

# RKEC PROJECTS PRIVATE LIMITED

SPECIALISTS IN CONSTRUCTION OF BRIDGES AND MARINE WORKS

An ISO 9001 - 2008 Certified Company

CIN-U45200AP2005PTC45795

## ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that the **ELEVENTH** Annual General Meeting of the members of M/s RKEC PROJECTS PRIVATE LIMITED, (the Company) will be held at the Registered Office at Door No.10-12-1, Rednam Alcazar, 3<sup>rd</sup> Floor, Opp: SBI Main Branch, Old Jail Road, Rednam Gardens, Visakhapatnam - 530020 on Friday, the 30<sup>th</sup> September, 2016 at 10.00 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2016 together with the Report of Auditors and Directors thereon.
2. To ratify the appointment of M/s. Rama Subba Rao & Co, Chartered Accountants, (FRN.002855S) as approved by the Members at the Ninth Annual General Meeting as Statutory Auditors of the Company and to hold office until the conclusion of Fourteenth Annual General Meeting at a remuneration to be decided by the Board of Directors in consultation with the Auditors for the financial year ending 31<sup>st</sup> March, 2017.

### SPECIAL BUSINESS:

3. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Sri. Boina Pothanna (DIN: 06934184) who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 19<sup>th</sup> November, 2015 pursuant to section 161 of the Companies Act, 2013 and who holds the office till the date of this AGM, be and is hereby appointed as Director of the Company.

4. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Sri. Pilla Bangarayya (DIN:06934186) who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 19<sup>th</sup> November, 2015 pursuant to section 161 of the Companies Act, 2013 and who holds the office till the date of this AGM, be and is hereby appointed as Director of the Company.

For RKEC PROJECTS PRIVATE LIMITED



(G.RADHAKRISHNA)  
Managing Director

Registered Office :

# 10-12-1, Rednam Alcazar, Rednam Gardens, Visakhapatnam-530 002, A.P. India

☎ +91 891 257 4517 ☎ +91 891 257 4703

✉ info@rkecprojects.com, 🌐 www.rkecprojects.com

5. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Smt. Sita Ratnam Gudapati (DIN: 07344104) who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 19<sup>th</sup> November, 2015 pursuant to section 161 of the Companies Act, 2013 and who holds the office till the date of this AGM, be and is hereby appointed as Director of the Company.

6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of sections 13, 61 and 64 (1) (a) and other applicable provisions if any of the Companies Act, 2013, and rule 15 of Companies ( Share capital and debentures) Rules, 2014 and in accordance with Article 3(a) of the Articles of Association of the Company, the Authorized Share Capital of the Company be increased from ₹10,01,00,000 ( Ten Crores one lakh only) to ₹25,00,00,000/- ( Rupees Twenty Five Crores only) divided into 2,50,00,000 Equity shares of ₹10/- each and shall rank pari passu in all respect with the existing equity shares of the Company.

“RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby amended by substituting with the following clause “

Clause V:

The Authorized Share Capital of the Company ₹25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000 ( Two crores fifty lakhs Only) Equity Shares of ₹10/- (Rupees Ten Only) each.

The Company shall have power to increase and reduce the share capital, to issue any shares with special rights or privileges as to voting, dividend, repayments of capital or otherwise or to subject the shares to any restrictions, limitations and conditions and to vary, modify or abrogate any such rights, privileges, restrictions or conditions. The right of the holders of any class of shares for the time being forming part of the capital of the company may be modified, affected, varies, extended or surrendered.

“RESOLVED FURTHER THAT the existing Article 3(a) of the Articles of Association of the Company be substituted by the following Article”.

Article 3(a):

The Authorized Share Capital of the Company is ₹25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 ( Two crores fifty lakhs only) equity shares of ₹10/- (Rupees Ten Only) each with a power to increase or reduce in accordance with the provisions of Companies Act, 2013 and the Memorandum of Association of the Company and with power to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined in accordance with the provisions of the Act.

For RKEC PRODUCTS PRIVATE LIMITED



(G.RADHAKRISHNA)  
Managing Director

**“RESOLVED FURTHER THAT** Mr. G.Radhakrishna, Managing Director of the company be and is hereby authorized to file special resolution in MGT-14 and notice of increase in authorized share capital in Form SH-7 with the Registrar with in thirty days of such increase and to do all such acts, deeds, matters and things as may be necessary, proper and expedient to give effect to this resolution.”

7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution.

**“RESOLVED THAT** pursuant to the provisions of section 14 and other applicable provisions of the Companies Act, 2013, the Articles of Association of the company be altered by insertion of a new article 40 after the existing article 39 and to renumber the existing article 40 as article 41.

#### **CAPITALISATION OF PROFITS**

40. (i) The Company in General Meeting may, upon the recommendation of the Board, resolve:
- (a) that it is desirable to capitalize any Part of the amount for the time being standing to the credit of any of the companies Reserve Accounts or to the credit of the profit and loss accounts, or otherwise available for distribution and
  - (b) that such sum be accordingly set free for distribution amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) the sum aforesaid shall not be paid in cash but shall be applied either in or towards:
- a) paying up any amounts for the time being unpaid on any shares held by such members respectively, or
  - b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid or
  - c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b)
- (iii) A Share Premium Account and a Capital Redemption Reserve Account may, for the purpose of this Article only be applied in paying unissued shares to be issued to members of the Company as fully paid Bonus shares.
- (iv) The Board shall give effect to the resolution passed by the Company in pursuance of Article 40.

For RKEC PROJECTS PRIVATE LIMITED

  
(G. RADHAKRISHNA)  
Managing Director

8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the Articles of Association of the Company and the provisions of Section 63 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of Companies (Share Capital and Debentures) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities consent of the members be an is hereby accorded to the Board of Directors to issue of new 96,56,300 equity shares of face value of Rs.10/- each credited as fully paid-up by capitalization of an amount of Rs.9,65,63,000 out of the Company Reserves & Surplus Account standing to the credit of the company, in the proportion of One (1) new Equity Shares of Rs. 10/- each for every one (1) existing equity share of Rs. 10/- each, to all the existing shareholders whose names appear in the register of members as on a date that may be decided by the Board of Directors of the company.”

**“RESOLVED FURTHER THAT** that the new Bonus Equity shares so issued and allotted shall, for all purposes, be treated as an increase in the nominal amount of the Equity Share Capital of the Company held by each such members, not as income.”

**“RESOLVED FURTHER THAT** the Bonus Shares so issued and allotted shall rank pari passu in all respects with and will carry the same rights as the existing fully paid-up Equity Shares of the Company.”

**“RESOLVED FURTHER THAT** the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.”

**“RESOLVED FURTHER THAT** no letter of allotment shall be issued in respect of the Bonus Shares but in the case of Members who hold Equity Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in physical form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities.”

**“RESOLVED FURTHER THAT** Mr. G.Radhakrishna, Managing Director of the company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper and expedient to give effect to this resolution.”

Date: 02.09-2016  
Place: Visakhapatnam



By order of the Board

  
G. Radhakrishna  
Managing Director  
(DIN: 00073080)

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting.

2. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. An explanatory statement pursuant to the provisions of section 102(1) of the Companies Act, 2013 is annexed herewith.

**Explanatory statement pursuant to section 102 of the Companies Act, 2013:**

**Item Nos 3, 4 and 5.**

Sri. B.Pothanna, Sri P.Bangarayya and Smt G.Sita Ratnam were appointed as Additional Directors of the Company on 19<sup>th</sup> November, 2015. Pursuant to Section 161 of the Companies Act, 2013, together with the provisions of the Articles of Association of the Company, they hold office up to the ensuing Annual General Meeting and are eligible for Appointment by members. The Company will be highly benefited by continuing them as Directors of the Company. Company received notice from members proposing their intention to move resolutions in the ensuing Annual General Meeting for the appointment of these three persons as regular Director of the company.

Your directors recommended this resolution for your approval. None of the directors of the company are concerned or interested in the resolution.

**Item No.6.**

At present the Authorised Share Capital of the Company is ₹10,01,00,000/- divided into 1,00,10,000 equity shares of ₹10/- each. In view of increase in the business opportunities and to expand business avenues, it is considered desirable to increase the Authorised Share Capital from ₹10,01,00,000/- to ₹25,00,00,000/-.

Amendment of Clause V of the Memorandum and Article 3 (a) of the Articles of Association of the company as set out in the notice is consequential. Your approval is sought to the proposed resolutions. The directors recommend adoption of the aforesaid resolutions.

None of the Directors of the Company or their relatives are concerned or interested financially or otherwise, save and except to the extent of their shareholding, if any, in the Company in the resolution set out at item No.6.

**Item No.7:**

It is proposed to offer bonus shares to the existing shareholders by capitalisation of profits of the company. As the existing articles do not provide any specific provision, a new article 40 is being inserted in the Articles of Association.

Alteration of articles requires approval of the members by passing a special resolution. Hence, your Board recommends passing of the resolution. None of the Directors of the Company or their relatives are concerned or interested financially or otherwise, save and except to the extent of their shareholding, if any, in the Company in the resolution set out at item No.7.

For RKEC PROJECTS PRIVATE LIMITED  
  
(G.RADHAKRISHNA)  
Managing Director

Item No.8:

Your Board of directors in their meeting held on 2<sup>nd</sup> September, 2016 proposed issue of bonus shares to the existing members in the proportion of 1:1 by capitalization of Rs.9,65,63,000/- from out of the General reserves amounting to Rs.21,41,49,624/- as on 31<sup>st</sup> March, 2016.

Section 63 of the Companies Act, 2013 mandates approval of the members for issue of bonus shares to the members by passing an ordinary resolution. Your company has fulfilled all conditions laid down under section 63 of the Act.

None of the Directors of the Company or their relatives are concerned or interested financially or otherwise, save and except to the extent of their shareholding, if any, in the Company in the resolution set out at item No.8.

Date: 02.09.2016  
Place: Visakhapatnam



By Order of the Board

  
G. Radhakrishna  
Managing Director  
(DIN: 00073080)

# RKEC PROJECTS PRIVATE LIMITED



SPECIALISTS IN CONSTRUCTION OF BRIDGES AND MARINE WORKS

An ISO 9001-2008 Certified Company

CIN – U45200AP2005PTC45795

## DIRECTOR'S REPORT

To The Members,

The Directors of your Company have pleasure in presenting the **ELEVENTH** Annual Report and the Audited Accounts for the year ended 31<sup>st</sup> March, 2016.

### 1. FINANCIAL RESULTS:

(Rs in Lakhs)

S.No.	Particulars	Year ended	Year ended
		31.03.2015	31.03.2016
1.	Revenue from Operations	7083.69	11258.14
2.	Other Income	92.14	86.46
3.	Total expenses (excluding depreciation)	6467.43	10197.31
4.	Profit before depreciation	708.39	1147.29
5.	Depreciation	363.59	531.81
6.	Profit/Loss after depreciation	344.80	615.48
7.	Income Tax	120.17	281.19
8.	Net Profit/Loss after depreciation and Tax	224.62	334.29

During the Financial Year 2015-16 your company has achieved over 58% growth in revenue from operations when compared to previous year. The revenue from operations amounted to Rs.11,258.14 lakhs as against Rs.7,089.69 lakhs in the previous year. Your company earned a net profit of Rs.334.29 lakhs for the year ended 31<sup>st</sup> March, 2016 as against a net profit of Rs 224.62 lakhs in the previous year.

### 2. DIVIDEND:

To conserve the resources of the Company, your directors do not recommended any dividend for the year ended 31st March, 2016.

### 3. TRANSFER OF PROFITS TO RESERVES:

It is not proposed to transfer any amount to reserves from the profits of the current year. Hence, disclosure under section 134 (3) (j) of the Companies Act, 2013 is not required.

### 4. NATURE OF BUSINESS:

There is no change in the nature of the business of the Company. The Company is carrying on the business of executing high way projects, port works, engineering contracts for major clients all over India.

### 5. DIRECTORS:

The Company is presently managed by Five Directors including a Managing Director. Three Additional Directors were appointed on 19th November, 2015 during the financial year 2015-16. There has been no other change in the board during the year under review.

For RKEC PROJECTS LIMITED

G. Parvathi Devi

G. PARVATHI DEVI  
Director

For RKEC PROJECTS LIMITED

G. RADHAKRISHNA  
Managing Director

Registered Office:

#10-12-1, Rednam Alcazar, Rednam Gardens, Visakhapatnam-530 002, A.P.India

+91 891 257 4517 +91 891 257 4703

info@rkecprojects.com, website: www.rkecprojects.com

## 6. NUMBER OF MEETINGS OF THE BOARD:

The Board met Nine times in the financial year 2015-16 viz, 7<sup>th</sup> May, 2015, 3<sup>rd</sup> September, 2015, 19<sup>th</sup> September, 2015, 6<sup>th</sup> November, 2015, 19<sup>th</sup> November, 2015, 30<sup>th</sup> November, 2015, 19<sup>th</sup> December, 2015, 12<sup>th</sup> January, 2016 and 28<sup>th</sup> March, 2016. There are no separate Board Committees constituted during the year

Details of Directors as on March 31, 2016 and their attendance at the Board meetings and Annual General Meeting (AGM) during the financial year ended March 31, 2016 are given below:

S.No	Name of the Director	Designation	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the last AGM
1.	Radhakrishna Garapati	Managing Director	9	9	Yes
2.	Parvathi Devi Garapati	Director	9	9	Yes
3.	B.Pothanna	Director	4	1	NA
4.	P.Bangarayya	Director	4	1	NA
5.	G.Sita Ratnam	Director	4	1	NA

## 7. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions under Section 134 (5) of the Companies Act, 2013, with respect to Directors Responsibility Statement, the Directors confirm that:

- (i) In the preparation of the annual accounts for the financial year ended March 31, 2016 the applicable accounting standards issued by the Institute of Chartered Accountants of India have been followed along with proper explanation relating to material departures.
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year on March 31, 2016 and of the profit of the company for that period.
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (v) The Directors had prepared the annual accounts for the financial year ended March 31, 2016 on a going concern basis.

For RKEC PROJECTS LIMITED

  
G. PARVATHI DEVI  
Director

For RKEC PROJECTS LIMITED

  
G. RADHAKRISHNA  
Managing Director



## 8. DECLARATION OF INDEPENDENT DIRECTORS:

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

## 9. SHARE CAPITAL:

The Company's Authorized share capital is Rs.10,01,00,000/- and the Issued, subscribed and paid up share capital is Rs. 9,65,63,000/-. The company has not issued any shares during the financial year 2015-16.

## 10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The company does not have any subsidiary, associate and joint venture companies which have become so and ceased as such during the financial year under review.

## 11. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There have been no material changes and commitments if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statement relate and the date of this report.

## 12. AUDITORS:

M/s. Rama Subba Rao & Co, Chartered Accountants, (FRN.002855S) were appointed as Statutory Auditors of your Company at the 9<sup>th</sup> Annual General Meeting held on 30.09.2014 for a term of five consecutive years. As per the provisions of section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

Accordingly, the resolution for appointment of M/s. Rama Subba Rao & Co, Chartered Accountants, (FRN.002855S, as the Statutory Auditor for the Financial Year 2016 - 17 is placed before the members for ratification.

The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

## 13. COMMENTS ON AUDITORS' REPORT

There are no observations (including any qualification, reservation or adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditors' Report are self-explanatory. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

## 14. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS PURSUANT TO RULE 8 (5) (VIII) OF COMPANIES (ACCOUNTS) RULES, 2014:

The existing set up of internal control system is commensurate with the size of the company's operations and nature of its business.

For RKEC PROJECTS LIMITED

G. Parvathi Devi

G. PARVATHI DEVI  
Director

For RKEC PROJECTS LIMITED

G. RADHAKRISHNA  
Managing Director

## 15. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT:

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

## 19. DEPOSITS:

During the year, the company has not accepted any deposits from the public attracting the provisions of Chapter V of the Companies Act, 2013.

## 16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not given any loans or guarantees or made any investments pursuant to Section 134 (3) (g) of the Companies Act, 2013, during the year under review and hence the said provisions are not applicable.

## 17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES MADE PURSUANT TO SECTION 188 OF THE COMPANIES ACT, 2013:

There was no contract or arrangement made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review. However, there were certain transactions relating to payment of hire charges and these transactions are in the ordinary course of business and at arm's length.

## 18. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Company has not received any complaints during the year 2015-16. We are in the process of setting up an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressed) Act, 2013, to redress complaints received regarding sexual harassment.

## 20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a) Conservation of Energy: The consumption of energy by the company is not substantial. However, the company has taken adequate steps to conserve and reduce electricity and fuel costs.
- b) Technology Absorption: Nil
- c) Foreign Exchange Earnings and Outgo: Nil

## 21. CORPORATE SOCIAL RESPONSIBILITY (CSR INITIATIVES):

The provisions of corporate social responsibility under section 135 of the Companies Act, 2013 are not applicable to the Company, as it has not reached the prescribed limits as per the rules.

For RKEC PROJECTS LIMITED

G. Parvathi Devi  
G. PARVATHI DEVI  
Director

For RKEC PROJECTS LIMITED

G. RADHAKRISHNA  
Managing Director

**22. INFORMATION PURSUANT TO RULE 5 (2) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

The Company has not appointed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

**23. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

**24. VIGIL MECHANISM**

The provisions of Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 are not applicable to company.

**25. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is furnished in ANNEXURE I.

**26. ACKNOWLEDGEMENTS:**

Your directors wish to convey their sincere thanks to the shareholders, bankers, Government undertakings and private organizations who had awarded works to the company, and all employees of the Company who have extended their co-operation in smooth running of the Company.

For and on behalf of the Board



*Radhakrishna*

Radhakrishna  
Managing Director  
(DIN: 00073080)



*G. Parvathi Devi*

G. Parvathi Devi  
Director  
(DIN: 00094961)

Date: 02-09-2016

Place : Visakhapatnam

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2015**

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U45200AP2005PTC045795
2	Registration Date	1/4/2005
3	Name of the Company	RKEC PROJECTS PRIVATE LIMITED
4	Category/ Sub-category of the Company	COMPANY LIMITED BY SHARES
		INDIAN NON-GOVERNMENT COMPANY
5	Address of the Registered office & contact details	DOOR NO.10-12-1, REDNAM ALCAZAR, 3RD FLOOR, OPP:SBI MAIN BRANCH, OLD JAIL ROAD, REDNAM GARDENS, VISAKHAPATNAM - 530002. Email ID : rkec2004@gmail.com 0891-2574517 <span style="float: right;">Ph:</span>
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NOT APPLICABLE

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Construction of Bridge for Railways and for National Highway	421	15.15%
2	Construction of Jetties	429	78.75%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Company does not have any holding, subsidiary or associate company				

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	96,56,300	96,56,300	100.00%	-	96,56,300	96,56,300	100.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	-	96,56,300	96,56,300	100.00%	-	96,56,300	96,56,300	100.00%	0.00%

For RKEC PROJECTS LIMITED

*G. Parvathi Devi*  
**G. PARVATHI DEVI**  
 Director

For RKEC PROJECTS LIMITED

*G. Radhakrishna*  
**G. RADHAKRISHNA**  
 Managing Director

<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Banks/FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>		96,56,300	96,56,300	100.00%		96,56,300	96,56,300	100.00%	0.00%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Grand Total (A+B+C)</b>		96,56,300	96,56,300	100.00%	-	96,56,300	96,56,300	100.00%	0.00%

G. Parvathi Devi  
G. PARVATHI DEVI  
Director

G. RADHAKRISHNA  
Managing Director

G. PARVATHI DEVI  
Director

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	GARAPATI RADHA KRISHNA	96,51,300	99.95%	0	96,51,300	99.95%	0	0.00%
2	GARAPATI PARVATHI DEVI	5,000	0.00%	0	5,000	0.00%	0	0.00%
	<b>TOTAL</b>	<b>96,56,300</b>	<b>100.00%</b>	<b>0</b>	<b>96,56,300</b>	<b>100.00%</b>	<b>0</b>	<b>0.00%</b>

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year		0.00%		0.00%
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		0.00%		0.00%
	At the end of the year		0.00%		0.00%

**(iv) Shareholding Pattern of top ten Shareholders - NOT APPLICABLE***(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Name				
	At the beginning of the year		0.00%		0.00%
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		0.00%		0.00%
	At the End of the year ( or on the date of separation, if separated during the year)		0.00%		0.00%
2	Name				
	At the beginning of the year		0.00%		0.00%
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		0.00%		0.00%
	At the End of the year ( or on the date of separation, if separated during the year)		0.00%		0.00%

**RKEC PROJECTS LIMITED**  
**G. PARVATHI DEVI**  
 Director

**RKEC PROJECTS LIMITED**  
**G. RADHAKRISHNA**  
 Managing Director

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>GARAPATI RADHA KRISHNA - MANAGING DIRECTOR</b>				
	At the beginning of the year	9,651,300	99.95%	9,651,300	99.95%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	0.00%	-	0.00%
	At the end of the year		0.00%	9,651,300	99.95%
<b>2</b>	<b>GARAPATI PARVATHI DEVI - DIRECTOR</b>				
	At the beginning of the year	5,000	0.05%	5,000	0.05%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	0.00%	-	0.00%
	At the end of the year		0.00%	5,000	0.05%

**V. INDEBTEDNESS**

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

(Amt. Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	95,323,700.00	3,100,331.00		98,424,031.00
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
<b>Total (i+ii+iii)</b>	<b>95,323,700.00</b>	<b>3,100,331.00</b>	<b>-</b>	<b>98,424,031.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	54,509,776.00	-	-	54,509,776.00
* Reduction		3,100,331.00	-	3,100,331.00
<b>Net Change</b>	<b>-</b>	<b>3,100,331.00</b>	<b>-</b>	<b>51,409,445.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	149,833,476.00	-	-	149,833,476.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>149,833,476.00</b>	<b>-</b>	<b>-</b>	<b>149,833,476.00</b>

For RKEC PROJECTS LIMITED

G. Parvathi Devi  
G. PARVATHI DEVI  
Director

For RKEC PROJECTS LIMITED

G. RADHAKRISHNA  
Managing Director

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs)
		Garapati Radha Krishna	Garapati Parvathi Devi	
	Designation	Managing Director	Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,000,000.00	4,800,000.00	13,800,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total (A)	9,000,000.00	4,800,000.00	13,800,000.00
	Ceiling as per the Act	Not Applicable Since Private Limited Company		

### B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs)
1	Independent Directors				
	Fee for attending board committee				-
	Commission				-
	Others, please specify				-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	Fee for attending board committee				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				13,800,000.00
	Overall Ceiling as per the Act	Not Applicable Since Private Limited Company			

For RKEC PROJECTS LIMITED

G. Parvathi Devi  
G. PARVATHI DEVI  
Director

For RKEC PROJECTS LIMITED

G. RADHAKRISHNA  
Managing Director



C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD - NOT APPLICABLE



SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs)
		Name	CEO	CFO	
	Designation				
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				
	- as % of profit - others, specify				- -
5	Others, please specify				-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NIL

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

For RKEC PROJECTS PRIVATE LIMITED

  
  
 GARAPATI RADHA KRISHNA  
 Managing Director  
 (DIN: 00073080)

  
  
 GARAPATI PARVATHI DEVI  
 Director  
 (DIN: 00094961)

Date: 02.09.2016

Place: Visakhapatnam

Garapati Radha Krishna  
 Managing Director

Garapati Parvathi Devi  
 Director



**RAMA SUBBA RAO & Co.**  
Chartered Accountants

10-1-387/2, Second Floor  
Sampath Vinayaka Temple Road  
Waltair Uplands, Visakhapatnam - 530 003  
Ph No : 0891-2747557, 2792597  
Fax : 0891-2506249  
Mobile : 9494274760  
e-mail : ramasubbaraoandco@gmail.com

## INDEPENDENT AUDITORS' REPORT

To the Members of,  
M/s RKEC Projects Pvt Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of M/s RKEC Projects Pvt Limited ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

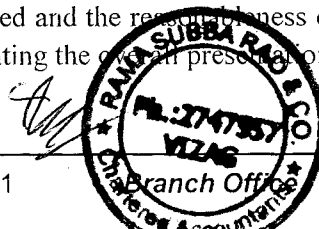
### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31<sup>st</sup> March, 2016, its **Profit** and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure-B**"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

for Rama Subba Rao & Co

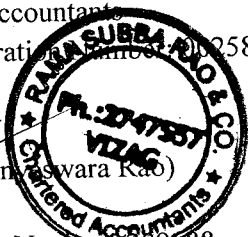
Chartered Accountants

Firm Registration Number: 209588S

(K Subramaniam Swara Rao)

Partner

Membership Number: 209588



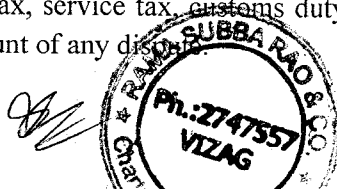
Visakhapatnam, 2<sup>nd</sup> September, 2016.

## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS REPORT

(referred to in paragraph (1) under 'Report on other Legal and Regulatory requirements' of our report of even date)

- i). In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As per the explanations given to us and based on our examination of the records, the management has physically verified the fixed assets during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. There were no discrepancies noticed on such physical verification of fixed assets as compared to the books of account.
  - (c) Based on the examination of the records and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the company.
- ii). According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- iii). According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order is not applicable to the Company and hence not commented upon.
- iv). The Company has not granted any loans, or made investments or given a security to Directors or related parties during the year to comply the provisions of section 185 and 186 of the Act, and hence not commented.
- v). According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.
- vi). We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act in respect of production and processing activities of the Company and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii). In respect of Statutory dues:
  - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, value added tax, customs duty, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and Cess which have not been deposited on account of any di



- viii). Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions or bank. The Company did not have any debentures, outstanding as at the year end.
- ix). Based on the information and explanations given to us by the management, the company has not raised any moneys by way of initial public offer or further public offer of equity shares, convertible securities and debt securities. No new term loans were taken during the year by the Company.
- x). According to the information and explanations given to us, based on the audit procedures performed by us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi). Provisions of section 197 and Schedule-V is not applicable to the private company. Hence, paragraph 3(xi) of the Order is not applicable.
- xii). In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii). In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(xiii) of the Order are not applicable to the Company and hence not commented upon.
- xiv). According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi). The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for Rama Subba Rao & Co.,

Chartered Accountants

Firm Registration No. 209688S



(K Subrahmanyam Rao)

Partner

Membership Number. 209688

Visakhapatnam , 2<sup>nd</sup> September, 2016.

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of **M/s RKEC Projects Pvt Limited** ('the Company') as of 31 March 2016 in conjunction with our audit of the 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 ('ICAI'). 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**

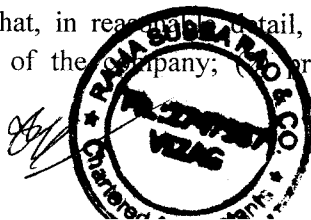
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 auditor's 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **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.

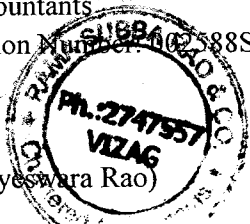
### **Opinion**

In our opinion, 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 31 March 2016, 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 Rama Subba Rao & Co.,

Chartered Accountants

Firm Registration Number: RA/2016/02588S



(K Subrahmanyeswara Rao)

Partner

Membership Number. 209688

Visakhapatnam, 2<sup>nd</sup> September, 2016.



**RKEC PROJECTS PRIVATE LIMITED**

**BALANCE SHEET as at 31<sup>st</sup> March, 2016**

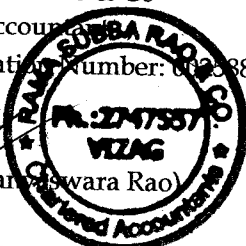
Particulars	Note	Amount in Rs.	
		As at 31 <sup>st</sup> Mar, 2016	As at 31 <sup>st</sup> Mar, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital		9,65,63,000	9,65,63,000
Reserves and Surplus		21,41,49,624	18,07,20,318
		<u>31,07,12,624</u>	<u>27,72,83,318</u>
<b>Non-Current Liabilities</b>			
Long Term borrowings		-	31,00,331
		-	<u>31,00,331</u>
<b>Current Liabilities</b>			
Short-term borrowings	6	14,98,33,476	9,53,23,700
Trade Payables	7	19,39,74,101	10,09,08,476
Other Current liabilities	8	52,11,03,264	13,89,46,794
		<u>86,49,10,840</u>	<u>33,51,78,970</u>
<b>TOTAL</b>		<u><u>1,17,56,23,464</u></u>	<u><u>61,55,62,619</u></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>			
Tangible assets	9	14,65,76,367	16,65,08,658
Intangible assets		2,55,58,614	2,55,58,614
Deferred tax asset (Net)	10	19,79,828	36,34,223
		<u>17,41,14,809</u>	<u>19,57,01,495</u>
<b>Current Assets</b>			
Inventories	11	47,94,81,154	16,40,42,131
Trade receivables	12	19,08,85,756	14,86,23,363
Cash and Bank balances	13	23,72,78,920	4,39,56,436
Short-term Loans and advances	14	6,66,17,177	3,60,00,820
Other Current assets	15	2,72,45,649	2,72,38,374
		<u>1,00,15,08,655</u>	<u>41,98,61,124</u>
<b>TOTAL</b>		<u><u>1,17,56,23,464</u></u>	<u><u>61,55,62,619</u></u>

Summary of significant accounting policies and accompanying notes form part of the financial statements 1 - 2

As per our Report of even date attached

for Rama Subba Rao & Co  
Chartered Accountants  
Firm Registration Number: 812388 S

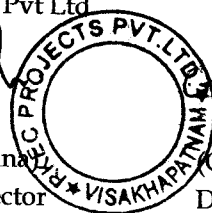
(K. Subrahmanya Sankar Rao)  
Partner  
Membership Number: 209688



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

(G. Radhakrishna)  
Managing Director

(G. Parvathi Devi)  
Director



Visakhapatnam, 2<sup>nd</sup> September, 2016





**RKEC PROJECTS PRIVATE LIMITED**

**STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2016**

Amount in Rs.

Particulars	Note	for the year ended 31 <sup>st</sup> March, 2016	for the year ended 31 <sup>st</sup> March, 2015
<b>REVENUE</b>			
Revenue from operations	16	1,12,58,13,819	70,83,68,804
Other income	17	86,46,166	92,13,585
<b>Total Revenue</b>		<b>1,13,44,59,985</b>	<b>71,75,82,389</b>
<b>EXPENSES</b>			
Cost of materials consumed	18	56,83,17,254	28,62,49,660
Construction expenses	19	42,37,78,316	25,22,19,667
Changes in inventories of work-in-progress	20	(11,46,13,576)	(35,09,052)
Employee benefits expense	21	7,97,95,675	5,16,82,654
Finance costs	22	5,31,80,637	3,43,70,499
Depreciation expense	9	2,61,31,646	3,63,59,278
Other expenses	23	3,63,21,390	2,57,29,948
<b>Total expenses</b>		<b>1,07,29,11,342</b>	<b>68,31,02,653</b>
<b>Profit / (Loss) before tax</b>		<b>6,15,48,643</b>	<b>3,44,79,735</b>
<b>Tax expense:</b>			
Current tax		2,64,20,000	1,33,19,000
Tax in respect of earlier years		44,943	30,73,752
Deferred tax		16,54,395	(43,75,317)
		<b>2,81,19,338</b>	<b>1,20,17,435</b>
<b>Profit / (Loss) for the year</b>		<b>3,34,29,306</b>	<b>2,24,62,300</b>

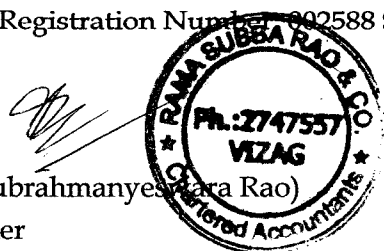
**Earnings per share (for face value of Rs 10/- each):**

Basic & Diluted	24	3.46	2.33
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Summary of significant accounting policies and accompanying notes form part of the financial statements

**As per our Report of even date attached**

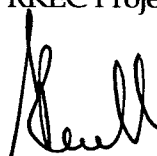
for Rama Subba Rao & Co  
Chartered Accountants.,  
Firm Registration Number: 802588 S

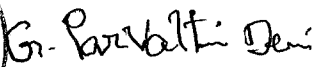


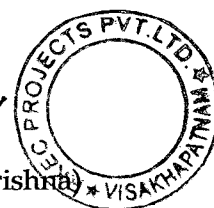
(K. Subrahmanyeswara Rao)  
Partner  
Membership Number: 209688

Visakhapatnam, 2nd September, 2016

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

  
(G. Radhakrishna)  
Managing Director

  
(G. Parvathi Devi)  
Director





**RKEC PROJECTS PRIVATE LIMITED**

**CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2016**

Amount in Rs.

Particulars	2015-16	2014-15
<b>Cash flows from operating activities</b>		
Profit before tax	6,15,48,643	3,44,79,735
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	2,61,31,646	3,63,59,278
Loss/(profit) on sale of fixed assets	(5,44,751)	1,53,733
Interest expense	5,31,80,637	3,43,70,499
Interest income	(81,01,415)	(92,13,585)
<b>Operating profit before working capital changes</b>	<b>13,22,14,761</b>	<b>9,61,49,660</b>
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating liabilities:</b>		
Increase/(decrease) in trade payables	9,30,65,625	(3,88,46,632)
Increase/(decrease) in other current liabilities	38,86,12,189	17,90,504
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Decrease/(increase) in trade receivables	(4,22,62,393)	3,37,24,796
Decrease/(increase) in inventories	(31,54,39,023)	(5,44,47,230)
Decrease/(increase) in short-term loans and advances	(3,06,16,357)	(1,39,78,998)
Decrease/(increase) in other current assets	(7,275)	1,90,870
<b>Cash generated from / (used in) operations</b>	<b>22,55,67,527</b>	<b>2,45,82,971</b>
Income tax paid	2,64,64,943	1,63,92,752
<b>Net cash flow from (used in) operating activities (A)</b>	<b>19,91,02,584</b>	<b>81,90,219</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(82,04,604)	(1,73,82,385)
Proceeds from Sale of Fixed assets	25,50,000	4,50,000
Bank balances not considered as cash and cash equivalents	(14,08,68,181)	13,29,92,236
Interest received	81,01,415	92,13,585
<b>Net cash used in investing activities (B)</b>	<b>(13,84,21,370)</b>	<b>12,52,73,436</b>
<b>Cash flows from financing activities</b>		
Repayment of long term borrowings	(64,55,719)	(2,16,84,749)
Proceeds (repayment of) from short term borrowings	5,45,09,775	(6,60,11,120)
Repayment of unsecured loans	(31,00,331)	(92,94,669)
Repayment of share application money	-	(99,840)
Interest paid	(5,31,80,637)	(3,43,70,499)
<b>Net cash flow from financing activities (C)</b>	<b>(82,26,912)</b>	<b>(13,14,60,877)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>5,24,54,302</b>	<b>20,02,779</b>
Cash and cash equivalents at the beginning of the year	63,31,727	43,28,948
<b>Cash and cash equivalents at the end of the year</b>	<b>5,87,86,029</b>	<b>63,31,727</b>

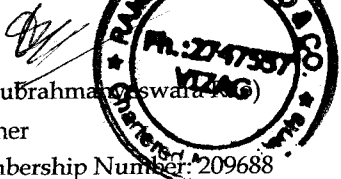
*Note: The figures have been regrouped / rearranged, wherever considered necessary, for comparison purposes.*

**As per our Report of even date attached**

for Rama Subba Rao & Co

Chartered Accountants

Firm Registration No. 209688 S



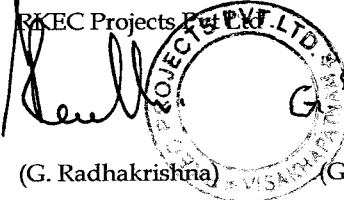
(K. Subrahmanya Swami)

Partner

Membership Number: 209688

Visakhapatnam, 2nd September, 2016

for and on behalf of board of directors of



(G. Radhakrishna)

Managing Director

G. Parvathi Devi

(G. Parvathi De

Director

## RKEC PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

### 1. Corporate Information

RKEC Projects Pvt Ltd ('the Company') was established as a firm in the year 1985 and subsequently converted into private company in the year 2005. The Company engaged in the infrastructure sector and primarily in the Marine Works, Construction of Roads, Buildings, Bridges & Fly Overs etc.

### 2. Basis of Preparation

#### Basis of Accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards notified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 "the 2013 Act") /Companies Act, 1956 ("the 1956 Act"), as applicable. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise specified.

#### 2.1 Summary of Significant Accounting Policies

##### a) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, during the year. Although the management believes that the estimates used in preparation of the financial statements are prudent and reasonable, future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known.

##### b) Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost comprises purchase price, applicable duties and taxes, and any directly attributable expenditure on making the asset ready for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

**Capital work-in-progress:** Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

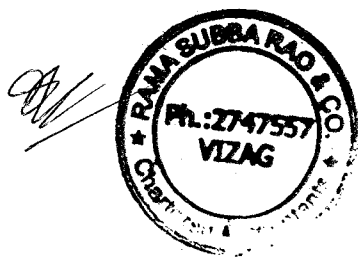
##### c) Depreciation

###### Tangible Assets

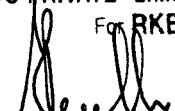
Depreciation on fixed assets, Tangible and Intangible, is calculated on written-down value basis in a manner that amortises the cost of the assets less its residual value (5% of the asset), over their useful lives as specified in Schedule II of the Companies Act, 2013.

##### d) Expenditure incurred during construction period


Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is related to construction or is incidental thereto.



FOR RKEC PROJECTS PRIVATE LIMITED

  
(G. RADHAKRISHNA)  
Managing Director

FOR RKEC PROJECTS PRIVATE LIMITED

  
(G. PARVATHI DEVI)  
Director

**e) Impairment of Assets**

The carrying amount of assets other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

**f) Revenue Recognition**

**Accounting of construction contracts:**

Revenue from works contracts are recognized by the reference to the percentage of completion of the contract activity gross of applicable taxes. The stage of completion is determined by survey of work performed and / or on completion of a physical proportion of the contract work, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognised as expenditure.

**Interest Income:**

Interest income is accounted on accrual basis considering certainty in realisation.

**g) Inventories:**

**Materials**

Raw materials, construction materials, stores & consumables and spares are valued at weighted average cost or net realisable value whichever is lower. Cost includes all charges in bringing the materials to the place of usage, excluding refundable duties and taxes.

**Work-in-progress**

Work-in-progress is valued at cost. The total costs incurred upto the date of the balance sheet are reckoned for the works which are uncertified as on balance sheet date.

**h) Borrowing costs:**

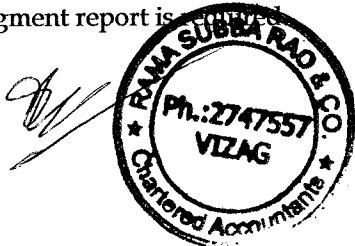
Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are included in the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

**i) Provisions, Contingent Liabilities and Contingent Assets**

The Company recognises provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognised nor disclosed in the financial statements.

**j) Segment Reporting:**

The primary segment of the company is works contract and there was no other identifiable segments. Hence no separate segment report is



For RKEC PROJECTS PRIVATE LIMITED

For RKEC PROJECTS PRIVATE LIMITED  
*G. Radhakrishna*

(G. RADHAKRISHNA)  
Managing Director

(G. PARVATHI DEVI)  
Director

#### k) Employee Benefits

##### Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages, incentives, medical allowance etc., are recognized as actual amount due in the period in which the employee render services.

##### Defined Contribution Plan:

The Company's contribution to provident fund, pension fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

##### Other Long-term employee benefits:

Other long term employee benefits are recognized as expenses in the profit and loss account and when it accrues.

#### L) Taxes on Income

##### Current Tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

##### Deferred Tax:

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

#### m) Cash and cash equivalents

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

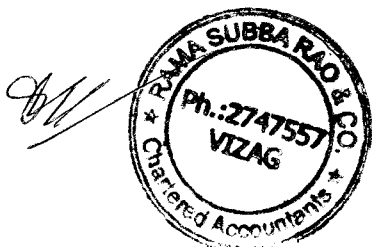
#### n) Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.


For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### o) 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, whenever applicable and extends up to the realisation 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.



For RKEC PROJECTS PRIVATE LIMITED

For RKEC PROJECTS PRIVATE LIMITED  
  
(G. RADHAKRISHNA)  
Managing Director

  
(G. PARVATHI DEVI)  
Director

**RKEC PROJECTS PRIVATE LIMITED**

Notes forming part of the financials statements

Note	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No of shares	Amount	No of shares	Amount
<b>3 Share capital</b>				
<b>Authorized share capital</b>				
Equity shares of Rs.10/- each	1,00,10,000	10,01,00,000	1,00,10,000	10,01,00,000
<b>Issued, Subscribed and fully paid-up</b>				
Equity shares of Rs.10/- each fully paid up	96,56,300	9,65,63,000	96,56,300	9,65,63,000
<b>Total</b>	<b>96,56,300</b>	<b>9,65,63,000</b>	<b>96,56,300</b>	<b>9,65,63,000</b>

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

Particulars	Number	Number
<b>Equity shares of Rs. 10/- each fully paid up</b>		
Number of Shares at the beginning	96,56,300	96,56,300
Add : Number of Shares Issued during the year	-	-
Number of Shares at the end of the year	<b>96,56,300</b>	<b>96,56,300</b>

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 proposed by Board of Directors subject to approval of the shareholders in the ensuing Annual General Meeting.

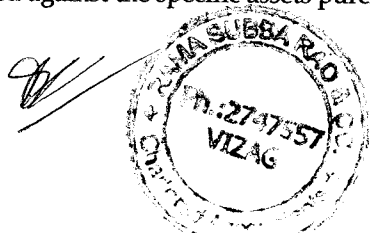
c) Details of shareholders holding more than 5% shares in the Company

Name of share holder	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No. of shares	% of Holding	No. of shares	% of Holding
<b>Equity shares of Rs.10/- each fully paid</b>				
G Radha Krishna	96,51,300	99.95%	96,51,300	99.95%

Note	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
<b>4 Reserves and Surplus</b>				
<b>Profit and loss account</b>				
Opening balance	18,07,20,318		16,10,02,308	
Less: Depreciation under transition for earlier years (refer note 9)			(27,44,290)	
Add : Profit / (Loss) for the year	3,34,29,306		2,24,62,300	
<b>Closing balance</b>	<b>21,41,49,624</b>		<b>18,07,20,318</b>	

Note	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Non-current portion	Current Maturities	Non-current portion	Current Maturities
<b>5 Long Term Borrowings</b>				
<b>Secured Loans:</b>				
<b>From banks **</b>				
Term Loan-I	-	-	-	31,87,998
Term Loan-II	-	-	-	32,67,721
<b>Unsecured Loans:</b>				
from Directors	-	-	31,00,331	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>31,00,331</b>	<b>64,55,719</b>

5.1 \*\* Secured against the specific assets purchased out of the loans for RKEC PROJECTS PRIVATE LIMITED or RKEC PROJECTS PRIVATE LIMITED



*G. Radhakrishna*  
 (G. RADHAKRISHNA)  
 Managing Director

*G. Parvathi Devi*  
 (G. PARVATHI DEVI)  
 Director



**RKEC PROJECTS PRIVATE LIMITED**

Notes forming part of the financials statements

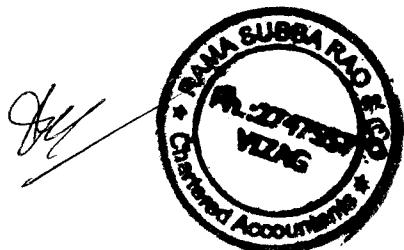
Note	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>6 Short Term Borrowings</b>		
Secured Loans, from banks		
Cash Credit	14,98,33,476	9,53,23,700
<b>Total</b>	<u>14,98,33,476</u>	<u>9,53,23,700</u>

**6.1 Nature of Security & Terms of repayment**

Company availed Cash credit of Rs. 15.00 crores form Vijaya Bank, at an interest rate of base rate+3.00% (present effective rate is 12.65% p.a.) and the balance as on 31st March, 2016 is Rs.14.98 Cr, which is secured by way of *first charge on current assets of company, collateral security on assets of the directors & Company and personal guarantee of all Directors.*

Note	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>7 Trade Payables</b>		
Acceptances - LC from banks	10,44,82,598	42,22,951
Other than acceptances	8,94,91,503	9,66,85,525
<b>Total</b>	<u>19,39,74,101</u>	<u>10,09,08,476</u>

Note	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>8 Other Current Liabilities</b>		
Current maturities of long term debts (refer note 5)	-	64,55,719
Mobilisation advances from Contractees	30,24,42,525	10,33,50,590
Material advances from Contractees	20,94,57,072	1,74,32,890
Dues to employees	34,66,517	25,64,391
Statutory dues	57,37,150	91,43,204
<b>Total</b>	<u>52,11,03,264</u>	<u>13,89,46,794</u>



For RKEC PROJECTS PRIVATE LIMITED

*(Signature)*  
 (G. RADHAKRISHNA)  
 Managing Director

For RKEC PROJECTS PRIVATE LIMITE

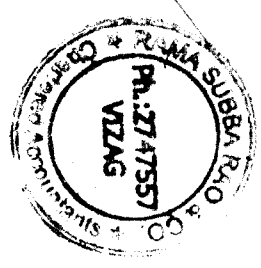
*(Signature)*  
 (G. PARVATHI DEVI)  
 Director

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**PROJECTS PRIVATE LIMITED**  
 Statement of Financial Position  
 Non-current Assets

Particulars	useful life Years	Gross block				Depreciation				Written Down Value	
		Opening Balance as on 01/04/2015 Amount (Rs.)	Additions during the year Amount (Rs.)	Disposals during the year Amount (Rs.)	Closing Balance as on 31/03/2016 Amount (Rs.)	Opening bal as on 01/04/2015 Amount (Rs.)	For the year Amount (Rs.)	Deletions during the year Amount (Rs.)	Closing bal as on 31/03/2016 Amount (Rs.)	as on 01/04/2015 Amount (Rs.)	as on 31/03/2016 Amount (Rs.)
(A) Tangible Assets											
(a) Land Freehold		50,00,000	-	-	50,00,000	-	-	-	-	50,00,000	50,00,000
(b) Plant and Equipment		29,87,98,190	51,25,420	45,00,000	29,94,23,610	14,32,36,051	2,43,00,586	16,50,41,886	15,55,62,139	13,43,81,724	
(c) Furniture and Fixtures	10	12,83,803	-	-	12,83,803	8,02,495	1,57,710	9,60,205	4,81,308	3,23,598	
(d) Vehicles	10	1,28,556	-	-	1,28,556	1,08,452	7,855	1,16,307	20,104	12,249	
Cars	8	59,93,505	-	-	59,93,505	52,99,095	2,80,422	55,79,517	6,94,410	4,13,988	
Scooters	10	4,41,232	-	-	5,07,232	3,36,973	42,276	3,79,249	1,04,259	1,27,983	
Motor Vehicles	12	3,26,72,411	-	-	3,26,72,411	2,81,42,312	7,30,433	2,88,72,745	45,30,099	37,99,666	
Office equipment											
Office Equipment	5	3,29,080	25,57,994	-	28,87,074	3,29,080	4,23,510	7,52,590	-	21,34,484	
Computers	3	7,85,682	4,55,190	-	12,40,872	6,69,343	1,88,854	8,58,197	1,16,339	3,82,675	
SOFTWARE											
INDEPENDENT ASSETS											
GRAND TOTAL		34,54,32,459	82,04,604	45,00,000	34,91,37,063	17,89,23,801	2,61,31,646	20,25,60,696	16,65,08,658	14,65,76,367	
		2,55,58,614	-	-	2,55,58,614	-	-	-	2,55,58,614	2,55,58,614	
		37,09,91,073	82,04,604	45,00,000	37,46,95,677	17,89,23,801	2,61,31,646	20,25,60,696	19,20,67,272	17,21,34,981	



For RKEC PROJECTS PRIVATE LIMITED  
 For RKEC PROJECTS PRIVATE LIMITED  
 (G. RADHAKRISHNA) Managing Director  
 (G. PARVATHI DEVI) Director

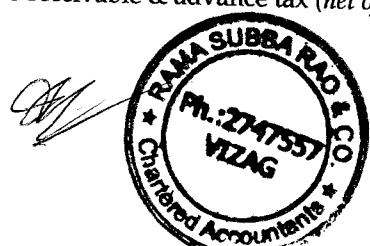




**RKEC PROJECTS PRIVATE LIMITED**

Notes forming part of the financials statements

Note	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>10</b> Deferred Tax Asset (net)		
Deferred Tax Asset		
on depreciation	19,79,828	16,15,706
on other timing differences	-	20,18,517
<b>Total</b>	<b>19,79,828</b>	<b>36,34,223</b>
<b>11</b> Inventories (as valued & certified by management)		
Construction Material, Stores & spares	25,17,63,625	5,09,38,178
Work-in-Progress	22,77,17,529	11,31,03,953
<b>Total</b>	<b>47,94,81,154</b>	<b>16,40,42,131</b>
<b>12</b> Trade Receivables		
<i>Unsecured, considered good</i>		
a) Outstanding for a period exceeding six months from the date they are due for Payment	7,90,22,203	4,95,78,953
b) Others	11,18,63,553	19,08,85,756
<b>Total</b>	<b>19,08,85,756</b>	<b>14,86,23,363</b>
<b>13</b> Cash and Bank balances		
a) Cash and Cash equivalents		
Cash on hand	10,99,350	3,49,922
Balance with banks in Current accounts	5,76,86,680	59,81,805
	<b>5,87,86,030</b>	<b>63,31,727</b>
b) Other Bank balances		
held as margin money deposits *	17,35,59,293	3,25,17,008
held as deposits **	49,33,597	51,07,701
<b>Total</b>	<b>23,72,78,920</b>	<b>4,39,56,436</b>
* Margin Money Deposits have been lodged with Banks against guarantees issued by them		
** Deposits held as performance guarantee with Contractees		
<b>14</b> Short Term Loans and Advances		
<i>(Unsecured - Considered good, for the value to be received in cash or kind)</i>		
Security deposits	1,81,78,598	1,50,24,310
Balances with government authorities		
- VAT input credit receivable	3,18,77,804	1,71,11,715
Others advances**	1,65,60,775	38,64,795
<b>Total</b>	<b>6,66,17,177</b>	<b>3,60,00,820</b>
** other advances includes salary & travel advances		
** This includes Rs. 112.50 lakhs, which the party failed to pay the same and recovery was under process through court of law.		
<b>15</b> Other Current Assets		
TDS receivable & advance tax (net of income tax)	2,72,45,649	2,72,38,374
<b>Total</b>	<b>2,72,45,649</b>	<b>2,72,38,374</b>



For RKEC PROJECTS PRIVATE LIMITED  
 For RKEC PROJECTS PRIVATE LIMITED  
 (G. RADHAKRISHNA) (G. PARVATHI DEV)

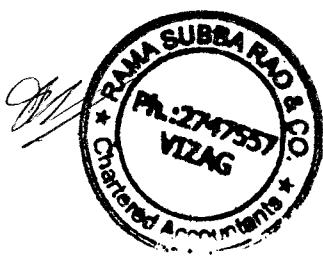


RKEC PROJECTS PRIVATE LIMITED

Notes forming part of the financials statements

Amount in Rs.

Note	Year ended 31 <sup>st</sup> March, 2016	Year ended 31st March, 2015
<b>16 Revenue from operations</b>		
Contract Revenue	1,11,72,89,540	69,68,60,650
Other Operating Revenue	85,24,279	1,15,08,154
<b>Total</b>	<b>1,12,58,13,819</b>	<b>70,83,68,804</b>
Other Operating Revenue comprises of		
- Hire charges received	18,78,470	1,08,26,325
- Scrap sale	66,45,809	6,81,829
<b>Note</b>	<b>Year ended 31<sup>st</sup> March, 2016</b>	<b>Year ended 31st March, 2015</b>
<b>17 Other Income</b>		
Interest income	81,01,415	92,13,585
Profit on sale of assets	5,44,751	-
<b>Total</b>	<b>86,46,166</b>	<b>92,13,585</b>
<b>Note</b>	<b>Year ended 31<sup>st</sup> March, 2016</b>	<b>Year ended 31st March, 2015</b>
<b>18 Cost of materials consumed</b>		
<b>Construction Materials, Stores and spares</b>		
Opening Stock	5,09,38,178	-
Add: Purchases	76,91,42,701	33,71,87,838
	82,00,80,879	33,71,87,838
Less: Closing Stock	25,17,63,625	5,09,38,178
<b>Total</b>	<b>56,83,17,254</b>	<b>28,62,49,660</b>
<b>Note</b>	<b>Year ended 31<sup>st</sup> March, 2016</b>	<b>Year ended 31st March, 2015</b>
<b>19 Construction Expenses</b>		
Project work expenses	28,14,98,728	15,52,50,688
Repairs and Maintenance:		
- Plant & Machinery	98,04,523	1,06,90,948
Hire Charges for Machinery and others	5,78,16,178	3,57,32,670
Transport Charges	1,45,67,511	56,39,030
Power and fuel:		
Diesel & Petrol	2,75,36,779	3,06,84,519
Electricity expenses	27,17,157	32,81,724
Technical Consultation	1,27,30,758	-
Testing charges	17,34,774	5,41,760
Seigniorage and Cess (recoveries)	44,41,225	22,86,232
Royalties	3,98,494	2,56,017
Other recoveries (by Contractees)	46,58,646	38,52,715
Loading and unloading charges	21,30,285	11,45,711
Water charges	18,42,443	12,84,812
Other Project expenses	19,00,815	15,72,841
<b>Total</b>	<b>42,37,78,316</b>	<b>25,22,19,667</b>



For RKEC PROJECTS PRIVATE LIMITED

For RKEC PROJECTS PRIVATE LIMITED

(G. RADHAKRISHNA)  
Managing Director

(G. PARVATHI DEVI)  
Director





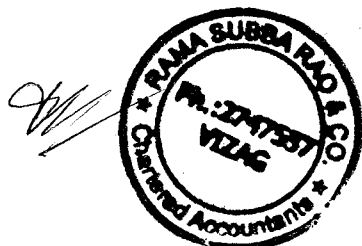
**RKEC PROJECTS PRIVATE LIMITED**

Notes forming part of the financials statements

Note	Amount in Rs.	
	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
<b>23 Other Expenses</b>		
Auditors' fee:		
Statutory Audit fee		
Tax Audit fee	3,30,000	2,24,720
Certification charges & other services	60,000	68,400
Bank charges	30,000	1,30,363
Rent	34,78,265	34,03,732
Travelling	45,97,048	39,89,854
Conveyance	29,71,640	24,34,172
Repairs & maintenance of computers and others	9,40,175	3,65,296
Office Maintenance	2,50,287	1,11,250
Security services	14,13,903	10,21,579
Rates and Taxes	17,95,940	6,05,838
Communication expenses (Postage & telephone)	16,46,945	17,21,627
Insurance	10,47,478	10,32,439
Printing and Stationery	41,72,839	26,25,030
Legal and Professional Charges	7,50,231	5,15,178
Project site maintenance expenses	55,22,691	23,03,608
Tender Expenses	16,50,880	5,94,152
Donations	3,17,661	1,63,923
Bad debts	47,98,293	50,000
Advertisement expenses	-	41,85,713
Loss on Sale of Fixed Assets	2,24,736	26,086
Miscellaneous Expenses	-	1,53,733
	3,22,379	3,255
<b>Total</b>	<b>3,63,21,390</b>	<b>2,57,29,948</b>

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

(a) Surplus available to equity share holders	3,34,29,306	2,24,62,300
(b) Weighted average number of Shares ***	96,56,300	96,56,300
(c) Earning per share (Face value of each share Rs. 10 /-)	3.46	2.33
*** <u>Calculation of weighted average number of shares</u>		
Opening number of shares	96,56,300	96,56,300
Issued during the year	-	-
<b>Weighted average number of shares</b>	<b>96,56,300</b>	<b>96,56,300</b>



For RKEC PROJECTS PRIVATE LIMITED

*(Signature)*  
(G. RADHAKRISHNA)  
Managing Director

For RKEC PROJECTS PRIVATE LIMITED

*(Signature)*  
(G. PARVATHI DEVI)  
Director

25 Additional notes to the financial statements  
25.1 Comparison between Consumption of Imported and Indigenous raw materials, spare parts and components during the financial year :

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Rs. in lakhs	%	Rs. in lakhs	%
a) Construction materials				
(i) Imported	-	-	-	-
(ii) Indigenous	4,972	100	2,483	100
b) Stores & spares				
(i) Imported	-	-	-	-
(ii) Indigenous	711	100	379	100

25.2 Related Party Disclosures:

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

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

i) Key Managerial Personnel

Garapati Radhakrishna Managing Director  
Garapati Parvathi devi Director

ii) Relatives of Key Managerial Personnel

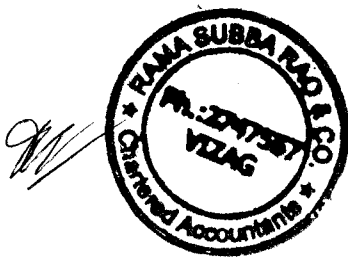
Nagapushyami Daughter of Director  
Himabindu sree Daughter of Director  
GV Ram Mohan Son-in-law of Director

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

Naram Enterprises Private Limited

b Disclosure of transactions between the Company and Related parties and the status of outstanding balances as on 31.03.2016

Related party transactions summary	Rs. in lakhs			
	Key Management Personnel (KMP)	Relatives of Key Management Personnel (KMP)	Enterprises controlled or significantly influenced by KMP or relatives	TOTAL
	2015-16	2015-16	2015-16	2015-16
<i>Note: ** Amounts in brackets were pertains to previous year 2014-15</i>				
1 Lease of machinery	0.60	24.00	-	24.60
2 Managerial Remuneration	(0.60)	(24.00)	-	(24.60)
3 Commission on bank guarantees	138.00	(12.00)	-	126.00
4 Purchase of Materials	(66.00)	(6.00)	-	(72.00)
5 Balance as at 31st March	19.78	1.47	-	-
Payables	(135.10)	-	-	-
	2.55	0.30	-	2.85
	(6.41)	-	-	(6.41)



For RKEC PROJECTS PRIVATE LIMITED  
For RKEC PROJECTS PRIVATE LIMITED

*(Signature)*  
(G. RADHAKRISHNA)  
Managing Director

*(Signature)*  
(G. PARVATHI DEVI)  
Director

c Information Regarding Significant Transactions / balances

Related party transactions summary

Rs. in lakhs

	For the year 2015-16	For the year 2014-15
1 Lease of machinery		
Naga pushyami		
2 Commission on bank guarantees	24.00	24.00
Garapati Radhakrishna		
Garapati Parvathi devi	7.01	-
3 Managerial Remuneration	12.76	-
Garapati Radhakrishna		
Garapati Parvathi devi	90	48.00
4 Purchase of Materials	48	18.00
Garapati Radhakrishna		
Garapati Parvathi devi	-	76.30
25.3 Disclosure in Accordance with Accounting Standard 7 (revised)	-	58.80

Rs. in lakhs

Particulars	for the year ended 31st March, 2016	for the year ended 31st March, 2015
a Contract Revenue recognized as revenue in the period	11,173	6,969
b For contracts in progress at the reporting date:		
- aggregate amount of cost incurred and recognized profits (less recognised losses) upto the reporting date	26,544	17,957
- advance amounts received	5,119	1,208
- amount of retentions	350	470
c Gross amount due from customers for contract work as an asset	1,909	1,486
d Gross amount due to customers for contract work as a liability		

25.4 Segment Reporting

The Company's operations predominantly consist of construction / project activities. 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.

25.5 Contingent Liabilities :

1 Counter Guarantees given to bankers in respect of Bank Guarantees and unexpired Letters of Credit (Rs. in Lakhs)

Year ended	Year ended
31/03/2016	31/03/2015
11,701	2,930

25.5 Company has no Capital commitments pending for execution on balance sheet date (previous year nil).

25.6 Based on the information available with the Company, there are no suppliers registered as micro & small enterprises under Micro, Small, Medium Enterprises Development Act, 2006. Accordingly, no interest is due or payable or paid or accrued and remaining unpaid to such suppliers.

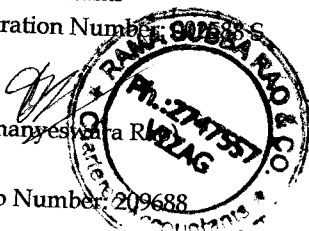
25.7 Previous year's figures have been regrouped/reclassified wherever considered necessary to conform to this year's classification.

As per our Report of even date attached

for Rama Subba Rao & Co.,

Chartered Accountants

Firm Registration Number: 007583/S

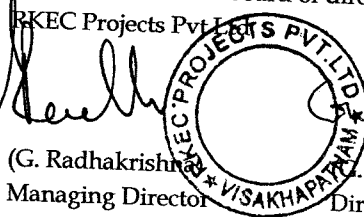


(K. Subrahmanyeshwara RAO)  
Partner

Membership Number: 209688

Visakhapatnam, 2nd September, 2016

for and on behalf of board of directors of



(G. Radhakrishna Parvathi Devi)  
Managing Director Director