RKEC PROJECTS LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note	As at 31st Mar, 2020	As at 31st 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
		4,62,86,274	**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	12,34,79,459
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

In Terms of our report of even date annexed

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

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

Visakhapatnam
27/06/2020

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

(G. Radhakrishna)
Managing Director
DIN: 00073080

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

G S Narayana
CFO

Deepika Rathi
Company Secretary, ACS
M.No.A53803

RKEC PROJECTS LIMITED

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	2,43,99,07,510
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	1,10,76,95,237
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**
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			

In Terms of our report of even date annexed

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

G Govinda Rao
Partner
Membership No.244754
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for and on behalf of board of directors of
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(G. Radhakrishna)
Managing Director
DIN: 00073080

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

G S Narayana
CFO

Deepika Rathi
Company Secretary, ACS
M.No.A53803

RKEC PROJECTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 st Mar , 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)	39,07,21,990	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
Dividend(Interim) Paid during the year (Incl Dividend dist tax)	(5,78,46,135)	(2,89,21,938)
Interest paid	(11,32,56,378)	(5,44,14,361)
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 comparision purposes.

In Terms of our report of even date annexed

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

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

Visakhapatnam
27/06/2020

for and on behalf of board of directors of
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(G. Radhakrishna)
Managing Director
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Whole-time Director
DIN: 00094961

G S Narayana
CFO

Deepika Rathi
Company Secretary, ACS
M.No.A53803

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THESTANDALONE 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, RednamGardens,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 Systemsetc. Company has been changed from Private Limited Company to a limited Company on November10, 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 atcost 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 thearrangement 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 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.

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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 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 losson 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:
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.

(ii) Employee Gratuity Fund Scheme is the Defined Benefit Plan. The costs of providing benefits under the plan is determined on the basis of actuarial valuationat 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.

(iii) 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

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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.

RKEC PROJECTS LIMITED

Notes forming part of the financials statements as on 31st Mar 2020

(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 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**		**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 Bank	5,51,860	11,18,292	14,54,206	5,58,720
	CAR Loan-II - Bank of Baroda (formerly Vijaya Banl	4,32,427	8,78,592	11,41,406	4,38,960
	CAR Loan-III - Bank of Baroda (formerly Vijaya Ban	2,54,336	3,13,680	4,99,722	1,56,720
	CAR Loan-IV - Bank of Baroda (formerly Vijaya Bar	7,34,485	61,94,580	59,57,429	30,94,920
	PLANT & MACHINERY Loan - Indusind Bank I	88,97,999	54,03,600	-	-
	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	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	61,82,101.00
	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
	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	47,03,190
	Total	**61,45,02,552**	**46,64,42,112**

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 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)*

RKEC PROJECTS LIMITED

Notes forming part of the financials statements as on 31st Mar 2020

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

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**

RKEC PROJECTS LIMITED

Notes forming part of the financials statements as on 31st Mar 2020

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

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	############
	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.*

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RKEC PROJECTS LIMITED Visakhapatnam-CC

RKEC PROJECTS LIMITED

Notes forming part of the financials statements as on 31st Mar 2020

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

Note		As at 31st March, 2020	As at 31st March, 2019
17	**Short Term Loans and Advances**		
	(Unsecured, Considered and good, for the value to be received in cash or kind)		
	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**

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RKEC Projects Limited Visakhapatnam

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**

Note		for the year ended 31st March, 2020	for the year ended 31st March, 2019
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**

Note		for the year ended 31st March, 2020	for the year ended 31st March, 2019
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**

Note		for the year ended 31st March, 2020	for the year ended 31st March, 2019
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*

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RKEC PROJECTS LIMITED

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 settlemet. 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
*** *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

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RKEC PROJECTS LIMITED Vijayawada

RKEC PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

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**

11.2 **Capital Work In Progress* Rs. 22,53,28,880 (Previous Year Rs. 9,97,18,191**

** refer note no.29.13*

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Notes to the Standalone Statement of Profit and Loss for the year ended 31st March, 2020

28.0 The company has classified the various benefits prescribed to employees as under:

Particulars	31st March, 2020	31st March, 2019
I. Defined Contribution Plans:		
Employer's Contribution to Provident Fund	52,45,259	36,65,158
Employer's Contribution to ESI	13,67,836	8,33,069

II. Defined benefit plans:

Provision for Gratuity has been provided in accordance with AS-15. Actuarial valuation was performed in respect of All actuarial gains and losses arising during the year are recognized in the Statement of Profit and Loss for the year. The following table sets out the status of the gratuity plans as required under AS-15(Revised)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation :

Particulars	31st March, 2020	31st March, 2019
Change in the present value of defined obligation		
Opening present value of defined benefit obligation	94,32,272	83,36,047
Current services cost	20,59,501	13,82,031
Interest cost	7,39,189	6,16,867
Expected return on planned assets	-	
Actuarial losses/ (gain) on obligation	7,61,198	(7,12,577)
Benefits paid	(2,67,058)	(1,90,096)
Closing present value of defined benefit obligation	1,27,25,102	94,32,272
Change in the fair value of assets		
Opening fair value of plan assets	20,81,836	19,63,850
Expected return on plan assets	1,66,547	1,58,575
Actuarial gains/ (losses)	(13,306)	(40,589)
Contributions by employer	22,35,077	20,81,836
Benefits paid		
Closing fair value of plan assets	22,35,077	20,81,836
Actual Return on Asset	1,53,241	1,17,986
Amount recognized in the Balance Sheet		
Present Value of Funded Obligations	1,27,25,102	94,32,272
Less: Fair Value of Plan Assets	22,35,077	20,81,836
Net Liability	**1,04,90,025**	**73,50,436**
Expense recognized in Statement of Profit and Loss		
Current services cost	20,59,501	13,03,285
Interest on Defined Benefit Obligation	7,39,189	6,16,867
Expected return on plan assets	(1,66,547)	(1,58,575)
Net actuarial losses / (gains) recognized in year	7,74,504	(6,71,988)
Past service cost	-	78,746
Net benefit expense	34,06,647	11,68,335
Actual return on plan assets	-	-
Summary of Actuarial Assumptions		
Financial assumptions at the valuation date:		
Discount Rate	7.40%	7.35%
Salary Escalation Rate	5.00%	5.00%
Attrition Rate	9.50	9.70

provision was made for the liability in the balance sheet.

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RKEC PROJECTS LIMITED

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	13742	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.

Amount(Rs.)

Years	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

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RKEC PROJECTS LIMITED Visakhapatnam-530

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

Rs. in lakhs

	Related party transactions summary	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
	*Note: ** Amounts in brackets were pertains to previous year 2018-19*					
1	Lease of machinery / Building	17.60	18.00	-	-	**35.60**
		(12.00)	*(18.00)*	-	-	(30.00)
2	Managerial Remuneration	359.50	-	-	-	**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

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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 profits (less recognised losses) upto the reporting date	97,435	74,856
	- 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 :**

		Year ended 31/03/2020 Rs. Lakhs	Year ended 31/03/2019 Rs. Lakhs
a) Guarantees			
1	Collateral given to bankers in respect of Bank Guarantees *for the operations carrying out by the Company*	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
c) 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 Mangement 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	106.45
b)	SEW Infrastructure Ltd	Amount due from the party, notice of demand under Insolvency Act was sent against the company and no furthur action was initiated as on this date.	235.04	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 writpetition 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	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

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

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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 opeartions 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 Comapny 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

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

Visakhapatnam
Jun 27, 2020

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

(G. Radhakrishna)
Managing Director
DIN: 00073080

G S Narayana
CFO

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

Deepika Rathi
Company Secretary, ACS
M.No.A53803

RKEC PROJECTS LIMITED

Statement of Sundry Debtors as on 31-03-2020

Party	Amount	Retention	Addl., S D/40% Retained	Withheld	Total	Below 6 Months	Above 6 Months
Purvanchal Vidhyut Vikas Nigam Lir	**25,84,57,559**	**8,20,02,933**	**13,96,31,026**		**48,00,91,518**		**48,00,91,518**
Indian Oil Corporation Limited	22,46,516	5,77,098			28,23,614		28,23,614
Cochin Port Trust	318310	70,461		8,12,278	12,01,049		12,01,049
Jawaharlal Nehru Port Trust	2,86,84,887	2,70,98,496		80,00,000	6,37,83,383	5,14,95,992	1,22,87,391
SEW Infrastructure Limited	2,35,04,121				2,35,04,121		2,35,04,121
National Highway PWD	27	1,44,38,260			1,44,38,287		1,44,38,287
IVRCL Limited Mouda	91,68,334				91,68,334		91,68,334
Director General Naval Project (CG)		83,197	7,75,000		8,58,197		8,58,197
Director General Naval Project Gemini craft		11,19,263		5,282	11,24,545	11,12,575	11,970
Director General Naval Project Shore Supply	1,97,396		5,31,500	19,05,160	26,34,056	11,46,629	14,87,427
Director General Naval Project SSP	2,92,00,478		3,75,000	18,05,000	3,13,80,478	3,10,00,478	3,80,000
Director General Naval Project Yardservices		97,459		58,719	1,56,178	1,56,178	
GE MES Leimakhong		11,21,160			11,21,160		11,21,160
CVRDE	34,25,627				34,25,627		34,25,627
Mumbai Port Trust	15,60,503				15,60,503		15,60,503
Rashtriya Ispat Nigam Limite VSP-Civil	11,42,479				11,42,479		11,42,479
IVRCL Limited Beas	14,76,610				14,76,610		14,76,610
Satara Irrigation		1,97,500		87,134	2,84,634		2,84,634
Akash Infra	3,55,600				3,55,600		3,55,600
Krishna Irrigation		1,11,705		2,35,307	3,47,012		3,47,012
EX Eng Koyna Irrigation		58,000			58,000		58,000
Tarli Rivier Division		1,05,000			1,05,000		1,05,000
CQCE RKEC JV	5,40,59,884	1,63,71,350		26,03,04,332	33,07,35,566	20,02,22,241	13,05,13,325
Greater VSP Smart City Co.,	14,25,000	33,25,610		16,797	47,67,407	34,28,809	13,38,598
Ranss Consortium				19,340	19,340		19,340
Naram Enterprises Pvt Ltd	30,78,727				30,78,727		30,78,727
Adani Infra (India) Limited	6,18,26,142	84,17,449		10,000	7,02,53,591	7,02,53,591	
GE MES (Ware House)		13,62,500		1,79,000	15,41,500	15,41,500	-
GVPR ENGINEERS LTD	1,09,30,271			29,07,645	1,38,37,916	1,38,37,916	-
	49,10,58,470	**15,65,57,441**	**14,13,12,526**	**27,63,45,994**	**1,06,52,74,432**	**37,41,95,909**	**69,10,78,523**

	Below 6 Months	Above 6 Months
Debtor	18,61,26,662	30,49,31,809
Retention	4,94,59,738	24,84,10,229
Withheld	13,86,09,509	13,77,36,485
Total	**37,41,95,909**	**69,10,78,523**

RKEC PROJECTS LIMITED Visakhapatnam-20

Brahmananda Reddy & Associates Vizag Chartered Accountants