Regulations 2015, the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C, D and E of schedule V shall not apply to the listed entity which has listed its specified securities on the SME Exchange. Therefore, the Corporate Governance Report is not applicable on the Company and therefore not provided by the Board.

33. Event Based Disclosures

The Company has not issued any shares with differential Voting Rights or Sweat Equity shares or shares under ESOP. The Company has not provided any money to its employees for purchase of its own shares. Hence, the Company has nothing to report in respect of Rule 4(4), Rule (13), Rule 12(9) and Rule 16 of the Companies (Share Capital & Debentures) Rules, 2014.

34. Listing

The equity shares of the company are listed on SME platform of NSE (EMERGE) and the Company has paid annual listing fees for the year 2019-20.

35. Management's Discussion and Analysis Report

The Management Discussion and Analysis Report for the Financial Year ended 31 March 2020 under review, as stipulated under Regulation 34(2)(e) of the Listing Regulations is given as an annexure to this report.

36. Acknowledgements

Your Directors place on record their sincere thanks to Bankers, Business Associates, Consultants and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges the shareholders for their support and confidence reposed on your Company.

However, Your Directors have observed that the Bank of Baroda has not been rising to the occasion to support the Company with suitable credit limits, despite holding high securities. This has curtailed the growth of the Company.

By Order of the Board of Directors

For RKEC Projects Limited

Sd/-

G Radhakrishna

Chairman & Managing Director

DIN : 00073080

Date: 4th September, 2020

Place: Visakhapatnam

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

World Outlook

Global growth is projected at 4.9 percent in 2020, 1.9 percentage points below the April 2020 forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP at 6½ percentage points lower than in the pre-COVID-19 projections of January 2020.

With declining infection rates, the slower recovery path reflects persistent social distancing into the second half of 2020; greater scarring (damage to supply potential) from the larger-than-anticipated hit to activities during the lockdown in the first and second quarters of 2020; and a hit to productivity as surviving businesses ramp up necessary workplace safety and hygiene practices.

Indian economy

In India, growth is estimated to have slowed to 4.2 per cent in the fiscal year 2019-20 (the year ending in March-2020) and output is projected to contract by 3.2 per cent in fiscal year 2020-21, with the impact of COVID-19. Stringent measures to restrict the spread of the virus, which heavily curtail short-term activity, will contribute to the contraction.

The central bank has been purchasing government bonds to further ease the liquidity. The Indian government has also increased its spending on healthcare to bolster the COVID-19 response, wage support, in-kind and cash transfers to lower-income households, deferral of tax payments, as well as loan and liquidity support for small businesses and financial institutions. The growth rate of the Indian economy in fiscal 2017 was seven per cent, which dropped to 4.2 per cent in fiscal 2020.

Sector Outlook

Infrastructure development in India has been one of the prime objective of governments. Now, with the stable government at center, it is inevitable that the construction activities are set to pick-up across the key Infrastructure sectors like Roads & Highways, Bridges, Buildings, Ports, Irrigation and Urban development projects like smart cities and metros.

In Budget 2019-20, the government has also announced bank re-capitalization of Rs. 70,000 crores for PSBs (Public Sector Banks), for easing credit into markets. Moreover, interest rates are also expected to come down in the coming years which would also help in financing of projects. Entities are also looking for tapping overseas markets for borrowings for infrastructure projects.

Company's Operational & Financial Overview

The core business of M/s RKEC Projects Limited is designing and undertaking construction projects such of Bridges, Ports, Dams, high-rise structures, Airports, roads, Highways, Oil and Gas Pipelines, complexes across India.

On Standalone basis the Revenue for financial year 2020 stood at Rs. 300.51 Crores, which is higher by 22.43% compared to financial year 2019 revenue of Rs.245.45 Crores. Operating margin improved by 389 bps during the year which led to EBITDA growth of 29.14% to Rs56.28 crore in FY20 as compared to Rs 43.58 crore in FY19. PAT for financial year 2020 is Rs.27.86 crores as against Rs. 24.13 Crores, which is higher by 15.46% compared to financial year 2019 with PAT margin improving by 116bps in FY20. The improvement in profitability was led by better execution of projects and focus on operational efficiencies by keeping a low break even sales.

During the year under review, the Company was awarded 7 projects worth Rs 338.8 crore. It is currently working on total 13 projects amounting to Rs. 1149.62 crore. The available order book as on 31 Mar 2020 stands at Rs 776.72 crore.

With the unexecuted order-book of Rs.776.72 crore, the Company has a strong revenue visibility for the coming years. Moreover, the Company has been exploring bids for projects and expected to add good amount of fresh orders going ahead. The Company's balance sheet also remains healthy with Debt/equity at 0.55x in FY20. This makes the Company well placed to better execute the projects and further look for opportunities which will lead to increase in profitability.

The Company has been able to achieve targets by blending aids USPS of engineering knowledge with ground-breaking skills, experienced team, binding an optimum mix of men, machine and materials across diverse projects. It has attained good reputation among our clients on account of our track record, experienced team and a proven strength on delivery norms across its all spectrum of services. RKEC Projects has marked its presence Pan India. The Company has successful completion of 93 projects in total till now.

Key Competitive Advantage

With more than 3 decades of experience in the industry, we have emerged has one of leading construction company engaged in the construction of Bridges, Ports, across India. Our strong execution, timely completion capabilities and long-term relations with the stakeholders have been the main growth drivers.

- Proven track record of completing all projects within in timeline
- Robust order book of over Rs. 776 crores (as on March 31, 2020 unexecuted value)
- Strong financial track record; healthy relationships with leading banks/financial institutions
- Integrated and efficient project execution skills, supported by a comprehensive equipment pool

Opportunities

- Increasing Government focus on increasing reforms in the infrastructural and industrial sector.
- Expansion of key industry sector like power, steel, petrochemicals, telecom and others.
- Infrastructural development in the Country.

Risk – Mitigation Strategy

1. Competition risks - competing with several other companies for the acquisition of concessions for projects.

Mitigation: We continuously evaluate our policies and processes in accordance with the trends so as to ensure that we have our business plan in place. We make efforts to complete the project considering the time and budget constraints. This helps us in maintaining our income and adds to the margins.

2. Project Completion risk - On-time completion of the project is very necessary for maintaining the reputation and financial viability.

Mitigation: On time completion of the projects is the top priority of the company. Proper steps are undertaken at each stage of the projects to meet the completion deadlines.

3. Capital-intensive business risk - The infrastructure sector depends heavily on capital investment.

Mitigation: We enjoy good credit ratings in the Industry, which helps us in obtaining better terms on various loans for financing our construction equipment, term debt for projects and working capital facilities. We also endeavor to keep a healthy debt-equity ratio.

4. Input cost risk Acquisition of the right material with the required quantity at the project site is very important for the timely completion of the projects.

Mitigation: Raw materials are purchased directly from the company's nominated vendors which have been tested over time which leads the right quality, price, and on-time supply at competitive market prices.

Internal Control System and their Adequacy

The Company has adequate system of internal control commensurate with its size and operations to ensure orderly and efficient conduct of the business. These controls ensure safeguard of assets, reduction and detection of frauds and error, adequacy and completeness of the accounting record and timely preparation of reliable financial information.

Material Developments in Human Resources/Industrial Relations Front, including the Number of People Employed

During the year under review, no such initiatives and/or developments in Human Resources/Industrial Relations front has been taken by the Company.

Cautionary Statement

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimated and expectations are "forward looking statements". Actual results might differ, materially from those anticipated because of changing ground realities. Forward-looking statements are based on certain assumptions and expectations of future events. The achievement of such results is subject to risks, uncertainties and even less than assumptions. Market data and information gathered from various published and unpublished reports and sources, their accuracy, reliability and completeness cannot be assured. We do not undertake to make any announcement in case any of economic scenarios, industry developments and the forward-looking statements become materially incorrect in future or update any development and forward-looking statements made from time to time by or on behalf of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

For RKEC Projects Limited

Sd/-

G Radhakrishna
Chairman & Managing Director

DIN : 00073080

Date: 4th September, 2020

Place: Visakhapatnam

Annexure-“1A”

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2018-19.

1. The Composition of the CSR Committee:

The Company has set up a Board level CSR Committee as stipulated under the Companies Act, 2013 and Rules framed there under. The committee consists of the following Director:

S NO	Name of the Director	Designation
1	Shri T Lucas Peter, IRS (Retd)	Chairman
2	Shri G V Rama Mohan	Member
3	Shri G Radhakrishna	Member

For the Financial Year 2019-20, the Company has carried out the CSR activities.

1. Average Net Profit of the Company for last three financial years:	Rs. 29,65,92,358
2. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	Rs. 59,31,847
3. Details of CSR spent during the financial year:	
4. Total amount to be spent for the financial year:	Rs. 59,31,847
(a) Total amount spent:	Rs. 28,17,130
(b) Amount unspent, if any:	Rs.31,14,717

Manner in which the amount of CSR spent :

- Vyakti Vikass Kendra India, NGO of Art of Living Foundation to empower women.
- Rehabilitation Centre for differently Able Children.
- Distribution of food to needy during COVID-19.
- Farakka Barrage Project H.S. School,(Government School) Murshidabad

There was delay in identifying suitable projects for spending balance CSR fund.

5. Responsibility Statement

“The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and Policy of the Company”.

BY ORDER OF THE BOARD OF DIRECTORS

For RKEC Projects Limited

Sd/-

G Radhakrishna

Chairman & Managing Director

DIN : 00073080

Date: 4th September, 2020

Place: Visakhapatnam

Annexure-“1B”

FORM NO . AOC-2

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto during the FY 2019-20.

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

1. Details of Contracts or arrangements or transactions not at arm's Length basis :

Sr. No	Name(s) of the related party and nature of Relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of The Contracts/ Arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	NIL							

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

Sr. No	Name(s) of the related party and nature of relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of The Contracts/ Arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any:
1	G Naga Pushyami Relative of Managing Director	Payment of Lease rentals on Machinery and commission on guarantee given to Bank	One year	18.00 4.77	Nil
2	G.Radhakrishna Managing Director	Payment of lease rentals on Building and commission on guarantee given to Bank	One Year	12.00 32.31	Nil
3	G. Parvathi Devi Whole Time Director	Commission on guarantee given to Bank	One year	31.03	Nil

4	G. V. Rammohan Whole Time Director	Payment of Remuneration	One year	39.50	Nil
5	G. Hima Bindu Sree Relative of Managing Director	Commission on guarantee given to Bank	One year	5.90	Nil
6	G Sita Ratnam Director	Payment of Lease rentals on Building	One year	5.60	Nil
7	CQCE and RKEC JV	Contract Revenue	One year	16,644	Nil
8	RKEC NG BHOIR &Samudra JV	Contract Revenue	One year	566.45	Nil
9	RKEC-RANSS CONSORTIUM JV	Contract Revenue	One year	8.98	Nil

BY ORDER OF THE BOARD OF DIRECTORS

For RKEC Projects Limited

Sd/-

G Radhakrishna

Chairman & Managing Director

DIN : 00073080

Date: 4th September, 2020

Place: Visakhapatnam

Annexure-“1C”

Form AOC-I

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures for the year ending 31.03.2020 (FY 2019-20)

Sr. No	Name of Associates/ Joint Ventures	RKEC and Suryadevara JV	CQCE-RKEC JV	RKEC-RANSS CONSORTIUM	RKEC, N.G.BHOIR and Samudra JV
1	Latest audited Balance Sheet Date	27-06-2020	27-06-2020	27-06-2020	27-06-2020
2	Shares of Associate/ Joint Ventures held by the company on the year end	51%	99%	7.2%	51%
	Amount of Investment in Associates/Joint Venture	Rs 72,850	-	-	-
	Extend of Holding %	51%	99%	7.2%	51%
3	Description of how there is significant influence	No	No	No	No
4	Reason why the associate/ joint venture is not Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
5	Networth attributable to Shareholding as per latest audited Balance Sheet	Rs 47,63,519.71	-	-	-
6	Profit / Loss for the year				
6(i)	Considered in Consolidation Considered in Consolidation	Rs 47,63,519.71	-	-	-
6(ii)	Not Considered in Consolidation	-	-	-	-

BY ORDER OF THE BOARD OF DIRECTORS

For RKEC Projects Limited

Sd/-

G Radhakrishna

Chairman & Managing Director

DIN : 00073080

Date: 4th September, 2020

Place: Visakhapatnam

Annexure-“1D”

FORM NO.MR - 3 SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2018

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

To,
The Members,
RKEC Projects Limited.
Visakhapatnam.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RKEC Projects Limited (CIN:L45200AP2005PLC045795) having its registered office at D.No.10-12-1, Rednam Alcazar, 3rd Floor, Opp: SBI Main Branch, Rednam Gardens, Visakhapatnam-530 002 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading)

Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure

Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not applicable as the company has not issued any ESOP during the financial year.

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the Company has not issued any debt securities during the financial year.

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009- Not applicable

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company did not buy back its equity shares during the financial year.

The Company has identified the following Industry specific laws, Regulations, Guidelines, Rules Etc., as applicable to the Company:

(a) The Building and other construction workers (Regulation of employment and conditions of service) Act, 1956.

(b) Inter-State Migrant workmen ((Regulation of employment and conditions of service) Act, 1979

We have also examined compliance with the applicable clauses /regulations of the following:

(a) Secretarial Standards issued by the Institute of Company Secretaries of India-Generally complied with.

(b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into by the Company with the National Stock Exchange (SME Platform).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, Standards, etc., mentioned above subject to the following observations.

1. The company has spent CSR expenditure of Rs. 28,17,130 during the financial year 2019-20 as against the required amount of Rs.59,31,847/- With this, there is an amount of Rs.81,62,412/- which is unspent as on 31.03.2020, including the amount brought forward from the previous year(s).

2. Company received a show cause notice dated 9th July, 2019 from the Ministry of Corporate Affairs (MCA)- Cost Audit Branch for non filing of Cost audit report by the company for the financial year 2015-16 within the statutory limit under section 148 (6) of the Companies Act, 2013. The Company has suitably replied and requested the MCA not to initiate any penal action as the report was filed with additional fee and assured them that such delays will not be repeated in future.

3. The Annual Return (MGT-7) filed for the year ended 31st March, 2019 was signed by a Practicing Company Secretary who issued MGT-8 Certificate. In fact, the annual return shall be signed by company secretary in employment. There are certain errors in the particulars filled in the e-form MGT-7.

4. Few Forms required to be filed under the Companies Act, 2013 and the rules made there under, were filed late with additional fees with the Registrar of Companies, Andhra Pradesh.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors during the period under review.

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

During the period under review, resolutions were carried through majority. As confirmed by the management, there were no dissenting views expressed by any of the members on any business transacted at the meetings.

Based on the information, documents provided and the representation made by the Company, its officers during our audit process, we find that there is scope to improve the systems and processes

in the company to commensurate with the size and operation of the company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the Company has complied with the requirements under the Equity Listing Agreement entered into with the NSE Limited (SME Platform)

We further report that as per the explanations given to us and the representations made during the audit period, and relied by us, no specific events have occurred in the company.

Place: Visakhapatnam

Date: 31.08.2020

Signature:
P.NARASINGA RAO:
FCS No.4406
CP: 2552
UDIN: F004406B000638701

Form No. MR 3 ("Annexure-A")

To,
The Members,
RKEC Projects Limited
Visakhapatnam.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained management representation about compliance / non compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Companies Act, 2013, and other applicable laws, rules, regulations, secretarial standards issued by ICSI is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The compliance by the Company of applicable financial laws, like direct and indirect laws, and maintenance of financial records and books of accounts has not been reviewed by us since the same have been subject to review by the statutory auditors and other designated professionals.

Place: Visakhapatnam
Date: 31.08.2020

Signature:

P.NARASINGA RAO

FCS No.4406

CP: 2552

UDIN: F004406B000638701

Annexure-“1E”

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of Sub Section 12 of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No	Requirements	Requirements Disclosure	
1	The ratio of remuneration to each director to the median remuneration of the employees for the financial year	MD	0.10
		WTD	0.12
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	MD & WTD	NIL
		CFO	NIL
		CS	NIL
3	The percentage increase in the median remuneration of employees in the financial year	28%	
4	The number of permanent employees on the rolls of the Company as on 31st March, 2020	431	
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	NIL	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed	

BY ORDER OF THE BOARD OF DIRECTORS

For RKEC Projects Limited

Sd/-

G Radhakrishna

Chairman & Managing Director

DIN : 00073080

Date: 4th September, 2020

Place: Visakhapatnam

FORM No. MGT 9 (ANNEXURE - 2)

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on Financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L45200AP2005PLC045795
2	Registration Date	01-04-2005
3	Name of the Company	RKEC PROJECTS LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES INDIAN NON-GOVERNMENT COMPANY
5	Address of the Registered office & contact details	D.NO. 10-12/1, REDNAM ALCAZAR, 3RD FLOOR, OPP. SBI MAIN BRANCH, OLD JAIL ROAD, REDNAM GARDENS, VISAKHAPATNAM - 530002. Email ID: cs@rkecprojects.com Ph.No. 0891 - 2574517
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PRIVATE LIMITED Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel Makwana Road, Andheri - East, Mumbai - 400059, Maharashtra, India.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	CONSTRUCTION OF BRIDGE AND NATIONAL HIGHWAY	421	25.40
2	CONSTRUCTION OF JETTIES	429	43.09
	others		31.51

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	COMPANY DOES NOT HAVE ANY HOLDING, SUBSIDIARY OR ASSOCIATE COMPANY		NIL		

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1,76,75,900		1,76,75,900	73.68%	1,77,26,900		1,77,26,900	73.89%	0.21%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.			-	0.00%			-	0.00%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	1,76,75,900		1,76,75,900	73.68%	1,77,26,900		1,77,26,900	73.89%	0.21%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	1,76,75,900		1,76,75,900	73.68%	1,77,26,900		1,77,26,900	73.89%	0.21%

B. Public Shareholding									
1. Institutions									
a) Mutual Funds		-	0.00%			-	0.00%	0.00%	
b) Banks / FI		-	0.00%			-	0.00%	0.00%	
c) Central Govt		-	0.00%			-	0.00%	0.00%	
d) State Govt(s)		-	0.00%			-	0.00%	0.00%	
e) Venture Capital Funds		-	0.00%			-	0.00%	0.00%	
f) Insurance		-	0.00%			-	0.00%	0.00%	
g) FIs		-	0.00%			-	0.00%	0.00%	
h) Foreign Venture Capital Funds		-	0.00%			-	0.00%	0.00%	
i) Others (specify)		-	0.00%			-	0.00%	0.00%	
j) Foreign Portfolio Investor	87,000	-	0.36%	87,000					0.36%
Sub-total (B)(1):-	-	-	0.00%	-	-	-	0.00%	0.00%	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	794534	794534	3.31%	476000		476000	1.98%	-1.32%	
ii) Overseas		-	-			-	0.00%	0.00%	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1773166	1773166	7.39%	1811621		1811621	7.55%	0.16%	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2863995	2863995	11.93%	3138000		3138000	13.08%	1.14%	
c) Others (specify)									
i) Hindu Undivided Family(HUF)	501000	501000	2.08	464000		464000	1.93	-0.15	
Non Resident Indians	101000	101000	0.42%	62000		62000	0.26%	-0.16%	
Overseas Corporate Bodies		-	0.00%			-	0.00%	0.00%	
Foreign Nationals		-	0.00%			-	0.00%	0.00%	
Clearing Members	194005	194005	0.80%	225079		225079	0.93%	0.13%	
Trusts		-	0.00%			-	0.00%	0.00%	
Foreign Bodies - D R		-	0.00%			-	0.00%	0.00%	
Sub-total (B)(2):-	6227700	6227700	25.95%	6176700	-	6176700	25.74%	-0.21%	
Total Public (B)	6314700	6314700	26.32%	6263700	-	6263700	26.10%	-0.21%	
C. Shares held by Custodian for GDRs & ADRs		-	0.00%				0.00%	0.00%	
Grand Total (A+B+C)	2,39,39,600	2,39,39,600	100.00%	2,39,90,600	-	2,39,90,600	100.00%	0.00%	

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	GARAPATI RADHAKRISHNA	1,76,01,700	73.37	0	17627700		0	0.11
2	GARAPATI HIMA BINDU SREE	30,100	0.1255	0	30,100	0.1255	0	0.00
3	GARAPATI NAGA PUSHYAMI	21,100	0.09	-	22,100	0.0921	0	0.0041
4	GARAPATI PARVATHI DEVI	23,000	0.0959	-	47,000	0.1959	0	0.100
	TOTAL	1,76,75,900	73.6786	0	1,77,26,900	73.8911	0	0.2125

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			17675900	73.6786		0.00%
	Changes during the year		Buy	51,000	0.2125		0.00%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year			17726900	73.8911		0.00%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	PARTICULARS			% of total shares	Cumulative Shareholding during the year	
		Shareholding at the beginning of the year	Changes during the Year	Shareholding at the end of the year		No. of shares	% of total shares
1	Name :	VIJAY MOHAN KARNANI					
	At the beginning of the year	201000	0.84%	NIL	0.00%	201000	0.84%
	Changes during the year	NIL	NIL	NIL	0.00%	NIL	NIL
	At the end of the year	201000	0.83%	NIL	0.00%	201000	0.84%
2	Name	SUBHKAM VENTURES (I) PRIVATE LIMITED					
	At the beginning of the year	144000	0.60%	NIL	0.00%	144000	0.60%
	Changes during the year	144000	0.60	NIL	0.00%	144000	0.60
	At the end of the year	0	0.0%	NIL	0.00%	0	0.0%
3	Name	JITENDRA H PANJABI					
	At the beginning of the year	135000	0.56%	NIL	0.00%	135000	0.56%
	Changes during the year	0	0.0%	NIL	0.00%	0	0.0%
	At the end of the year	135000	0.56%	NIL	0.00%	135000	0.56%
4	Name	SANJAY POPATLAL IAIN					
	At the beginning of the year	118000	0.49%	NIL	0.00%	118000	0.49%
	Changes during the year	NIL	NIL	NIL	0.00%	NIL	NIL
	At the end of the year	118000	0.49	NIL	0.00%	118000	0.49%
5	Name	RITA CHHAWCHHARIA					
	At the beginning of the year	111000	0.46%	NIL	0.00%	111000	0.46%
	Changes during the year	0	0.00%	NIL	0.00%	0	0.00%
	At the end of the year	111000	0.46%	NIL	0.00%	111000	0.46%
6	Name	ANLAGE INFOTECH INDIA PVT LTD					
	At the beginning of the year	111000	0.46%	NIL	0.00%	111000	0.46%
	Changes during the year	NIL	NIL	NIL	0.00%	NIL	NIL
	At the end of the year	111000	0.46%	NIL	0.00%	111000	0.46%
7	Name	HRIDAAN CHOPRAA					
	At the beginning of the year	103000	0.43%	NIL	0.00%	103000	0.43%
	Changes during the year	101000	0.42%	NIL	0.00%	101000	0.42%
	At the end of the year	2000	0.01%	NIL	0.00%	2000	0.01%
8	Name	P F DADABHOY					
	At the beginning of the year	54000	0.23%	NIL	0.00%	54000	0.23%
	Changes during the year	48000	0.20%	NIL	0.00%	48000	0.20%
	At the end of the year	102000	0.43%	NIL	0.00%	102000	0.43%
9	Name	MAVERICK SHARE BROKERS PRIVATE LIMITED - COLLETRAL A/C. (NSE)					
	At the beginning of the year	42000	0.18%	NIL	0.00%	42000	0.18%
	Changes during the year	60000	0.25%	NIL	0.00%	60000	0.25%
	At the end of the year	102000	0.43%	NIL	0.00%	102000	0.43%
10	Name	TECK CONSULTANCY AND SERVICES PVT LTD					
	At the beginning of the year	102000	0.43%	NIL	0.00%	102000	0.43%
	Changes during the year	102000	NIL	NIL	0.00%	102000	NIL
	At the end of the year	0	0.0%	NIL	0.00%	0	0.0%

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	GARAPATI RADHAKRISHNA						
	At the beginning of the year	17601700		1,76,01,700	73.53%	1,76,01,700	73.37%
	Changes during the year	0		-	0.00%	-	0.00%
	At the end of the year	17601700		1,76,01,700	73.53%		0.00%
2	GARAPATI PARVATHI DEVI - DIRECTOR						
	At the beginning of the year	10000		10,000	0.04%	10,000	0.04%
	Changes during the year	-		-	0.00%	-	0.00%
	At the end of the year	10000		10,000	0.04%	10,000	0.04%

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	49,09,90,307.00	47,03,189.00		49,56,93,496.00
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	49,09,90,307.00	47,03,189.00	-	49,56,93,496.00
Change in Indebtedness during the financial year				
* Addition	6,93,59,286.00	13,06,37,499.00		19,99,96,785.00
* Reduction		-		-
Net Change		-	-	19,99,96,785.00
Indebtedness at the end of the financial year				
i) Principal Amount	56,03,49,593.00	1,353,40,688.00	-	
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	56,03,49,593.00	13,53,40,688.00	-	69,56,90,281.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount (Rs/Lac)
		Garapati Radhakrishna	Garapati Parvathi Devi	G V Rama Mohan	
	Designation	Managing Director	Whole time director	Whole time director (From June 2019-March 2020)	
1	Gross salary	16000000	1,60,00,000	35,00,000	3,55,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
	Commission				-
4	- as % of profit				-
	- others, specify (Commission on BG)				-
5	Others, please specify (Rent Paid)				-
	Total (A)	1,60,00,000	1,60,00,000	3500000	3,55,00,000
	Ceiling as per the Act				

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Vice Admiral Satish Soni	Lucas Peter	Brig J K Rao	(Rs/Lac)
1	Independent Directors				
	Fee for attending board committee meetings	1,00,000.00	1,00,000.00	50,000.00(for 2 Board Meetings)	2,50,000.00
	Commission	-			-
	Others, please specify	-			-
	Total (1)	1,00,000.00	1,00,000.00	1,00,000.00	2,50,000.00
2	Other Non-Executive Directors	-			-
	Fee for attending board committee meetings	-			-
	Commission	-			-
	Others, please specify	-			-
	Total (2)	-			-
	Total (B)=(1+2)	1,00,000.00	1,00,000.00	1,00,000.00	2,50,000.00
	Total Managerial Remuneration				3,57,50,000.00
	Overall Ceiling as per the Act				

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	G S NARAYANA	J Vijay Kumar	Deepika Rathi	
	Designation	CFO	CS (from Apr 19- Jan 20)	CS (from Dec 19-Mar 20)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,00,000	5,70,000	1,48,000	25,18,000
	(b) Value of perquisites u/s 17(2) Income-tax Act,				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify		-		-
	Total	18,00,000		1,48,000	25,18,000

* CS Vijay Kumar Jannada was the CS from 29 Feb 2019 to 06 Dec 2019 during the FY 2019-20

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OFFENCES:

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

BY ORDER OF THE BOARD OF DIRECTORS

For RKEC Projects Limited

Sd/-

G Radhakrishna

Chairman & Managing Director

DIN : 00073080

Date: 4th September, 2020

Place: Visakhapatnam

INDEPENDENT AUDITOR'S REPORT

To the Members of,

M/s RKEC Projects Limited

Report on the Standalone Financial Statements Opinion

1. We have audited the accompanying standalone financial statements of M/s RKEC Projects Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter Paragraph

4. We Draw your attention to –
 - a. Note no. 15 the Trade receivables & Note no.17 the Short-term loans & advances of the standalone financial statements, for considering as good for the period more than 6 months includes amounts due from various parties and issues involved are furnished. The company is confident in getting full recovery of the same and hence, in the opinion of the management no provision is required for doubtful debts.
 - b. Note no. 29.12 to the standalone financial statements, as regards to the management evaluation of COVID-19 impact on the future performance of the Company. Our opinion on the standalone financial statement is not modified in respect of the above matters.

Key Audit Matters:

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	Audit Response
5(i)	<p>Revenue Recognition on Construction Contracts(Contract Revenue) involves significant judgement</p> <p>The work receipts from Long term Contracts is complex and exposes the Company to various business and financial reporting risks. The recognition of revenue and the estimation of the outcome of construction contracts requires significant management judgment, in particular, with respect to the estimation of cost to complete and the amounts of variation orders to be recognized. In addition, significant management judgment is required to assess the consequences of various legal proceedings in respect of Construction Contracts.</p> <p>Reference is made to Standalone Financial Statements a) Accounting Principles, b) Critical Accounting Policies, c) Revenue-Construction Contracts and d) Trade receivables for recoverability (Note 15 & 19).</p>	<p>We identified revenue from construction contracts as a significant risk, requiring special audit consideration. Our audit procedures included, by selecting a sample of continuing and new contracts, an evaluation of the significant judgments made by management, Management estimates, amongst others based on an examination of the associated project documentation and discussion on the status of projects under construction with finance team and management of the Company. We also tested the controls that the company has put in place over its process to record contract costs and contract revenues and the calculation of stage of completion and work in progress. Furthermore, we discussed the status of legal proceedings in respect of construction contracts and its receivables and examined various documents in this respect as obtained from the company</p>
5(ii)	<p>Liability for uncertain tax positions</p> <p>The company has uncertain tax positions, Cess dues amounting to Rs.2756.68 Lakhs, which involves significant judgment and its outcome and liability.</p> <p>Reference is made to Note-29.8 of Standalone financial statements Contingent Liabilities-Matters under litigation.</p>	<p>Obtained the details of matters under litigation for the Direct Tax, Indirect Taxes and Labour Cess disputes. We have examined the relevant demand notices, appeals filed before various forums. Discussed with the management and evaluated the documents. Discussed with the management for possible provision and likely outcome of the said cases. The liability for the Indirect taxes in respect of GST was provided for in the books and it was discussed with the management.</p>
5(iii)	<p>Indirect Taxes in P&L Account</p> <p>The Company has recorded Rs.1332.88 Lakhs of Indirect Tax expense (GST) for the year ended 31 March 2020. The Company paid such expense in order to comply with the provisions laid in the Act. Reference is made to Standalone Profit and Loss Statement- Exceptional Item.</p>	<p>Obtained the details of the payment. We have examined the details regarding the calculations and understand the rationale behind the payment and the applicable provisions compelling the Company to do so. Discussed with the management and evaluated the reasonability.</p>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

6. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard based on the other information existing as on the date of this report.

Management's Responsibility for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the standalone financial

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

14. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion the aforesaid standalone financial statements complied with the accounting standards specified under Sec 133 of the act, read with Rule 7 of Companies (Accounts) Rules 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 29.8, 29.9, 29.10 to the standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable for the year under audit.

For Brahmananda Reddy & Associates Chartered Accountants

Firm Registration Number: 016662S

Sd/-

(G. Govinda Rao) Partner

Membership Number: 244754

UDIN:20244754AAAAAZ3017

27th June, 2020

Visakhapatnam

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of RKEC Projects Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of M/sRKEC Projects Limited("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that **(1)** pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Brahmananda Reddy & Associates Chartered Accountants
Firm Registration Number: 016662S

Sd/-

(G. Govinda Rao) Partner

Membership Number: 244754

UDIN:20244754AAAAAZ3017

27th June,2020

Visakhapatnam

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' of our report of even date)

- i). In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As per the explanations given to us and based on our examination of the records, the management has physically verified the fixed assets during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. There were no discrepancies noticed on such physical verification of fixed assets as compared to the books of account.
 - (c) Based on the examination of the records and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the company.
- ii) According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.
- vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act in respect of construction activities of the Company and are of the opinion that prima-facie, the prescribed accounts and records have been maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) In respect of Statutory dues:
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Goods and Service tax, Duty of Customs, Value Added Tax, Employees' State Insurance, Cess and other material statutory dues have been regularly deposited with few delay in some cases during the year by the Company with the appropriate authorities.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Goods and Service tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable except the Income Tax on Dividend Distribution (DDT) of Rs. 98,64,935/- which was due for payment from September 26, 2019 was not paid as on this date of report.

(c) Details of dues of Income-tax, Sales Tax, Goods and Service Tax, Duty of Customs, Value Added Tax and Cess which have not been deposited as on March 31, 2020 on account of disputes are given below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved(Rs. in Lakhs)
Finance Act, 1994	Service Tax	CESTAT –Bangalore	FY 2004-2009	592.04
Finance Act, 1994	Service Tax	CESTAT –Hyderabad	FY 2013 -16	1874.86
Andhra Pradesh VAT Act	VAT	High Court, Andhra Pradesh	FY 2009-10, FY 2010-11	160.38
Income Tax Act	Income tax	CIT (A), Visakhapatnam	FY 2014-15	59.41
	Labour Cess	High Court, Andhra Pradesh	FY 2008-09	69.99

viii)Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions or bank. The Company did not have any debentures, outstanding as at the year end. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company. Hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x). According to the information and explanations given to us, based on the audit procedures performed by us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

xi). According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii).In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii). According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177and 188 of the Companies Act,2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected to its directors. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Brahmananda Reddy & Associates Chartered Accountants

Firm Registration Number: 016662S

Sd/-

(G. Govinda Rao) Partner

Membership Number: 244754

UDIN:20244754AAAAAZ3017

27th June,2020

Visakhapatnam

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note	As at 31 st Mar, 2020	As at 31 st Mar, 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	23,99,06,000	23,99,06,000
Reserves and Surplus	4	94,05,95,566	71,98,45,257
		1,18,05,01,566	95,97,51,257
Non-Current Liabilities			
Long Term borrowings	5	3,92,02,896	1,50,75,160
Long-term provisions	6	70,83,378	61,82,101
		4,62,86,273	2,12,57,261
Current Liabilities			
Short-term borrowings	7	61,45,02,552	46,64,42,112
Trade Payables	8	93,80,33,459	75,06,95,617
Other Current liabilities	9	32,84,91,256	15,29,35,592
Short Term provisions	10	9,62,51,084	2,44,25,969
		1,97,72,78,351	1,36,50,43,157
TOTAL		3,20,40,66,190	2,34,60,51,674
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	11.1	30,97,12,028	19,55,09,957
Intangible assets	11.1	2,67,506	1,97,968
Capital Work In Progress	11.2	22,53,28,880	9,97,18,191
Deferred tax asset (Net)	12.1	1,24,31,225	97,63,314
Non Current Investments	13	72,850	13,41,227
		54,78,12,488	30,65,30,658
Current Assets			
Inventories	14	71,98,66,947	44,51,79,377
Trade receivables	15	1,06,52,74,432	82,15,33,403
Cash and Bank balances	16	44,43,36,553	33,04,91,328
Short-term Loans and advances	17	39,31,41,267	42,12,46,616
Other Current assets	18	3,36,34,503	2,10,70,293
		2,65,62,53,701	2,03,95,21,016
TOTAL		3,20,40,66,190	2,34,60,51,674

Summary of significant accounting policies 1 - 2

The accompanying notes form an integral part of the financial statements

for **Brahmananda Reddy & Associates**
Chartered Accountants,
Firm Registration Number: 016662S

Sd/-
(G.Radhakrishna)
Managing Director
DIN: 00073080

Sd/-
(G. Parvathi Devi)
Whole-time Director
DIN: 00094961

Sd/-
G Govinda Rao, Partner
Membership No.244754
UDIN:20244754AAAAAZ3017

Sd/-
G S Narayana
CFO

Sd/-
Deepika Rathi
Company Secretary,
ACS
M.No.A53803

Visakhapatnam
27-06-2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st March, 2020

Particulars	Note	for the year ended 31st March, 2020	for the year ended 31st March, 2019
REVENUE			
Revenue from operations	19	2,97,93,41,033	2,39,72,42,963
Other income	20	2,58,29,170	1,46,59,734
Total Revenue - A		3,00,51,70,203	2,45,45,67,244
EXPENSES			
Cost of materials consumed	21	1,04,41,49,595	1,07,16,38,021
Construction expenses	22	90,09,76,790	90,60,42,382
Changes in inventories of work-in-progress	23	5,53,78,201	(25,51,03,537)
Employee benefit expense	24	18,34,91,254	13,40,33,542
Finance costs	25	11,32,56,378	5,44,14,361
Depreciation expense	11	6,49,49,277	3,53,54,754
Other expenses	26	12,49,96,755	12,60,66,270
Total expenses - B		2,48,71,98,251	2,10,85,03,009
Profit / (Loss) before exceptional and tax: C = (A - B)		51,79,71,952	34,60,64,235
Exceptional Items		13,32,88,620	-
Profit / (Loss) before tax: C = (A - B)		38,46,83,332	34,60,64,235
Tax expense:			
Current tax		10,72,96,221	10,30,58,997
Tax expense of earlier years		14,58,578	25,81,369
Deferred tax		(26,67,911)	(9,13,774)
Total tax expense (D)		10,60,86,888	10,47,26,592
Profit / (Loss) for the year (C - D)		27,85,96,444	24,13,37,643.29
Earnings per share (for face value of Rs 10/- each):			
Basic & Diluted	27	11.61	10.06
Summary of significant accounting policies	1 - 2		
The accompanying notes form an integral part of the financial statements			

for **Brahmananda Reddy & Associates**
Chartered Accountants,
Firm Registration Number: 016662S

Sd/-
(G.Radhakrishna)
Managing Director
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Company Secretary,
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M.No.A53803

Visakhapatnam
27-06-2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	For the year ended 31st Mar, 2020	For the year ended 31st Mar, 2019
Cash flows from Operating activities		
Profit before tax	38,46,83,332	34,60,64,235
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	6,49,49,277	3,53,54,754
Loss/(Profit) on sale of fixed assets	(7,11,736)	(1,790)
Loss/(Profit) from Joint Venture	(5,20,204)	(13,32,685)
Interest expense	11,32,56,378	5,44,14,361
Interest income	(2,43,68,830)	(1,33,25,259)
Operating profit before working capital changes	53,72,88,217	42,11,73,617
Changes in working capital:		
Adjustments for (increase) / decrease in operating liabilities:		
Increase/(Decrease) in Trade payables	18,73,37,842	33,75,85,058
Increase/(Decrease) in Long-term Provisions	9,01,277	45,24,527
Increase/(Decrease) in Short-term Provisions	7,18,25,115	(71,13,463)
Increase/(Decrease) in /Other current liabilities	20,50,11,797	(2,94,56,133)
Adjustments for (increase) / decrease in operating assets:		
Decrease/(Increase) in Trade receivables	(24,37,41,029)	(11,97,208)
Decrease/(Increase) in Inventories	(27,46,87,570)	(29,41,82,711)
Decrease/(Increase) in Short-term loans and advances	2,81,05,349	(24,67,69,515)
Decrease/(Increase) in Other current assets	(1,52,32,120)	(66,16,514)
Cash generated from / (used in) operations	49,68,08,878	17,79,47,657
Less: Income tax paid	10,60,86,888	10,47,26,592
Net cash flow from (used in) operating activities (A)	97,07,21,990	7,32,21,065
Cash flows from Investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(17,93,92,030)	(9,64,00,331)
CWIP	(12,56,10,689)	(9,97,18,191)
Profit/(Loss) from Joint Venture	5,20,204	13,32,685
Investment in Joint Venture	12,68,377	(13,32,685)
Proceeds from sale of fixed assets	8,82,882	78,46,213
Bank balances not considered as cash and cash equivalents	(8,77,07,019)	(16,43,57,161)
Interest received	2,43,68,830	1,33,25,259
Net cash used in investing activities (B)	(36,56,69,446)	(33,93,04,211)
Cash flows from Financing activities		
Proceeds from (repayment of) long term borrowings	2,41,27,735	31,16,826
Proceeds from (repayment of) short term borrowings	14,80,60,440	32,81,05,325
Proceeds from Issue of shares		
Dividend(Interim) Paid during the year (Incl Dividend dist tax)	(5,78,46,135)	(2,89,21,938)
Repayment of unsecured loans	-	-
Repayment of share application money	-	-
Interest paid	(11,32,56,378)	(5,44,14,361)
Net cash flow from financing activities (C)	10,85,662	24,78,85,853
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	2,61,38,207	(1,81,97,293)
Cash and cash equivalents at the beginning of the year	41,31,474	2,23,28,770
Cash and cash equivalents at the end of the year	3,02,69,680	41,31,474

Note: The figures have been regrouped / rearranged, wherever considered necessary, for comparison purposes.

for **Brahmananda Reddy & Associates**
Chartered Accountants,
Firm Registration Number: 016662S

Sd/-

G Govinda Rao, Partner
Membership No.244754
UDIN:20244754AAAAAZ3017

Visakhapatnam
27-06-2020

Sd/-

(G.Radhakrishna)
Managing Director
DIN: 00073080

Sd/-

G S Narayana
CFO

Sd/-

(G. Parvathi Devi)
Whole-time Director
DIN: 00094961

Sd/-

Deepika Rathi
Company Secretary,
ACS
M.No.A53803

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO STANDALONE THE FINANCIAL STATEMENTS

A. GENERAL INFORMATION:

RKEC Projects Limited (Formerly known as RKEC Projects Private Limited), having registered office at 10-12-1, RednamAlcazar, 3rd Floor, Opp. SBI Main Branch, Old Jail Road, Rednam Gardens, Visakhapatnam, A.P.-530020, India was incorporated under the provisions of Companies Act, 1956 now Companies Act, 2013 with the Registrar of Companies, Hyderabad (CIN L45200AP2005PLC045795). The Company is engaged in the business of Civil Works and specialized in Marine Works, Construction of Roads, Buildings, Bridges & Fly overs, Survey works under Unmanned Aerial System etc. Company has been changed from Private Limited Company to a limited Company on November 10, 2016. Company was listed under SME platform of National Stock Exchange of India Ltd (NSE) in the month of October, 2017.

B. SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply in all material respects with the accounting standards specified under section 133 of the Companies act, 2013 read with rule 7 of the Companies (accounts) rules, 2014, and the Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, if any, as at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts

of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories. Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

4. DEPRECIATION ON PROPERTY, PLANT AND EQUIPMENT

Depreciation on Property, Plant and Equipment is provided on the written down value method over the useful lives of assets as prescribed in schedule II to the Companies Act, 2013. Depreciation on addition / deletion of fixed assets during the year is provided on pro-rata basis with reference to the date of addition / deletion.

5. INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Software acquired is measured at cost less accumulated amortisation and is amortised using the straight line method over a period of five year

6. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

7. IMPAIRMENT OF ASSETS

(i) The company assesses, at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely

independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

8. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss

9. INVENTORIES

Raw materials, construction materials, stores & consumables and finished goods are valued at lower of cost or net realizable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by weighted average cost.

The work in progress has been determined by the Management at the estimated realizable value. The value of work in progress comprises of value of materials and expenses incurred at site including estimated profits thereon in-terms of guidelines provided under Accounting Standards AS 7 on Construction Contracts.

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

10. REVENUE RECOGNITION Contract Revenue:

- i. Revenue from Works Contract is recognized as per percentage of completion of contract activity gross of applicable taxes.
- ii. The stage of completion is determined by survey of work performed and / or on completion of a physical proportion of the contract work.
- iii. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Other revenues:

- iv. Revenue from sale of products/goods is recognized on delivery of the products, when all the significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers are no effective ownership is retained. Sales are net of sales tax /value added tax.
Revenue from services is recognized based on completion of contractual part upon which right to receive the amount is clearly established and there is no uncertainty about its realization.
- v. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- vi. Dividend income is recognized when right to receive the payment is established.
- vii. Income from operating lease/equipment is recognized as rentals and other related services are accounted for accrual basis.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

11. FOREIGN CURRENCY TRANSACTIONS

Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction and any gain or loss on account of exchange difference either on settlement or on translation is recognized in the Statement of profit and Loss.

12. ACCOUNTING FOR JOINT VENTURES CONTRACTS

- a) Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted for in accordance with the accounting policy followed by the Company as that of an independent contract to the extent work is executed.
- b) In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangement (assessed as AOP under Income Tax Laws), the services rendered to the Joint Ventures are accounted for as income on accrual basis. The profit / Loss is accounted for, as and when it is determined by the Joint Venture and the net investment in the Joint Venture is reflected as investments, loans and advances or current liabilities.

13. EMPLOYEE BENEFITS

Defined-contribution plans:

- (i) A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to a separate entity. The Company makes specified monthly

contributions towards Provident Fund. The Company's contributions to Employees Provident Fund are charged to statement of profit and loss every year.

- (ii) The company has no policy of encashment and accumulation of Leave. Therefore, no provision of Leave Encashment is being made. Leave encashment expenses are accounted on actual payment basis.
- (iii) Employee Gratuity Fund Scheme is the Defined Benefit Plan. The costs of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.
- (iv) Short Term Employee Benefits if any, are paid along with salary and wages on a month to month basis, bonus to employees are charged to profit and loss account on the basis of actual payment on year to year basis.

14. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount that are enacted or substantively enacted, at the reporting date.

- (i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- (ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that, they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

15. SUNDRY DEBTORS / LOANS AND ADVANCES:

Sundry Debtors / Loans and Advances are stated net of provision for identified doubtful debts / advances wherever necessary. Sundry Debtors and Loans and Advances has been taken at reconciled amount for the parties from which the balance confirmation was received and for

the rest Debtors and balances are taken as per book balance and are subject to adjustment and reconciliation, if any which will be done on receipts of confirmation from such parties. In the opinion of the management on which we have placed reliance, substantial part of Debtors and advances are outstanding for a period exceeding six months and they are subject to arbitration and other reconciliatory proceedings, the outcome and quantum of which is not ascertainable and determined, and subject to reconciliations referred to above, notes referred in respective schedules the debtors and Loans and advances to the extent as stated are considered good in the Balance Sheet.

16. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements, since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

17. LEASES

Where the Company is lessee:

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit & Loss on a straight-line basis over the lease term.

Where the company is lessor :

Assets given on operating leases are included under fixed assets. Rent (lease) income is recognized in the statement of Profit and Loss on accrual basis. Direct costs, including depreciation are recognized as an expense in the statement of profit and loss.

18. EARNINGS PER SHARE:

In determining the Earnings Per Share (EPS), the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares

used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split, the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

19. CASH FLOW:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

21. OPERATING CYCLE FOR CURRENT AND NON-CURRENT CLASSIFICATION:

Operating Cycle for the business activities of the company covers the duration of the specific project/ contract/product/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business. Other than the project related assets and liabilities 12 months period is considered as normal operating cycle.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts are in Indian Rupees, unless otherwise stated)

Note		As at 31st March, 2020		As at 31st March, 2019	
3	Share capital	No of shares	Amount	No of shares	Amount
	Authorized share capital				
	Equity shares of Rs.10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
	Issued, Subscribed and fully paid-up				
	Equity shares of Rs.10/- each fully paid up	2,39,90,600	23,99,06,000	2,39,90,600	23,99,06,000
	Total	2,39,90,600	23,99,06,000	2,39,90,600	23,99,06,000

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

Particulars	Number	Number
Equity shares of Rs. 10/- each fully paid up		
Number of Shares at the beginning	2,39,90,600	2,39,90,600
Add : Bonus Issue Shares	-	-
Add : Public Issue Shares	-	-
Number of Shares at the end of the year	2,39,90,600	2,39,90,600

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of Dividend declaration, Company will pay the amount in Indian rupees, if dividend is proposed by the Board of Directors subject to approval of the shareholders in the ensuing Annual General

c) Details of shareholders holding more than 5% shares in the Company

Name of share holder	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of Rs.10/- each fully paid				
G Radha Krishna	1,76,01,700	73.37%	1,76,01,700	73.37%

d) Aggregate number of bonus shares issued during the period of Five years immediately preceeding the reporting date

During the FY 2016-17, 96,56,300 number of equity shares of Rs. 10 each (fully paid-up) have been issued as bonus shares by Capitalisation of General reserve in the ratio of 1:1 to all existing share holders.

Note	As at 31st March, 2020		As at 31st March, 2019	
4 Reserves and Surplus				
a) Security Premium		16,37,30,000		16,37,30,000
Profit and loss account				
Opening balance		55,61,15,257		34,36,99,551
Add : Profit / (Loss) for the year		27,85,96,444		24,13,37,643
Less: Appropriations:	##		#	
Dividend Declared in the Year	4,79,81,200		2,39,90,600	
Tax on Dividend Distribution	98,64,935	(5,78,46,135)	49,31,338	(2,89,21,938)
Closing balance		94,05,95,566		71,98,45,257

Final Dividend for the financial year 2017-18 paid in Financial Year 2018-19.

Final Dividend for the financial year 2018-19 paid in Financial Year 2019-20.

Note	As at 31st March, 2020		As at 31st March, 2019		
5	Long Term Borrowings	Non-current portion	Current Maturities	Non-current portion	Current Maturities
Secured:					
Rupee Term Loans from Banks*					
	CAR Loan-I - Bank of Baroda (formerly Vijaya I	5,51,860	11,18,292	14,54,206	5,58,720
	CAR Loan-II - Bank of Baroda (formerly Vijaya	4,32,427	8,78,592	11,41,406	4,38,960
	CAR Loan-III - Bank of Baroda (formerly Vijaya	2,54,336	3,13,680	4,99,722	1,56,720
	CAR Loan-IV - Bank of Baroda (formerly Vijaya	7,34,485	61,94,580	59,57,429	30,94,920
	PLANT & MACHINERY Loan - Indusind Bank	88,97,999	54,03,600	-	-
	PLANT & MACHINERY Loan - Indusind Bank	2,52,52,893	1,53,44,400		
	PLANT & MACHINERY Loan - Indusind Bank	2,87,207	23,98,800	22,85,621	23,98,800
Rupee Term Loans from Non Banking Financial Companies (NBFC) *					
	PLANT & MACHINERY Loan -I Mahindra	-	7,47,930	5,80,120	11,68,716
	PLANT & MACHINERY Loan -II Mahindra	-	16,06,560	12,46,110	25,10,412
	PLANT & MACHINERY Loan -III Mahindra	6,48,071	12,80,316	9,55,273	19,24,488
	PLANT & MACHINERY Loan -IV Mahindra	-	12,31,594	9,55,273	19,24,488
	PLANT & MACHINERY Loan -V Mahindra	-	12,31,594		
	PLANT & MACHINERY Loan -VI Mahindra	21,43,617	42,34,896		
		3,92,02,896	4,19,84,833	1,50,75,160	1,41,76,224

* Secured against the primary security of specific assets purchased out of the loans taken i.e Plant & Machinery, HCV & Motar Cars .

Note	As at 31st March, 2020	As at 31st March, 2019
6	Long Term Provisions	
	Provisions for Gratuity	70,83,378
	Total	70,83,378

Note	As at 31st March, 2020	As at 31st March, 2019
7	Short Term Borrowings	
	Secured Loans, from banks	
	Cash Credit (See Note-7.1)	47,91,61,864
	Unsecured Loans from Directors	12,44,21,963
	Unsecured Loans from Non Banking Financial Companies (NBFC) *	
	Short Term loans (See Note-7.2)	1,09,18,725
	Total	61,45,02,552

7.1 Nature of Security & Terms of repayment

* Company availed Cash credit limit of Rs. 37.50 crores (Prev Year 50.00 Crores) from Bank of Baroda (formerly Vijaya Bank) , at an interest rate of MCLR+2.10% (present effective rate is 10.65% p.a., Previous Year 10.65% P.a) . The loan was secured by way of first charge on current assets of company, collateral security on assets of the directors & Company and personal guarantee of certain

7.2 Terms of repayment

Company availed Unsecured Working Capital Loan from Magama fincorp ltd, Tata capital financial, Neo Growth & India Infoline Finance Ltd at an interest rate of & Repayable period of Magama fincorp ltd (@19.5% , repayable in 24 months) Tata Capital Financial (@18% repayable in 18 months) Neo Growth at an Interest rate of 27.40% repayable in 12 months and India Infoline Finance ltd @20.40% repayable in 12 months. the total outstanding balance as on 31-03-2020 109,18 Lacs

Note	As at 31st March, 2020	As at 31st March, 2019
8 Trade Payables		
a) Total Outstanding dues to Micro and Small & Medium Enterprises (Refer Note 29.11)	4,02,29,523	40,22,041.00
b) Dues to other than Micro and Small & Medium Enterprises		
- Acceptances - LC payable*	37,02,93,824	40,86,32,917.00
- Other than acceptances	52,75,10,112	33,80,40,658.98
Total	93,80,33,459	75,06,95,616.98
* Guaranteed by Bank of Baroda (formerly vijaya bank)		
Note	As at 31st March, 2020	As at 31st March, 2019
9 Other Current Liabilities		
Current maturities of long term debt (Refer note-5)	4,19,84,833	1,41,76,224
Mobilisation advances from Contractees	14,74,72,407	2,34,68,649
Material advances from Contractees	8,37,47,229	3,47,19,817
Retention money payable	79,28,641	1,10,91,260
Dues to employees	1,03,78,446	1,43,28,243
Statutory dues	2,76,55,323	2,53,69,180
Other liabilities	89,21,449	72,086
Dividend Payable	4,02,928	2,54,000
Total	32,84,91,256	12,34,79,459
Note	As at 31st March, 2020	As at 31st March, 2019
10 Short term provisions		
Provisions for Gratuity	34,06,647	11,68,335
Income tax Provision (net of TDS, advance tax)	2,21,54,638	1,23,53,560
Other provisions	7,06,89,799	1,09,04,074
Total	9,62,51,084	2,44,25,969
Note	As at 31st March, 2020	As at 31st March, 2019
12 Deferred Tax Asset (net)		
On differences between depreciation as per books and Income tax act	91,83,061	75,67,511
On employee benefits payable by employer	32,48,164	21,95,803
Total	1,24,31,225	97,63,314
Note	As at 31st March, 2020	As at 31st March, 2019
13 Non Current Investments		
Investment in RKEC and Suryadevara JV*	72,850	13,41,227
Total	72,850	13,41,227

***Interest in joint venture**

Name of the Joint Venture	Other constituent name	Interest of the Company in profit/(Loss) (%)	Share of profit/Loss for the year Ended 31st March 2020 (Rs)	Share of profit/Loss for the year Ended 31st March 2019 (Rs)
RKEC and Suryadevara JV	M/s. Suryadevara Engineers and contractors	51.00	4,00,878	13,32,685
CQCE AND RKEC JV	M/s. Qingdao Construction Engineering Group Company Limited	99.00	1,19,325	-
RKEC-RANSS CONSORTIUM	M/s. Rapid Net Sports System	7.20	-	-
RKEC, N.G.BHOIR and Samudra JV	M/s. N.G.BHOIR & M/s.Samdudra Dredging Pvt Ltd.	51.00	-	-

The company discloses its investment in joint ventures at cost and recognises its share of profit/(loss) in the profit and loss account.

Note	As at 31st March, 2020	As at 31st March, 2019
14 Inventories (as valued & certified by management)		
Construction Material, Stores & spares	47,14,57,531	14,13,91,760
Work-in-Progress	24,84,09,416	30,37,87,617
Total	71,98,66,947	44,51,79,377

Note	As at 31st March, 2020	As at 31st March, 2019
15 Trade Receivables		
Unsecured, considered and good		
a) Outstanding for a period exceeding six months from the date they are due for payment*	69,10,78,523	81,67,65,996
[including retention of Rs. 24.84 Cr.]		
b) Others	37,41,95,909	47,67,407
[including retention of Rs. 4.94 Cr.]		
Total	1,06,52,74,432	82,15,33,403
* Refer note 29.9		

Note	As at 31st March, 2020	As at 31st March, 2019
16 Cash and Bank balances		
a) Cash and Cash equivalents		
Cash in hand	8,89,196	2,75,278
Balance with banks in Current accounts	2,93,80,484	38,56,196
	3,02,69,679	41,31,474
b) Other Bank balances		
in Fixed Deposit accounts		
held as margin money deposits *	41,39,16,382	32,31,91,670
held as deposits **	1,50,491	31,68,184
Total	44,43,36,553	33,04,91,328

* Margin money deposits have been lodged with banks against LC & guarantees issued by the banker.

** Deposits held as performance guarantee with Contractees.

Note	As at 31st March, 2020	As at 31st March, 2019
17 Short Term Loans and Advances		
<i>(Unsecured, Considered and good, for the value to be received in cash or kind)</i>		
Security deposits	16,99,75,732	16,98,95,885
Deposits for enlistment	1,09,79,578	50,69,017
Earnest money and other deposits *	1,49,71,597	1,49,19,811
Advances to material suppliers**	11,47,68,355	11,95,61,226
Balances with government authorities		
- VAT input credit receivable	57,84,869	57,84,869
- GST Receivable	6,53,34,913	9,41,48,102
- Service Tax Receivable	70,30,500	70,30,500
Others advances	42,95,722	48,37,205
Total	39,31,41,267	42,12,46,616

* EMD as a tender security

** Refer note 29.10

Note	As at 31st March, 2020	As at 31st March, 2019
18 Other Current Assets		
TDS receivable/carry forward to next year/ Advance Tax	1,32,09,064	1,19,45,243
Prepaid Expenses	2,04,25,439	91,25,050
Total	3,36,34,503	2,10,70,293

Note	for the year ended 31st March, 2020	for the year ended 31st March, 2019
19 Revenue from operations		
Contract revenue	2,96,27,97,000	2,43,02,91,559
Other operating revenue		96,15,951
Total	2,96,27,97,000	2,43,99,07,510
Other Operating Revenue comprises of		
- Hire charges received / Other Receipt	-	1,63,600
- Scrap sale	-	41,17,245
- Work Receipts Technical Services	1,39,71,675	53,35,106
- Insurance Claim received	25,72,358	-
	1,65,44,033	96,15,951

Note	for the year ended 31st March, 2020	for the year ended 31st March, 2019
20 Other Income		
Interest income	2,43,68,830	1,33,25,259
Profit on sale of assets	7,11,736	1,790
Miscellaneous income	2,28,400	-
Share of Profit from Joint Venture (Refer note no. 13)	5,20,204	13,32,685
Total	2,58,29,170	1,46,59,734

Note	for the year ended 31st March, 2020	for the year ended 31st March, 2019
21 Cost of materials consumed		
Construction Materials, Stores and spares		
Opening Stock	14,13,91,760	10,23,12,586
Add: Purchases	1,37,42,15,366	1,14,67,74,411
	1,51,56,07,126	1,24,90,86,997
Less: Closing Stock	47,14,57,531	14,13,91,760
Total	1,04,41,49,595	1,10,76,95,237

Note		for the year ended 31st March, 2020	for the year ended 31st March, 2019
22	Construction Expenses		
	Project work expenses	48,76,90,684	68,92,41,889
	Repairs and maintenance:		
	- Plant & machinery, vehicles	60,13,308	10,40,414
	Hire Charges for machinery and others	7,17,55,720	5,38,42,086
	Transport Charges	12,40,00,242	4,61,58,487
	Power and fuel:		
	- Diesel & Petrol expenses	9,29,00,244	4,27,96,971
	- Electricity expenses	39,07,942	16,08,110
	Technical and engineering consultancy services	2,98,50,140	2,59,55,707
	Testing charges	33,00,037	11,92,814
	Labour cess (recoveries)	2,19,99,284	1,43,89,202
	Other recoveries (by Contractees)	4,40,38,023	1,74,08,760
	Loading and unloading charges	1,05,52,626	17,05,572
	Water charges	45,93,802	32,97,589
	Other Project expenses	3,74,738	74,04,782
	Total	90,09,76,790	90,60,42,382
23	Changes in inventories of work-in-progress		
	Opening balance	30,37,87,617	4,86,84,080
	Closing balance	24,84,09,416	30,37,87,617
	Total	5,53,78,201	-25,51,03,537
24	Employee Benefit Expenses		
	Salaries and wages	15,73,61,959	11,77,70,392
	Contribution to Provident fund and other funds	1,08,04,154	60,53,068
	Staff Welfare Expenses	1,53,25,141	1,02,10,082
	Total	18,34,91,254	13,40,33,542
25	Finance Costs		
	Interest expense on		
	Term loans	1,06,90,892	29,84,166
	Working capital demand loans & Cash credit	6,16,58,143	3,67,94,200
	Mobilisation advance*	2,49,73,700	-
	Others	2,18,082	-
	Other borrowing costs (LC charges, BG commission etc.,)	1,57,15,561	1,46,35,995
	Total	11,32,56,378	5,44,14,361

* Mobilisation advance taken from NHAI, utilised for working capital on which interest paid @ 6.5% p.a

Note	for the year ended 31st March, 2020	for the year ended 31st March, 2019
26 Other Expenses		
Auditors' fee:		
- statutory audit fee	5,00,000	5,00,000
- tax audit fee	1,80,000	1,80,000
- for other services	40,000	54,160
- Cost Audit	75,000	-
- Internal Audit	2,00,000	-
- Secreterial Audit	2,00,000	-
Bank charges	84,17,976	48,50,785
LC & BG Issue charges	2,45,33,736	2,11,67,588
Commission on - bank guarantees	74,03,290	74,03,290
Rent	89,40,188	1,07,07,815
Travelling & conveyance expenses	73,51,296	81,83,145
Repairs & maintenance of computers and others	42,13,346	-
Office maintenance	86,24,696	1,04,153
Security services	23,82,222	34,37,618
Rates and taxes	27,44,906	41,89,694
Communication expenses (Postage & telephone)	7,25,930	8,17,589
Insurance	50,37,631	1,30,76,596
Printing and stationery	8,01,175	15,19,422
Professional charges	1,89,31,381	2,17,50,775
CSR Expenses (Refer note 29.2)	28,17,130	20,10,000
Foreign Exchange (Gain)/Loss	23,94,384	-
Sitting Fee to Directors	2,25,000	2,00,000
Project site admin expenses	-	67,49,987
Tender expenses	2,45,695	5,53,158
Donations	12,75,056	7,48,989
Bad debts written off *	68,47,744	72,50,000
Business promotion expenses	14,29,413	51,64,441
ROC charges	50,749	28,824
Interest on Statutory Dues	57,15,815	54,18,241
Prior Period Expenses	24,63,922	-
Miscellaneous expenses	2,29,074	-
Total	12,49,96,755	12,60,66,270

* Debtors considered as non recoverable were written off as Baddebts for which no provision made earlier. Written off Debtors RS 68,47,744/-. (During the F.Y 2018-19 Company has written off the advance paid to Sudhakar Jagtap & various individual who fail to arrange the loan & Case was closed with a decision of paying Rs 40 lacs as full & final settlement. The difference amount of Rs 72.5 lacs is written off as Bad Debts .)

27 EARNING PER SHARE (Face value of each share Rs. 10/-)

(a) Surplus available to equity share holders	27,85,96,444	24,13,37,643
(b) Weighted average number of Shares ***	2,39,90,600	2,39,90,600
(c) Earning per share (Face value of each share Rs. 10 /-)	11.61	10.06
*** <u>Calculation of weighted average number of shares</u>		
Opening number of shares	2,39,90,600	2,39,90,600
Issued during the year		
Weighted average number of shares	2,39,90,600	2,39,90,600

11.1 Property, Plant and Equipment

Particulars	Gross block				Depreciation				Written Down Value	
	Opening Balance as on 01/04/2019	Additions during the year	Disposals during the year	Closing Balance as on 31/03/2020	Opening bal as on 01/04/2019	Depreciation provided for the year	Deletions during the year	Closing bal as on 31/03/2020	as on 01/04/2019	as on 31/03/2020
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
(A) Tangible Assets										
(a) Land Free-hold	50,00,000	-	-	50,00,000	-	-	-	-	50,00,000	50,00,000
(b) Plant and Equipment										
Plant & Machinery	19,37,10,286	14,74,31,112	-	34,11,41,397	12,01,24,073	3,58,62,159	-	15,59,86,232	7,35,86,213	18,51,55,165
Electrical Equipment	1,02,65,089	-	-	1,02,65,089	71,23,172	7,78,905	-	79,02,076	31,41,917	23,63,013
Barge, TUG others	10,19,01,412	1,16,500	-	10,20,17,912	5,79,97,158	79,43,895	-	6,59,41,054	4,39,04,254	3,60,76,858
Heavy lift equipment	5,39,90,377	2,64,80,000	20,00,000	7,84,70,377	2,30,19,779	69,68,952	18,48,514	2,81,40,216	3,09,70,598	5,03,30,161
(c) Furniture and Fixtures	21,85,468	7,76,354	-	29,61,822	9,93,086	4,00,233	-	13,93,319	11,92,382	15,68,503
(d) Vehicles										
Office vehicles	3,71,90,533	7,97,918	2,00,000	3,77,88,451	2,04,17,886	52,83,357	1,90,000	2,55,11,243	1,67,72,647	1,22,77,208
Construction vehicles	5,20,50,658	-	-	5,20,50,658	3,47,70,658	48,53,286	-	3,96,23,944	1,72,80,000	1,24,26,714
(e) Office equipment										
Office Equipment	64,09,553	25,46,112	-	89,55,664	41,20,324	16,46,083	-	57,66,407	22,89,229	31,89,257
Computers	48,55,703	11,29,695	19,873	59,65,525	34,82,986	11,67,603	10,213	46,40,376	13,72,717	13,25,150
Sub-total	46,75,59,078	17,92,77,690	22,19,873	64,46,16,896	27,20,49,121	6,49,04,474	20,48,727	33,49,04,868	19,55,09,957	30,97,12,028
(B) Intangible Assets										
Goodwill	-	-	-	-	-	-	-	-	-	-
Software	3,46,897	49,000	-	3,95,897	83,589	44,802	-	1,28,391	1,97,968	2,67,506
TOTAL	46,79,05,975	17,93,26,690	22,19,873	64,50,12,793	27,21,32,710	6,49,49,277	20,48,727	33,50,33,259	19,57,07,926	30,99,79,533

29 Additional notes to the Financial Statements

29.1

Comparison between Consumption of Imported and Indigenous raw materials, spare parts and components during the financial year :

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Rs. in lakhs	%	Rs. in lakhs	%
a) Construction materials				
(i) Imported				
(ii) Indigenous	13727	100%	11,468	100%
b) Stores & spares				
(i) Imported				
(ii) Indigenous	14.75	100%	506	100%

29.2 Corporate Social Responsibility:

In light of section 135 of the Companies Act, the company has incurred expenses on Corporate Social Responsibility (CSR) which details are as follows.

Years	Amount(Rs.)			
	Amount required to be spent	Amount brought forward from previous year	Amount spent	Amounts to be spent
2016-17	10,94,000	-	-	10,94,000
2017-18	21,00,000	10,94,000	1,75,000	30,19,000
2018-19	40,38,695	30,19,000	20,10,000	50,47,695
2019-2020	59,31,847	50,47,695	28,17,130	81,62,412

29.3 Related Party Disclosures:

As required under Accounting Standard 18 "Related party Disclosures", following are details of transactions during the year with the related parties.

a Name of the related parties and description of their relationship:

i) Key Managerial Personnel

Garapati Radhakrishna	Managing Director
Garapati Parvathi devi	Whole-Time Director
GV Ram Mohan	Whole-Time Director
G Sitaratnam	Director

ii) Relatives of Key Managerial Personnel

Nagapushyami	Daughter of Director
Himabindu Sree	Daughter of Director

iii) Enterprises controlled or significantly influenced by key management personnel or their relatives

Naram Enterprises Private Limited

iv) Associates, Subsidiaries and Joint Ventures

RKEC and Suryadevara JV	Joint Venture
CQCE and RKEC JV	Joint Venture
RKEC NG BHOIR & SAMUDRA JV	Joint Venture
RKEC - RANSS CONSORTIUM JV	Joint Venture

b Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31.03.2020

Related party transactions summary	Rs. in lakhs				
	Key Management Personnel (KMP)	Relatives of Key Management Personnel (KMP)	Enterprises controlled or significantly influenced by KMP or relatives	Joint venture	TOTAL
	2019-20	2019-20	2019-20	2019-20	2019-20
<i>Note: ** Amounts in brackets were pertains to previous year 2018-19</i>					
1 Lease of machinery / Building	17.60	18.00	-	-	35.60
	(12.00)	(18.00)	-	-	(30.00)
2 Managerial Remuneration	326.00	33.50	-	-	359.50
	(320.00)	-	-	-	(320.00)
3 Salaries & wages	-	18.70	-	-	18.70
	-	(56.00)	-	-	(56.00)
4 Commission to bank guarantees	63.35	10.67	-	-	74.02
	(63.35)	(10.67)	-	-	(74.02)
5 Purchases	-	-	-	-	-
	-	-	-	-	-
6 Construction Exp Naram Enterprises	-	-	-	-	-
	-	-	(253.62)	-	(253.62)
7 Borrowings (Unsecured Loans received)	1,244.22	-	-	-	1,244.22
	-	-	-	-	-
8 Profit from Joint Venture	-	-	-	4.00	4.00
	-	-	-	(13.32)	(13.32)
9 Contract Revenue	-	-	-	17,219.25	17,219.25
	-	-	-	(6,092.82)	(6,092.82)
10 Interest Cost	-	-	-	249.74	249.74
	-	-	-	-	-
11 Investment in Joint Venture	-	-	-	0.73	0.73
	-	-	-	(13.41)	(13.41)
12 Balance as at 31st March	-	-	-	-	-
Payables/(Receivables)	1,246.99	12.37	(30.78)	(3,117.00)	(1,888.42)
	(79.12)	(2.76)	(100.65)	(485.22)	302.69

c Information Regarding Significant Transactions / balances		Rs. in lakhs	
Related party transactions	For the year 2019-20	For the year 2018-19	
1 Lease of machinery			
Naga pushyami	18.00		18.00
2 Rent paid on Building			
Garapati Radhakrishna	12.00		12.00
G Sita Ratnam	5.60		-
2 Commission on guarantees to			
Garapati Radhakrishna	32.31		32.31
Garapati Parvathi devi	31.03		31.03
Naga pushyami	4.77		4.77
Himabindu sree	5.90		5.90
3 Managerial Remuneration			
Garapati Radhakrishna	160.00		160.00
Garapati Parvathi devi	160.00		160.00
GV Ram Mohan	39.50		
4 Borrowings (Unsecured Loans received)			
Garapati Radhakrishna	980.26		-
Garapati Parvathi devi	263.96		-
5 Construction Expenses			
Naram Enterprises Pvt Ltd	-		253.62
6 Contract Revenue			
CQCE and RKEC JV	16,644		6,092.82
RKEC NG BHOIR & SAMUDRA JV	566.45		-
RKEC - RANSS CONSORTIUM JV	8.98		-
7 Interest Cost			
CQCE and RKEC JV	249.74		-
8 Investment in Joint Venture			
RKEC & Suryadevara JV	0.73		13.32
CQCE & RKEC JV	-		-
RKEC NG BHOIR & SAMUDRA JV	-		-
RKEC - RANSS CONSORTIUM JV	-		-

29.4 Disclosure in Accordance with Accounting Standard 7 (revised)		Rs. in lakhs	
Particulars	for the year ended 31st March, 2020	for the year ended 31st March, 2019	
a Contract Revenue recognized as revenue in the period	29,628		24,303
b For contracts in progress at the reporting date:			
- aggregate amount of cost incurred and recognized	97,435		74,856
profits (less recognised losses) upto the reporting date			
- advance amounts received	2,312		582
- amount of retentions	2,979		3,234
c Gross amount due from customers for contract work as	10,653		8,215
d Gross amount due to customers for contract work as a liability	5,291		3,816

29.5 Foreign Exchange Earnings and Outgo

Particulars		Amount(Rs.) 2019-20	Amount(Rs.) 2018-19
a	Foreign exchange earnings	Nil	Nil
b	Foreign exchange outgo*		
	Towards import of materials and consumables	Nil	Nil

* Payables as on Balance Sheet date Rs. 668.02 Lakhs (P.Y Nil)

29.6 Segment Reporting

The Company's operations predominantly consist of construction / project activities. The Company is also in to the business of survey works under Unmanned Aerial Systems (UAS). The Business of UAS is not very significant to identify as reportable segment. Hence there are no reportable segments under Accounting Standard - 17. During the year under report, Company has carried out all the business operations in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

29.7 Operating Lease Obligation

- a) The Company entered into operating lease agreement for the premises for its corporate office.
b) Lease rental payments will be as follows:

Period	2019-20	2018-19
0-12 Months	9,49,200	3,06,826
12-60 Months	10,05,690	53,521
Above 60 months	-	-

29.8 Contingent Liabilities :

a) Guarantees		Year ended 31/03/2020 Rs. Lakhs	Year ended 31/03/2019 Rs. Lakhs
1	Collateral given to bankers in respect of Bank Guarantees <i>for the operations carrying out by the Company</i>	12,501.00	16,293.78
b) Matters under Litigation			
2	Disputed sales tax / entry tax liability for which the Company preferred appeal to High Court, Andhra Pradesh	160.38	160.38
3	Disputed service tax liability for the period 2004-05 to 2008-09 which the Company preferred appeal to CESTAT, Bangalore	592.04	592.04
4	Levy of labour cess @ 1% (w.e.f. July 2007) on the construction contracts executed by the Company in the State of Andhra Pradesh contested before the Honourable High Court of Andhra Pradesh	69.99	69.99
5	Disputed Income tax liability for which the Company preferred appeal to CIT appeals (AY 2015-16)	59.41	59.41
6	Disputed service tax liability for the period 2012-13 to 2015-16, which the Company preferred appeal to CESTAT, Hyderabad	1,874.86	1,874.86
c) Liability for Capital Commitments pending for execution			
7	Purchase of Machinery by Import under Foreign Letter of Credit with Bank	-	628.27
d) Legal cases filed against the company			
8	Some of the parties have filed legal case(s) against the company with legal authorities, Courts/ for delay/non payment of dues, due to dispute in execution of works, quality-supply defects/early termination etc. For their dues the company is in the process of negotiation and will win certain cases without any payments due to merits on the company as per management opinion. (Interest not material)	230.87	230.87

29.9 Trade Receivables includes the following for which the Management is confident in full recovery of the same:

		Rs (in Lakhs)	Rs (in Lakhs)
a)	IVRCL Limited	Amount due from the party, which the said company was under Insolvency process and claim made by the company, was not admitted and the communication was yet to be received for further appeal by the company.	106.45
b)	SEW Infrastructure Ltd	Amount due from the party, notice of demand under Insolvency Act was sent against the company and no further action was initiated as on this date.	235.04
c)	Suspended, Delayed Contracts: The company entered into a contract aggregating 11894.61 lakhs with one of the party. The work was completed more than 50% and the said party suspended the work due to serious irregularities. The party blacklisted the company and invoked bank guarantees. The company filed a writ petition before the Honourable Highcourt of Allahabad at Lucknow.		
	C.1)	Trade receivables includes amount due from the said party for execution of work and Retention money	4,800.49
	C.2)	Trade receivables includes amount due from the said party on account of bank guarantees invoked.	1,593.51
	C.3)	The company's work in progress as on 31/03/2020 includes unbilled work at site	516.13
	The company, preferred Arbitration proceedings and to settle the dispute with the party through inspection committee. The management is confident in getting full revenue and recovery of the said receivables.		
d)	Amounts receivable on final bills from the parties for works executed, for the escalation and other pending issues which the company filed Arbitration proceedings for recovery, and confident in getting full recovery in the opinion of the management.		24,320.76

29.10 Advance to Suppliers includes, amounts to be recovered from parties, for which legal action is initiated through courts for recovery and supply of the same. The management is confident for full recovery of the same.

29.11 Based on the information available with the Company, there are suppliers registered as micro & small enterprises (MSE) under Micro, Small, Medium Enterprises Development Act, 2006.

S.No	Particulars	F.Y 2019-20	F.Y 2018-19
a	Principal amount remaining unpaid to MSEs at the end of the year	402.30	40.22
b	Interest Due thereon at the end of the year	13.54	-
c	Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during period;	-	-
d	Interest due and payable for the period for delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
e	Interest accrued and remaining unpaid at the end of the Year	13.54	-
f	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	13.54	-

29.12 The outbreak of COVID-19 and resultant lockdown/restrictions affected the business/economic activities globally. Consequent to the lockdown/restrictions imposed by the Central and State Governments to tackle COVID-19 pandemic, the Construction activities were temporarily closed in the last week of March 2020. The lockdown/restriction have since been relaxed to various degrees. The Company is carrying its operations in line with the statutory guidelines, following all required safety and sanity norms.

The Company considered the possible effects of COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Trade receivables and other current assets of the company. Based on the Current estimates, taking into account external and internal information that are available upto the date of the approval of the financial results, the Company expects the carrying amount of these assets to be recovered and believes that there is no impact on its ability to continue as a going concern. The Company would continue to closely monitor any material changes to future economic/business conditions.

29.13 Capital Work in Progress includes, Asset under Construction damaged and claim made to Insurance Company Rs. 1912.13 Lakhs
(Previous Year NIL)

29.13 Previous year's figures have been regrouped/reclassified, wherever considered necessary to conform to this year's classification.

As per our Report of even date attached

for Brahmananda Reddy & Associates
Chartered Accountants,
Firm Registration Number: 016662S

for and on behalf of board of directors of
RKEC Projects Ltd

G Govinda Rao
Partner
Membership No.244754
UDIN: 2024475AAAAAZ3017

(G. Radhakrishna)
Managing Director
DIN: 00073080

(G. Parvathi Devi)
Whole-time Director
DIN: 00094961

Visakhapatnam
Jun 27, 2020

G S Narayana
CFO

Deepika Rathi
Company Secretary, ACS
M.No.A53803

INDEPENDENT AUDITOR'S REPORT

To the Members of,

M/s RKEC Projects Limited

Report on the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of M/s. RKEC Projects Limited (hereinafter referred to as "the Company") its jointly controlled entities , which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")
2. We have audited the accounts of the company M/s. RKEC Projects Limited, joint venture entity M/s. CQCE-RKEC JV, M/s RKEC-RANSS JV, M/s RKEC NG BHOIR and Samudra JV and the joint venture entity M/s. RKEC and Suryadevara JV was audited by others and we relied upon their audited statements for the audit of consolidated financial statements.
3. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter Paragraph

5. We Draw your attention to –

- a. Note no. 14 the Trade receivables & Note no.16 the Short term loans & advances of the consolidated financial statements, for considering as good for the period more than 6 months includes amounts due from various parties and issues involved are furnished. The company is confident in getting full recovery of the same and hence, in the opinion of the management no provision was required for doubtful debts.
- b. Note no.27.10 to the consolidated financial statements, as regards to the management evaluation of COVID-19 Impact on the future performance of the Company.

Our opinion on the Consolidated financial statements is not modified in respect of the above matters.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	Audit Response
6(i)	<p>Revenue Recognition on Construction Contracts(Contract Revenue) involves significant judgement</p> <p>The work receipts from Long term Contracts is complex and exposes the Company to various business and financial reporting risks. The recognition of revenue and the estimation of the outcome of construction contracts requires significant management judgement, in particular, with respect to the estimation of cost to complete and the amounts of variation orders to be recognized. In addition, significant management judgement is required to assess the consequences of various legal proceedings in respect of Construction Contracts.</p> <p>Reference is made to Consolidated Financial Statements a) Accounting Principles, b) Critical Accounting Policies, c) Revenue-Construction Contracts and d) Trade receivables for recoverability (Note 15& 18)</p>	<p>We identified revenue from construction contracts as a significant risk, requiring special audit consideration. Our audit procedures included, by selecting a sample of continuing and new contracts, an evaluation of the significant judgements made by management, Management estimates, amongst others based on an examination of the associated project documentation and discussion on the status of projects under construction with finance team and management of the Company. We also tested the controls that the company has put in place over its process to record contract costs and contract revenues and the calculation of stage of completion and work in progress. Furthermore, we discussed the status of legal proceedings in respect of construction contracts and its receivables and examined various documents in this respect as obtained from the company.</p>

6T(ii)	Liability for uncertain tax positions The company has uncertain tax positions, cess dues amounting to Rs.2756.68 Lakhs, which involves significant judgment and its outcome and liability. Reference is made to Note-27.6 of consolidated financial statements Contingent liabilities-Matters under litigation.	Obtained the details of matters under litigation for the Direct Tax, Indirect Taxes and Labour Cess disputes. We have examined the relevant demand notices, appeals filed before various forums. Discussed with the management and evaluated the documents. Discussed with the management for possible provision and likely outcome of the said cases. The liability for the indirect taxes in respect of GST is ascertained by GST auditor and As per the opinion of the management , all the known liabilities in respect of GST was provided for in the books and it is discussed with the management.
6(iii)	Indirect Taxes in P&L Account The Company has recorded Rs.1332.88 Lakhs of Indirect Tax expense (GST) for the year ended 31 March 2020. The Company paid such expense in order to comply with the provisions laid in the Act. Reference is made to Standalone Profit and Loss Statement- Exceptional Items	Obtained the details of the payment. We have examined the details regarding the calculations and understand the rationale behind the payment and the applicable provisions compelling the Company to do so. Discussed with the management and evaluated the reasonability.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

7. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Consolidated Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows including its Jointly controlled entities in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies and of its jointly controlled entities are responsible

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

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies and of its jointly controlled entities are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which companies are incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of

our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid consolidated financial statements comply with the AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditor’s reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group – Refer note 27.6, 27.8 and 27.9 to the consolidated financial statements.

- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

For Brahmananda Reddy & Associates Chartered Accountants

Firm Registration Number: 016662S

Sd/-

(G. Govinda Rao) Partner

Membership Number: 244754

UDIN:20244754AAAAAZ3017

27th June,2020

Visakhapatnam

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") .

1. We have audited the internal financial controls over financial reporting of M/s. RKEC Projects Limited (hereinafter referred to as "Company") as of March 31, 2020 in conjunction with our audit of the Consolidated financial statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Brahmananda Reddy & Associates Chartered Accountants

Firm Registration Number: 016662S

Sd/-

(G. Govinda Rao) Partner

Membership Number: 244754

UDIN:20244754AAAAAZ3017

27th June,2020

Visakhapatnam

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note	As at 31 st Mar, 2020	As at 31 st Mar, 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	23,99,06,000	23,99,06,000
Reserves and Surplus	4	90,30,98,019	50,74,26,911
		1,14,30,04,019	94,27,36,471
Non-Current Liabilities			
Long Term borrowings	5	3,92,02,896	1,50,75,160
Long-term provision	6	70,83,378	61,82,101
		4,62,86,274	1,36,15,908
Current Liabilities			
Short-term borrowings	7	61,45,02,552	46,65,41,562
Trade Payables	8	97,18,60,817	76,23,31,091
Other Current liabilities	9	42,34,33,733	38,80,70,565
Short Term provisions	10	9,63,05,197	1,74,36,780
		2,10,61,02,299	1,63,43,79,999
TOTAL		3,29,53,92,592	2,59,83,73,731
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	11	30,97,12,028	19,55,09,957
Intangible assets	11	2,67,506	1,97,968
Capital Work in Progress		22,53,28,880	9,97,18,191
Deferred tax asset (Net)	12	1,24,31,225	97,63,314
Non Current Investments		-	-
		54,77,39,639	30,51,89,431
Current Assets			
Inventories	13	91,27,21,182	65,84,39,317
Trade receivables	14	84,64,79,952	80,54,61,341
Cash and Bank balances	15	45,65,05,630	33,34,34,937
Short-term Loans and advances	16	46,25,22,819	46,53,46,732
Other Current assets	17	6,94,23,371	3,05,01,973
		2,74,76,52,953	2,29,31,84,300
TOTAL		3,29,53,92,592	2,59,83,73,731
Summary of significant accounting policies			
1 - 2			
The accompanying notes form an integral part of the financial statements			

As per Our report of even date attached

for **Brahmananda Reddy & Associates**
Chartered Accountants,
Firm Registration Number: 016662S

Sd/-
(G.Radhakrishna)
Managing Director
DIN: 00073080

Sd/-
(G. Parvathi Devi)
Whole-time Director
DIN: 00094961

Sd/-
G Govinda Rao, Partner
Membership No.244754
UDIN:20244754AAAAAZ3017

Sd/-
G S Narayana
CFO

Sd/-
Deepika Rathi
Company Secretary,
ACS
M.No.A53803

Visakhapatnam
27-06-2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st March, 2020

Particulars	Note	for the year ended 31 st March, 2020	for the year ended 31 st March, 2019
REVENUE			
Revenue from operations	18	3,03,98,124,709	2,25,76,55,247
Other income	19	2,94,71,460	1,33,27,049
Total Revenue - A		3,06,92,96,168	2,27,09,82,296
EXPENSES			
Cost of materials consumed	20	1,04,53,32,277	1,11,60,86,106
Construction expenses	21	95,97,25,852	94,18,09,728
Changes in inventories of work-in-progress	22	7,57,83,905	(46,35,06,361)
Employee benefit expense	23	18,34,91,254	13,40,41,192
Finance costs	24	11,32,56,378	5,84,16,417
Depreciation expense	11	6,49,49,277	3,53,54,754
Other expenses	25	12,50,03,876	12,61,13,202
Total expenses - B		2,56,75,42,820	1,94,83,15,038
Profit / (Loss) before exceptional item and tax: C = (A - B)		50,17,53,349	32,26,67,258
Exceptional Item		13,32,88,620	-
Profit / (Loss) before tax: C = (A - B)		36,84,64,729	32,26,67,258
Tax expense:			
Current tax		11,15,60,378	9,66,74,166
Tax expense of earlier years		14,58,578	30,29,019
Deferred tax		(26,67,911)	(9,13,774)
Total tax expense (D)		11,03,51,045	9,83,41,761
Profit / (Loss) for the year (C - D)		25,81,13,683	22,43,25,497
Earnings per share (for face value of Rs 10/- each):			
Basic & Diluted	26	10.76	9.35
Summary of significant accounting policies	1 - 2		
The accompanying notes form an integral part of the financial statements			

As per Our report of even date attached

for **Brahmananda Reddy & Associates**
Chartered Accountants,
Firm Registration Number: 016662S

Sd/-
(G.Radhakrishna)
Managing Director
DIN: 00073080

Sd/-
(G. Parvathi Devi)
Whole-time Director
DIN: 00094961

Sd/-
G Govinda Rao, Partner
Membership No.244754
UDIN:20244754AAAAAZ3017

Sd/-
G S Narayana
CFO

Sd/-
Deepika Rathi
Company Secretary,
ACS
M.No.A53803

Visakhapatnam
27-06-2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	for the year ended 31 st March, 2020	for the year ended 31 st March, 2019
Cash flows from Operating activities		
Profit before tax	36,84,64,729	32,26,67,258
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	6,49,49,277	3,53,54,754
Loss/(Profit) on sale of fixed assets	(7,11,736)	(1,790)
Interest expense	11,32,56,378	5,84,16,417
Interest income	(2,44,06,692)	(1,33,25,259)
Operating profit before working capital changes	52,15,51,956	40,31,11,380
Changes in working capital:		
Adjustments for (increase) / decrease in operating liabilities:		
Increase/(Decrease) in Trade payables	20,95,29,726	34,26,09,718
Increase/(Decrease) in Long-term Provisions	9,01,277	45,24,527
Increase/(Decrease) in Short-term Provisions	7,88,68,417	(1,41,05,292)
Increase/(Decrease) in /Other current liabilities	3,53,63,168	23,51,34,973
Adjustments for (increase) / decrease in operating assets:		
Decrease/(Increase) in Trade receivables	(4,10,18,611)	1,48,74,854
Decrease/(Increase) in Inventories	(25,42,81,866)	(50,25,85,535)
Decrease/(Increase) in Short-term loans and advances	28,23,913	(28,96,63,957)
Decrease/(Increase) in Other current assets	(4,15,89,308)	(1,60,46,486)
Cash generated from / (used in) operations	51,21,48,672	17,78,54,181
Less: Income tax paid	11,03,51,045	9,83,41,761
Net cash flow from (used in) operating activities (A)	40,17,97,627	7,95,12,421
Cash flows from Investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(17,93,92,030)	(9,64,00,331)
CWIP	(12,56,10,689)	(9,97,18,191)
Proceeds from sale of fixed assets	8,82,882	78,46,213
Bank balances not considered as cash and cash equivalents	(8,94,02,602)	(16,52,11,579)
Interest received	2,44,06,692	1,33,25,259
Net cash used in investing activities (B)	(36,91,15,748)	(34,01,58,629)
Cash flows from Financing activities		
Proceeds from (repayment of) long term borrowings	2,41,27,736	31,16,826
Proceeds from (repayment of) short term borrowings	14,79,60,990	32,82,04,755
Dividend(Interim) Paid during the year (Incl Dividend dist tax)	(5,78,46,135)	(2,89,21,938)
Interest paid	(11,32,56,378)	(5,84,16,417)
Net cash flow from financing activities (C)	9,86,213	24,39,83,247
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	3,36,68,092	(1,66,62,961)
Cash and cash equivalents at the beginning of the year	57,03,830	2,23,66,794
Cash and cash equivalents at the end of the year	3,93,71,922	57,03,830

Note: The figures have been regrouped / rearranged, wherever considered necessary, for comparison purposes.

In terms of our report of even date annexed
for **Brahmananda Reddy & Associates**
Chartered Accountants,
Firm Registration Number: 016662S

Sd/-
(G.Radhakrishna)
Managing Director
DIN: 00073080

Sd/-
(G. Parvathi Devi)
Whole-time Director
DIN: 00094961

Sd/-
G Govinda Rao, Partner
Membership No.244754
UDIN:20244754AAAAAZ3017
Visakhapatnam
27-06-2020

Sd/-
G S Narayana
CFO

Sd/-
Deepika Rathi
Company Secretary,
ACS
M.No.A53803

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. General Information:

RKEC Projects Limited (The Company/RKEC), having registered office at 10-12-1, Rednam Alcazar, 3rd Floor, Opp. SBI Main Branch, Old Jail Road, Rednam Gardens, Visakhapatnam, A.P.-530020, India was incorporated under the provisions of Companies Act, 1956 now Companies Act, 2013 with the Registrar of Companies, Hyderabad (CIN L45200AP2005PLC045795). The Company is engaged in the business of Civil Works and specialized in Marine Works, Construction of Roads, Buildings, Bridges & Fly overs, Survey works under Unmanned Aerial System etc. Company has been changed from Private Limited Company to a limited Company on November 10, 2016. Company was listed under SME platform of National Stock Exchange of India Ltd (NSE) in the month of October, 2017. The jointly controlled entity (AOP) M/s. RKEC and Suryadevara JV was formed for execution of railway work which participated jointly by the company and AOP. Further during the FY 2018-19 the company has formed a jointly controlled entity (AOP) M/s RKEC and CQEC JV for execution of NHAI work which is participated jointly by the company and JV. Further during the current year FY 2019-20, the Company has formed two new jointly controlled entity (AOP) M/s RKEC-RANSS JV for execution of Tirupati Smart City Corporation Limited work and M/s RKEC NG BHOIR and Samudra JV for execution of Dredging work at JNPT.

B. Significant accounting policies:

1. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply in all material respects with the accounting standards specified under section 133 of the Companies act, 2013 read with rule 7 of the Companies (accounts) rules, 2014, and the Companies (Accounting Standards) Amendment Rules, 2016. The Group financial statements have been prepared on an accrual basis and under the historical cost convention.

For preparing the Consolidated financial statements, the financial statements of the following entities are taken.

- i) M/s. RKEC Projects Limited
- ii) M/s. RKEC and Suryadevara JV (AOP)
- iii) M/s. RKEC and CQEC JV (AOP)
- iv) M/s RKEC-RANSS JV (AOP)
- v) M/s RKEC NG BHOIR and Samudra (AOP)

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. For consolidation of RKEC and jointly controlled entity the method adopted was proportionate consolidation method as per AS 27 for the control held by RKEC.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, if any, as at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories. Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

4. DEPRECIATION ON PROPERTY, PLANT AND EQUIPMENT

Depreciation on Property, Plant and Equipment is provided on the written down value method over the useful lives of assets as prescribed in schedule II to the Companies Act, 2013. Depreciation on addition / deletion of fixed assets during the year is provided on pro-rata basis with reference to the date of addition / deletion.

5. INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated

impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Software acquired is measured at cost less accumulated amortisation and is amortised using the straight line method over a period of five years.

6. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

7. IMPAIRMENT OF ASSETS

The company assesses, at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

8. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

9. INVENTORIES

Raw materials, construction materials, stores & consumables and finished goods are valued at lower of cost or net realizable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by weighted average cost.

The work in progress has been determined by the Management at the estimated realizable value. The value of work in progress comprises of value of materials and expenses incurred at site including estimated profits thereon in-terms of guidelines provided under Accounting Standards AS 7 on Construction Contracts.

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

10. REVENUE RECOGNITION Contract Revenue:

- i. Revenue from Works Contract is recognized as per percentage of completion of contract activity gross of applicable taxes.
- ii. The stage of completion is determined by survey of work performed and / or on completion of a physical proportion of the contract work.
- iii. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Other revenues:

- iv. Revenue from sale of products/goods is recognized on delivery of the products, when all the significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers are no effective ownership is retained. Sales are net of sales tax /value added tax.
- v. Revenue from services is recognised based on completion of contractual part upon which right to receive the amount is clearly established and there is no uncertainty about its realization.
- vi. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- vii. Dividend income is recognized when right to receive the payment is established.

Income from operating lease/equipment is recognised as rentals and other related services are accounted for accrual basis.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

11. FOREIGN CURRENCY TRANSACTIONS

Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction and any gain or loss on account of exchange difference either on settlement or on translation is recognized in the Statement of profit and Loss.

12. EMPLOYEE BENEFITS

Defined-contribution plans:

- (i). A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contributions to Employees Provident Fund are charged to statement of profit and loss every year.
- (ii) The company has no policy of encashment and accumulation of Leave. Therefore, no provision of Leave Encashment is being made. Leave encashment expenses are accounted on actual payment basis.
- (iii) Employee Gratuity Fund Scheme is the Defined Benefit Plan. The costs of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.
- (iv) Short Term Employee Benefits if any, are paid along with salary and wages on a month to month basis, bonus to employees are charged to profit and loss account on the basis of actual payment on year to year basis.

13. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount that are enacted or substantively enacted, at the reporting date.

- (i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

- (ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that, they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

14. SUNDRY DEBTORS / LOANS AND ADVANCES:

Sundry Debtors / Loans and Advances are stated net of provision for identified doubtful debts / advances wherever necessary. Sundry Debtors and Loans and Advances has been taken at reconciled amount for the parties from which the balance confirmation was received and for the rest Debtors and balances are taken as per book balance and are subject to adjustment and reconciliation, if any which will be done on receipts of confirmation from such parties. In the opinion of the management on which we have placed reliance, substantial part of Debtors and advances are outstanding for a period exceeding six months and they are subject to arbitration and other reconciliatory proceedings, the outcome and quantum of which is not ascertainable and determined, and subject to reconciliations referred to above, the debtors and Loans and advances to the extent as stated are considered good in the Balance Sheet.

15. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements, since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

16. LEASES

Where the Company is lessee :

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit & Loss on a straight-line basis over the lease term.

Where the company is lessor :

Assets given on operating leases are included under fixed assets. Rent (lease) income is recognized in the statement of Profit and Loss on accrual basis. Direct costs, including depreciation are recognized as an expense in the statement of profit and loss.

17. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split, the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

18. CASH FLOW:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

20. OPERATING CYCLE FOR CURRENT AND NON-CURRENT CLASSIFICATION:

Operating Cycle for the business activities of the company covers the duration of the specific project/ contract/product/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business. Other than the project related assets and liabilities 12 months period is considered as normal operating cycle.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIALS STATEMENTS

(All amounts are in Indian Rupees, unless otherwise stated)

Note		As at 31st March, 2020	As at 31st March, 2019
	No of shares	Amount	No of shares Amount
3	Share capital		
	Authorized share capital		
	Equity shares of Rs.10/- each	2,50,00,000	2,50,00,000
	Issued, Subscribed and fully paid-up		
	Equity shares of Rs.10/- each fully paid up	2,39,90,600	2,39,90,600
	Total	2,39,90,600	2,39,90,600

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

Particulars	Number	Number
Equity shares of Rs. 10/- each fully paid up		
Number of Shares at the beginning	2,39,90,600	2,39,90,600
Add : Bonus Issue Shares	-	-
Add : Public Issue Shares	-	-
Number of Shares at the end of the year	2,39,90,600	2,39,90,600

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of Dividend declaration, Company will pay the amount in Indian rupees, if dividend is proposed by the Board of Directors subject to approval of the shareholders in the ensuing Annual General Meeting.

c) Details of shareholders holding more than 5% shares in the Company

Name of share holder	As at 31st March, 2020	As at 31st March, 2019
	No. of shares % of Holding	No. of shares % of Holding
Equity shares of Rs.10/- each fully paid		
G Radha Krishna	1,76,01,700 73.37%	1,76,01,700 73.37%

d) Aggregate number of bonus shares issued during the period of Five years immediately preceeding the reporting date

During the FY 2016-17, 96,56,300 number of equity shares of Rs. 10 each (fully paid-up) have been issued as bonus shares by Capitalisation of General reserve in the ratio of 1:1 to all existing share holders.

Note	As at 31st March, 2020	As at 31st March, 2019
4	Reserves and Surplus	
	a) Security Premium	16,37,30,000
	Profit and loss account	
	Opening balance	53,91,00,471
	Add : Profit / (Loss) for the year	25,81,13,683
	Less: Appropriations:	
	##	#
	Dividend Declared in the Year	4,79,81,200
	Tax on Dividend Distribution	98,64,935
		(5,78,46,135)
	Closing balance	90,30,98,019

Final Dividend for the financial year 2017-18 paid in Financial Year 2018-19.

Final Dividend for the financial year 2018-19 paid in Financial Year 2019-20.

Note	As at 31st March, 2020		As at 31st March, 2019		
5	Long Term Borrowings	Non-current portion	Current Maturities	Non-current portion	Current Maturities
	Secured:				
	Rupee Term Loans from Banks*				
	CAR Loan-I - Bank of Baroda (formerly Vijaya Bank)	5,51,860	11,18,292	14,54,206	5,58,720
	CAR Loan-II - Bank of Baroda (formerly Vijaya Bank)	4,32,427	8,78,592	11,41,406	4,38,960
	CAR Loan-III - Bank of Baroda (formerly Vijaya Bank)	2,54,336	3,13,680	4,99,722	1,56,720
	CAR Loan-IV - Bank of Baroda (formerly Vijaya Bank)	7,34,485	61,94,580	59,57,429	30,94,920
	PLANT & MACHINERY Loan - Indusind Bank I	88,97,999	54,03,600	22,85,621	23,98,800
	PLANT & MACHINERY Loan - Indusind Bank II	2,52,52,893	1,53,44,400	-	-
	PLANT & MACHINERY Loan - Indusind Bank III	2,87,207	23,98,800	-	-
	Rupee Term Loans from Non Banking Financial Companies (NBFC) *				
	PLANT & MACHINERY Loan -I Mahindra	-	7,47,930	5,80,120	11,68,716
	PLANT & MACHINERY Loan -II Mahindra	-	16,06,560	12,46,110	25,10,412
	PLANT & MACHINERY Loan -III Mahindra	6,48,071	12,80,316	9,55,273	19,24,488
	PLANT & MACHINERY Loan -IV Mahindra	-	12,31,594	9,55,273	19,24,488
	PLANT & MACHINERY Loan -V Mahindra	-	12,31,594		
	PLANT & MACHINERY Loan -VI Mahindra	21,43,617	42,34,896		
		3,92,02,896	4,19,84,833	1,50,75,160	1,41,76,224
	* Secured against the primary security of specific assets purchased out of the loans taken i.e Plant & Machinery, HCV & Motar Cars .				
Note	As at 31st March, 2020		As at 31st March, 2019		
6	Long Term Provisions				
	Provisions for Gratuity	70,83,378		61,82,101	
	Total	70,83,378		61,82,101	
Note	As at 31st March, 2020		As at 31st March, 2019		
7	Short Term Borrowings				
	Secured Loans, from banks				
	Cash Credit (See Note-7.1)	47,91,61,864		46,17,38,922.44	
	Unsecured Loans from Directors	12,44,21,963		-	
	Unsecured Loans from Non Banking Financial Companies (NBFC) *				
	Short Term loans (See Note-7.2)	1,09,18,725		48,02,639.81	
	Total	61,45,02,552		46,65,41,562	
7.1	Nature of Security & Terms of repayment				
	* Company availed Cash credit limit of Rs. 37.50 crores (Prev Year 50.00 Crores) from Bank of Baroda (formerly Vijaya Bank) , at an interest rate of MCLR+2.10% (present effective rate is 10.65% p.a., Previous Year 10.65% P.a) . The loan was secured by way of first charge on current assets of company, collateral security on assets of the directors & Company and personal guarantee of certain Directors.				
7.2	Terms of repayment				
	Company availed Unsecured Working Capital Loan from Magama fincorp ltd, Tata capital financial, Neo Growth & India Infoline Finance Ltd at an interest rate of & Repayable period of Magama fincorp ltd (@19.5% , repayable in 24 months) Tata Capital Financial (@18% repayable in 18 months) Neo Growth at an Interest rate of 27.40% repayable in 12 months and India Infoline Finance ltd @20.40% repayable in 12 months. the total outstanding balance as on 31-03-2020 109,18 Lacs				
Note	As at 31st March, 2020		As at 31st March, 2019		
8	Trade Payables				
	a) Total Outstanding dues to Micro and Small & Medium Enterprises (Refer Note 27.8)	4,02,29,523		40,22,041.00	
	b) Dues to other than Micro and Small & Medium Enterprises				
	- Acceptances - LC payable*	37,02,93,824		40,86,32,917.00	
	- Other than acceptances	56,13,37,469.55		34,96,76,133.22	
	Total	97,18,60,817		76,23,31,091.22	
	* Guaranteed by Bank of Baroda (formerly Vijaya Bank)				

Note	As at 31st March, 2020	As at 31st March, 2019
9 Other Current Liabilities		
Current maturities of long term debt (Refer note-5)	4,19,84,833	1,41,76,224
Mobilisation advances from Contractees	23,92,41,598	28,80,59,755
Material advances from Contractees	8,37,47,229	3,47,19,817
Retention money payable	79,28,641	1,10,91,260
Dues to employees	1,03,78,446	1,43,28,243
Statutory dues	3,08,28,610	2,53,69,180
Other liabilities	89,21,449	72,086
Dividend Payable	4,02,928	2,54,000
Total	42,34,33,733	38,80,70,565

Note	As at 31st March, 2020	As at 31st March, 2019
10 Short term provisions		
Provisions for Gratuity	34,06,647	11,68,335
Income tax Provision (net of TDS, advance tax)	2,22,08,751	53,64,371
Other provisions	7,06,89,799	1,09,04,074
Total	9,63,05,197	1,74,36,780

Note	As at 31st March, 2020	As at 31st March, 2019
12 Deferred Tax Asset (net)		
On differences between depreciation as per books and Income tax act	91,83,061	76,22,867
On employee benefits payable by employer	32,48,164	21,40,447
Total	1,24,31,225	97,63,314

Note	As at 31st March, 2020	As at 31st March, 2019
13 Inventories (as valued & certified by management)		
Construction Material, Stores & spares	47,14,57,531	14,13,91,760
Work-in-Progress	44,12,63,651	51,70,47,557
Total	91,27,21,182	65,84,39,317

Note	As at 31st March, 2020	As at 31st March, 2019
14 Trade Receivables		
Unsecured, considered and good		
a) Outstanding for a period exceeding six months from the date they are due for payment* [including retention of Rs. 24.84 Cr.]	69,10,78,525	69,81,96,662
b) Others [including retention of Rs. 7.7 Cr.]	15,54,01,427	10,72,64,679
Total	84,64,79,952	80,54,61,341

* Refer note 29.7

Note	As at 31st March, 2020	As at 31st March, 2019
15 Cash and Bank balances		
a) Cash and Cash equivalents		
Cash in hand	24,60,401	18,46,483
Balance in CC account		
Balance with banks in Current accounts	3,69,11,521	38,57,348
	3,93,71,923	57,03,832
b) Other Bank balances		
in Fixed Deposit accounts		
held as margin money deposits *	41,39,16,382	32,45,62,922
Long term deposits		
held as deposits **	32,17,325	31,68,184
Total	45,65,05,630	33,34,34,937

* Margin money deposits have been lodged with banks against LC & guarantees issued by the banker.

** Deposits held as performance guarantee with Contractees.

Note	As at 31st March, 2020	As at 31st March, 2019
16 Short Term Loans and Advances		
<i>(Unsecured, Considered and good, for the value to be received in cash or kind)</i>		
Security deposits	16,99,75,732	16,98,95,885
Deposits for enlistment	1,09,79,578	50,69,017
Earnest money and other deposits *	1,58,65,392	1,49,19,811
Advances to material suppliers**	11,47,68,355	11,95,61,226
Balances with government authorities		
- VAT input credit receivable	57,84,869	57,84,869
- GST Receivable	13,25,14,595	13,69,18,240
- Service Tax Receivable	70,30,500	70,30,500
Others advances	56,03,797	61,67,184
Total	46,25,22,819	46,53,46,732

* EMD as a tender security

** Refer note 27.8

Note	As at 31st March, 2020	As at 31st March, 2019
17 Other Current Assets		
TDS receivable/carry forward to next year/ Advance Tax	4,89,97,932	2,13,76,923
Prepaid Expenses	2,04,25,439	91,25,050
Total	6,94,23,371	3,05,01,973

Note	for the year ended 31st March, 2020	for the year ended 31st March, 2019
18 Revenue from operations		
Contract revenue	3,02,32,80,676	2,24,80,39,296
Other operating revenue	1,65,44,033	96,15,951
Total	3,03,98,24,709	2,25,76,55,247
Other Operating Revenue comprises of		
- Hire charges received / Other Receipt	-	1,63,600
- Scrap sale	-	41,17,245
- Work Receipts Technical Services	1,39,71,675	53,35,106
- Insurance Claim Received	25,72,358	-
	1,65,44,033	96,15,951

Note	for the year ended 31st March, 2020	for the year ended 31st March, 2019
19 Other Income		
Interest income	2,44,06,692	1,33,25,259
Profit on sale of assets	7,11,736	1,790
Miscellaneous income	2,28,400	-
Interest recovered on Mobalisation advance	39,51,194	
Interest on IT refund	1,73,438	
Total	2,94,71,460	1,33,27,049

Note	for the year ended 31st March, 2020	for the year ended 31st March, 2019
20 Cost of materials consumed		
Construction Materials, Stores and spares		
Opening Stock	14,13,91,760	10,23,12,586
Add: Purchases	1,37,53,98,048	1,15,51,65,281
	1,51,67,89,808	1,25,74,77,866
Less: Closing Stock	47,14,57,531	14,13,91,760
Total	1,04,53,32,277	1,11,60,86,106

Note	for the year ended 31st March, 2020	for the year ended 31st March, 2019
21 Construction Expenses		
Project work expenses	54,64,39,746	71,88,54,875
Repairs and maintenance:		
- Plant & machinery, vehicles	60,13,308	10,40,414
Hire Charges for machinery and others	7,17,55,720	5,38,42,086
Transport Charges	12,40,00,242	4,61,58,487
Power and fuel:		
- Diesel & Petrol expenses	9,29,00,244	4,27,96,971
- Electricity expenses	39,07,942	16,08,110
Technical and engineering consultancy services	2,98,50,140	2,59,55,707
Testing charges	33,00,037	11,92,814
Labour cess (recoveries)	2,19,99,284	1,43,89,202
Other recoveries (by Contractees)	4,40,38,023	1,74,08,760
Loading and unloading charges	1,05,52,626	17,05,572
Water charges	45,93,802	32,97,589
Other Project expenses	3,74,738	1,35,59,141
Total	95,97,25,852	94,18,09,728

Note	for the year ended 31st March, 2020	for the year ended 31st March, 2019
22 Changes in inventories of work-in-progress		
Opening balance	51,70,47,557	5,35,41,196
Closing balance	44,12,63,651	51,70,47,557
Total	7,57,83,905	-46,35,06,361

Note	for the year ended 31st March, 2020	for the year ended 31st March, 2019
23 Employee Benefit Expenses		
Salaries and wages	15,73,61,959	11,77,78,042
Contribution to Provident fund and other funds	1,08,04,154	60,53,068
Staff Welfare Expenses	1,53,25,141	1,02,10,082
Total	18,34,91,254	13,40,41,192

Note	for the year ended 31st March, 2020	for the year ended 31st March, 2019
24 Finance Costs		
Interest expense on		
Term loans	1,06,90,892	29,84,166
Working capital demand loans & Cash credit	6,16,58,143	3,67,94,200
Mobilisation advance	2,49,73,700	39,91,106
Others	2,18,082	-
Other borrowing costs (LC charges, BG commission etc.,)	1,57,15,561	1,46,46,945
Total	11,32,56,378	5,84,16,417

* Mobilisation advance taken from NHAI , utilised for working capital on which interest paid @ 6.5% p.a

Note	for the year ended 31st March, 2020	for the year ended 31st March, 2019
25 Other Expenses		
Auditors' fee:		
- statutory audit fee	5,05,100	5,02,550
- tax audit fee	1,80,000	1,80,000
- for other services	40,000	54,160
- Cost Audit	75,000	-
- Internal Audit	2,00,000	-
- Secenterial Audit	2,00,000	-
Bank charges	84,19,231	48,91,965
LC & BG Issue charges	2,45,33,736	2,11,67,588
Commission on - bank guarantees	74,03,290	74,03,290
Rent	89,40,188	1,07,07,815
Travelling & conveyance expenses	73,51,296	81,83,145
Repairs & maintenance of computers and others	42,13,346	-
Office maintenance	86,24,696	1,04,153
Security services	23,82,222	34,37,618
Rates and taxes	27,45,671	41,92,897
Communication expenses (Postage & telephone)	7,25,930	8,17,589
Insurance	50,37,631	1,30,76,596
Printing and stationery	8,01,175	15,19,422
Professional charges	1,89,31,381	2,17,50,775
CSR Expenses	28,17,130	20,10,000
Foreign Exchange (Gain)/Loss	23,94,384	-
Sitting Fee to Directors	2,25,000	2,00,000
Project site admin expenses	-	67,49,987
Tender expenses	2,45,695	5,53,158
Donations	12,75,056	7,48,989
Bad debts written off *	68,47,744	72,50,000
Business promotion expenses	14,29,413	51,64,441
ROC charges	50,749	28,824
Interest on Statutory Dues	57,15,815	54,18,241
Prior Period Expenses	24,63,922	-
Miscellaneous expenses	2,29,074	-
Total	12,50,03,876	12,61,13,202

* Debtors considered as non recoverable were written off as Baddebts for which no provision made earlier. Written off Debtors RS 68,47,744/- . (During the F.Y 2018-19 Company has written off the advance paid to Sudhakar Jagtap & various individual who fail to arrange the loan & Case was closed with a decision of paying Rs 40 lacs as full & final settlemet. The difference amount of Rs 72.5 lacs is written off as Bad Debts .)

26 EARNING PER SHARE (Face value of each share Rs. 10 /-)

(a) Surplus available to equity share holders	25,81,13,683	22,43,25,497
(b) Weighted average number of Shares ***	2,39,90,600	2,39,90,600
(c) Earning per share (Face value of each share Rs. 10 /-)	10.76	9.35
*** Calculation of weighted average number of shares		
Opening number of shares	2,39,90,600	2,39,90,600
Issued during the year		
Weighted average number of shares	2,39,90,600	2,39,90,600

11. Property, Plant and Equipment

Particulars	Gross block				Depreciation				Written Down Value	
	Opening Balance as on 01/04/2019	Additions during the year	Disposals during the year	Closing Balance as on 31/03/2020	Opening bal as on 01/04/2019	Depreciation provided for the year	Deletions during the year	Closing bal as on 31/03/2020	as on 01/04/2019	as on 31/03/2020
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
(A) Tangible Assets										
(a) Land Free-hold	50,00,000	-	-	50,00,000	-	-	-	-	50,00,000	50,00,000
(b) Plant and Equipment										
Plant & Machinery	19,37,10,286	14,74,31,112	-	34,11,41,397	12,01,24,073	3,58,62,159	-	15,59,86,232	7,35,86,213	18,51,55,165
Electrical Equipment	1,02,65,089	-	-	1,02,65,089	71,23,172	7,78,905	-	79,02,076	31,41,917	23,63,013
Barge, TUG others	10,19,01,412	1,16,500	-	10,20,17,912	5,79,97,158	79,43,895	-	6,59,41,054	4,39,04,254	3,60,76,858
Heavy lift equipment	5,39,90,377	2,64,80,000	20,00,000	7,84,70,377	2,30,19,779	69,68,952	18,48,514	2,81,40,216	3,09,70,598	5,03,30,161
(c) Furniture and Fixtures	21,85,468	7,76,354	-	29,61,822	9,93,086	4,00,233	-	13,93,319	11,92,382	15,68,503
(d) Vehicles										
Office vehicles	3,71,90,533	7,97,918	2,00,000	3,77,88,451	2,04,17,886	52,83,357	1,90,000	2,55,11,243	1,67,72,647	1,22,77,208
Construction vehicles	5,20,50,658	-	-	5,20,50,658	3,47,70,658	48,53,286	-	3,96,23,944	1,72,80,000	1,24,26,714
(e) Office equipment										
Office Equipment	64,09,553	25,46,112	-	89,55,664	41,20,324	16,46,083	-	57,66,407	22,89,229	31,89,257
Computers	48,55,703	11,29,695	19,873	59,65,525	34,82,986	11,67,603	10,213	46,40,376	13,72,717	13,25,150
Sub-total	46,75,59,078	17,92,77,690	22,19,873	64,46,16,896	27,20,49,121	6,49,04,474	20,48,727	33,49,04,868	19,55,09,957	30,97,12,028
(B) Intangible Assets										
Goodwill	-	-	-	-	-	-	-	-	-	-
Software	3,46,897	49,000	-	3,95,897	83,589	44,802	-	1,28,391	1,97,968	2,67,506
TOTAL	46,79,05,975	17,93,26,690	22,19,873	64,50,12,793	27,21,32,710	6,49,49,277	20,48,727	33,50,33,259	19,57,07,926	30,99,79,533

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

27 Additional notes to the Consolidated Financial Statements

27.1 Comparison between Consumption of Imported and Indigenous raw materials, spare parts and components during the financial year :

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Rs. in lakhs	%	Rs. in lakhs	%
a) Construction materials				
(i) Imported				
(ii) Indigenous	13,739	100%	11,468	100%
b) Stores & spares				
(i) Imported				
(ii) Indigenous	14.75	100%	506	100%

27.2 Related Party Disclosures:

As required under Accounting Standard 18 "Related party Disclosures", following are details of transactions during the year with the related parties.

a Name of the related parties and description of their relationship:

i) Key Managerial Personnel

Garapati Radhakrishna	Managing Director
Garapati Parvathi devi	Whole-Time Director
GV Ram Mohan	Whole-Time Director
G Sitaratnam	Director

ii) Relatives of Key Managerial Personnel

Nagapushyami	Daughter of Director
Himabindu Sree	Daughter of Director

iii) Enterprises controlled or significantly influenced by key management personnel or their relatives

Naram Enterprises Private Limited

b Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31.03.2020

Related party transactions summary	Key Management Personnel (KMP)	Relatives of Key Management Personnel (KMP)	Enterprises controlled or significantly influenced by KMP or relatives	Rs. in lakhs
				TOTAL
	2019-20	2019-20	2019-20	2019-20
<i>Note: ** Amounts in brackets were pertains to previous year 2018-19</i>				
1 Lease of machinery / Building	17.60 (12.00)	18.00 (18.00)	- -	35.60 (30.00)
2 Managerial Remuneration	326.00 (320.00)	33.50 -	- -	359.50 (320.00)
3 Salaries & wages	-	18.70 (56.00)	- -	18.70 (56.00)
4 Commission to bank guarantees	63.35 (63.35)	10.67 (10.67)	- -	74.02 (74.02)
5 Purchases	-	-	-	-
6 Construction Exp	-	-	-	-
Naram Enterprises	-	-	(253.62)	(253.62)
7 Borrowings (Unsecured Loans received)	1,244.22	-	-	1,244.22
8 Balance as at 31st March	-	-	-	-
Payables/(Receivables)	1,246.99 (79.12)	12.37 (2.76)	(30.78) (100.65)	1,228.58 (182.53)

c Information Regarding Significant Transactions / balances

Rs. in lakhs

Related party transactions	For the year 2019-20	For the year 2018-19
1 Lease of machinery		
Naga pushyami	18.00	18.00
2 Rent paid on Building		
Garapati Radhakrishna	12.00	12.00
G Sita Ratnam	5.60	-
2 Commission on guarantees to bank		
Garapati Radhakrishna	32.31	32.31
Garapati Parvathi devi	31.03	31.03
Naga pushyami	4.77	4.77
Himabindu sree	5.90	5.90
3 Managerial Remuneration		
Garapati Radhakrishna	160.00	160.00
Garapati Parvathi devi	160.00	160.00
GV Ram Mohan	39.50	-
4 Borrowings (Unsecured Loans)		
Garapati Radhakrishna	980.26	-
Garapati Parvathi devi	263.96	-
5 Construction Expenses		
Naram Enterprises Pvt Ltd	-	253.62

Disclosure in Accordance with Accounting Standard 7 (revised)

Rs. in lakhs

Particulars	for the year ended 31st March, 2020	for the year ended 31st March, 2019
a Contract Revenue recognized as revenue in the period	30,233	24,303
b For contracts in progress at the reporting date:		
- aggregate amount of cost incurred and recognized	1,21,626	74,856
profits (less recognised losses) upto the reporting date		
- advance amounts received	3,230	582
- amount of retentions	2,979	3,234
c Gross amount due from customers for contract work as	8,465	8,215
d Gross amount due to customers for contract work as a liability	6,209	3,816
27.4 Foreign Exchange Earnings and Outgo	Amount(Rs.) 2019-20	Amount(Rs.) 2018-19
a Foreign exchange earnings	Nil	Nil
b Foreign exchange outgo*		
Towards import of materials and consumables	Nil	Nil

* Payables as on Balance Sheet date Rs. 668.02 Lakhs (P.Y Nil)

c Information Regarding Significant Transactions / balances		Rs. in lakhs	
Related party transactions	For the year 2019-20	For the year 2018-19	
1 Lease of machinery			
Naga pushyami	18.00		18.00
2 Rent paid on Building			
Garapati Radhakrishna	12.00		12.00
G Sita Ratnam	5.60		-
2 Commission on guarantees to bank			
Garapati Radhakrishna	32.31		32.31
Garapati Parvathi devi	31.03		31.03
Naga pushyami	4.77		4.77
Himabindu sree	5.90		5.90
3 Managerial Remuneration			
Garapati Radhakrishna	160.00		160.00
Garapati Parvathi devi	160.00		160.00
GV Ram Mohan	39.50		-
4 Borrowings (Unsecured Loans)			
Garapati Radhakrishna	980.26		-
Garapati Parvathi devi	263.96		-
5 Construction Expenses			
Naram Enterprises Pvt Ltd	-		253.62

Disclosure in Accordance with Accounting Standard 7 (revised)		Rs. in lakhs	
Particulars	for the year ended 31st March, 2020	for the year ended 31st March, 2019	
a Contract Revenue recognized as revenue in the period	30,233	24,303	
b For contracts in progress at the reporting date:			
- aggregate amount of cost incurred and recognized	1,21,626	74,856	
profits (less recognised losses) upto the reporting date			
- advance amounts received	3,230	582	
- amount of retentions	2,979	3,234	
c Gross amount due from customers for contract work as	8,465	8,215	
d Gross amount due to customers for contract work as a liability	6,209	3,816	
Foreign Exchange Earnings and Outgo	Amount(Rs.)	Amount(Rs.)	
Particulars	2019-20	2018-19	
a Foreign exchange earnings	Nil	Nil	
b Foreign exchange outgo*			
Towards import of materials and consumables	Nil	Nil	

* Payables as on Balance Sheet date Rs. 668.02 Lakhs (P.Y Nil)

27.5 Segment Reporting

The Company's operations predominantly consist of construction / project activities. The Company is also in to the business of survey works under Unmanned Aerial Systems (UAS). The Business of UAS is not very significant to identify as reportable segment. Hence there are no reportable segments under Accounting Standard - 17. During the year under report, Company has carried out all the business operations in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

27.6 Contingent Liabilities :

a) Guarantees		Year ended 31/03/2020 Rs. Lakhs	Year ended 31/03/2019 Rs. Lakhs
1	Collateral given to bankers in respect of Bank Guarantees <i>for the operations carrying out by the Company</i>	12,501.00	16,293.78
b) Matters under Litigation			
2	Disputed sales tax / entry tax liability for which the Company preferred appeal to High Court, Andhra Pradesh	160.38	160.38
3	Disputed service tax liability for the period 2004-05 to 2008-09 which the Company preferred appeal to CESTAT, Bangalore	592.04	592.04
4	Levy of labour cess @ 1% (w.e.f. July 2007) on the construction contracts executed by the Company in the State of Andhra Pradesh contested before the Honourable High Court of	69.99	69.99
5	Disputed Income tax liability for which the Company preferred appeal to CIT appeals (AY 2015-16)	59.41	59.41
6	Disputed service tax liability for the period 2012-13 to 2015-16, which the Company preferred appeal to CESTAT, Hyderabad	1,874.86	1,874.86
c) Liability for Capital Commitments pending for execution			
7	Purchase of Machinery by Import under Foreign Letter of Credit with Bank	-	628.27
d) Legal cases filed against the company			
8	Some of the parties have filed legal case(s) against the company with legal authorities, Courts/ for delay/non payment of dues, due to dispute in execution of works, quality-supply defects/early termination etc. For their dues the company is in the process of negotiation and will win certain cases without any payments due to merits on the company as per management opinion. (Interest not material)	230.87	230.87

27.7 Trade Receivables includes the following for which the Management is confident in full recovery of the same:

		Rs (in Lakhs)	Rs (in Lakhs)
a)	IVRCL Limited	106.45	106.45
	Amount due from the party, which the said company was under Insolvency process and claim made by the company, was not admitted and the communication was yet to be received for further appeal by the company.		
b)	SEW Infrastructure Ltd	235.04	235.04
	Amount due from the party, notice of demand under Insolvency Act was sent against the company and no further action was initiated as on this date.		
c)	Suspended, Delayed Contracts: The company entered into a contract aggregating 11894.61 lakhs with one of the party. The work was completed more than 50% and the said party suspended the work due to serious irregularities. The party blacklisted the company and invoked bank guarantees. The company filed a writ petition before the Honourable High Court of Allahabad at Lucknow.		
	C.1) Trade receivables includes amount due from the said party for execution of work and Retention money	4,800.49	3,207.40
	C.2) Trade receivables includes amount due from the said party on account of bank guarantees invoked.	1,593.51	1,593.51
	C.3) The company's work in progress as on 31/03/2020 includes unbilled work at site	516.13	516.13
	The company, preferred Arbitration proceedings and to settle the dispute with the party through inspection committee. The management is confident in getting full revenue and recovery of the said receivables.		
d)	Amounts receivable on final bills from the parties for works executed, for the escalation and other pending issues which the company filed Arbitration proceedings for recovery, and confident in getting full recovery in the opinion of the management.	24,320.76	409.57

27.8 Advance to Suppliers includes, amounts to be recovered from parties, for which legal action is initiated through courts for recovery and supply of the same. The management is confident for full recovery of the same. 157.60 148.57

27.9 Based on the information available with the Company, there are suppliers registered as micro & small enterprises (MSE) under Micro, Small, Medium Enterprises Development Act, 2006.

S.no	Particulars	2019-20	2018-19
a	Principal amount remaining unpaid to MSEs at the end of the year	402.30	40.22
b	Interest Due thereon at the end of the year	13.54	-
c	Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during period;	-	-
d	Interest due and payable for the period for delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
e	Interest accrued and remaining unpaid at the end of the Year	13.54	-
f	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	13.54	-

27.10 The outbreak of COVID-19 and resultant lockdown/restrictions affected the business/economic activities globally. Consequent to the lockdown/restrictions imposed by the Central and State Governments to tackle COVID-19 pandemic, the Construction activities were temporarily closed in the last week of March 2020. The lockdown/restriction have since been relaxed to various degrees. The Company is carrying its operations in line with the statutory guidelines, following all required safety and safety norms.

The Company considered the possible effects of COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Trade receivables and other current assets of the company. Based on the Current estimates, taking into account external and internal information that are available upto the date of the approval of the financial results, the Company expects the carrying amount of these assets to be recovered and believes that there is no impact on its ability to continue as a going concern. The Company would continue to closely monitor any material changes to future economic/business conditions.

27.11 Previous year's figures have been regrouped/reclassified, wherever considered necessary to conform to this year's classification.

27.12 Capital Work in Progress includes, Asset under Construction damaged and claim made to Insurance Company Rs. 1912.13 Lakhs (Previous Year NIL)

27.13 For other notes please refer Standalone financial statements of RKEC (Note No. 28&29)

As per our Report of even date attached

for Brahmananda Reddy & Associates
Chartered Accountants,
Firm Registration Number: 016662S

for and on behalf of board of directors of
RKEC Projects Ltd

G Govinda Rao
Partner
Membership No.244754
UDIN: 2024475AAAAAZ3017

(G. Radhakrishna)
Managing Director
DIN: 00073080

(G. Parvathi Devi)
Whole-time Director
DIN: 00094961

Visakhapatnam
27-06-2020

G S Narayana
CFO

Deepika Rathi
Company Secretary, ACS
M.No.A53803

BRIDGE CONSTRUCTION



MARINE STRUCTURES



ROADS & BUILDINGS

If undelivered please return to :

RKEC Projects Limited

#10-12-1, 3rd Floor, Rednam Alcazar
Rednam Gardens, Opp. SBI Main Branch,
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