

RKEC PROJECTS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019



Particulars	Note	As at	As at
		31 st Mar, 2019	31 st Mar, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	23,99,06,000	23,99,06,000
Reserves and Surplus	4	70,28,30,471	50,74,26,911
		<u>94,27,36,471</u>	<u>74,73,32,911</u>
Non-Current Liabilities			
Long Term borrowings	5	1,50,75,160	1,19,58,334
Long-term provision	6	61,82,101	16,57,574
		<u>2,12,57,261</u>	<u>1,36,15,908</u>
Current Liabilities			
Short-term borrowings	7	46,65,41,562	13,83,36,787
Trade Payables	8	76,23,31,091	41,97,21,373
Other Current liabilities	9	38,80,70,565	15,29,35,592
Short Term provisions	10	1,74,36,780	3,15,42,072
		<u>1,63,43,79,999</u>	<u>74,25,35,824</u>
TOTAL		<u>2,59,83,73,731</u>	<u>1,50,34,84,645</u>
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	11	19,55,09,957	14,21,35,416
Intangible assets	11	1,97,968	3,71,355
Capital Work in Progress		9,97,18,191	
Deferred tax asset (Net)	12	97,63,314	88,49,540
Non Current Investments		-	-
		<u>30,51,89,431</u>	<u>15,13,56,311</u>
Current Assets			
Inventories	13	65,84,39,317	15,58,53,781
Trade receivables	14	80,54,61,341	82,03,36,195
Cash and Bank balances	15	33,34,34,937	18,48,86,322
Short-term Loans and advances	16	46,53,46,732	17,56,82,775
Other Current assets	17	3,05,01,973	1,53,69,262
		<u>2,29,31,84,300</u>	<u>1,35,21,28,335</u>
TOTAL		<u>2,59,83,73,731</u>	<u>1,50,34,84,645</u>

Summary of significant accounting policies 1 - 2

The accompanying notes form an integral part of the financial statements

As per Our report of even date attached

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



(G. Radhakrishna)
Managing Director
DIN: 00073080

(Signature)
G S Narayana
CFO

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

(Signature)
G. Parvathi Devi

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

(Signature)
Jannada

Vijay Kumar Jannada
Company Secretary, ACS
M.No.A41810



RKEC PROJECTS LIMITED



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st March , 2019

Particulars	Note	for the year ended 31 st March, 2019	for the year ended 31 st March, 2018
REVENUE			
Revenue from operations	18	2,25,76,55,247	2,39,72,42,963
Other income	19	1,33,27,049	1,04,57,660
Total Revenue - A		2,27,09,82,296	2,40,77,00,623
EXPENSES			
Cost of materials consumed	20	1,11,60,86,106	1,07,60,47,297
Construction expenses	21	94,18,09,728	71,00,52,629
Changes in inventories of work-in-progress	22	(46,35,06,361)	(1,41,98,958)
Employee benefit expense	23	13,40,41,192	15,44,72,105
Finance costs	24	5,84,16,417	3,85,47,301
Depreciation expense	11	3,53,54,754	3,08,76,820
Other expenses	25	12,61,13,202	8,64,95,450
Total expenses - B		1,94,83,15,038	2,08,22,92,644
Profit / (Loss) before tax: C = (A - B)		32,26,67,258	32,54,07,978
Tax expense:			
Current tax		9,66,74,166	11,97,21,468
Tax expense of earlier years		25,81,369	30,29,019
Deferred tax		(9,13,774)	(8,79,821)
Total tax expense (D)		9,83,41,761	12,18,70,666
Profit / (Loss) for the year (C - D)		22,43,25,497	20,35,37,312
Earnings per share (for face value of Rs 10/- each):			
Basic & Diluted	26	9.35	9.40
Summary of significant accounting policies	1 - 2		
The accompanying notes form an integral part of the financial statements			

As per Our report of even date attached

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




G. Govinda Rao
Partner
Membership No.244754

Visakhapatnam

for and on behalf of board of directors
RKEC Projects Ltd


(G. Radhakrishna)
Managing Director
DIN: 00073080


G S Narayana
CFO


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


Vijay Kumar Jannada
Company Secretary, ACS



RKEC PROJECTS LIMITED

Notes forming part of the consolidated financial statements

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



Note

3	Share capital	No of shares	As at		
			31st March, 2019	31st March, 2018	
	Authorized share capital		Amount	No of shares	Amount
	Equity shares of Rs.10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
	Issued, Subscribed and fully paid-up				
	Equity shares of Rs.10/- each fully paid up	2,39,90,600	23,99,06,000	2,39,90,600	23,99,06,000
	Total	2,39,90,600	23,99,06,000	2,39,90,600	23,99,06,000

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

Particulars	Number	Number
Equity shares of Rs. 10/- each fully paid up		
Number of Shares at the beginning	2,39,90,600	1,93,12,600
Add : Public Issue Shares		46,78,000
Number of Shares at the end of	<u>2,39,90,600</u>	<u>2,39,90,600</u>

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) Public issue of equity shares

During the Financial year ended 31 March 2018, the Company had completed the initial public offer (IPO), pursuant to which 63,78,000 equity shares of Rs. 10 each were allotted, at an issue price of Rs. 45, consisting of fresh issue of 46,78,000 equity shares and an offer for sale of 17,00,000 equity shares by selling shareholder. The equity shares of the Company were listed on SME-Emerge of National Stock Exchange of India Limited (NSE) via Symbol RKEC on October 09, 2017.

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

Name of share holder	As at 31st March 2019		As at 31st March, 2018	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of Rs.10/- each fully paid				
G Radha Krishna	1,76,01,700	73.37%	1,76,01,700	73.37%

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

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

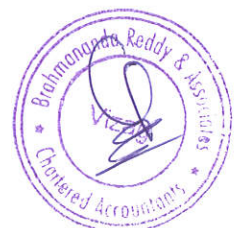
Note	As at 31st March 2019		As at 31 st March, 2018	
4	Reserves and Surplus			
a)	Security Premium			
		16,37,30,000		16,37,30,000
	Profit and loss account			
	Opening balance			
		34,36,96,911		16,90,34,120
	Add : Profit / (Loss) for the year			
		22,43,25,497		20,35,37,312
	Less: Appropriations:			
	Dividend Declared in the Year	2,39,90,600	2,39,90,600	
	Tax on Dividend Distribution	49,31,338	(2,89,21,938)	48,83,921
				(2,88,74,521)
	Closing balance	<u>70,28,30,471</u>	<u>50,74,26,911</u>	

#Interim Dividend During the financial year 2017-18. ## Final dividend for the financial year 2017-2018 paid in financial year 2018-19.

Note	As at 31st March 2019		As at 31st March, 2018	
5	Long Term Borrowings			
	Non-current portion	Current Maturities	Non-current portion	Current Maturities
	Secured:			
	Rupee Term Loans from Banks*			
	CAR Loan-I -Vijaya Bank	14,54,206	5,58,720	18,10,152
	CAR Loan-II - Vijaya Bank	11,41,406	4,38,960	14,21,186
	CAR Loan-III - Vijaay Bank	4,99,722	1,56,720	5,92,292
	CAR Loan-IV - Vijaya Bank	59,57,429	30,94,920	81,34,704
	PLANT & MACHINERY Loan - Indusind Bank	22,85,621	23,98,800	30,94,920
	Rupee Term Loans from Non Banking Financial Companies (NBFC) *			
	PLANT & MACHINERY Loan -I Mahindra	5,80,120	11,68,716	
	PLANT & MACHINERY Loan -II Mahindra	12,46,110	25,10,412	
	PLANT & MACHINERY Loan -III Mahindra	9,55,273	19,24,488	
	PLANT & MACHINERY Loan -IV Mahindra	9,55,273	19,24,488	
		<u>1,50,75,160</u>	<u>1,41,76,224</u>	<u>1,19,58,334</u>
				<u>42,49,320</u>

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

G. Parvathi Devi



RKEC PROJECTS LIMITED

Notes forming part of the consolidated financial statements

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



Note	As at 31st March 2019	As at 31st March, 2018
6		
Long Term Provisions		
Provisions for Gratuity	61,82,101	16,57,574
Total	61,82,101	16,57,574

Note	As at 31st March 2019	As at 31st March, 2018
7		
Short Term Borrowings		
Secured Loans, from banks		
Cash Credit (See Note-7.1)	46,17,38,922.44	13,83,36,787
Unsecured Loans from Non Banking Financial Companies (NBFC) *		
Short Term loans (See Note-7.2)	48,02,639.81	
Total	46,65,41,562	13,83,36,787

7.1 **Nature of Security & Terms of repayment**
 Company availed Cash credit limit of Rs. 50.00 crores (Prev Year 15.00 Crores) from Vijaya Bank, at an interest rate of base rate+3.00% (present effective rate is 10.65% p.a., Previous Year 12.65% P.a). The loan was secured by way of first charge on current assets of company, collateral security on assets of the directors & Company and personal guarantee of certain Directors.

7.2 Terms of repayment

Company availed Unsecured Working Capital Loan of Rs. 1.10 crores from Bajaj finance Ltd, Magma fincorp ltd & Tata capital financial at an interest rate of & Repayable period is Bajaj of (19.15% repayable in 12months), Magma fincorp ltd (@19.5%, repayable in 24 months) Tata Capital Financial (@18% repayable in 18 months)

Note	As at 31st March 2019	As at 31st March, 2018
8		
Trade Payables		
a) Total Outstanding dues to Micro and Small & Medium Enterprises (Refer Note 27.7)	40,22,041.00	-
b) Dues to other than Micro and Small & Medium Enterprises		
- Acceptances - LC payable*	40,86,32,917.00	17,93,65,577
- Other than acceptances	34,96,76,133.22	24,03,55,797
Total	76,23,31,091.22	41,97,21,373

* Guaranteed by vijaya bank

Note	As at 31st March 2019	As at 31st March, 2018
9		
Other Current Liabilities		
Current maturities of long term debt (Refer note-5)	1,41,76,224	42,49,320
Mobilisation advances from Contractees	28,80,59,755	2,34,16,066
Material advances from Contractees	3,47,19,817	8,64,61,360
Retention money payable	1,10,91,260	
Dues to employees	1,43,28,243	61,06,792
Statutory dues	2,53,69,180	3,15,62,054
Other liabilities	72,086	11,40,000
Dividend Payable	2,54,000	-
Total	38,80,70,565	15,29,35,592

Note	As at 31st March 2019	As at 31st March, 2018
10		
Short term provisions		
Provisions for Gratuity	11,68,335	47,14,623
Income tax Provision (net of TDS, advance tax)	53,64,371	2,68,27,449
other provisions	1,09,04,074	-
Total	1,74,36,780	3,15,42,072

Note	As at 31st March 2019	As at 31st March, 2018
12		
Deferred Tax Asset (net)		
on differences between depreciation as per books and	76,22,867	82,75,886
on other timing differences		
On employee benefits payable by employer	21,40,447	5,73,653
Total	97,63,314	88,49,540

Note	As at 31st March 2019	As at 31st March, 2018
13		
Inventories (as valued & certified by management)		
Construction Material, Stores & spares	14,13,91,760	10,23,12,586
Work-in-Progress	51,70,47,557	5,35,41,196
Stores, Spares & Loose Tools		
Total	65,84,39,317	15,58,53,781

G. Parvathi Devi



RKEC PROJECTS LIMITED
Notes forming part of the consolidated financial statements
(All amounts are in Indian Rupees, unless otherwise stated)


Note	As at 31st March 2019	As at 31st March, 2018
14 Trade Receivables		
<i>Unsecured, considered and good</i>		
a) Outstanding for a period exceeding six months from the date they are due for payment* [including retention of Rs. 32.11 Cr,]	69,81,96,662	11,37,29,662
b) Others [including retention of Rs. 23.03 Lacs]	10,72,64,679	70,66,06,533
Total	80,54,61,341	82,03,36,195

* Refer note 27.6

Note	As at 31st March 2019	As at 31st March, 2018
15 Cash and Bank balances		
a) Cash and Cash equivalents		
Cash on hand	18,46,483	8,89,745
Balance in CC account		
Balance with banks in Current accounts	38,57,348	2,14,77,050
	57,03,832	2,23,66,795
b) Other Bank balances		
in Fixed Deposit accounts		
held as margin money deposits *	32,45,62,922	15,57,34,254
held as deposits **	31,68,184	67,85,273
Total	33,34,34,937	18,48,86,322

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

** Deposits held as performance guarantee with Contractees.

Note	As at 31st March 2019	As at 31st March, 2018
16 Short Term Loans and Advances		
<i>(Unsecured, Considered and good, for the value to be received in cash or kind)</i>		
Security deposits	16,98,95,885	3,22,25,929
Deposits for enlistment	50,69,017	
Earnest money and other deposits *	1,49,19,811	
Advances to material suppliers	11,95,61,226	
Balances with government authorities		
- VAT input credit receivable	57,84,869	2,31,40,448
- GST Receivable	13,69,18,240	10,22,11,265
- Service Tax Receivable	70,30,500	
Others advances **	61,67,184	1,81,05,133
Total	46,53,46,732	17,56,82,775

* EMD as a tender security

*** This includes an amount of Rs. 40.00 lakhs (Previous Year 112.50 Lakhs) paid for loan arrangement to individuals & other for supply of material & for execution of work, in the past years. The company has lodged police complaint as on date. The management is taking steps for recovery and it is under process of mediation. No provision was made for the said amount in the books, the management is confident about the recovery of the said amount in full.

Note	As at 31st March 2019	As at 31st March, 2018
17 Other Current Assets		
TDS receivable/carry forward to next year/ Advance Tax	2,13,76,923	88,05,263
Prepaid Expenses	91,25,050	65,63,999
Total	3,05,01,973	1,53,69,262

Note	for the year ended 31st March, 2019	for the year ended 31st March, 2018
18 Revenue from operations		
Contract revenue	2,24,80,39,296	2,39,58,15,963
Other operating revenue	96,15,951	14,27,000
Total	2,25,76,55,247	2,39,72,42,963
<i>Other Operating Revenue comprises of</i>		
- Hire charges received	1,63,600	13,56,400
- Scrap sale	41,17,245	20,600
- Work Receipts Technical Services	53,35,106	50,000
	96,15,951	14,27,000

Note	for the year ended 31st March, 2019	for the year ended 31st March, 2018
19 Other Income		
Interest income	1,33,25,259	1,04,57,660
Profit on sale of assets	1,790	-
Miscellaneous income	-	-
Total	1,33,27,049	1,04,57,660

G. Parvathi Devi



RKEC PROJECTS LIMITED

Notes forming part of the consolidated financial statements

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



Note		for the year ended 31st March, 2019	for the year ended 31st March, 2018
20	Cost of materials consumed		
	Construction Materials, Stores and spares		
	Opening Stock	10,23,12,586	27,96,59,614
	Add: Purchases	1,15,51,65,281	89,87,00,269
		<u>1,25,74,77,866</u>	<u>1,17,83,59,883</u>
	Less: Closing Stock	14,13,91,760	10,23,12,586
	Total	<u>1,11,60,86,106</u>	<u>1,07,60,47,297</u>
21	Construction Expenses		
	Project work expenses	71,88,54,875	57,26,73,913
	Repairs and maintenance:		
	- Plant & machinery, vehicles	10,40,414	53,27,422
	Hire Charges for machinery and others	5,38,42,086	3,72,82,627
	Transport Charges	4,61,58,487	2,40,49,044
	Power and fuel:		
	- Diesel & Petrol expenses	4,27,96,971	3,81,48,179
	- Electricity expenses	16,08,110	7,79,693
	Technical and engineering consultancy services	2,59,55,707	1,22,47,784
	Testing charges	11,92,814	22,77,244
	Labour cess (recoveries)	1,43,89,202	53,28,040
	Other recoveries (by Contractees)	1,74,08,760	26,26,347
	Loading and unloading charges	17,05,572	26,50,184
	Water charges	32,97,589	32,30,654
	Other Project expenses	1,35,59,141	34,31,499
	Total	<u>94,18,09,728</u>	<u>71,00,52,629</u>
22	Changes in inventories of work-in-progress		
	Opening balance	5,35,41,196	3,93,42,238
	Closing balance	51,70,47,557	5,35,41,196
	Total	<u>-46,35,06,361</u>	<u>-1,41,98,958</u>
23	Employee Benefit Expenses		
	Salaries and wages	11,77,78,042	12,37,65,832
	Contribution to Provident fund and other funds	60,53,068	99,40,259
	Staff Welfare Expenses	1,02,10,082	2,07,66,014
	Total	<u>13,40,41,192</u>	<u>15,44,72,105</u>
24	Finance Costs		
	Interest expense on		
	Term loans	29,84,166	10,76,231
	Working capital demand loans & Cash credit	3,67,94,200	1,21,81,230
	Mobilisation advance	39,91,106	49,45,814
	Others	-	83,50,516
	Other borrowing costs (LC charges, BG commission etc.)	1,46,46,945	1,19,93,510
	Total	<u>5,84,16,417</u>	<u>3,85,47,301</u>

Gr Parvathi Devi



RKEC PROJECTS LIMITED

Notes forming part of the consolidated financial statements

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



Note		for the year ended 31st March, 2019	for the year ended 31st March, 2018
25	Other Expenses		
	Auditors' fee:		
	- statutory audit fee	5,02,550	4,00,000
	- tax audit fee	1,80,000	1,80,000
	- for other services	54,160	67,500
	Bank charges	48,91,965	13,85,167
	LC & BG Issue charges	2,11,67,588	
	Commission on - bank guarantees	74,03,290	
	Rent	1,07,07,815	83,30,255
	Travelling & conveyance expenses	81,83,145	95,38,669
	Repairs & maintenance of computers and others	-	1,56,810
	Office maintenance	1,04,153	36,06,130
	Security services	34,37,618	28,26,747
	Rates and taxes	41,92,897	45,32,510
	Communication expenses (Postage & telephone)	8,17,589	11,91,426
	Insurance	1,30,76,596	36,81,690
	Printing and stationery	15,19,422	6,77,852
	Professional charges	2,17,50,775	1,84,51,641
	IPO & Listing Expenses		2,11,51,048
	CSR Expenses (Refer note 29.2 to the Standalone FS)	20,10,000	1,75,000
	Foreign Exchange (Gain)/Loss		6,56,904
	Sitting Fee to Directors	2,00,000	3,50,000
	Project site admin expenses	67,49,987	23,58,554
	Tender expenses	5,53,158	4,45,992
	Donations	7,48,989	6,85,699
	Bad debts written off	72,50,000	19,017
	Business promotion expenses	51,64,441	35,68,416
	ROC charges	28,824	26,251
	Loss on sale of fixed assets		9,531
	Interest on Statutory Dues	54,18,241	18,80,420
	Miscellaneous expenses		1,42,222
	Total	12,61,13,202	8,64,95,450

** During the year Company has written off the advance paid to Sudhakar Jagtap & various individual who fail to arrange the loan & Case was closed with a decision of paying Rs 40 lacs as full & final settlement. The difference amount of Rs 72.5 lacs was written off as Bad debts.

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

(a) Surplus available to equity share holders	22,43,25,497	20,35,37,312
(b) Weighted average number of Shares ***	2,39,90,600	2,16,51,600
(c) Earning per share (Face value of each share Rs. 10 /-)	9.35	9.40
*** Calculation of weighted average number of shares		
Opening number of shares	2,39,90,600	1,93,12,600
Issued during the year		46,78,000
Weighted average number of shares	2,39,90,600	2,16,51,600

G. Parvathi Devi



RKEC PROJECTS LIMITED

Notes forming part of the Consolidated financial statements


 27 Additional notes to the financial statements
 27.1

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Rs. in lakhs	%	Rs. in lakhs	%
a) Construction materials				
(i) Imported			290	3%
(ii) Indigenous	11,633	100%	8,858	97%
b) Stores & spares				
(i) Imported				
(ii) Indigenous	506	100%	385	100%

27.2 Related Party Disclosures:

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

a Name of the related parties and description of their relationship:
i) Key Managerial Personnel

Garapati Radhakrishna	Managing Director
Garapati Parvathi devi	Whole-Time Director

ii) Relatives of Key Managerial Personnel

Nagapushyami	Daughter of Director
Himabindu sree	Daughter of Director
GV Ram Mohan	Son-in-law of Director
Karna Mahendra Raj	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 31.03.2019

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
	2018-19	2018-19	2018-19	2018-19
<i>Note: ** Amounts in brackets were pertains to previous year 2017-18</i>				
1 Lease of machinery	-	18.00	-	18.00
		(20.00)	-	(20.00)
2 Managerial Remuneration	320.00	-	-	320.00
	(320.00)	-	-	(320.00)
3 Salaries & wages	-	56.00	-	56.00
	-	(70.48)	-	(70.48)
4 Commission to bank guarantees	63.35	10.67	-	74.02
	(19.78)	(1.47)	-	(21.25)
5 Purchases	-	-	-	-
	-	-	(594.96)	(594.96)
6 Construction Exp	-	-	253.62	253.62
	-	-	-	-
7 Balance as at 31st March				
Payables/(Receivables)	79.12	2.76	100.65	182.53
	(26.50)	2.20	0.17	(24.13)

c Information Regarding Significant Transactions / balances

Related party transactions	Rs. in lakhs	
	For the year 2018-19	For the year 2017-18
1 Lease of machinery		
Naga pushyami	18.00	20.00
2 Commission on guarantees to		
Garapati Radhakrishna	32.31	12.76
Garapati Parvathi devi	31.03	7.02
Naga pushyami	4.77	1.47
Himabindu sree	5.90	-
3 Managerial Remuneration		
Garapati Radhakrishna	160.00	160.00
Garapati Parvathi devi	160.00	160.00
4 Purchase of Materials		
Naram Enterprises Pvt Ltd	-	594.96
5 Construction Expenses		
Naram Enterprises Pvt Ltd	253.62	-

G. Parvathi Devi



RKEC PROJECTS LIMITED

Notes forming part of the Consolidated financial statements



27.3	Disclosure in Accordance with Accounting Standard 7 (revised)	Rs. in lakhs	
		for the year ended 31st March, 2019	for the year ended 31st March, 2018
	Particulars		
a	Contract Revenue recognized as revenue in the period	22,577	23,958
b	For contracts in progress at the		
	- aggregate amount of cost incurred and recognized profits (less recognised losses) upto the reporting date	75,247	45,617
	- advance amounts received	3,162	999
	- amount of retentions	3,720	2,048
c	Gross amount due from customers for contract work as	8,537	8,203
d	Gross amount due to customers for contract work as	6,881	3,047

27.4 Segment Reporting

The Company's operations predominantly consist of construction / project activities. The Company also in to the business of survey works under Unmanned Aerial Systems (UAS). The Business of UAS is not very significant to identify as reportable segment. Hence there are no reportable segments under Accounting Standard - 17. During the year under report, Company has carried out all the business operations in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary. The business was discontinued during the year 2018-19.

27.5 Contingent Liabilities :		Year ended	Year ended
a) Guarantees		31-03-2019	31-03-2018
		Rs. Lakhs	Rs. Lakhs
1	Collateral given to bankers in respect of Bank Guarantees for the operations carrying out by the Company	16,293.78	7,995.00
b) Matters under Litigation			
2	Disputed sales tax / entry tax liability for which the Company preferred appeal to High Court, Andhra Pradesh	160.38	160.38
3	Disputed service tax liability for the period 2004-05 to 2008-09 which the Company preferred appeal to CESTAT, Bangalore	592.04	592.04
4	Levy of labour cess @ 1% (w.e.f. July 2007) on the construction contracts executed by the Company in the State of Andhra Pradesh contested before the Honourable High Court	69.99	69.99
5	Disputed Income tax liability for which the Company preferred appeal to CIT appeals (AY 2015-16)	59.41	59.41
6	Disputed service tax liability for the period 2012-13 to 2015-16, which the Company preferred appeal to CESTAT, Hyderabad	1,874.86	1,874.86
c) Liability for Capital Commitments pending for execution			
7	Purchase of Machinery by Import under Foreign Letter of Credit with Bank	628.27	-
d) Legal cases filed against the company			
8	Some of the parties have filed legal case(s) against the company with legal authorities, Courts/ for delay/non payment of dues, due to to dispute in execution of works, quality-supply defects/early termination etc. For their dues the company is in the process of negotiation and will win certain cases without any payments due to merits on the company as per management opinion. (Interest not material)	230.87	-

G. Parvathi Devi



RKEC PROJECTS LIMITED

Notes forming part of the Consolidated financial statements



27.6	Trade Receivables includes the following for which the Management is confident in full recovery of the same:		
a)	IVRCL Limited	Amount due from the party, which the said company was under Insolvency process and claim made by the company, was not admitted and the communication was yet to be received for further appeal by the company.	106.45 106.45
b)	SEW Infrastructure Ltd	Amount due from the party, notice of demand under Insolvency Act was sent against the company and no further action was initiated as on this date.	235.04 235.04
c)	Suspended, Delayed Contracts: The company entered into a contract aggregating 11894.61 lakhs with one of the party. The work was completed more than 50% and the said party suspended the work due to serious irregularities. The party blacklisted the company and invoked bank guarantees. The company filed a writ petition before the Honourable Highcourt of Allahabad at Lucknow.		
	C.1) Trade receivables includes amount due from the said party for execution of work and Retention money	3,207.40	-
	C.2) Trade receivables includes amount due from the said party on account of bank guarantees invoked.	1,593.51	-
	C.3) The company's work in progress as on 31/03/2019 includes unbilled work at site	516.13	-
	The company, preferred Arbitration proceedings and to settle the dispute with the party through inspection committee. The management is confident in getting full revenue and recovery of the said receivables.		
d)	Amounts receivable on final bills from the parties for works executed, for the escalation and other pending issues which the company filed Arbitration proceedings for recovery, and confident in getting full recovery in the opinion of the management.	409.57	-
27.7	Based on the information available with the Company, there are suppliers registered as micro & small enterprises (MSE) under Micro, Small, Medium Enterprises Development Act, 2006.		
a)	Principal amount remaining unpaid to MSEs at the end of the year	40.22	-
b)	Interest Due thereon at the end of the year	-	-
c)	Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during period;	-	-
d)	Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
e)	Interest accrued and remaining unpaid at the end of the Year	-	-
f)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

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

As per our Report of even date attached

for Brahmananda Reddy & Associates
Chartered Accountants,
Firm Registration Number: 016662S
G Govinda Rao
Partner
Membership No. 244754
Visakhapatnam
Visakhapatnam

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

(G. Radhakrishna)
Managing Director
DIN: 00073080

G S Narayana
CFO

G. Parvathi Devi

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

Vijay Kumar Jannada
Company Secretary, ACS
M.No.A41810

RKEC PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

11. Property, Plant and Equipment



Particulars	Gross block					Depreciation				Written Down Value		
	Opening Balance as on 01/04/2018	Additions during the year	Disposals during the year	Closing Balance as on 31/03/2019	Opening bal as on 01/04/2018	Depreciation provided for the year	Deletions during the year	Closing bal as on 31/03/2019	as on 01/04/2018	as on 31/03/2019	Amount (Rs.)	Amount (Rs.)
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
(A) Tangible Assets												
(a) Land Free-hold	50,00,000	-	-	50,00,000	-	-	-	-	50,00,000	50,00,000	50,00,000	50,00,000
(b) Plant and Equipment	14,86,25,830	4,86,56,238	35,71,782	19,37,10,286	10,83,34,524	1,24,97,508	7,07,959	12,01,24,073	4,02,91,306	4,02,91,306	7,35,86,213	7,35,86,213
Plant & Machinery	1,02,65,089	-	-	1,02,65,089	60,66,538	10,56,634	-	71,23,172	41,98,551	41,98,551	31,41,917	31,41,917
Electrical Equipment	10,19,01,412	-	-	10,19,01,412	5,01,05,327	78,91,832	-	5,79,97,158	5,17,96,085	5,17,96,085	4,39,04,254	4,39,04,254
Barge, TUG others	3,08,02,008	2,31,88,369	-	5,39,90,377	2,12,66,161	17,53,617	-	2,30,19,779	95,35,847	95,35,847	3,09,70,598	3,09,70,598
Heavy lift equipment	18,39,541	3,45,927	-	21,85,468	6,96,259	2,96,827	-	9,93,086	11,43,282	11,43,282	11,92,382	11,92,382
(c) Furniture and Fixtures												
(d) Vehicles	3,32,46,679	44,08,049	4,64,195	3,71,90,533	1,41,85,365	66,73,506	4,40,986	2,04,17,886	1,90,61,314	1,90,61,314	1,67,72,647	1,67,72,647
Office vehicles	3,48,34,543	1,72,16,115	-	5,20,50,658	3,30,92,816	16,77,842	-	3,47,70,658	17,41,727	17,41,727	1,72,80,000	1,72,80,000
Construction vehicles												
(e) Office equipment	95,00,502	8,31,872	39,22,821	64,09,553	36,67,642	19,48,727	15,04,363	41,20,324	58,32,860	58,32,860	22,89,229	22,89,229
Office Equipment	67,15,983	13,48,328	32,08,608	48,55,703	31,81,539	14,48,183	11,38,418	34,82,986	35,34,444	35,34,444	13,72,717	13,72,717
Computers	38,27,31,587	9,59,94,897	1,11,67,406	46,75,59,078	24,05,96,171	3,52,44,674	37,91,726	27,20,49,121	14,21,35,416	14,21,35,416	19,55,09,957	19,55,09,957
Sub-total												
(B) Intangible Assets												
Goodwill	4,79,197	-	-	3,46,897	1,07,842	1,10,079	-	83,589	3,71,355	3,71,355	1,97,968	1,97,968
Software		4,05,434	5,37,734	3,46,897								
TOTAL	38,32,10,784	9,64,00,331	1,17,05,140	46,79,05,975	24,07,04,013	3,53,54,754	39,26,058	27,21,32,710	14,25,06,771	14,25,06,771	19,57,07,926	19,57,07,926



Gr. P. S. V. D. D. D.

RKEC PROJECTS LIMITED



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	for the year ended 31st Mar, 2019	for the year ended 31st Mar, 2018
Cash flows from operating activities		
Profit before tax	32,26,67,258	32,54,07,978
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	3,53,54,754	3,08,76,820
Loss/(profit) on sale of fixed assets	(1,790)	9,531
Interest expense	5,84,16,417	3,85,47,301
Interest income	(1,33,25,259)	(1,04,57,660)
Operating profit before working capital changes	40,31,11,380	38,43,83,971
Changes in working capital:		
Adjustments for (increase) / decrease in operating liabilities:		
Increase/(decrease) in trade payables	34,26,09,718	13,03,16,204
Increase/(Decrease) in long-term Provisions	45,24,527	(16,84,591)
Increase/(Decrease) in Short -term Provisions	(1,41,05,292)	
Increase/(decrease) in other current liabilities	23,51,34,973	(26,11,06,792)
Adjustments for (increase) / decrease in operating assets:		
Decrease/(increase) in trade receivables	1,48,74,854	(42,50,86,328)
Decrease/(increase) in inventories	(50,25,85,535)	16,31,48,071
Decrease/(increase) in short-term loans and advances	(28,96,63,957)	(11,45,33,855)
Decrease/(increase) in other current assets	(1,60,46,486)	7,72,157
Cash generated from / (used in) operations	17,78,54,181	(12,37,91,163)
Less: Income tax paid	9,83,41,761	11,56,78,248
Net cash flow from (used in) operating activities (A)	7,95,12,421	(23,94,69,411)
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(9,64,00,331)	(6,53,96,756)
CWIP	(9,97,18,191)	
Proceeds from sale of fixed assets	78,46,213	89,625
Bank balances not considered as cash and cash equivalents	(16,52,11,579)	1,72,41,828
Interest received	1,33,25,259	1,04,57,660
Net cash used in investing activities (B)	(34,01,58,629)	(3,76,07,644)
Cash flows from financing activities		
Proceeds from (repayment of) long term borrowings	31,16,826	77,11,426
Proceeds (repayment of) from short term borrowings	32,82,04,775	13,83,36,787
Proceeds from Issue of shares		21,05,10,000
Dividend(Final 2016-17) Paid during the year (Incl Dividend dist tax)	-	(3,48,66,286)
Dividend(Interim) Paid during the year (Incl Dividend dist tax)	(2,89,21,938)	(2,88,74,521)
Interest paid	(5,84,16,417)	(3,85,47,301)
Net cash flow from financing activities (C)	24,39,83,247	25,42,70,106
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	(1,66,62,961)	(2,28,06,949)
Cash and cash equivalents at the beginning of the year	2,23,66,794	4,51,73,743
Cash and cash equivalents at the end of the year	57,03,832	2,23,66,794

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

As per Our report of even date attached

For Brahmananda Reddy & Associates
Chartered Accountants,

Firm Registration Number: 0166625


G. Govinda Rao
Partner


Membership No.244754
Visakhapatnam


and on behalf of board of directors of
RKEC Projects Ltd
G. Radhakrishna
Managing Director
DIN: 00073080


G S Narayana
CFO


G. Parvathi Devi

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


Vijay Kumar Jannada
Company Secretary, ACS
M.No.A41810