

RKEC PROJECTS LIMITED



Registered office 10-12-1 ,3rd floor Rednam Alcazar , Redbam Gardens
Oppsbi main branch, Visakhapatnam 530002.

Standalone Statement of Assets and Liabilites as at 31-03-2021

Particulars	Rs in lacs		
	31-03-2021	31-03-2020	01-04-2019
ASSETS			
Non- Current Assets			
a) Property, Plant and Equipment	5,472.31	3,294.73	1,918.08
b) Capital Work-in-Progress	4.87	2,253.29	997.18
c) Investment Property			
d) Goodwill			
e) Other Intangible Assets	1.10	2.68	1.98
f) Intangible Assets under Development			
e) Biological Assets other than Bearer Plants			
h) Financial Assets			
i) Investments	6.47	0.73	13.41
ii) Trade Receivables			
iii) Loans			
iv) Others (to be specified)			
i) Deferred tax Assets	149.58	130.92	97.63
j) Other Non- Current Assets			
	5,634.34	5,682.35	3,028.29
Current Assets			
a) Inventories	7,152.85	7,198.67	4,451.79
b) Financial Assets			
i) Investments			
ii) Trade Receivables	16,896.18	10,652.74	8,215.33
iii) Cash and cash equivalent	118.54	301.98	70.46
iv) Bank balances other than	3,625.73	4,141.39	3,234.46
v) Loans	106.80	1,699.76	1,698.96
vi) Others (to be specified)			
c) Current tax Assets (Net)			
d) Other Current Assets	2,363.92	2,568.00	2,724.21
	30,264.04	26,562.54	20,395.21
Total Assets	35,899.38	32,244.89	23,423.50

RKEC Projects Limited

GST No. : 37AACCR9682A1Z8

Regd. Office : # 10-12-1, 3rd Floor, Rednam Alcazar, Rednam Gardens, Opp. SBI Main Branch, Visakhapatnam-530 002

M: 0891-2574517 Tele Fax: 0891-2574703 Email: info@rkecprojects.com, Website: www.rkecprojects.com

EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	2,399.06	2,399.06	2,399.06
b) Other Equity	10,886.67	9,610.18	7,161.44
	13,285.73	12,009.24	9,560.50
Liabilities			
Non- Current Liabilities			
a) Financial Liabilities			
i) Borrowings	605.78	392.03	150.75
ii) Trade Payables			
iii) Other Financial Liabilities (other than those specified in item (b) above,			
b) Provisions	104.90	70.83	61.82
c) Deferred tax Liabilities (Net)			
d) Other Non- Current Liabilities			
	710.68	462.86	212.57
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	10,100.48	6,145.03	4,664.42
ii) Trade Payables	6,656.38	9,380.33	7,506.96
iii) Other Financial Liabilities (other than those specified in item (C)			
b) Other Current Liabilities	344.69	419.85	141.76
c) Provisions	4,205.84	2,865.06	1,093.03
d) Current tax Liabilities (Net)	594.59	962.51	244.26
	21,901.97	19,772.78	13,650.43
Total Equity and Liabilities	35,899.38	32,244.89	23,423.50
	0.00	-0.00	0.00

In Terms of our report of even date annexed

for SARC & Associates
Chartered Accountants
FRN : 006085N

Chandra Sekhar Akula
Partner
Membership No. 206704
UDIN: 21206704AAADT3486

Dt: 29-06-2021

Visakhapatnam : # 10-12-1, 3rd Floor, Rednam Alcazar, Rednam Gardens, Opp. SBP Main Branch, Visakhapatnam-530 002

M: 0891-2574517 Tele Fax: 0891-2574703 Email: info@rkecprojects.com, Website: www.rkecprojects.com

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



G. Radhakrishna
Managing Director
DIN: 00073080

R. Jaychandran

G. Parvathi Devi

G. Parvathi Devi
Whole Time Director
DIN: 00094961

Deepika Rathi

Deepika Rathi
DIN No. : 37AACC9682A1Z8

RKEC Projects Limited

RKEC Projects Limited

Registered office 10-12-1, 3rd floor Rednam Alcazar, Rednam Gardens oppsbi main branch, Visakhapatnam-530002

Standalone Financial Results for the Quarter and Year ended 31st March 2021

Rs in Lacs

Sl. No.	Particulars	Audited	UnAudited	UnAudited	Audited	
		Quartered ended 31st March 2021	Quartered ended 31st Dec 2020	Quartered ended 31st March 2020	Year ended 31st March 2021	Year ended 31st March 2020
1	Revenue from Operations	8,558.57	5,305.85	11,865.60	20,231.30	29,793.41
2	Other Income	193.45	34.19	59.27	345.74	257.89
3	Total (1+2)	8,752.02	5,340.04	11,924.87	20,577.04	30,051.30
4	Expenses					
	a) Operating expenses	6,149.22	3,866.22	8,209.76	14,488.65	20,005.05
	b) Employee Benefit expenses	406.94	321.05	588.35	1,419.85	1,834.91
	c) Finance Costs	464.77	364.74	88.55	1,150.50	1,132.56
	d) Depreciation and amortisation expenses	31.42	31.42	225.90	398.80	414.46
	e) Other expenses	783.21	294.95	537.31	1,373.68	1,249.97
	Total exepeses (4)	7,835.56	4878.380089	9649.870273	18831.47902	24636.9525
5	Profit before exceptional items (3-4)	916.46	461.66	2,275.00	1,745.56	5,414.35
6	Exceptional Items		-	578.73	0	1,332.89
7	Profit before Tax (5-6)	916.46	461.66	1,696.27	1,745.56	4,081.46
8	Tax expenses					
	Current Tax	239.88	116.67	533.93	487.73	1,087.55
	Deferred Tax	-70.75	1.34	-24.04	-18.66	-32.29
9	Profit for the year (7-8)	747.32	343.65	1,186.38	1,276.49	3,026.21
10	Other Comprehensive Income	0	-	0	0	0
11	Total Comprehensive Income	747.32	343.65	1,186.38	1,276.49	3,026.21
12	Paid up Share capital (Face value of Rs. 10 each)	2,399	2,399	2,399	2,399	2,399
13	Paid up debt capital/ Outstanding debt	Nil	Nil	Nil	Nil	Nil
14	Earning per share					
	(1) Basic (In Rs.)	3.10	1.44	4.94	5.32	12.62
	(2) Diluted (In Rs.)	3.10	1.44	4.94	5.32	12.62

In Terms of our report of even date annexed

for SARC & Associates
Chartered Accountants
FRN : 006085N

Chandra Sekhar Akula
Partner

Membership No. 206704

UDIN: 21206704AAADT3486

Dt: 29-06-2021

Visakhapatnam

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

(G. Radhakrishna)
Managing Director
DIN: 00073080

R. Jaychandran
CFO



G.P. Parvathi Devi
G.P. Parvathi Devi
Whole Time Director
DIN: 00094961

Deepika Rathi
Deepika Rathi

RKEC Projects Limited

GST No. : 37AACCR9682A1Z8

RKEC PROJECTS LIMITED		
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021		
Rs in Lacs		
Particulars	31-03-2021	31-03-2020
Cash flow from Operating Activities		
Profit before Tax	1,745.56	4,081.46
Adjustments for		
Depreciation	398.80	414.46
Loss/(Profit) from Joint Venture	7.02	-5.20
Loss/(Profit) on Sale of Fixed Assets	-0.36	-6.72
Interest Expense	1,150.50	1,132.56
Interest Income	-215.00	-243.69
Operating Profit before Working Capital changes	3,086.52	5,372.88
Adjustments for		
Increase/(Decrease) in Trade Payables	-2,723.95	1,873.38
Increase/(Decrease) in Long Term Provisions	34.07	9.01
Increase/(Decrease) in Short Term Provisions	-367.92	718.25
Increase/(Decrease) in Other Financial Liabilities	-75.16	278.09
Increase/(Decrease) in Other Current Liabilities	1,340.77	1,772.03
(Increase)/Decrease in Trade Receivables	-6,243.44	-2,437.41
(Increase)/Decrease in Inventories	45.82	-2,746.88
(Increase)/Decrease in Short Term Loans and Advances	1,592.95	-0.80
(Increase)/Decrease in Other Current Assets	204.08	156.21
(Increase)/Decrease in Deferred Tax Assets	-18.66	-33.29
Cash (used) in/generated from Operations	-3,124.93	4,961.48
Income Taxes paid	-469.07	-1,054.26
Net Cash from Operating Activities	-3,594.00	3,907.22
Cash Flow from Investing Activities		
Purchase of Fixed Assets, including Intangible Assets, CWIP and Capital Advances	-2,638.63	-1,793.92
CWIP	2,248.42	-1,256.11
Investment in Joint Venture	-5.74	12.68
Profit/(Loss) from Joint Venture	-7.02	5.20
Proceeds from Sale of Fixed Assets	64.19	8.83
Bank Balances not considered as Cash and Cash Equivalents		
Equivalents	436.40	-877.07
Interest Received	215.00	243.69
Net Cash from Investing Activities	312.62	-3,656.69
Cash Flow from Financing Activities		
Proceeds from (Repayment of) Long Term Borrowings	213.75	241.28
Proceeds from (Repayment of) Short Term Borrowings	3,955.46	1,480.60
Dividend (Interim) paid during the year (including Dividend Distribution Tax)		-578.46
Interest Paid	-1,150.50	-1,132.56
Net Cash from Financing Activities	3,018.70	10.86
Net Increase/(Decrease) in Cash and Cash Equivalents	-262.69	261.38
Cash and Cash Equivalents at the beginning of the year	302.70	41.31
Cash and Cash Equivalents at the end of the year	40.01	302.70

In Terms of our report of even date annexed

for SARC & Associates
Chartered Accountants
FRN : 006085M

Chandra Sekhar Akula
Partner
Membership No. 206704
UDIN:

Dt: 29-06-2021
Visakhapatnam

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

(G. Radhakrishna)
Managing Director
DIN: 00073080

R. Jaychandran
CFO

G. Parvathi Devi

G. Parvathi Devi
Whole Time Director
DIN: 00094961

Deenika Bathi
Company Secretary

RKEC Projects Limited

GST No. : 37AACCR9682A1Z8



Notes:

1 The above Audited Financial statements for the Year ended 31st MAR 2021 have been reviewed and recommended by the Audit committee at its meeting held on JUNE 29th, 2021. The Statutory Auditor has given their Audit report on the Audited Financial for the Year ended 31st March 2021 which reviewed by the audit committee and the board on 29th Jun 2021.

2 There is a common CODM assesses the internal reports of all the projects that the company is undertaking and accordingly the resource allocation and the key decisions are being handled. Also that there is a commonality involved in all the projects that the company is undertaking with respect to the nature of the work, technicality involved, expertise etc., In view of the same, no separate reportable segments are identified by the Management for the purpose of reporting in the Financial statements.

3 The mandatory requirement of implantation of Ind AS is made applicable to company from the Financial year 2020-21 since the Company upgraded to Main board in NSE and the exemption from application Ind AS is no longer available. In view of this, this is to state that the Audited results for the Year ending 31st Mar 2021 are given as comparatives.

4 The Reduction of Turnover was due to pandaemic, slowdown at farakka project and working capital strain

In Terms of our report of even date annexed

for SARC & Associates
Chartered Accountants
FRN: 006085N


Chandra Sekhar Akula
Partner

Membership No. 206704

UDIN: 21206704AAAA DT 3486

Dt: 29-06-2021

Visakhapatnam



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


(G. Radhakrishna)
Managing Director
DIN: 00073080


R. Jaychandran
CFO




G. Parvathi Devi
Whole Time Director
DIN: 00094961


Deepika Rathi
Company Secretary

INDEPENDENT AUDITOR'S REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS

To the members of RKEC Projects Limited

Report on Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of M/s. RKEC Projects Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended 31st March, 2021 and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

(2)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by 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 31st March, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2020 and the transition date opening Balance Sheet as at 1st April, 2019 included in these Standalone Ind AS Financial Statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 duly audited whose report for the year ended 31st March, 2019 audited by other auditors vide report dated 29th May, 2019 and for the year ended 31st March, 2020 audited by Other auditor vide report dated 27th Jun, 2020 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion on the Standalone Ind AS Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.



Report on Legal and other Regulatory Framework

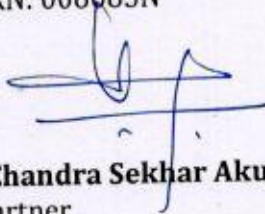
1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on June 12th, 2021 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 from being reappointed as a Director in terms of Section 164(2) of the Act except the one director retiring by rotation at the ensuing Annual General Meeting of the Company render themselves ineligible for reappointment 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 B". 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 Auditors' 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 financial statements (Refer Note 06 Additional Information to the Standalone Ind AS Financial Statements);



(4)

- ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2021 for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

For **SARC & Associates**
Chartered Accountants
FRN: 006085N



(Chandra Sekhar Akula)

Partner

M. No.: 206704

Place: Visakhapatnam

Date: 29-06-2021

UDIN 21206704AAAADU1811



ANNEXURE A TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 1 under 'Report on Legal and Regulatory Requirements' section of our report of even date)

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets
b. According to the information and explanations given to us, physical verification of major portion of fixed assets was conducted by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its business and no material discrepancies were noticed on such verification.
c. According to the information and explanations given to us, the records examined by us and based on the examination of mortgage deeds provided to us, we report that, the title deeds of all immovable properties of land and buildings which are freehold are held in the name of the Company as at balance sheet date.
- ii. The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with the third parties at the year end, written confirmations were subsequently available. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- iii. According to the information and explanations given to us, the Company has not granted unsecured loans to its subsidiaries covered under Section 189 of the Act.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and securities.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of Clause 3(v) of the Order is not applicable

to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

- vi. According to the information and explanations given to us, the Company has maintained books of account and other records pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act relating to manufacture of Woven graige fabric, woven processed fabric, spinning and polyester. We have broadly reviewed the cost records maintained by the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there have been several delays during the year in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of customs, duty of excise and Value Added tax and other statutory dues with the appropriate authorities.
- b. According to the information and explanations given to us the undisputed amounts payable in respect of Income-tax, and other statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable are as under:

Name of Statute	Nature of dues	Amount Involved	Period to which amount relates	Due Date
Under ESI Act	ESI	7,17,955	Jul-20 to Mar 21	15 th of following month
Under PF Act	PF	73,14,552	Jul-20 to Mar 21	15 th of following month
Under Gratuity Act	Gratuity	32,43,439	FY 2020-21	31-03-2020
GST Payable	GST	7,73,85,222	FY 2020-21	20-10-2021



c. According to the records of the Company, there are no dues in respect of Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise and Value Added Tax that have not been deposited as on March 31, 2021 on account of disputes, other than as follows:

Name of Statute	Nature of dues	Amount Involved	Period to which amount relates	Forum where dispute is pending
		NIL		
		NIL		

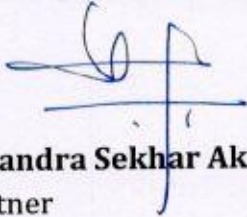
- viii. According to the information and explanations given to us and based on records examined by us we are of the opinion that the moneys raised by way of term loans by the Company during the year were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- ix. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- x. According to the information and explanations given to us and based on our examination of the records, we report that the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xi. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of Clause 3(xii) of the Order is not applicable to the Company.
- xii. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act,



where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, 'Related Party Disclosures' specified under Section 133 of the Act.

- xiii. According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order is not applicable to the Company.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with them as prescribed under section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order is not applicable to the Company
- xv. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **SARC Associates**
Chartered Accountants
Firm Registration No.: 006085N



(Chandra Sekhar Akula)

Partner

M No.: 206704

Place: Visakhapatnam

Date: 29-06-2021



UDIN: - 21206704 AAAADU 1811

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE

IND AS FINANCIAL STATEMENTS OF RKEC PROJECTS LIMITED

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory
Requirements' section of our report of even date)**

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE(I) OF SUB SECTION 3 OF SEC 143 OF THE COMPANIES ACT 2013 (THE "ACT")

We have audited the internal financial controls over financial reporting of RKEC Projects Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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.

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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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.

Inherent Limitations of Internal Financial Controls over Financial Reporting

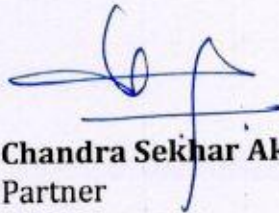
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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

In our opinion and to the best of our information and according to explanation 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 31st March 2021, 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 **SARC Associates**
Chartered Accountants
FRN :006085N



Chandra Sekhar Akula
Partner
M No.: 206704
Place: Visakhapatnam
Date: 29-06-2021



UDIN: 21206204 AAAADU1811

RKEC PROJECTS LIMITED



Registered office 10-12-1, 3rd floor Rednam Alcazar, Rednam Gardens oppsbi main branch, Visakhapatnam 530002.

Consolidated Statement of Assets and Liabilites as at 31-03-2021

(Rs. In Lacs)

Particulars	31-03-2021	31-03-2020	01-04-2019
ASSETS			
Non- Current Assets			
a) Property, Plant and Equipment	5,472.31	3,294.73	1,918.08
b) Capital Work-in-Progress	4.87	2,253.29	997.18
c) Investment Property			
d) Goodwill			
e) Other Intangible Assets	1.10	2.68	1.98
f) Intangible Assets under Development			
e) Biological Assets other than Bearer Plants			
h) Financial Assets			
i) Investments			
ii) Trade Receivables			
iii)Loans			
iv) Others (to be specified)			
i) Deferred tax Assets	149.58	130.92	97.63
j) Other Non- Current Assets			
	5,627.87	5,681.62	3,014.88
Current Assets			
a) Inventories	9,458.75	9,127.21	6,584.39
b) Financial Assets			
i) Investments			
ii) Trade Receivables	14,277.80	8,464.80	8,054.61
iii) Cash and cash equivalents	84.35	424.39	70.75
iv) Bank balances other than (iii) above	3,704.27	4,140.67	3,263.60
v) Loans	106.80	1,699.76	1,698.96
vi) Others (to be specified)			
c) Current tax Assets (Net)			
d) Other Current Assets	4,495.26	3,619.70	3,259.53
	32,127.23	27,476.53	22,931.84
Total Assets	37,755.09	33,158.15	25,946.72



RKEC Projects Limited

GST No. : 37AACCR9682A1Z8

Regd. Office : # 10-12-1, 3rd Floor, Rednam Alcazar, Rednam Gardens, Opp. SBI Main Branch, Visakhapatnam-530 002
M: 0891-2574517 Tele Fax: 0891-2574703 Email: info@rkecprojects.com, Website: www.rkecprojects.com

EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	2,399.06	2,399.06	2,399.06
b) Other Equity	10,554.20	9,277.85	6,991.29
	12,953.26	11,676.91	9,390.35
Liabilities			
Non- Current Liabilities			
a) Financial Liabilities			
i) Borrowings	605.78	392.03	150.75
ii) Trade Payables			
iii) Other Financial Liabilities (other than those specified in item (b) above, to be specified)			
b) Provisions	104.90	70.83	61.82
c) Deferred tax Liabilities (Net)			
d) Other Non- Current Liabilities			
	710.68	462.86	212.57
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	10,100.48	6,145.03	4,665.42
ii) Trade Payables	7,259.68	9,675.97	7,623.31
iii) Other Financial Liabilities (other than those specified in item (C))	344.69	419.85	141.76
b) Other Current Liabilities	5,790.41	3,814.49	3,738.94
c) Provisions	595.89	963.05	174.37
d) Current tax Liabilities (Net)			
	24,091.15	21,018.38	16,343.80
Total Equity and Liabilities	37,755.09	33,158.15	25,946.72

In Terms of our report of even date annexed

for SARC & Associates
Chartered Accountants
FRN : 006085N

(Chandra Sekhar Akula)
Partner
Membership No. 206704
UDIN: 21206704-AAAA0DS3070

Dt: 29-06-2021
Visakhapatnam

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

(G. Radhakrishna)
Managing Director
DIN: 00073080

R. Jaychandran
CFO



G. Parvathi Devi

G. Parvathi Devi
Whole Time Director
DIN: 00094961

Deepika Rathi

Deepika Rathi
Company Secretary

RKEC Projects Limited

GST No. : 37AACC9682A1Z8

Regd. Office : # 10-12-1, 3rd Floor, Rednam Alcazar, Rednam Gardens, Opp. SBI Main Branch, Visakhapatnam-530 002
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RKEC PROJECTS LIMITED

Registered office 10-12-1 ,3rd floor Rednam Alcazar , Redbam Gardens oppsbi main branch, Visakhapatnam 530002.
Consolidated Financial Results for the Quarter and Year ended 31st March 2021

Rs in Lacs

Sl. No.	Particulars	Audited	UnAudited	UnAudited	Audited	
		Quartered ended 31st March 2021	Quartered ended 31st Dec 2020	Quartered ended 31st March 2020	Year ended 31st March 2021	Year ended 31st March 2020
1	Revenue from Operation	8,581.41	5,312.87	11,561.37	20,786.63	30,398.25
2	Other Income	193.21	34.19	101.20	345.74	294.32
3	Total (1+2)	8,774.63	5,347.06	11,662.57	21,132.37	30,692.56
4	Expenses					
	a) Operating expenses	6,197.72	3,846.50	8,154.96	15,042.70	20,808.42
	b) Employee Benefit exp	406.81	321.05	588.35	1,419.85	1,834.91
	c) Finance Costs	439.78	389.71	108.34	1,150.50	1,132.56
	d) Depreciation and amortisation expenses	31.42	31.42	225.90	398.80	414.46
	e) Other expenses	784.29	294.95	537.00	1,375.05	1,250.04
	Total exepes (4)	7,860.03	4,883.63	9,614.55	19,386.91	25,440.40
5	Profit before exceptional items (3-4)	914.60	463.43	2,048.02	1,745.46	5,252.16
6	Exceptional Items		-	578.73		
7	Profit before Tax (5-6)	914.60	463.43	1,469.29	1,745.46	5,252.16
8	Tax expenses					
	Current Tax	239.94	116.64	560.27	487.76	1,087.55
	Deferred Tax	-69.60	1.34	-24.04	-18.66	-33.29
9	Profit for the year (7-8)	744.25	345.45	933.06	1,276.36	4,197.91
10	Other Comprehensive Inc	0	0	0	0	0
11	Total Comprehensive Inc	744.25	345.45	933.06	1,276.36	4,197.91
12	Paid up Share capital (Face value of Rs. 10 each)	2,399	2,399	2,399	2,399	2,399
13	Paid up debt capital/ Outstanding debt	Nil	Nil	Nil	Nil	Nil
14	Earning per share					
	(1) Basic (In Rs.)	3.10	1.44	3.89	5.32	11.94
	(2) Diluted (In Rs.)	3.10	1.44	3.89	5.32	11.94

In Terms of our report of even date annexed

for SARC & Associates
Chartered Accountants
FRN : 006085N

Chandra Sekhar Akula
Partner
Membership No. 206704

UDIN: 21206704 AAAAD 83070

Dt: 29-06-2021
Visakhapatnam



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

(G. Radhakrishna)
Managing Director
DIN: 00073080

R. Jaychandran
CFO



G. Parvathi Devi
Whole Time Director
DIN: 00094961

Deepika Rathi
Company Secretary

RKEC Projects Limited

GST No. : 37AACCR9682A1Z8



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021

Rs in Lacs

Particulars	Figures as at 31-03-2021	Figures as at 31-03-2020
Cash flow from Operating Activities		
Profit before Tax	1,745.46	3,919.28
Adjustments for		
Depreciation	398.80	414.46
Loss/(Profit) on Sale of Fixed Assets	-0.36	-6.72
Loss/(Profit) from Joint Venture	7.02	-5.20
Interest Expense	1,150.50	1,132.56
Interest Income	-215.00	-243.69
Operating Profit before Working Capital changes	3,086.41	5,210.70
Adjustments for		
Increase/(Decrease) in Trade Payables	-2,416.29	2,052.66
Increase/(Decrease) in Long Term Provisions	34.07	9.01
Increase/(Decrease) in Short Term Provisions	-367.16	788.68
Increase/(Decrease) in Other Financial Liabilities	-75.16	278.09
Increase/(Decrease) in Other Current Liabilities	1,975.92	75.55
(Increase)/Decrease in Trade Receivables	-5,813.00	-410.19
(Increase)/Decrease in Inventories	-331.54	-2,542.82
(Increase)/Decrease in Short Term Loans and Advances	1,592.95	-0.80
(Increase)/Decrease in Other Current Assets	-875.55	-360.18
(Increase)/Decrease in Deferred Tax Asset	-18.66	-33.29
Cash (used) in/generated from Operations	-3,208.00	5,067.41
Income Taxes paid	-469.10	-1,054.26
Net Cash from Operating Activities	-3,677.10	4,013.15
Cash Flow from Investing Activities		
Purchase of Fixed Assets, including Intangible Assets, CWIP and Capital Advances	-2,638.63	-1,793.92
CWIP	2,248.42	-1,256.11
Profit/(Loss) from Joint Venture	-7.02	5.20
Proceeds from Sale of Fixed Assets	64.19	8.83
Bank Balances not considered as Cash and Cash Equivalents	436.40	-877.07
Interest Received	215.00	243.69
Net Cash from Investing Activities	318.36	-3,669.38
Cash Flow from Financing Activities		
Proceeds from (Repayment of) Long Term Borrowings	213.75	241.28
Proceeds from (Repayment of) Short Term Borrowings	3,955.46	1,479.61
Dividend(Interim) paid during the year (including Dividend Distribution Tax)		-578.46
Interest Paid	-1,150.50	-1,132.56
Net Cash from Financing Activities	3,018.70	9.86
Net Increase/(Decrease) in Cash and Cash Equivalents	-340.04	353.64
Cash and Cash Equivalents at the beginning of the year	424.39	70.75
Cash and Cash Equivalents at the end of the year	84.35	424.39

In Terms of our report of even date annexed

for SARC & Associates

Chartered Accountants

FRN : 006085N

(Chandra Sekhar Akula)

Partner

Membership No. 206704

UDIN:

Dt: 29-06-2021

Regd. Office: # 10-12-1, 3rd Floor, Rednam Alcazar, Rednam Gardens, Opp. SBI Main Branch, Visakhapatnam-530 002

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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

RKEC Projects Limited

GST No. : 37AACCR9682A1Z8

R. Jaychandran

Deepika Rathi

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

To the members of RKEC Projects Limited

Report on Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of RKEC PROJECTS Limited (the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries constitute "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statements of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (the "Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid

(2)

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by 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 31st March, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.



Other Matters

- i. We did not audit the financial statements of RKEC & SURYADEVARA JV whose financial statements reflect total assets of Rs. 19,72,397/- as at 31st March, 2021, total revenues of Rs. 1,18,76,184 /-and net cash inflows amounting to Rs. 7,63,521/-, net loss of Rs. 41,92,934/-, and total comprehensive income amounting to Rs. 0 for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- ii. The comparative financial information for the year ended 31st March, 2020 and the transition date opening Balance Sheet as at 1st April, 2019 included in these Consolidated Ind AS Financial Statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements of Holding Company have been audited by us and report for the year ended 31st March, 2019 issued by other auditors vide report dated 29th May, 2019 and for the year ended 31st March, 2020 have been audited by the other auditor vide report dated 27th Jun, 2020 expressed an unqualified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group and its associates and jointly controlled entities on transition to the Ind AS, which have been audited by us. Our opinion on the Consolidated Ind AS Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Legal and other Regulatory Framework

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable 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 relating to the preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept by the Company so far as it appears from our examination of those books.



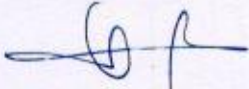
(4)

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company and jointly controlled company incorporated in India none of the directors of the Group, associates and its Jointly Controlled entities incorporated in India are disqualified as on 31st March, 2021 from being reappointed as a director in terms of Section 164(2) of the Act except the two directors of Holding company retiring by rotation at the ensuing Annual General Meeting of the Holding Company render themselves ineligible for reappointment in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting and operating effectiveness of such controls, refer to our separate report in "Annexure B"; which is based on the reports of the auditors of Holding company, subsidiary companies, its associates and jointly controlled entities incorporated in India; and
- g. With respect to the other matters to be included in the Auditors' 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 Ind AS Financial Statements disclose the impact of pending litigation on the consolidated financial position of the Group, its associates and jointly controlled entities. (Refer Note XX to the Consolidated Ind AS Financial Statements)



- ii. The Group, its associates and jointly controlled entities did not have any outstanding long-term contract including derivative contract as at 31st March, 2021 for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries, Associate companies and jointly controlled companies incorporated in India.

For **SARC Associates**
Chartered Accountants
FRN: 006085N



(Chandra Sekhar Akula)
Partner

M. No.: 206704

Place: Visakhapatnam

Date: 29-06-2021

UDIN: 21206704 AAAADN 7159



**ANNEXURE" B" TO THE INDEPENDENT AUDITORS' REPORT ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF RKEC PROJECTS LIMITED**

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

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-
SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (THE "ACT")**

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of RKEC Projects Limited ("the Holding Company"), and that of its subsidiary company (the Holding Company and its subsidiary constitute "the Group"), its associate companies and jointly controlled entities which are companies incorporated in India, audited by the respective auditors of those companies as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, associate companies and jointly controlled entities all incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, 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. (the "Guidance Note") These responsibilities include the design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit and that of the respective auditors of subsidiary, associate companies and jointly controlled entities in relation to companies audited by them. We and respective auditors have conducted the audit in accordance with the Guidance Note 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 the auditors 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.

(2)

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. 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's, its associates and its jointly controlled entities, incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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.

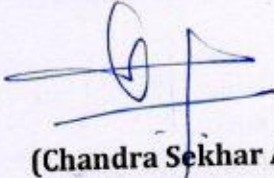


(3)

Opinion

In our opinion, to the best of our information and according to explanation given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company, its subsidiary company, associate companies and jointly controlled entities, which are incorporated in India, have, 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 31st March, 2021, based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note.

For **SARC & Associates**
Chartered Accountants
FRN: 006085N



(Chandra Sekhar Akula)
Partner

M No.: 206704

Place: Visakapatnam

Date: 29-06-2021

UDIN: 21206704 AAAADV 7159

