

Delivering Excellence
Progressing potentially



RKEC Projects Limited

Marine Bridges Roads Buildings

***Annual
Report
FY 2022-23***

Delivering Quality on Time

Building a better Tomorrow

Website: www.rkecprojects.com

RKEC Projects Limited

18th ANNUAL GENERAL MEETING

to be held on

27th September, 2023 at 11:30 A.M.IST

Through

Video Conferencing (“VC”) / Other Audio Visual Means

(“OVAM”)



Reg. Office.:

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

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

Email: info@rkecprojects.com

Web: www.rkecprojects.com

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Board of Directors

Shri G Radhakrishna	Chairman
Shri R Jayachandran	Managing Director
Smt G Parvathi Devi	Whole Time Director
Shri G V Rama Mohan	Whole Time Director
Vice Admiral Satish Soni (PVSM, AVSM, NM (Retd))	Independent Director
Lt Gen P R Kumar (PVSM, AVSM, VSM (Retd))	Independent Director
Shri T Peter Lucas (Commissioner of Income Tax (Retd))	Independent Director
Brig J K Rao (VSM (Retd))	Independent Director
Shri Potluri Srinivasa Chakravarthi	Non-Executive Director

Key Managerial Personnel

Shri G Radhakrishna	Chairman*
Shri R Jayachandran	Managing Director/CFO**
CS Deepika Rathi	Company Secretary & Compliance Officer

*Shri G Radhakrishna resigned from the post of Managing Director w.e.f. 3rd June 2023

**Shri R Jayachandran was appointed as Managing Director w.e.f. 3rd June 2023 & CFO w.e.f. 1 Sep 2023

Statutory Auditors

M/s SARC & Associates

Chartered Accountants

Secretarial Auditor

M/s Mehta and Mehta

Practicing Company Secretaries,

Cost Auditor

M/s Uppalapati & Associates, LLP

Internal Auditor

M/s. Ashish Kumar Agarwal & Co.

COMPOSITION OF COMMITTEES

Audit Committee

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

Nomination and Remuneration Committee

Name of the Director	Status in Committee	Nature of Directorship
Shri T Lucas Peter (IRS) (Retd.)	Chairman	Independent Director
Vice Admiral Satish Soni, PVSM, AVSM, NM (Retd.)	Member	Independent Director
Lt Gen P R Kumar	Member	Independent Director

Stakeholders Relationship Committee

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

Corporate Social Responsibility Committee

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

Banks

Bank of Baroda
Bandhan Bank

Registrar & Share Transfer

Bigshare Services Private Limited

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

Registered Office

CIN: L45200AP2005PLC045795

10-12-1, Rednam Alcazar, Rednam Gardens
Opp SBI Main Branch, Visakhapatnam Andheri
530002, Andhra Pradesh, India

OUR STRENGTHS: ENABLERS TO ALLOW GROWTH AND PROFITABILITY

- RKEC Projects Limited gets its core strength from the Founder, Chairman and Managing Director Mr G Radhakrishna. The MD is involved in every stage of the project from the planning, execution and post execution of any project.
- It is a matter of great pride that the company has earned laurels and plaudits in every project undertaken since inception without exception.
- Experienced In-house Design Team.
- Technical staff with experience of more than 20 years particularly in Marine Works.
- Possess Marine Equipment worth Rs. 75 Crore which is capable of executing major offshore piling works. Advantage of having own ancillary services cannot be understated.
- One amongst very few contractors in the Country to possess Jack Up Barge of capacity 500 MT.
- Certified for **ISO 9001 : 2015 (Quality Management)**, **ISO 14001 : 2015 (Environmental Management)** & **ISO 45001 : 2018 (Occupational Health and Safety Management)**(Standards by INTERCERT, accredited by International Accreditation Service, USA).

VISION

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

OUR CLIENTELE



“We intend to emerge as the preferred and reliable partner for our clients when it comes to infrastructure development. Our aim is to successfully deliver high quality projects on time and contribute towards the advancement of the economy through rapid development of infrastructure.”

BUSINESS SEGMENTS



MARINE STRUCTURES

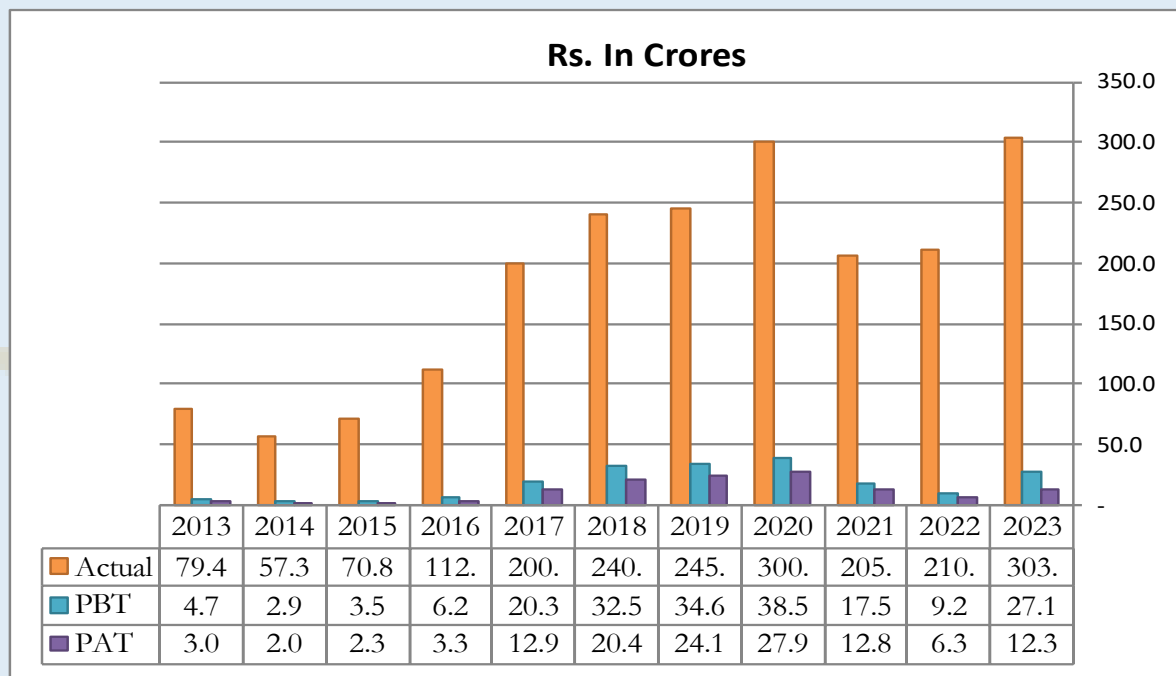


BRIDGE CONSTRUCTION



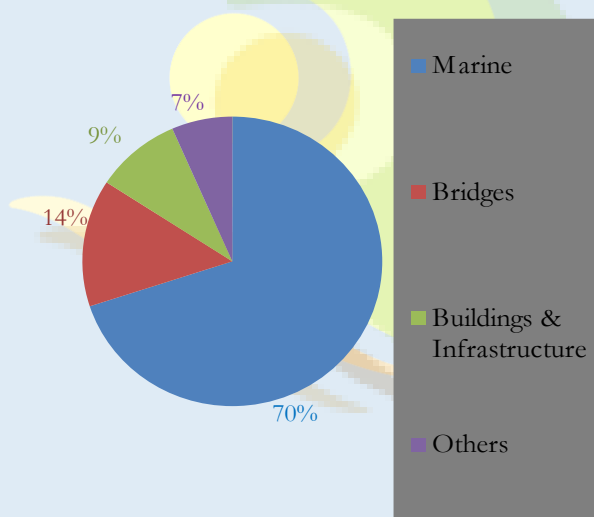
ROADS & BUILDINGS

KEY FINANCIALS

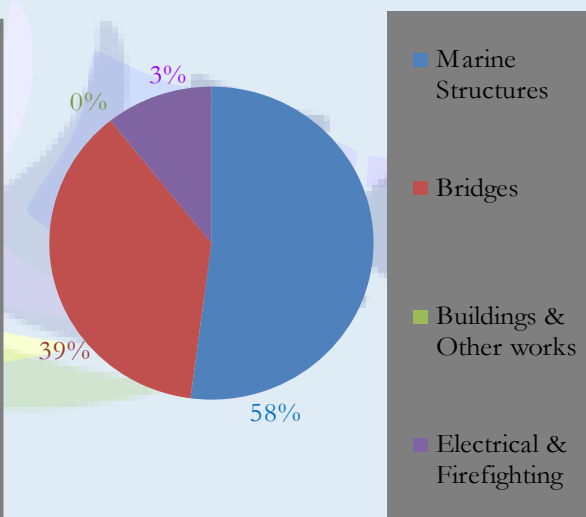


BUSINESS VOLUME : Rs. 3845 Cr

Works Executed : 2267 Crores



Works In Progress : 1578 Crores



AWARDS



NOTICE OF 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the Eighteenth Annual General Meeting of the members of RKEC Projects Limited (CIN: L45200AP2005PLC045795) will be held on Wednesday, the 27th September 2023 at 11:30 A.M. through Video Conferencing (“VC”) / Other Audio Visuals Means (“OVAM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

- a) The Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2023 together with the Reports of the Board of the Directors and Auditors thereon; and
- b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2023 together with the Report of the Auditors thereon to pass the following resolution as Ordinary Resolution:

“RESOLVED THAT the Audited Financial Statements (both Standalone & Consolidated Financial Statements) of the Company for the Financial Year ended 31st March 2023, consisting of Balance Sheet as at 31st March 2023 together with the Notes to Financial Statements and Reports of the Board of Directors and Auditors including Annexure thereof laid before this meeting be and are hereby considered and adopted.”

2. To re-appoint Mr. G V Rama Mohan (DIN: 06602693), who retires by rotation and being eligible, offer himself for re-appointment as a Director

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

“RESOLVED THAT” Mr. G V Rama Mohan (DIN: 06602693), who retires by rotation at this meeting pursuant Section 152 of Companies Act 2013, being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

SPECIAL BUSINESS:

3. Ratification of Remuneration of Cost Auditors of the Company

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

“RESOLVED THAT” pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification/s thereof, for the time being in force) M/s Uppalapati & Associates LLP, Cost Accountants, Visakhapatnam (Firm Registration No. 100506) whose appointment as the Cost Auditors of the Company, for the FY 2023-24 ending 31st March 2024, has been duly approved by the Board of Directors based on the recommendations of Audit Committee of the Company, be paid a sum Rs.80,000/- (Rupees Seventy Five Thousand) only plus applicable tax(GST) and reimbursement of actual out of pocket expenses, if any, as a remuneration for audit of cost

records of the Company for the FY 2022-23 ending 31st March 2023, as recommended by the Board of Directors based on the recommendation of the Audit Committee of the Company, be and hereby ratified.”

4. Approval for entering into Related Party Transactions

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 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with related parties within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for one year on such terms and conditions as the Board of Directors may deem fit, for the financial year 2023-24, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to determine the actual sums to be involved in the transactions and to finalise terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions and generally to do all acts, deeds and things that may be necessary, proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be necessary in this regard.

**By the Order of the Board of the Directors
For RKEC Projects Limited
Sd/-**

**Date: 12th August, 2023
Place: Visakhapatnam**

**Deepika Rathi
Company Secretary & Compliance Officer**

NOTES

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. The Ministry of Corporate Affairs (“MCA”) has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 in relation to “Clarification on holding of annual general meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)” and SEBI Circular dated 5th January, 2023 (collectively referred to as “Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the 18th AGM. Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories as on 25th August, 2023. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company’s website www.rkecprojects.com, website of the Stock Exchange, i.e., www.nseindia.com
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.rkecprojects.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Sunday, 24 September, 2023 at 9:00 A.M. and ends on Tuesday, 26 September, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 20th September 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20th September 2023.

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

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login”

2. which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
3. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "**Register Online for IDeAS Portal**" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience.

	NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	- Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. - After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. - If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

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

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to

- change your password.
- c) How to retrieve your 'initial password'?
- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
- Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ashwini.i@mehta-mehta.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Prajakta Pawle at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@rkecprojects.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to info@rkecprojects.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account

maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (info@rkecprojects.com). The same will be replied by the company suitably.
6. Those shareholders who have registered themselves as speaker shareholder only be allowed to express their views/ask questions during the meeting.
Since AGM will be held through VC/OVAM, the route map and attendance slips are not annexed to this notice.

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

Item No. 3

Ratification of Remuneration of Cost Auditors of the Company

On recommendations of the Audit Committee, the Board of Directors of the Company, at its meeting held on 29 May 2022, approved and appointed, M/s Uppalapati & Associates LLP, Cost Accountants, Visakhapatnam (Firm Registration No. 100506) as the Cost Auditors of the Company for the FY 2023- 24 ending 31st March 2024 to audit the cost records of the Company at a remuneration of Rs. 80,000/- Only, plus applicable tax (GST) and reimbursement of actual out of pocket expenses, if any.

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

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

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

Item No. 4

Approval for entering into Related Party transactions

In view of the changes in the threshold for determining the related party transactions that require prior shareholder approval and considering the fact that the list of related parties will change dynamically with no action on the part of the Company and to facilitate seamless contracting and rendering/availing of product and services between the Company and “related parties”, the Company seeks the approval of the shareholders to approve entering into contracts/arrangements. All the contracts/arrangements and the transactions with “related parties” are reviewed and approved by the Audit Committee. Further, the transactions that require testing of arm’s length pricing are reviewed by our statutory auditors for being at arm’s length.

The Members are informed that the Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the Related Parties of the Company. As per the provisions of Section 188 (1) of the Companies Act, 2013 "Related Party Transactions" requires obtaining prior consent of the Board where transactions proposed to be entered into falls in the list of items referred therein and are within threshold limits prescribed under Rule 15 of Companies (Meeting of Board and its Power) Rules, 2015.

Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 requires taking prior approval of the Company by Special Resolution where transactions proposed to be entered into falls, in the list of items referred therein and are in excess of threshold limits.

Proviso to Section 188 further provides that nothing contained in Sub-section (1) of Section 188 applies where transactions are entered into by the Company in the ordinary course of business other than transactions which are not on an arm's length basis.

All transactions entered into by the Company with Related Entities are at arm's length basis and in the ordinary course of business except a few of which could be construed as not in the ordinary course of business but are at arm's length basis.

In the light of provisions of the Companies Act, 2013, the Board of Directors are authorised to determine the actual sums to be involved in the transactions and to finalise terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions.

The Members are further informed that no Member/s of the Company being a Related Party or having any interest in the Resolution as set out at Item No. 4 shall be entitled to vote on this Resolution.

The Board of Directors recommends the Resolution set forth in Item No. 4 for approval of the Members. Except Promoter, Directors and their relatives (to the extent of their Shareholding interest in the Company), no other Director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this Resolution.

Date: 12th August, 2023
Place: Visakhapatnam

**By the Order of the Board of the Directors
For RKEC Projects Limited
Sd/-
Deepika Rathi
Company Secretary & Compliance Officer**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting to you the Eighteenth Annual Report on Business and Operations of the Company along with audited Annual Financial Statements for the year ended 31st March, 2023.

1. PRESENTATION OF FINANCIAL STATEMENTS:

The financial highlights for the year under report are as under:

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	29996.82	20864.87	30034.030	21071.93
Other Income	371.19	216.92	389.200	272.17
Total Income	30368.02	21081.79	30423.230	21344.10
Less: Expenditure	25741.83	18555.77	25779.17	18704.78
Profit/(loss) before Interest, Depreciation and Tax	3294.86	2526.03	4644.06	2639.32
Less: Finance Cost	1437.99	1216.36	1438.0	1239.17
Less: Depreciation & Amortization Cost	497.28	391.10	497.280	391.10
Prior Period Items	-	-	-	-
Less: Extraordinary items	-	-	-	-
Profit/(loss)Before Tax	2690.91	918.57	2708.780	1008.95
Less: Tax Expenses	1391.57	273.17	1396.940	279.98
Less: Deferred Tax	86.06	17.07	86.06	17.07
Profit/(loss)after Tax	1230.15	628..33	1225.780	711.89

During the year under review, the Company has earned net profit of Rs. 12,30,15,677.99/- There is increase in profit after tax during the financial year 2022-23 when compared to the net profit after tax of the previous year. Your Directors are confident that the performance of the Company will be improved on all fronts in the current Financial Year.

2. DIVIDEND

The Board of Directors aim to grow the business lines of the Company and enhance the rate of return on investments of the shareholders. With a view to financing the long term growth plans of the Company that requires substantial resources, the Board of Directors did not recommend any dividend for the Year under review.

3. CAPITAL STRUCTURE

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

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

4. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Act and implementation requirements of Indian Accounting Standard (IND-AS) on accounting and disclosure requirements and as prescribed by SEBI Listing Regulations, the Audited Consolidated Financials are provided in this Annual Report.

The Financial Statement of the Company for the Financial Year 2022-23 are prepared in compliance with the applicable provisions of the Companies Act 2013, Accounting Standards and as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. The consolidated Financial Statement has been prepared on the basis of the audited Financial Statements of the Company, RKEC Projects Limited and its JV Firms as approved by the respective Board of Directors/Management. Pursuant to the provisions of Section 136 of the Act, applicable rules relating to Accounting Standards, the Financial Statements of the Company and the Consolidated Financial Statements along with all relevant documents and Auditors Report thereon form part of this Annual Report.

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

6. CHANGE IN THE NATURE OF THE BUSINESS OF THE COMPANY

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

7. DEPOSITS

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

8. AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The Directors have decided to transfer the balance amount in the retained earnings after distribution of proposed dividend, to be approved by the shareholders in the ensuing AGM.

9. MATERIAL CHANGES AND COMMITMENTS OCCURRED SINCE THE END OF THE FINANCIAL YEAR TILL THE DATE OF THE REPORT

There have been no material changes and commitments which affect the financial position of the Company, that have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report. However the Covid -19 impact was still visible in the operations of the Company.

10. PERFORMANCE EVALUATION OF BOARD

Pursuant to the applicable provisions of the Act and the SEBI Listing Regulations, the Board has carried out an Annual Evaluation on its own performance, performance of the Directors and the working of its committees based on the evaluation criteria defined by Nomination and Remuneration Committee for performance evaluation process of the Board, its Committees and Directors. The Board’s functioning was evaluated on various aspects, including inter-alia the Structure of the Board, Meetings of the Board, Functions of the Board, Degree of fulfilment of key responsibilities, Establishment and delineation of responsibilities to various Committees, Effectiveness of Board Processes, information and functioning. The Committees of the Board were assessed on the degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/ Committee Meetings and guidance/support to the Management outside Board/Committee Meetings. As mentioned earlier, the performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated in a separate meeting of Independent Directors. The same was also discussed in the Board meeting. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

11. 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

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

12. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has developed and implemented risk management policy, wherein all material risks faced by the Company are identified and assessed. The Risk Management Policy is uploaded on the website of the Company and can be accessed on Company's website www.rkecprojects.com.

13. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT-GO

A. Conservation of Energy:

During the year under review and nature of activities which are being carried on by your Company, the particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Companies' (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption, are not applicable to the Company. However, the Company has access regarding Conservation of Energy and Technology Absorption, wherever it is applicable

B. Technology Absorption: Not Applicable

REMARKS:

The provisions of section 134(3) (m) of the Act relating to conservation of energy and technology absorption do not apply to the Company. The Company has, however, used information technology in its operations and continuously invests in energy-efficient office equipment at all office locations.

C. Foreign Exchange Earning & Out-Go:

Foreign Exchange Earning: NIL

Foreign Exchange Outgo: NIL

14. CORPORATE SOCIAL RESPONSIBILITY

In pursuance of the provisions of Section 135 read with Schedule VII of the Act, the Company has a CSR Committee of the Board which reviews and recommends (a) the policy on Corporate Social Responsibility (CSR) including changes thereto, and implementation of the CSR Projects or Programs to be undertaken by the Company as per its CSR Policy. The CSR policy of the Company is available on the website of the Company – www.rkecprojects.com. A report on CSR activities of the Company is enclosed herewith as 'Annexure – 1C'.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year, the Company has made no investment falling under the provision of Section 186 of the Companies Act, 2013 read with rules made there under. The Company has not given loan, guarantee or provided security in connection with the loan to any other body

corporate or person. The members are requested to refer the notes to the Financial Statement which are forms the part of the Annual Report for detailed information.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

In accordance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) 2015, your Company has a Policy on Related-Party Transactions which can be accessed on the website of the Company www.rkecprojects.com.

17. DIRECTORS

a. Composition

As on March 31, 2023, the Board of your Company consists of Eight Directors. Their details are as follows:

Category	Name of Director
Executive Director	Shri Garapati Radhakrishna, Chairman and Managing Director 
	Smt Parvathi Devi Garapati, Whole Time Director
	Shri Venkata Rama Mohan Gudapati, Whole Time Director
Non-Executive Independent Directors	Vice Admiral Satish Soni PVSM, AVSM, NM (Retd)
	Lt Gen Kumar Peruvemba Ramachandran
	Shri Lucas Peter Thalakala, IRS (Retd)
	Brig Kameswara Jagabathula Rao
Non-Executive Directors	Potluri Srinivasa Chakravarthy

The composition of the Board is in line with the requirements of the Act and Listing Regulations. All the Directors have vast knowledge and experience in their relevant fields and the Company has benefitted immensely by their presence on the Board.

b. Changes in Directors and Key Managerial Personnel (KMP) during the year under review:

- Dr. G Sita Ratnam resigned from the post Non-executive Director w.e.f. 13 Aug 2022.
- Mr. Potluri Srinivasa Chakravarthy was appointed as Non-executive Director w.e.f. 7th January 2023.
- Shri R Jayachandran was appointed as Managing Director w.e.f 3rd June 2023.
- Shri G Radhakrishna resigned from the post of Managing Director w.e.f. 3rd June 2023. He shall continue as Chairman of the company.

c. Director retiring by Rotation.

As per the provisions of Companies Act, 2013, Shri Venkata Rama Mohan Gudapati (DIN: 06602693) retires by rotation at the ensuing Annual General Meeting and being eligible seeks reappointment. Based on the recommendation of the nomination and remuneration committee, the Board recommends his reappointment.

His details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of your Company.

An appropriate resolution seeking your approval to his re-appointment as Director is included in the Notice.

d. Woman Director

In terms of the provisions of Section 149 of the Act and Regulation 17(1)(a) of Listing Regulations, the Company needs to have at least one woman director on the Board. The Company has Smt. Garapati Parvathi Devi as Woman Directors on the Board.

e. Declaration by Independent Director(s) and re-appointment, if any

The Company has four Independent Directors on the Board. The Company has received declaration from each Independent Director of the Company under Section 149(7) of the Act that they meet the criteria of independence as laid down in Section 149(6) of the Act and subsequently the same was placed at the Board Meeting held on May 29, 2022.

Further, in terms of the recently introduced regulatory requirements, name of every Independent Director should be added in the online database of Independent Directors by Indian Institute of Corporate Affairs, Manesar ("IICA"). Accordingly, Independent Directors of the Company have registered themselves with the IICA for the said purpose.

A declaration by Managing Director confirming the receipt of this declaration from Independent Directors is annexed to this report as Annexure II.

18. KEY MANAGERIAL PERSONNEL

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

19. MEETINGS OF THE BOARD OF DIRECTORS

The Board met 4 times in the Financial Year 2022-23 viz, 29 May 2022, 13 August 2022, 14 Nov 2022 and 7 January 2023. Details of Directors as on 31 Mar 2023 and their attendance at the Board Meetings and Annual General Meeting (AGM) during the Financial Year 2022-23 are given below:

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

20. COMMITTEE MEETINGS

The Board of Directors of your Company have formed various Committees, as per the provisions of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements), 2015 and as a part of the best corporate governance practices, the terms of reference and the constitution of those Committees is in compliance with the applicable laws. Further there are no instances where the Board has not accepted recommendations of Audit Committee. In order to ensure focused attention on business and for better governance and accountability, the Board comprises of following four committees:

Audit Committee

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

Nomination & Remuneration Committee

Name of Members	No. of Committee Meeting entitled	No. of Committee Meetings Attended
Shri T Lucas Peter, IRS (Retd)	3	3
Vice Admiral Satish SoniPVSM,AVSM, NM (Retd)	3	3
Lt Gen P R Kumar	3	2

Corporate Social Responsibility (CSR) Committee

Name of Members	No. of Committee Meeting entitled	No. of Committee Meetings Attended
Shri G Radhakrishna	2	2
Brig J K Rao	2	2

Shri G V Rama Mohan

2

2

Stakeholders Relationship Committee

Name of Members	No. of Committee Meeting entitled	No. of Committee Meetings Attended
Shri G Radhakrishna	1	1
Vice Admiral Satish Soni	1	1
Shri Lucas Peter Thalakala	1	1

21. DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Act:

(a) in preparation of Annual Accounts for the financial year ended 31st March, 2023, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

(b) that such accounting policies as mentioned in the Notes to the Accounts have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and the profit of the Company for the year ended on that date;

(c) that proper and sufficient care has been taken 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;

(d) that the annual accounts have been prepared on a going concern basis;

(e) that proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively; and

(f) that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and were operating effectively.

22. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES

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

23. DETAILS OF INVESTOR'S GRIEVANCES/ COMPLAINTS

The Company has not received any complaints during the year. The pending complaints of the Shareholders/ Investors registered with SEBI at the end of the current Financial Year ended on 31st March, 2023 are NIL.

There were no pending requests for share transfer/dematerialization of shares as of 31st March 2023.

24. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

In addition, the Internal Auditor performs periodic audits in accordance with the pre-approved plan. They report on the adequacy and effectiveness of the internal control systems and provide recommendations for improvements.

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

25. COMPLIANCE WITH THE SECRETARIAL STANDARDS

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

26. STATEMENT UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

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

During the Financial Year ended 31st March, 2023, the Company has not received any complaints pertaining to sexual harassment.

27. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

There are no subsidiary and associate companies which have become so and ceased as such during the financial year under review. The Company has entered into Joint Venture with M/s Suryadevara Engineers & Contractors, Vijayawada, M/s Qingdao Construction Engineering Group Co. Ltd, M/s Rapid Net Sports System and M/s N.G. BHOIR & M/s Samudra Dredging Private Limited. The statement containing the salient feature of the JVs is given in “Annexure - 1C”.

28. AUDITORS

Statutory Auditors

The present Auditors of the Company, M/s. SARC & Associates, Chartered Accountants (FRN: 006085N), were appointed as Statutory Auditors for a period of 5 year(s) at the Annual General Meeting held on 29th Sept, 2020 to hold the office till the conclusion of 20th Annual General Meeting of the Company to be held in the year 2025.

In pursuant to Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditor is not required to be ratified at every Annual General Meeting.

There are no qualifications, reservations or adverse remarks made by M/s SARC & Associates, Chartered Accountants, the Statutory Auditors of the Company, in their report.

Secretarial Auditor

M/s Mehta & Mehta, Company Secretaries, Mumbai are appointed as Secretarial Auditors of the Company to conduct Secretarial Audit pursuant to the provisions of Section 204 of the Companies Act, 2013 for FY 2022-23 in the Board Meeting held on 29 May 2022. Board noted the observations/qualifications made in the report by the Secretarial auditor and desired to strictly adhere to the compliance requirements under the Companies Act, 2013 and filing of various documents within the stipulated time.

Observations made in Secretarial Audit Report are self explanatory. MGT-14 for approval of Directors Report was filed with delayed submission. Most of e-forms filed lately were delayed due to technical glitches on newly launched MCA V3 portal.

Cost Auditors

The Company has appointed M/s Uppalapati & Associates LLP, Cost & Management Accountants, as Cost Auditors as pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 for the FY 2022-23.

Internal Auditors

The Company has appointed M/s Ashish Kumar Agrawal & Co. Chartered Accountants as Internal Auditor for the year 2022-23.

29. PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in

the Report and marked as “Annexure - 1E”. No employee of the Company was in receipt of the remuneration exceeding the limits prescribed in the rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

30. EXTRACT OF THE ANNUAL RETURN

Pursuant to sub-section (3)(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return as at March 31, 2023 is available at www.rkecprojects.com.

31. CORPORATE GOVERNANCE

Pursuant to the Listing Regulations, a separate section titled ‘Corporate Governance’ has been included in this Annual Report, along with the Report on ‘Management Discussion and Analysis’. All Board members and Senior Management personnel have affirmed compliance with the code of conduct for FY2022-23. A declaration to this effect signed by the Managing Director of the Company is included in this Annual Report. The Managing Director and the Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as specified in the Listing Regulations. A certificate from a Practising Company Secretary regarding compliance of conditions of corporate governance is attached to the Corporate Governance Report.

32. EVENT BASED DISCLOSURES

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

33. LISTING

The equity shares of the company got listed on Main Board of NSE on 18 Dec 2020 from SME platform of NSE and the Company has paid annual listing fees for the year 2022-23.

34. MANAGEMENT’S DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34(2)(e) of the (Listing Obligations Disclosures Requirements) Regulations, 2015 is given as an annexure to this Annual Report.

35. HUMAN RESOURCE AND EMPLOYEE RELATIONS

Your people are your greatest resource. Your Company encourages and provides regular training to employees to improve skills. Your Company has performance appraisal system for senior employees and junior management staff. Rewarding individuals for their contribution is part of motivation towards Excellence. More details on this section are forming part of Management Discussion and Analysis Report.

36. PREVENTION OF INSIDER TRADING

"Insider Trading" is an unethical practice resorted to by those privy to certain unpublished information relating to the Company to profit at the expense of the general investors who do not have access to such information. The objective of the current Regulations is to prevent "insider

trading" by prohibiting dealing, communicating, counseling or procuring "unpublished price sensitive information".

The Company has framed "The Code for Prevention of Insider Trading" as required under regulation 9 of the Securities and Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015 to be observed by the Directors and Designated Employees in the performance of their duties. The Board of Directors have also adopted the Code of Fair Disclosure for the Company and would ensure that the Management adheres to this code to make the Unpublished Price Sensitive Information of the Company would be made available to the general public as soon as it is possible for the Company to do so. The Company recognizes that strict observance of the Code is a basic pre-requisite for ensuring full confidentiality of all "unpublished price sensitive information" and to build general investor confidence and stakeholder credibility.

37. OTHER DISCLOSURES

- a. During the year under review, the Company has not allotted any equity shares with differential voting rights.
- b. No frauds were reported by the auditors under sub-section (12) of section 143 of the Act.
- c. The Company has complied with applicable Secretarial Standards for Board and General Meetings held during the year under review.
- d. The Company has not revised Financial Statements as mentioned under section 131 of the Act.

38. ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation and sincerely acknowledge the contribution and support from valuable Stakeholders, Bankers, Central and State Government Departments, Dealers, Vendors and other Statutory and Regulatory Authorities for their excellent support and help rendered during the year.. The Directors also extend their special appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance and also for their continued commitment, dedication and cooperation.

By Order of the Board of Directors

R Jayachandran
Managing Director (DIN: 09263976)

For RKEC Projects Limited
G Radhakrishna
Chairman (DIN: 00073080)

Date: 12th August, 2023,
Place: Visakhapatnam

Annexure-“1A”

REPORT ON CORPORATE GOVERNANCE

Introduction

RKEC enriched itself with over three decades of Project Execution Experience having Project Teams with vast Experience, skilled work force and relevant plant & equipment. RKEC Projects Limited is a Construction Company, over 35 years old, specialized in the business of Civil and Defence Construction such as construction of Buildings, Highways, Marine Works and Bridges. During the last decade, the Company has undertaken and successfully completed many construction projects across India such as Andhra Pradesh, Tamil Nadu, Gujarat, Odisha, Rajasthan, Maharashtra, Kerala, Pudducherry, Manipur, West Bengal, Karnataka and Uttar Pradesh. The Company has so far completed 104 Projects, worth over Rs 2267 Crores and currently handling 8 Projects amounting to Rs.1578 Crores. The Company achieved a Turn Over of Rs 299.96 Crores during FY 2022-23 and been able to achieve targets by fusing tremendous engineering knowledge with groundbreaking skills, experienced team, binding an optimum mix of men, machine and materials across diverse projects.

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

RKEC Projects Limited attained good reputation amongst its clients because of the track record, quality and timely delivery of all assignments. The clientele of the Company include Defence Sector, Railways, Airport & Sea Ports, Adani, Vedanta Limited, Rashtriya Ispat Nigam Limited and ESSAR etc. The Company Possess Marine Equipment worth Rs. 30 Crore which is capable of executing major offshore piling works. Advantage of having own ancillary services cannot be understated. One amongst very few contractors in the Country to possess Jack Up Barge of capacity 500 MT.

Services

RKEC Projects Ltd is a Construction Company, over 37 years old, specialized in the business of Civil and Defence Construction such as the construction of Marine Works, Buildings, Highways, and bridges. During the last decade, the company has undertaken and successfully completed many constructions projects PAN India. We are specialized in below mentioned works:

Marine Structures

RKEC pioneers in construction of structures like Jetties, Berths, Wharves, and Intake works. We have executed major marine works consisting of Construction of Coastal Berth at JN Port, Mumbai, Construction of Liquid Cargo Handling Jetty Haldia Dock Complex, Kolkata Port Trust, Construction of Jetty With

Loading Facility at Visakhapatnam, Construction of Multi-user Liquid Terminal at Puthuvypeen, Cochin Port, Construction of Second Liquid Chemical/POL Berth Off Pir- Pau, Mumbai for Mumbai Port Trust.

Our Services include:

- Wharves
- Berths
- Jetties
- Mooring Dolphins
- Intake Structures Break waters
- Coastal - Shore Protection work

Roads & Bridges

RKEC specializes in construction of major & minor bridges. We have executed major structures consisting of Construction of Road Over Bridge at Lc-43A at Km.38/175 Of NH 45A in Puducherry , Major Bridge across Godavari River at Nanded , Construction of Bridge No 63 (Open web girder) & No. 66 (PSC Slab) at delang-Puri Section of KUR Division in Between Km. 482.40 to 499.18, Construction of major bridge on river Beas. We constructed a parallel bridge at Naval Dock Yard, Visakhapatnam and a major bridge on Tuni-Dharmavaram section on NH5 and a railway bridge in the same general area. We have also carried piling works from 400mm to 1500mm diameter in reclaimed soils, river beds, hard rocks, under water works for National Highway Authority of India and East Coast Railways in the construction of Major and Minor bridges.

Our Services include:

- Major & Minor Bridges
- Steel Girders/PSU Girders
- Composite Girders
- Rail cum Road Bridges

Building & Infrastructure Works

RKEC specializes in Infrastructure Development works. We have executed framed structures namely Provision of Civil Works for Mini Block House At DRDL, Construction of Ware House At Mo [V] for Storing of P – 71 Spares, Demolition of Existing Old Building and Re-Construction of New Building for Office and Store Accommodation for Water Front Facility and Slipway at Visakhapatnam , Provn of OTM Accn No.1 at Leimakhong ,Overhauling facilities for M-36 GTs INS EKSILA, Visakhapatnam for DGNP, Pre Engineered Warehouse (PEB structure) alongwith CC paving around warehouse etc. at Visakhapatnam for CCIL, Steam repair work shop for Navy, Forming and metalling of peripheral roads at IDA.

Our Services include:

- Civil works for Power and Refinery Projects Port development works
- Transmission Lines
- Sports Complex
- Buildings Works
- Water Intake Systems
- Heavy RCC Pre-stressed Concrete and Steel Structures
- Framed Warehouses/Industrial sheds

Electrification

RKEC also specializes in Electrification works. Few of our executed electrification works are namely- Rural Electrification Works of Pratapgarh District In Uttar Pradesh, Augmentation of shore supply at N-4 to N-26 jetties, Dry docks, slipways and degaussing bay including associated works at Naval Dockyard (Visakhapatnam).

Our Services include:

- Rural Electrification
- LT/HT Works

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

“RKEC” believes that our company shall go beyond adherence to regulatory framework. We believe in system driven performance and performance oriented systems. We accord highest priority to these systems and protect the interests of all our shareholders, particularly the minority shareholders. It is concerned with adoption of transparent procedures and techniques. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regularity compliances.

Our Corporate Governance Framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of the Company. We believe that an active, well-informed and independent board is necessary to ensure the highest standard of Corporate Governance practice. At RKEC, the board is at core Corporate Governance practice.

The company believes in sustainable corporate growth that emanates from the top leadership down through the organisation to the various stakeholders which is reflected in its sound financial system, enhanced market reputation and improved efficiency.

Our corporate structure, business, operations and disclosure practices have been strictly aligned to our Corporate Governance Philosophy. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning.

Corporate Governance is about commitment to values, ethical business conduct and about considering all Stakeholders' interest in conducting the Business. Your Company continues to lay great emphasis on the broad principles of Corporate Governance:

The Company has set itself the objective of achieving excellence in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance. The Company's Philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company believes that good Corporate Governance Practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its Stakeholders.

The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading Infra Company Pan India.

2. BOARD OF DIRECTORS:

(a) Composition of the Board of Directors of the Company:

The Company is in compliance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of the Listing Regulations. As on March 31, 2023, the Board consists of Eight Directors comprising of Three Executive Directors, one Non Executive Woman Director and Four Independent Directors. As the Company has an Executive Chairman, to comply with the Listing Regulations and other provisions of Law, 50% (Fifty Percent) of the total number of Directors are Independent. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders' values are met.

All the Independent Directors have confirmed to the Board that they meet the criteria for Independence in terms of the definition of 'Independent Director' stipulated under Regulation 16(1) (b) of the Listing Regulations and Section 149(6) of the Act. These confirmations have been placed before the Board. There were no material, financial and / or commercial transactions entered into between the Senior Management and the Company which could have potential conflict of interest with the Company at large.

Composition of Board of Directors of the Company:

Category	No. of Directors
Independent Directors	4
Other Non – Executive Directors	1
Executive Director	2
Executive Chairman & Managing Director	1
Total	8

Matrix setting out the skills / expertise / competence of the Board of Directors:

Sno	Name of the Director	Skills/ Expertise/ Competence
1.	Shri Garapati Radhakrishna (Chairman & Managing Director)	Experience of 37+ years in Infra Industry
2.	Smt Parvathi Devi (Whole Time Director)	Experience of 35+ years in Infra Industry
3.	Venkata Rama Mohan Gudapati (Whole Time Director)	Experience of 14+ years in Marine Structures and Buildings
4.	Kumar Peruvemba Ramachandran (Independent Director)	Experience of 39+ years in Army (Retd Gen Lt.) / Governance
5.	Lucas Peter Thalakala (Independent Director)	Experience of 38+ years in Income Tax Department (Retd. Commissioner of Income Tax)/ Finance
6.	Kameswara Jagabathula Rao (Independent Director)	Experience of 34+ years in Indian Army (Retd. Brig)/ infrastructure development/ HR
7.	Satish Soni (Independent Director)	Experience of 45+ years in Army(Retd. Vice Admiral)/ Finance/Governance
8.	Gudapati Sita Ratnam (Non-Executive Director)	Experience of 11+ years in Infra Industry/Doctor

- ❖ Smt. Gudapati Sita Ratnam has resigned from the post of Non Executive Director of the Company w.e.f. 13 August 2022.
- ❖ Shri G Radhakrishna resigned from the post of Managing Director w.e.f. 3rd June 2023. He shall continue as Chairman of the company.
- ❖ Shri R Jayachandran was appointed as Managing Director w.e.f. 3rd June 2023.

ii) MEETINGS OF THE BOARD:

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other normal business. The Board Meetings (including Committee Meetings) of the Company are scheduled after getting confirmation on dates from Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

However, in case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent Board Meeting.

The detailed Agenda together with the relevant attachments is circulated to the Directors in advance. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Where it is not practicable to circulate any document in advance or if the agenda is of a confidential nature, the same is tabled at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the approval of the Chair and majority of the Independent Directors. Senior Management Personnel are invited to the Board / Committee

meeting(s) to provide additional inputs for the items being discussed by the Board / Committees thereof as and when necessary.

During the year under review, Four (4x) meetings of the Board were held on the following dates:

S/no	Date of the Board Meeting	Board Strength	No. of Directors present
1	29 May 2022	8	8
2	13 August 2022	8	8
3	14 November 2022	7	7
4	7 January 2023	7	7

a. Board Meetings held and Director's attendance record:

During FY 2022-23, 4 (Four) Board Meetings were held. The details of Directors, their attendance at Board Meetings and at the previous Annual General Meeting of the Company are, given below:

S	Name of Directors	Category of Director	No. of Shares held as on 31 st March, 2023	No. of Board Meetings Attended during Financial Year 2022-23	No. of Directorships in Public Companies as on 31 st March, 2023*	No. of Board Committee Memberships held in Public Companies as on 31 st March, 2023**		Whether present at previous AGM held on September 26, 2022
						Chairman	Member	
1.	Shri Garapati Radhakrishna	Promoter, Chairman & Managing Director	1,76,37,700	4	1	1	2	Yes
2	Garapati Parvathi Devi	Promoter, Whole Time Director	59,000	4	1	0	0	Yes
3	Venkata Rama Mohan Gudapati	Whole Time Director	0	4	1	0	1	Yes

4	Gudapati Sita Ratnam	Non-Executive Director	0	2	1	0	0	No
5	Lucas Peter Thalakala	Non-Executive Independent Director	0	4	1	3	0	Yes
6	Satish Soni	Non-Executive Independent Director	0	4	1	0	3	Yes
7	Kameswara Rao Jagabathula	Non-Executive Independent Director	0	4	1	0	1	Yes
8	Kumar Peruvemba Ramachandran	Non-Executive Independent Director	0	4	2	0	1	Yes

* Excludes Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies and includes Directorship in RKEC Projects Limited.

** In accordance with Regulation 26 of the Listing Regulations, Chairmanships / Memberships of Committees of all Public Limited Companies, whether listed or not, has been considered including that of RKEC Projects Limited.

3. Details of other Directorship positions held by Directors in Listed Entities as on 31st March, 2023:

S l n o	Name of the Director	Names of listed entities in which Directorship held	Category of Directorship
1	Mr. Shri Garapati Radhakrishna	None	None
2	Mrs. Garapati Parvathi Devi	None	None
3	Mr. Venkata Rama Mohan Gudapati	None	None
4	Mrs. Gudapati Sita Ratnam (till 13 Aug 2022)	None	None
5	Mr. Lucas Peter Thalakala	None	None

6	Mr. Satish Soni	None	None
7	Mr. Kameswara Rao Jagabathula	None	None
8	Mr. Kumar Peruvemba Ramachandran	Premier Explosives Limited	Independent Director

4. Performance Evaluation:

In terms of provisions of the Act read with Rules issued there under and Regulations 17 and 19 of the Listing Regulations, the Board, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended March 31, 2023. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution, etc.

5. Meeting of the Independent Directors:

Section 149(8) of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act requires the Independent Directors of the Company to hold at least one meeting in a financial year, without the attendance of non-independent directors and senior management. The Independent Directors of the Company met for 1 time during the Financial Year 2022-23 i.e., on 07.01.2023, pursuant to the provisions of the Act and the Listing Regulations. The Chairman of said Meeting of Independent Directors was Vice Admiral Satish Soni. All the Independent Directors attended the meeting.

6. Shareholding of Promoters and their Relatives (Promoter Group):

The following are the details of the Shares held by Promoters and their Relatives (Promoter Group) in the Company as on 31st March, 2023:

Sl No	Name of the Promoter / Relative of Promoter	No. of Shares held	% of Shares held
1.	Garapati Radhakrishna	1,76,37,700	73.52
2.	G Parvathi Devi	59,000	0.25
3.	G Naga Pushyami	22,100	0.09
4.	G Hima Bindu Sree	30,100	0.12
Total		1,77,48,900	73.98

7. COMMITTEES OF THE BOARD:

With a view to have a more focused attention on the business and for better governance and accountability, the Board has constituted including but not limited to various below mentioned Committees under the Act and Listing Regulations for compliance and / or administrative purpose. All decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for the Committee is taken by the Board of Directors. The Committees make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. Currently, the Board has Five Committees: the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Finance Committee.

The composition of the Committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

A. Audit Committee:

The Audit Committee acts as a link between the statutory & internal Auditors and the Board of Directors of the Company. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

Composition, Meetings and Attendance:

The composition of the Audit Committee and the details of meetings attended by the Members during the year are given below:

During the F Y 2022-23, the Committee met for 4 (Four) times i.e., on 29 May 2022, 13 August 2022, 14 November 2022, and 7 January 2023. The details of the Composition of the Committee, number of meetings held and the attendance of the Members at the meetings during the year are given herein below:

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Shri T Lucas Peter	Independent Director	Chairman	4	4
Vice Admiral Satish Soni	Independent Director	Member	4	4
Shri G Radhakrishna	Chairman and Managing Director	Member	4	4

The requisite quorum was present at the meetings of the Committee. Audit Committee meetings are also attended by the senior management of the Company wherever necessary along with the Chief Financial Officer of the Company. The Company Secretary acts as the secretary of the Audit Committee.

The scope of activities of the Audit Committee is as set out in Regulation 18 of the listing regulations read with Section 177 of the Companies Act, 2013 and SEBI (Prohibition of Insider Trading) regulations, 2015 and the amendments there to.

The Audit Committee also receives the report on compliance under the SEBI (code of conduct for Prohibition of Insider Trading) Regulations, 2015. Further, Compliance Reports under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Whistle Blower Policy are also placed before the Committee.

The Terms of Reference of this Committee covers the matters specified for Audit Committee under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013 as applicable.

B. Nomination and Remuneration Committee:

The Company has Nomination and Remuneration Committee (NRC) pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.

The NRC Committee is responsible for formulating evaluation policies and reviewing all major aspects of Company's HR processes relating to hiring, training, talent management, succession planning and compensation structure of the Directors, KMPs and senior management. The Committee also anchored the performance evaluation of the Individual Directors.

Composition, Meetings and Attendance:

During the F Y 2022-23, the Committee met twice i.e., on 13 Aug 2022 and 7 Jan 2023. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Shri T Lucas Peter	Independent Director	Chairman	2	2
Vice Admiral Satish Soni	Independent Director	Member	2	2
Lt Gen P R Kumar	Independent Director	Member	2	2

The scope of the activities of the NRC is as set out in Regulation 19 of the Listing Regulations read with section 178 of the Companies Act, 2013.

The Terms of Reference of this Committee cover the matters specified for Nomination and Remuneration Committee under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirement Regulations) 2015 as well as in Section 178 of the Companies Act, 2013 as applicable and allied applicable rules.

Remuneration Policy:

The Nomination and Remuneration Committee while deciding the remuneration package of the Directors and Senior Management Executives ensures that:

- i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors/ Key managerial personnel/ Senior management of the quality required to run the Company successfully;
- ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and variable incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals; and
- iv) specify the manner of effective evaluation of the performance of Board, its committees and individual directors to be carried out either by the Board or by the NRC or by an independent external agency and review its implementation and compliance.

The Non-Executive Independent Directors (NEDs) are paid remuneration by way of Sitting Fees for their participation in various committee and board meetings.

Remuneration to Directors:

The details of the Salary, allowances, perquisites and performance bonus paid to the Executive Directors is tabled below:

Sno	Name of the Director	Salary/ Allowance/ Perquisites & Performance Bonus(in Lakhs)	Contribution to funds(in Lakhs)	Total(in Lakhs)
1	G Radhakrishna	-	-	-
2	G Parvathi Devi	-	-	-
3	GV Rama Mohan	Rs. 42,00,000/-	-	Rs. 42,00,000/-

*G Radhakrishna and G Parvathi Devi did not draw any remuneration in FY 2022-23.

The details of the Commission/ Sitting Fee paid to the Independent Directors/ Non-Executive Directors of the Company during the F. Y 2022-23 is tabled below:

Slno	Name of the Director	Sitting Fee (in Lakhs)	Commission (in Lakhs)	Total (in Lakhs)
1	Vice Admiral Satish Soni	Rs. 1.00	-	Rs. 1.00
2	Shri Lucas Peter Thalakala	Rs. 1.00	-	Rs. 1.00
3	Brig J K Rao	Rs. 1.00	-	Rs. 1.00
4	Lt Gen P R Kumar	Rs. 1.00	-	Rs. 1.00

C. Stakeholders Relationship Committee:

The Committee specifically discharges duties of servicing and protecting the various aspects of interests of the shareholders of the Company.

The terms of reference of the Committee are as follows:

- To address requests / resolve grievances of security holders including complaints related to transfer / transmission of securities, non-receipt of balance sheet, non-receipt of declared dividends / interests, etc.
- Attending to complaints of security holders routed by SEBI (SCORES) / Stock Exchanges / RBI or any other Regulatory Authorities
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Specifically look into the various aspects of interest of shareholders, debenture holders and other security holders.
- Attending to complaints of security holders routed by SEBI (SCORES) / Stock Exchanges / RBI or any other Regulatory Authorities.

Composition, Meetings and Attendance:

During the F Y 2022-23, the Committee met once i.e., on 07.01.2023. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Shri Lucas Peter Thalakala	Independent Director	Chairman	1	1
Shri G Radhakrishna	Chairman and Managing Director	Member	1	1
Vice Admiral Satish Soni	Independent Director	Member	1	1

Stakeholder Relationship Committee meetings are also attended by the Senior management of the Company wherever necessary along with the Chief Financial Officer of the Company. The Company Secretary acts as the secretary of the Committee.

The Committee reviews the complaints received by the Company from its Investors and the action taken by the management to address these complaints.

Details of investor queries and grievances received and attended by the Company during the F. Y 2022-23 are given herein below:

Sl No	Nature of Complaint	Pending as on 01.04.2021	Received during the year	Disposed off during the year	Pending as on 31.03.2022
1.	SEBI/ Stock Exchange Complaints	0	0	0	0
2.	Non – receipt of Dividend warrant / interest	0	0	0	0
3.	Non –receipt of Share Certificate	0	0	0	0
4.	Non – receipt of Annual Report	0	0	0	0
5.	Others	0	0	0	0
	Total	0	0	0	0

D. Corporate Social Responsibility Committee:

The terms of reference of the Committee are as follows:

- Formulate and recommend to the Board, a Corporate Social Responsibility (“CSR”) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- Recommend the amount of expenditure to be incurred on the activities referred to in the above Clause
- Update the Board on the implementation of various programmes and initiatives
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

Composition, Meetings and Attendance:

During the F Y 2022-23, the Committee met 2(Two) times i.e., on 29.05.2022 and 07.01.2023. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Shri G Radhakrishna	Chairman and Managing Director	Chairman	2	2
Brig J K Rao	Managing Director	Member	2	2
Shri G V Rama Mohan	Independent Director	Member	2	2

The Company has complied with the necessary requirements under the Companies Act, 2013 in this regard.

The Web – Link to our CSR Policy and the initiatives undertaken by the Company during the F. Y. 2022-23 in CSR have been detailed in this report.

8. GENERAL BODY MEETINGS:

The venue and timings of the last three Annual General Meetings are given below:

Financial Year	Date	Location	Time
2019-20	29th September 2020	Through Video Conferencing(VC) / Other Audio Visual Means (OAVM)	12.30 P.M.
2020-21	27th September 2021	Through Video Conferencing(VC) / Other Audio Visual Means (OAVM)	11.00 A.M.
2021-22	26 th September 2022	Through Video Conferencing(VC) / Other Audio Visual Means (OAVM)	4.30 P.M.

The number and particulars of the Special Resolutions passed in the last three Annual General Meetings are as follows:

Date of Annual General Meeting	Number and Particulars of Special Resolutions passed
29th September 2020	-
27th September 2021	1. Re-appointment of Vice Admiral Satish Soni (DIN: 0766074) Independent Non-Executive Director of the company for 2nd Term of five consecutive years in terms of Section 149 of Companies Act 2013 2. Re-appointment of Shri Lucas Peter Thalakala (DIN: 07664071) Independent Non-Executive Director of the company for 2nd Term of five consecutive years in terms of Section 149 of Companies Act 2013

	3. Re Appointment of Shri Garapati Radhakrishna (Din: 00073080) as Chairman and Managing Director of the Company. 4. Re Appointment of Smt Garapati Parvathi Devi (Din: 00094961) as Whole Time Director of the Company.
26 th September 2022	1. Shifting of Registered Office of the Company from the 'State of Andhra Pradesh' to the 'State of Maharashtra' and to amend the Memorandum of Association of the Company

EXTRA ORDINARY GENERAL MEETINGS

No Extra-Ordinary General Meeting was held during the year. All the resolutions, including special resolutions, set out in the respective notices were passed by the shareholders

Postal Ballot Resolution(s):

During the year under review, the company has passed the following resolutions through Postal Ballot vide postal Ballot notice dt: 11th March, 2023:

1. Appointment of Mr. Potluri Srinivasa Chakravarthi, (DIN: 07289151), as NonExecutive –Non Independent Director of the Company w.e.f. 7 Jan 2023 (Ordinary Resolution)

The above resolution was passed by the Shareholders through Postal Ballot and the date of passing such resolutions shall be deemed to be 11th April, 2023.

9. EMPLOYEES:

Continuous Employee Training Programs including seminars were conducted for upgrading their skills and knowledge in their respective areas.

10. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate Internal Control System designed to ensure operational efficiency, protection, conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman of the Company.

The Internal Control System is supported by an Internal Audit Process for reviewing the adequacy and efficiency of the Company's internal controls, including its systems, processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company.

An internal team of inspection also regularly visits branches for ensuring regulatory compliance. Post audit reviews are also carried out to ensure follow up on the observations made.

11. CREDIT RATING:

During the year under review, Rating Agencies reaffirmed/issued ratings to RKEC, (by Infomerics Valuation and Rating Pvt Ltd) as under:

- a. Fund Based- IVR BBB/ Stable (IVR Triple B with Stable Outlook)
- b. Non-Fund Based- IVR BBB/ Stable (IVR Triple B with Stable Outlook)

12. CLIENTS:

Client Satisfaction is our number one goal. We strive for 100% Client Satisfaction with everyone who comes in and out of our building.

13. OTHER STAKEHOLDERS:

The Company is always concerned about Clients, , Customers, Suppliers, Competitors, Creditors and Local Community and strives to meet all expectations reasonably.

14. SOCIETY:

The Company is proactive towards Corporate Social Responsibility.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Pursuant to the provision of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has spent an amount of Rs. 9,56,000 on CSR activities during the Financial Year 2022-23.

15. CORPORATE AFFAIRS & VISION:

The Company has been continuing effectively the best Corporate Affairs with the following:

- a) Advanced Planning Techniques and strategic supervision by the Board of Directors;
- b) Excellent co-ordination at all levels of management to achieve the tasks;
- c) Immediate attention towards Customers' requirements and public relations;
- d) Cautious approach in operations, rendering services efficiently and effectively to the clients;
- e) Adequate response towards socio-economic responsibilities;
- f) Focus on protecting the safety of the clients and the employees;
- g) To design the standards, policies, procedures and best practices in addition to the existing policies;
- h) To grow the Company and to generate long term Business results and expanding market presence;

- i) To retain the talented and dedicated Employees and implementing the best Administrative Manual;
- j) The vision is clear that RKEC will become the best performing and most respected Infra Company in India.
- k) The regular interaction with the Clients, Sites, Employees encourage them to familiarize themselves with RKEC and helped the brand name RKEC.

16. MEANS OF COMMUNICATION:

The Board takes on record the audited/ unaudited annual/quarterly financial results prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) in the format prescribed under Regulation 33 of the Listing Regulations read with Circular Ref No. CIR/CFD/FAC/62/2016 dated 05 July, 2016 issued by SEBI within prescribed time limit from the closure of the quarter/year and announces the results to all the stock exchanges where the shares of the Company are listed. The Company has been publishing the results in the format as prescribed by SEBI in the Business Standard and Andhra Prabha News Papers within 48 hours of the conclusion of the meeting of the Board in which they are approved.

- (a) The quarterly, half-yearly and annual results of the Company are submitted to the Statutory Auditors of the Company for a limited review/full audit (as applicable) and the report of the Auditors is also filed with all stock exchanges after it is approved by the Board of Directors.
- (b) The quarterly results are not sent to each shareholder as shareholders are intimated through press.
- (c) The Company's website www.rkecprojects.com provides information about the Company to its existing and prospective stakeholders. The quarterly results are displayed on the Company's website along with other relevant information.
- (d) The Company also makes presentations on the Operational and Financial Highlights to its investors including the analysts which are hosted on the website of the Company i.e., www.rkecprojects.com and also submitted to the Stock Exchanges.
- (e) The Company has hosted e-mail address on the website to receive complaints and grievances of investors.

17. GENERAL SHAREHOLDER INFORMATION:

- a) Annual General Meeting:
The Forthcoming Annual General Meeting of the Company will be held on Wednesday, September 27, 2023, at 11:30 a.m. through Video Conferencing/Other Audio-Visual Means.
- b) Financial Year: 1st April, 2022 to 31st March, 2023.
- c) Name and Address of the Stock Exchange where the Shares are listed:
National Stock Exchange of India Limited

Exchange Plaza, Plot No: C1, G Block,

Bandra Kurla Complex,

Bandra(East),

Mumbai – 400051

The Company has paid in full the requisite Annual Listing Fee for the Financial Year 2022-23 to NSE.

d) Stock Code : RKEC

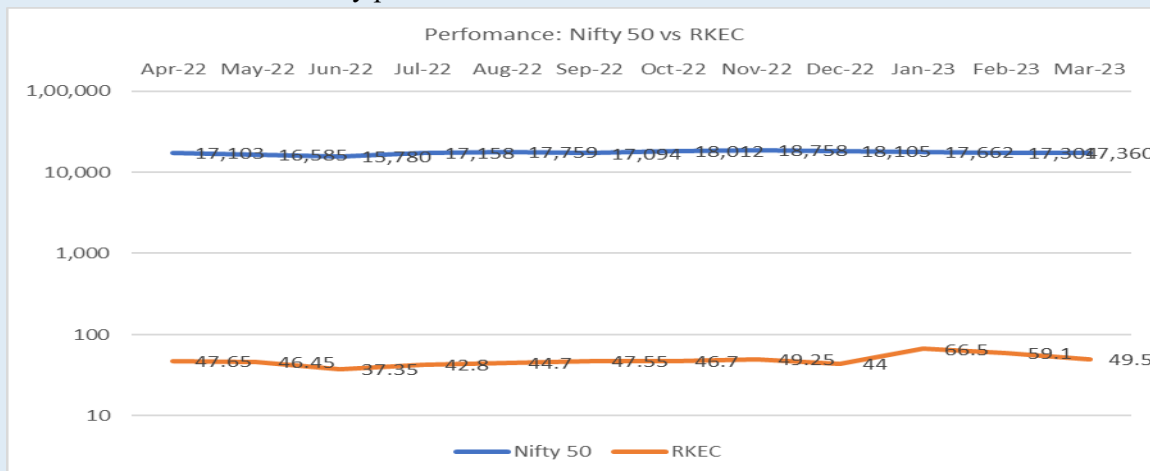
e) Market Price data:

High, Low and Close Price during each month in the last financial year at NSE:

Month	NSE (Rs.)	
	High	Low
April' 22	55.50	46.80
May' 22	53.80	39.60
June '22	47.45	36.00
July'22	51.40	36.50
August'22	49.70	41.05
September'22	55.90	43.50
October '22	54.80	43.05
November'22	50.40	42.75
December '22	49.95	41.00
January '23	76.95	43.55
February ' 23	73.85	52.45
March'23	61.90	48.50

- f) Dividend Payment Date: Not applicable
g) **Corporate Identification Number:** L45200AP2005PLC045795
h) **Stock Performance in comparison to Nifty:**

RKEC's Share Price and Nifty performance:



Registrar and Share Transfer Agent:

The Board has delegated the authority of approving transfer, transmission etc. of the Shares of the Company to the Registrar and Share Transfer Agent .M/s. Bigshare Services Private Limited, Mumbai continue to act as Registrar and Share Transfer agent to take care of the works relating to physical shares and electronic connectivity and other D-Mat related services.

Address:

Bigshare Services Private Limited,
1stFloor ,Bhart Tin Works Building,
Opp. Vasant Oasis Apartments
(Next to Keys Hotels), Marolmaroshi Road,

Andheri (E), Mumbai - 400059

Phone : 040 - 23374967

Fax : 040 – 23370295

E-Mail: bsshyd@bigshareonline.com

Website: www.bigshareonline.com

i) **Share Transfer System:**

Share transfers and related operations for the Company are processed by the Company's RTA viz., Bigshare Services Private Limited, Share transfer is normally affected within the maximum period of 15 days from the date of receipt, if all the required documentation is submitted.

Securities and Exchange Board of India (SEBI) vide its notification dated 08 June, 2018 has notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 (Listing Regulations) and SEBI (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations 2018 (RTA Regulations) and amendment to Regulation 40 of the Listing Regulations and Clause 5(c) of Schedule III of the RTA Regulations. These amendments have mandated that the transfer of securities would be carried out only in dematerialized form.

j) Distribution of Shareholding by size as on 31.03.2023:

Shareholding of Nominal (Rs.)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-5000	4802	77.4391	594605	2.4785
5001- 10000	612	9.8694	492996	2.0550
10001-20000	294	4.7412	456112	1.9012
20001 – 30000	206	3.3220	577431	2.4069
30001-40000	55	0.8870	199084	0.8298
40001-50000	54	0.8708	261048	1.0881
50001-100000	95	1.5320	684237	2.8521
100001-999999999	83	1.3385	20725087	86.3884
Total	6201	100	23990600	100

LNU I) Demat Information: PERCENTAGE OF

As on 31st March, 2023, 100% of the total shareholding of the Company is in Demat form.

ISIN No for Equity Shares of the Company: INE786W01010

m) Outstanding ADRs/ GDRs / Warrants or any convertible instruments, conversion date and likely impact on Equity:

The Company has not issued any ADRs/ GDRs/ Warrants or any Convertible instruments.

n) Foreign Exchange Risk and Hedging Activities:

Not Applicable

o) Plant Location:

Our company belongs to service industry and we have our presence in the State of Andhra Pradesh, Tamil Nadu, Gujarat, Odisha, Rajasthan, Maharashtra, Puducherry, Kerala, Manipur West Bengal, Jharkhand, Karnataka and Uttar Pradesh Pradesh.

Our Registered office is located at Door No. 10-12-1, 3rd Floor, Rednam Alcazar, Rednam Gardens, Visakhapatnam-530002, Andhrapradesh.

18. OTHER DISCLOSURES:

- a) During the last three years, there were no material structures or penalties imposed either by Securities and Exchange Board of India or the Stock Exchange or any Regulatory Authority for non-compliance of any matter related to the Capital Market.

b) Whistle Blower Policy / Vigil Mechanism:

Pursuant to the provisions of Regulation 22 of the Listing Regulations and section 177 of the Act, the Company established a Vigil Mechanism / Whistle Blower Policy for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

This mechanism provides for adequate safeguards against victimization of director(s) / employee(s) who avail the mechanism and makes provision for direct access to the Chairman of the Audit Committee. The policy has been uploaded on the website of the Company at we affirm that no director / employee of the Company was denied access to the Audit Committee.

- c) The related party details are disclosed in the notes to financial statements. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval.
- d) To the extent possible, the Company has complied with the mandatory requirement of this clause.
- e) **Disclosure of Accounting Treatment in Preparation of Financial Statements**

The financial statements for the year ended 31st March, 2023, have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Balance Sheet, Statement of Profit and Loss (including other comprehensive income) and Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Amounts in the financial statements are presented in Indian Rupees.

- f) Complied with the various statutory provisions and submitted the required information to the concerned authorities relating to the business affairs of the Company from time to time.

- g) The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing regulations.
- h) M/s. Mehta and Mehta, Practising Company Secretaries have certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI or Ministry of Corporate Affairs or any such statutory authority, is annexed separately.
- i) The total fee paid to M/s. SARC & Associates, Chartered Accountants, Statutory Auditors of the Company on consolidated basis is Rs. 2,00,000/- for the Financial Year 2022-23.
- j) Details of utilization of funds raised through preferential allotment or qualified Institutional placement as specified under Regulation 32(7A):**

During the year 2022-23, the Company has not raised any funds through preferential allotment or qualified institutional placement.

- k) In terms of the amendments made to the Listing Regulations, the Board of Directors confirmed that during the financial year, it has accepted all recommendations received from its mandatory committees.

l) Subsidiary and Associate Companies:

There are no subsidiary and associate companies which have become so and ceased as such during the financial year under review. The Company has entered into Joint Venture with M/s Qingdao Construction Engineering Group Co. Ltd, M/s Rapid Net Sports System and M/s N.G. BHOIR & M/s Samudra Dredging Private Limited. The statement containing the salient feature of the JVs is annexed separately.

m) CEO/ CFO Certification:

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Managing Director and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations. The annual certificate given by the Managing Director and the Chief Financial Officer is annexed separately.

n) Code of Conduct:

The Board has laid down the Code of Conduct for its Directors and for Senior Management of the Company. All Board members and Senior Management have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management. A declaration signed by the Managing Director to this effect is annexed separately.

19. During the Financial Year 2022-23, the shares of the Company were not suspended on the Stock Exchanges.

20. ADDRESS FOR CORRESPONDENCE:

RKEC Projects Limited

10-12-1, 3rd Floor, Rednam Alcazar

Rednam Gardens, Opp. SBI Main Branch

Visakhapatnam – 530002

Andhra Pradesh, India

Phone : 0891- 2574517

Fax : 0891-2574703

E-Mail: info@rkecprojects.com

Website: www.rkecprojects.com

CIN: L45200AP2005PLC045795



Annexure-“1B” MANAGEMENT DISCUSSION AND ANALYSIS REPORT

India Construction Market Report Overview

The India construction market size was valued at \$701.7 billion in 2022 and is expected to achieve an AAGR of more than 6% from 2024 to 2027, supported by investment in the construction of transport, electricity and housing projects.

The India construction market research report provides a detailed analysis of the construction industry's growth prospects in India by market, project type, and construction activity. The report also delivers critical insight into the impact of industry trends and issues, as well as an analysis of key risks and opportunities in the India construction industry. Moreover, it also provides an analysis of the mega-project pipeline, focusing on development stages and participants, in addition to listings of major projects in the pipeline.

India Construction Market Segmentation by Sectors

The key sectors in the India construction market are commercial construction, industrial construction, infrastructure construction, energy and utilities construction, institutional construction, and residential construction. The residential construction sector was the largest in India's construction market in 2022, followed by energy and utilities construction, infrastructure construction, and others.

Residential construction: The project types in this sector include single- and multi-family housing. Forecast-period growth in the residential construction sector's output will be supported by the continuation of the Pradhan Mantri Awas Yojana-Urban (PMAY-U) – “Housing for All” Mission to 31st December 2024.

Energy and utilities construction: The project types in this sector include electricity and power, oil and gas, telecommunications, sewage infrastructure, and water infrastructure. The sector's growth over the forecast period will be supported by the government's aim to increase renewable energy capacity from 145.2GW in 2021 to 500GW by 2030 and reduce carbon emissions to less than 50% by 2030 and net zero by the end of 2070.

Infrastructure construction: The project types in this sector include rail infrastructure, road infrastructure, and other infrastructure projects. Forecast-period growth in the segment will be supported by the government's focus on completing major infrastructure projects before the 2024 elections.

Industrial construction: The project types in this sector include chemical and pharmaceutical plants, manufacturing plants, metal and material production and processing plants, and waste processing plants.

Forecast-period growth in the industrial construction sector's output will be supported by a rebound in manufacturing and export activity, coupled with the government's aim of attracting FDI of INR8.2 trillion (\$100 billion) in the manufacturing sector by 2028.

Commercial construction: The project types in this sector include leisure and hospitality buildings, office buildings, outdoor leisure facilities, retail buildings, and other commercial construction. Forecast-period growth in the commercial construction sector's output will be supported by the construction of office and data center projects, coupled with the expansion of tourism and travel business activities.

Institutional construction: The project types in this sector include educational buildings, healthcare buildings, institutional buildings, research facilities, and religious buildings. Forecast-period growth in the institutional construction sector's output will be supported by investment in health, education, and research projects.

Construction and Engineering Industry outlook

Preparation is key for the year ahead

2022 got off to a strong start for the engineering and construction (E&C) industry but was met with several strong headwinds, including rising costs and labor shortages. How can businesses navigate continuing volatility to thrive in a competitive market? Our 2023 outlook explores five engineering and construction industry trends that can help companies differentiate themselves and capture growth in the year ahead.

Driving growth as challenges and competition increase

The US engineering and construction industry began 2022 on a bright note after achieving strong growth of 8% in construction spending in 2021.¹ But a closer look at current market dynamics suggests that 2023 will likely experience differentiated growth rates across different industry segments.

On the one hand, the nonresidential segment is likely to be buoyed by funds entering the market from the Infrastructure Investment and Jobs Act and the CHIPS and Science Act of 2022. On the other hand, residential construction companies are relatively more pessimistic about the industry outlook for the next year compared to other segments. So, while some segments may be more bullish than others, there are headwinds—from inflation to supply chain issues—which may continue to affect the industry overall in the coming year. Our 2023 outlook explores five key trends to watch closely.

Five and construction and engineering industry trends to watch

Market dynamics

Industry segments experience different growth trajectories and increased competition

2023 could be a different year for the industry, with heightened uncertainty due to high inflation, rising interest rates, and bifurcation across various industry segments. Companies are keeping an eye on how their backlogs will play out in 2023, especially during the second half of the year. While many companies have substantial backlogs (specifically in energy-related construction and data centers), as they get through the back half of 2023, they may see the impact of a potential economic slowdown on their deliveries.

Supply chain

Increased lead times and volatile material costs pressure margins

Over the last two years, the COVID-19 pandemic, transport bottlenecks, and geopolitical uncertainties have exposed vulnerabilities in the E&C supply chain. These ongoing disruptions are expected to drive the E&C industry toward new business models, supported by new ecosystems that bring innovative products and services to serve the unique needs of different end markets.

Future of work

Talent pressures and shifting talent models force industry to rethink workforce strategies

The E&C industry remains significantly short of skilled workers, further exacerbated by a tight labor market. Even though the construction industry has a strong pipeline of projects and spending, especially the infrastructure buildouts, it's challenged to meet the demand due to a persistent shortage of workers and high turnover. With rising inflation and a tight labor market, companies may have to raise wages and expand benefits to attract and retain employees in 2023.

Emerging technologies

Developers and contractors further invest in emerging technologies to drive efficiencies

While the E&C sector has been historically slow to integrate and adopt digital technologies, industry players are now increasingly paying attention to and leveraging emerging technologies. Most E&C companies are utilizing digital technologies to expand business opportunities and boost profits by reducing costs in the long run and enhancing project execution. Further, with increased global supply chain disruptions, increased competition, worker shortages, and skyrocketing material prices, the need for digital transformation in construction has become much stronger.

ESG and sustainability

Industry evaluates new practices to deliver positive societal impacts

Many customers are becoming more sustainability conscious and placing greater pressure on developers to lower the carbon footprint of new construction. The increasing global focus on climate change could incentivize construction companies to factor sustainability into their projects, construction processes, and designs.

Outlook in India and road ahead

India's construction industry is expected to grow at an annual average of 6.6% between 2019 and 2028. The share of the urban population is expected to be 50% of the total population by 2050. Present levels of urban infrastructure are inadequate to meet the demands of the existing urban population.

Consequently, the construction industry needs to always change and evolve. Every year new trends appear within the industry, from technological advancements to a stronger focus on sustainability. If you run a construction company and you want to make sure you stay ahead of the game, it can be useful to be aware of emerging trends that could prepare you for the future.

Technological trends are shaping the future of construction. Every construction company today is convinced that technology is poised to impact the construction industry like never before. From cloud-based collaboration to robots and artificial intelligence – an incredible array of developments are helping or poised to help and improve the way buildings and infrastructure development happens in India.

Also, the construction industry in India suffers from major time and cost overruns. Data from government and industry reports suggest that projects suffer from 20 to 25 percent time and cost overruns. Waste of resources has been identified as a major source of inefficiency. Despite a substantial increase in the past few years, demand for professionals and contractors still exceeds supply by a large margin. The traditional methods adopted in the Indian construction industry may not suffice the needs of this dynamic environment, as they have produced large inefficiencies. Innovative ways of procurement and project management can satisfy the needs aspired to as well as bring added value.

Facts indicate that by 2025 the country's construction sector will be the third-largest in the world, behind China and America, with an overall value of \$1 trillion, with construction output expected to grow on average by 7.1% each year. In this year's budget, the government increased its expenditure towards infrastructure development by 20.9% from Rs 4.9 trillion (US\$75.9 billion) in its financial year.

Expected to account for 30.1% of the industry's total value in 2023, it is thought that residential construction will remain the largest market over the forecast period. It is also predicted that greater demand for residential construction will be created over the forecast period, due to the country's rising population, urbanization, and positive developments in regional economic conditions.

The construction industry locally is fast embracing a centrally managed construction process – bringing design, manufacturing, material sourcing, and construction together into one streamlined system – thus making it possible to build high-quality, amazing building structures on time and more cost-efficiently. The next few years are going to be the moment of reckoning for the construction industry to demonstrate its managerial, financial, and technical prowess to establish new benchmarks in construction management, construction quality, and imparting value addition to its products and services.

Company's Operational & Financial Overview

RKEC Projects' core business is designing and undertaking construction projects such as Bridges, Ports, Dams, high-rise structures, Airports, cross water, roads, Highways, Oil and Gas Pipelines, complexes and environmental structures across India.

On Standalone basis Revenue for financial year 2023 stood at Rs. 299.97 Crores, EBITDA of Rs 32.95 crore . PAT of the Company is Rs 12.30 crores. The Company was able to achieve such profitability by better execution of projects and focus on operational efficiencies.

The Company has been able to maintain an efficient capital structure and has a healthy interest coverage ratio. The Company's net worth as on 31st March 2023 on standalone basis is Rs303.68 crores .

During the year under review, the Company was awarded 1 project worth Rs 266.68 crore. It is currently working on total 8 projects amounting to Rs. 1578 crore. The un-executed order book as on 31 Mar 2023 stands at Rs 1070.38 crore.

With the unexecuted order-book of Rs 1070.38 crore, the Company has a strong revenue visibility for the coming years. Moreover, the Company has been exploring bids for projects and expected to add good amount of fresh orders going ahead. This makes the Company well placed to better execute its projects and further look for opportunities in this space leading to increase in profitability.

The Company has attained good reputation among our clients because of track record, experienced members and a proven strength on delivery norms across its all spectrum of services. RKEC Projects has marked its presence into states like Andhra Pradesh, Tamil Nadu, Gujarat, Odisha, Rajasthan, Maharashtra, Kerala, Karnataka, West Bengal and Manipur. The Company has successful completion of 104 projects in total till now.

Key Competitive Advantage

RKEC has an experience of more than 3 decades in the industry and has emerged one of leading construction company engaged in the construction of Bridges, Ports, Dams, high-rise structures, Airports, cross water, roads, Highways, Oil and Gas Pipelines, complexes and environmental structures across India. Our strong execution, timely completion capabilities and long-term relations with the stakeholders have been the main growth riders. We have proven track record of completing all projects within in timeline along with strong financial track record; healthy relationships with leading banks/financial institutions . We posses integrated and efficient project execution skills, supported by a comprehensive equipment pool

Opportunities

There is a huge scope with increasing Government focus on increasing reforms in the infrastructural and industrial sector. The industry is at the verge of expansion of key industry sector like power, steel, petrochemicals, telecom and others. The Country being on faster pace of development, Infrastructural development is the core area of development in the Country.

Risk – Mitigation Strategy

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

Mitigation: The Company is continuously focusing on building competitive advantage in its core business areas to ensure that it is competitively well positioned. The Company's rich experience in the infrastructure sector, continuous operational improvements, process excellence, financial discipline and timely completion of projects has strengthened the Company's overall competitive position in the sector.

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

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

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

Mitigation: We enjoy good credit ratings in the Industry, which helps us in obtaining better terms on various loans for financing our construction equipment, term debt for projects and working capital facilities. We also endeavor to keep our debt-equity ratio low by utilizing our internal accruals in an efficient manner which has enabled us to maintain better profitability from project.

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

Mitigation: Raw materials are purchased directly for the company nominated vendors which have been tested over time which leads the right quality, price, and on-time supply.

Geographical Risk: The Company is operating in multiple states and is exposed to risks on account of different site conditions, labour requirement and related regulatory compliances.

Mitigation: The Company has in place mitigation strategies to perform detailed risk assessment of each site, robust manpower planning, site mobilization and de-mobilisation standard operating procedures and compliance checklist to mitigate such risks.

Internal Control System and their Adequacy

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

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

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

Cautionary Statement

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

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company

At RKEC, we are committed to the ‘Good & Green’ vision of creating a more inclusive and greener India. We never lose sight of our responsibility to the environment and society. Our commitments towards Corporate Social Responsibility include but not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably. The main objective of the CSR Policy is to lay down guidelines for RKEC Projects Limited to make CSR as one of the key focus areas to adhere to the Companies global interest in environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs. This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr G Radhakrishna	Chairman (Managing Director)	2	2
2	Mr G V Rammohan	Member (Whole Time Director)	2	2
3	Brig J K Rao, VSM	Member (Independent Director)	2	2

- Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: www.rkecprojects.com
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable : Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL
- Average Net profit of the Company as per Section 135(5): Rs.3093.65 Lakhs
- Two percent of average net profit of the Company as per section 135(5):- Rs 61.87 Lakhs
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
 - Amount required to be set off for the financial year, if any :- NIL
 - Total CSR obligation for the financial year (7a+7b- 7c) :- Rs. 61.87 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (in Rs.(lakhs))				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
9.56	52.31	31.03.2023	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Name/ CSR Registration No.
				State	District						

(c) Details of CSR amount spent against, **other than ongoing projects**, for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in Rs.)	Mode of implementation	Name/ CSR Registration No.

				State	District		tation - Direc t (Yes/ No)	
1.	Siksha	Education	Yes	Andhra Pradesh	Visakhapatnam	200000	Y	N.A.
2.	Food Distribution	Eradication of hunger by feeding the people in need	Yes	Andhra Pradesh	Visakhapatnam	48000	Y	N.A.
3.	Food Distribution	Eradication of hunger by feeding the people in need	Yes	Andhra Pradesh	Visakhapatnam,	300000	No	Sri Sai Samstha Charitab Trust/ CSR00039
4.	Food Distribution	Eradication of hunger by feeding the people in need	Yes	Andhra Pradesh	Visakhapatnam,	108000	No	Sri Sai Samstha Charitab Trust/ CSR00039
5.	Siksha	Education	Yes	Andhra Pradesh	Visakhapatnam,	300000	Yes	N.A.
Total						956000		

- (d) Amount spent in Administrative Overheads : 0
- (e) Amount spent on Impact Assessment, if applicable : NA
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 9.56 Lakhs
- (g) Excess Amount of Set-off, if any : NIL

Sr. No.	Particulars	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	61.87
(ii)	Total amount spent for the financial year	9.56
(iii)	Excess amount spent for the financial year[(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial year, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

The Company's total CSR expenditure during the year was Rs.43.14 The Company's CSR projects primarily focused on the Quality of Education & Water, Sanitation, Health & Hygiene and activities on Social Cause which pertained to Schedule VII of the Companies Act, 2013.

9. (a) details of Unspent CSR Amount for the preceding three financial years:

Sl No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6)(in Rs.)	Amount spent in the reporting Financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial year (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1	2019-20		2817160				
2	2020-21	3300000	3300000				
3	2021-22	2878544	2878544				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial years(s):

(1) Sl No.	(2) Project ID	(3) Name of The project	(4) Project Duration	(5) Total amount allocated for the project (in Rs.)	(6) Total amount allocated for the project (in Rs.)	(7) Amount spent on the project in the reporting Financial year (in Rs.)	(8) Cumulative amount spent at the end of the reporting Financial Year (in Rs)	(9) Status of the project- Completed / Ongoing

10. In case of creation or acquisition of capital assets, furnish the details relating to the assets so created or acquired through CSR spent in the financial year: Not Applicable (asset-wise details)

- Date of acquisition of the capital asset(s): N.A.
- Amount of CSR spent for creation or acquisition of capital assets: N.A.
- Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.: N.A.
- Provide details of the capital assets(s) created or acquired (including complete address and location of the capital assets): N.A.

11. Specify the reason(s), if the Company has failed to spend two percent of the net profit as per Section 135(5): Amount allocated to ongoing projects was transferred in Unspent CSR account.

By Order of the Board of Directors

R Jayachandran
Managing Director (DIN: 09263976)

For RKEC Projects Limited
G Radhakrishna
Chairman (DIN: 00073080)

Date: 12th August, 2023,
Place: Visakhapatnam

Annexure-“1D”

Form AOC-I

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures for the year ending 31.03.2023 (FY 2022-23)

Sr. No	Name of Associates/Joint Ventures	CQCE-RKEC JV	RKEC-RANSS CONSORTIUM	RKEC, N.G.BHOIR and Samudra JV
1	Latest audited Balance Sheet Date	29-05-2023	29-05-2023	29-05-2023
2	Shares of Associate/Joint Ventures held by the company on the year end	99%	7.2%	51%
3	Amount of Investment in Associates/Joint Venture	-	-	-
4	Extend of Holding %	99%	7.2%	51%
5	Description of how there is significant influence	-	-	-
6	Reason why the associate/joint venture is not Consolidated	Consolidated	Consolidated	Consolidated
7	Networth attributable to Shareholding as per latest audited Balance Sheet	1674954	(4799)	2286688
8	Profit / Loss for the year	126707	12332	2183593
8(i)	Considered in Consolidation	125439	888	1113632
8(ii)	Not Considered in Consolidation	-	-	-

By Order of the Board of Directors

R Jayachandran
Managing Director (DIN: 09263976)

For RKEC Projects Limited
G Radhakrishna
Chairman (DIN: 00073080)

Date: 12th August, 2023,
Place: Visakhapatnam

Annexure-“1E”

FORM NO . AOC-2

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto during the FY 2022-23.

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

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

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

2. Details of contracts or arrangements or transactions at Arm's length basis: (Rupees In Lakhs)

Sr. No	Name(s) of the related party and nature of relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of The Contracts/ Arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any:
1	G Naga Pushyami	Commission of Guarantee	One Year	6.00	Nil

	Relative of Managing Director	Professional Fee	One Year	13.20	
		Hire Charges	One Year	18.00	
		Payable other than Loan		1.76	
2	G.Radhakrishna Chairman & Managing Director	Commission of Guarantee	One Year	47.27	Nil
		Rent	One Year	12.00	
		Loan Payable		1141.04	
			One Year		
3	G. Parvathi Devi Whole Time Director	Commission of Guarantee	One Year	35.00	Nil
		Loan Payable		39.25	
		Payable other than Loan		35.00	
4	G. V. Rammohan Whole Time Director	Salary	One Year	42.00	Nil
		Loan Payable		33.90	
		Payable other than Loan		2.16	
5	G. Hima Bindu Sree Relative of Managing Director	Salary	One Year	11.50	Nil
		Commission of Guarantee	One Year	7.00	
		Payable other than Loan		8.90	

By Order of the Board of Directors

R Jayachandran
Managing Director (DIN: 09263976)

For RKEC Projects Limited
G Radhakrishna
Chairman (DIN: 00073080)

Date: 12th August, 2023,
Place: Visakhapatnam

Annexure-“1F”

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

RKEC Projects Limited,

Door No.10-12-1, Rednam Alcazar,

3rd Floor, Opp: SBI Main Branch, Old Jail Road,

Rednam Gardens Visakhapatnam 530020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RKEC Projects Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, ~~Overseas Direct Investment and External Commercial Borrowings~~;
 - (v) THE following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the period under review not applicable to the Company);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (during the period under review not applicable to the Company);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (during the period under review not applicable to the Company);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client (during the period under review not applicable to the Company);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the period under review not applicable to the Company); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company).

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

- (i) The Building and other construction workers (Regulation of employment and conditions of service) Act, 1956 and
- (j) Inter-State Migrant workmen (Regulation of employment and conditions of service) Act, 1979.

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

a) Secretarial Standards issued by the Institute of Company Secretaries of India;
b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **subject to the following observations:**

1. All E-Forms are filed within the prescribed due date under the Companies Act, 2013, except a few delays; (Annexure B attached to the report)
2. All Employee *Provident* Fund returns during the year are not filed within the prescribed timeline;
3. MGT-14 for the approval of Board report in the Board Meeting held on 13th August 2022 is not filed with Registrar of Companies;
4. Delay in filing of prior intimation of Board Meeting held on 7th January 2023 to the Stock Exchange.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the Minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company had no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Mehta & Mehta,

Company Secretaries

(ICSI Unique Code P1996MH007500)

Ashwini Inamdar

Partner

PCS No: F 9409

Place: Mumbai

UDIN: F009409E000789177

CP No: 11226

Date: 12 August, 2023

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

Annexure A

To,

The Members,

RKEC Projects Limited,

Door No.10-12-1, Rednam Alcazar,

3rd Floor, Opp: SBI Main Branch, Old Jail Road,

Rednam Gardens Visakhapatnam 530020

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

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form No. MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

- 7) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Mehta & Mehta,

Company Secretaries

(ICSI Unique Code P1996MH007500)

Ashwini Inamdar

Partner

PCS No: F 9409

Place: Pune

UDIN: F009409E000789177

CP No: 11226

Date: 12 August, 2023

Annexure B

Forms filed with Additional Fees

Sr. No.	Form	Purpose
1	CHG-1	M&M Finance Creation
2	CHG-1	IndusInd Bank Creation
3	CHG-1	Canara Bank Creation
4	CHG-1	Bank of Baroda Creation
5	CHG-1	Bank of Baroda Creation
6	CHG-1	M&M Finance Creation
7	CHG-1	M&M Finance Creation
8	MGT-14	To Avail a loan facility of Rs.44,01,000 (Forty Four Lakhs One Thousand Only) From M/ s. Kotak Mahindra Bank Limited.

Annexure-“G”

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
RKEC PROJECTS LIMITED

We have examined the compliance of conditions of Corporate Governance by RKEC PROJECTS LIMITED (hereinafter referred as “Company”) for the Financial year ended March 31, 2023 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”).

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Ashwini Inamdar
Partner

FCS No :9409
CP No. :11226

Place: Mumbai
Date: 12/08/2023

UDIN: F009409E000790002

Annexure-“1H”

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
RKEC Projects Limited
 Door No. 10-12-1, Rednam Alcazar,
 3rd Floor, Opp. SBI Main Branch,
 Old Jail Road, Rednam Gardens,
 Visakhapatnam-530020

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **RKEC Projects Limited** having **CIN: L45200AP2005PLC045795** and having registered office at 3rd Floor, Opp. SBI Main Branch, Old Jail Road, Rednam Gardens, Visakhapatnam-530020 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of Appointment
1.	Radhakrishna Garapati	00073080	01/04/2005
2.	Parvathi Devi Garapati	00094961	01/04/2005
3.	Venkata Rama Mohan Gudapati	06602693	29/05/2019
4.	Kumar Peruvemba Ramachandran	07352541	30/07/2020
5.	Lucas Peter Thalakala	07664071	25/11/2016

6.	Kameswara Jagabathula Rao	08508140	29/08/2019
7.	Srinivasa Chakravarthi Potluri	07289151	07/01/2023
8.	Satish Soni	07664074	25/11/2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)**

**Ashwini Inamdar
Partner**

**PCS No: F 9409
CP No: 11226**

**Place: Mumbai
Date: 12/08/2023**

UDIN: F009409E000790068

Annexure-“1I”

DECLARATION REGARDING RECEIPT OF CERTIFICATE OF INDEPENDENCE FROM ALL INDEPENDENT DIRECTORS

I hereby confirm that the Company has received from all the Independent Directors a certificate stating their independence as required under Section 149 (6) of the Companies Act, 2013.

R Jayachandran
Managing Director (DIN: 09263976)

Date: 12th August, 2023,
Place: Visakhapatnam

For RKEC Projects Limited
G Radhakrishna
Chairman (DIN: 00073080) 

Annexure-“1J”

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

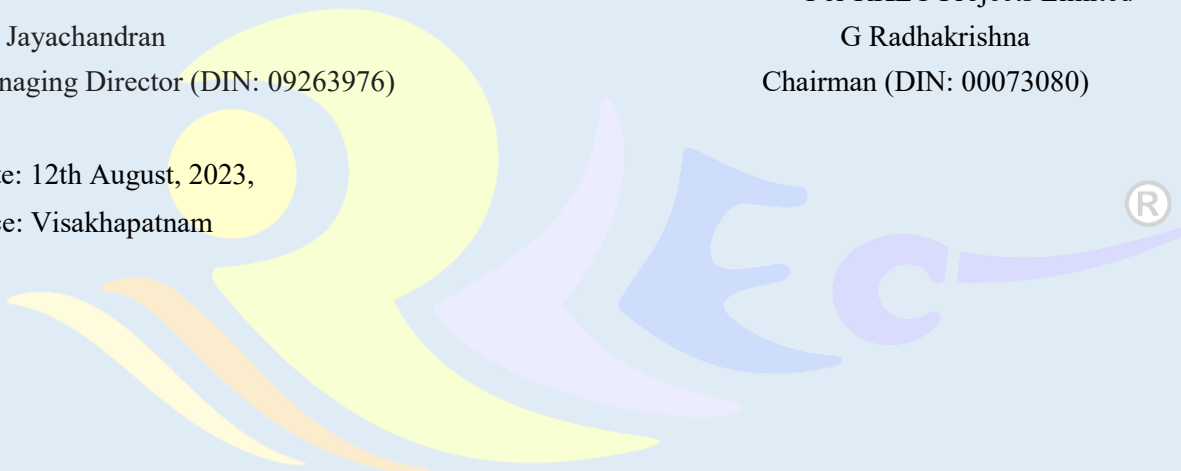
To the Members of RKEC Projects Limited

I hereby declare that all the Members of the Board and Senior Management Personnel of the Company are aware of the provisions of the Code of Conduct laid down by the Board. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

R Jayachandran
Managing Director (DIN: 09263976)

Date: 12th August, 2023,
Place: Visakhapatnam

For RKEC Projects Limited
G Radhakrishna
Chairman (DIN: 00073080)



Annexure-“1K”

CMD and CFO Compliance Certificate

We, Garapati Radhakrishna, Chairman and Managing Director and R Jayachandran ,Chief Financial Officer, certify that:

- a) We have reviewed the financial statements and cash flow statement for the Year ended 31 March, 2022 and to the best of our knowledge and belief :
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the Year ended 31 March, 2022 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

R.Jayachandran

Chief Financial Officer

Visakhapatnam, 29 May, 2023

Garapati Radhakrishna

Chairman and Managing Director

Annexure-“1L”

Statement of Particulars of Employees Pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No	Requirements	Requirements Disclosure	
1	The ratio of remuneration to each director to the median remuneration of the employees for the financial year	MD	NIL
		WTD	NIL
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	MD & WTD	NIL
		CFO	NIL
		CS	34.5%
3	The percentage increase in the median remuneration of employees in the financial year	12.5%	
4	The number of permanent employees on the roll of the Company as on 31st March, 2022	446	
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	12.5%	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed	

Remuneration of Directors and Key Managerial Personnel

Sr. No.	Particulars of Remuneration			
	Name	G Radhakrishna*	G Parvathi Devi*	GV Rama Mohan
	Designation	Chairman and Managing Director	Whole Time Director	Whole Time Director
1	Gross Salary	NIL	NIL	42,00,000
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961			
	Value of perquisites u/s 17(2) Income Tax Act, 1961	- -	-	-
	Profit in lieu of salary u/s 17(3) Income Tax Act, 1961	- -	-	-

2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as% of profit	-	-	-	-
	Others	-	-	-	-
	Others	-	-	-	-
	Total	NIL	NIL	NIL	42,00,000

*G Radhakrishna and G Parvathi Devi did not draw any salary for FY 2022-23

A. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			
	Name	Vice Admiral Satish Soni	Shri Lucas Peter Thalakala	Brig J K Rao	Lt Gen P R Kumar
1.	Independent Directors				
	Fee for attending Board/Committee Meetings	100000	100000	100000	100000
	Commission	-	-	-	-
	Others	-	-	-	-
	Total(1)	100000	100000	100000	100000
2.	Other Non Executive Directors	-	-	-	-
	Fee for attending Board/Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	Total(2)	-	-	-	-
	Total Managerial Remuneration(1)+(2)	100000	100000	100000	100000

B. Remuneration to Key Managerial Personnel other than MD/WTD/Manager

SN.	Particulars of Remuneration		
	Name	R Jayachandran	Deepika Rathi
	Designation	Chief Financial Officer	Company Secretary & Compliance Officer
1.	Gross Salary	3000000	645000
	Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	-	-
	Value of perquisites u/s 17(2) Income Tax Act,1961	-	-
	Profit in lieu of salary u/s 17(3) Income Tax Act,1961	-	

2.	Stock Option	-	-
3.	Sweat Equity	-	--
4.	Commission	-	-
	-as% of profit	-	-
	-others	-	-
	Others		
	Total	3000000	645000



Standalone Independent Auditor's Report, 2023

To the Members of **RKEC Projects Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Financial Statements of **RKEC Projects Limited ("the Company")**, which comprise the Balance Sheet as at 31st March 2023, Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 31st March 2023, its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.®

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, 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 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in ‘**Annexure B**’.
- 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 has disclosed its pending litigations which would impact its financial position in the Financial Statements as on 31st March, 2023.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SARC & Associates

Chartered Accountants

FRN: 006085N

Place: Visakhapatnam

Date: 29th May 2023

UDIN: 23206704BGTUSW5534

Membership No: 206704



(Akula Chandra Sekhar)

Founder Partner

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone Ind AS Financial Statements of the Company for the year ended March 31, 2023:

- (i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - (a) (A) the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) the company is maintaining proper records showing full particulars of intangible assets
 - (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year
- (e) No proceedings have been initiated during the year or are pending against the company as at 31st March, 2023 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and the same has been disclosed below-

Sl No.	Sanction Date	Sanction Amount in Cr		Total	O/s Amount	Security against that	Whether Charge created	Security amount	As per Return s/ Statement	Amount of Discrepancy	Reason of Discrepancy
		Funded	Non-Funded								
1	05-11-2022	53.00	210.00	263.00	52.44	Immovable property & pledge of Lic policies & shares	Yes	199.56		Nil	Nil
2	14-12-2020	13.00	5.00	18.00	12.97	Immovable property	yes	09.47		Nil	Nil
3	05-11-2022	10.00	20.00	30	5.63	Immovable property and Pledge of		24.03		Nil	Nil

						Shares					
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- (iii) The Company has not made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable
- (vii) In respect of Statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable
- (b) Details of statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned.

Name of the statute	Nature of dues	Amount in Rs.	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax and Entry Tax Liability	1,60,38,000	Labour Court	High Court, Andhra Pradesh
Finance Act, 1994	Service Tax Liability	5,92,04,000	FY 2004-05 to FY 2008-09	CESTAT, Bangalore
Building and Other Construction Workers Act, 1996	Levy of Labour Cess	69,99,000	FY 2007-08	Labour Court
Income Tax Act, 1961	Disputed Income Tax Liability	59,41,000	AY 2015-16	CIT (Appeals)

Finance Act, 1994	Service Tax Liability	18,74,86,000	FY 2012-13 to FY 2015-16	CESTAT, Hyderabad
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- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- (b) The company was not declared willful defaulter by any bank or financial institution or other lender.
- (c) The term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) Whether No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As per the information and explanation given to us, no whistle-blower complaints, received during the year by the company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.
- In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

As there are no ongoing Projects towards CSR activities and hence reporting under clause (xx)(b) of the Order is not applicable.

For SARC & Associates

Chartered Accountants

FRN: 006085N

Place: Visakhapatnam

Date: 29th May 2023

(Akula Chandra Sekhar)

Founder Partner

UDIN: 23206704BGTUSW5534

Membership No: 206704

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of RKEC Projects Limited

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

We have audited the internal financial controls over financial reporting of **RKEC Projects Limited (“the Company”)** as of March 31, 2023 in conjunction with our audit of the Standalone Ind-AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SARC & ASSOCIATES
Chartered Accountants
FRN: 006085N

Place: Visakhapatnam
Date: 29th May 2023

(AKULA CHANDRA SEKHAR)
Founder Partner
Membership No: 206704

Standalone Balance Sheet As At 31st March, 2023

Amount in Rupees			
Particulars	Note. No.	Figures as at 31-03-2023	Figures as at 31-03-2022
ASSETS			
Non- Current Assets			
a) Property, Plant and Equipments	2	54,10,68,165.23	52,13,45,692.88
b) Capital Work-in-Progress		9,19,84,556.06	4,87,072.00
c) Investment Property			
d) Goodwill			
e) Other Intangible Assets	3	2,450.00	33,915.00
f) Intangible Assets under Development			
g) Biological Assets other than Bearer Plants			
h) Financial Assets			
i) Investments	4		
ii) Trade Receivables			
iii) Loans			
iv) Others (to be specified)			
i) Deferred tax Assets	5	46,45,159.57	1,32,51,203.76
j) Other Non- Current Assets			
		63,77,00,330.87	53,51,17,883.65
Current Assets			
a) Inventories	6	92,47,43,590.00	73,09,61,953.00
b) Financial Assets			
i) Investments			
ii) Trade Receivables	7	1,60,74,58,027.69	1,47,50,47,879.11
iii) Cash and cash equivalents	8	6,71,70,312.42	25,99,51,420.49
iv) Bank balances other than (ii)	9	20,89,06,571.95	39,96,16,221.95
v) Loans	10	1,98,46,599.65	1,58,29,940.35
vi) Others (to be specified)			
c) Current tax Assets (Net)			
d) Other Current Assets	11	38,45,55,114.00	17,26,29,970.92
		3,21,26,80,215.71	3,05,40,37,385.82
Total Assets		3,85,03,80,546.87	3,58,91,55,269.47

EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	12	23,99,06,000.00	23,99,06,000.00
b) Other Equity	13	1,24,57,27,415.28	1,12,27,11,737.29
		1,48,56,33,415.28	1,36,26,17,737.29
Liabilities			
Non- Current Liabilities			
a) Financial Liabilities			
i) Borrowings	14	42,86,26,903.60	48,94,33,789.48
ii) Trade Payables			
iii) Other Financial Liabilities (other than those specified in item (b) above, to be specified)			
b) Provisions	15	1,50,43,513.00	1,37,33,464.00
c) Deferred tax Liabilities (Net)			
d) Other Non- Current Liabilities			
		44,36,70,416.60	50,31,67,253.48
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	68,36,37,249.86	88,49,11,963.81
ii) Trade Payables	17	74,05,81,378.03	48,14,48,964.23
iii) Other Financial Liabilities (other than those specified in item (C))	18	4,98,43,008.98	3,74,66,030.00
b) Other Current Liabilities	19	34,68,71,163.22	28,87,02,193.66
c) Provisions	20	10,01,43,919.28	3,08,41,127.00
d) Current tax Liabilities (Net)			
		1,92,10,76,719.37	1,72,33,70,278.70
Total Equity and Liabilities		3,85,03,80,551.25	3,58,91,55,269.47

In Terms of our report of even date annexed

for SARC & Associates

Chartered Accountants

FRN : 006085N

Chandra Sekhar Akula

Partner

Membership No. 206704

UDIN: 23206704BGTUSW5534

Dt:29-05-2023

Visakhapatnam

for and on behalf of board of directors of

RKEC Projects Ltd

G. Radhakrishna

Managing Director

DIN: 00073080

R. Jaychandran

CFO

G.V.Ramamohan

Whole Time Director

DIN: 6602693

Deepika Rathi

Company Secretary

Standalone Profit And Loss Statement As At 31st March, 2023

	Particulars	Note. No.	Figures as at 31.03.2023	Figures as at 31.03.2022
I	Revenue From Contracts	21	2,99,96,82,915.77	2,08,64,87,169.57
II	Other Income	22	3,71,19,382.44	2,16,92,496.58
III	Total Income (I+II)		3,03,68,02,298.21	2,10,81,79,666.15
IV	Expenses			
	Cost of Materials Consumed	23	1,28,17,48,924.08	99,63,06,927.21
	Operational Expenses	24	84,60,94,212.53	67,02,45,882.16
	Changes in Inventories of Work-in-Progress	25	-2,89,75,181.00	-11,13,88,140.00
	Employee Benefits Expenses	26	18,13,90,793.29	17,01,16,666.80
	Finance Costs	27	14,37,99,948.21	12,16,36,199.87
	Depreciation and Amortisation Expense	2	4,97,27,957.19	3,91,09,882.00
	Other Expenses	28	29,39,24,604.37	13,02,94,866.46
	Total Expenses (IV)		2,76,77,11,258.67	2,01,63,22,284.50
	Profit/(Loss) before exceptional items and tax (I-IV)		26,90,91,039.54	9,18,57,381.65
V	Exceptional Items			-
VI	Profit/(Loss) before tax (V-VI)		26,90,91,039.54	9,18,57,381.65
VII	Tax expense			
	(1) Current Tax		6,54,35,864.13	2,39,17,829.77
	(2) Tax Expense for earlier years		7,37,21,506.00	33,98,714.60
	(3) Deferred Tax		86,06,044.19	17,07,156.08
	Total Tax Expense		14,77,63,414.32	2,90,23,700.45
	Profit/(Loss) for the period from continuing operations (VII-VIII)		12,13,27,625.22	6,28,33,681.20
IX	Profit/(Loss) from discontinued operations		22,55,790.00	
X	Tax expense of discontinued operations		5,67,737.23	
XI	Profit/(Loss) from discontinued operations (after tax) (X-XI)		16,88,052.77	
XII	Profit/(Loss) for the period (IX+XII)		12,30,15,677.99	6,28,33,681.20
XVI	Earnings per share (for continuing operations)	29		
	(i) Basic		5.13	2.62
	(ii) Diluted		5.13	2.62

In Terms of our report of even date annexed for SARC & Associates
Chartered Accountants
FRN : 006085N
Chandra Sekhar Akula
Partner
Membership No. 206704
UDIN: 23206704BGTUSW5534
Dt:29-05-2023
Visakhapatnam

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

G. Radhakrishna
Managing Director
DIN: 00073080

R. Jaychandran
CFO

G.V.Ramamohan
Whole Time Director
DIN: 6602693

Deepika Rathi
Company Secretary

Standalone Cash Flow Statement As At 31st March, 2023

Particulars	Amount in Rupees	
	Figures as at 31-03-2023	Figures as at 31-03-2022
Cash flow from Operating Activities		
Profit before Tax	27,13,46,829.54	9,18,57,381.65
Adjustments for		
Depreciation	4,97,27,957.19	3,91,09,882.00
Loss/(Profit) from Joint Venture		
Loss/(Profit) on Sale of Fixed Assets		
Interest Expense	14,37,99,948.21	12,16,36,199.87
Interest Income	-2,04,71,992.94	-2,16,34,894.00
Operating Profit before Working Capital changes	44,44,02,742.00	23,09,68,569.52
Adjustments for		
Increase/(Decrease) in Trade Payables	25,91,32,413.80	-18,41,89,049.77
Increase/(Decrease) in Long Term Provisions	13,10,049.00	32,43,439.00
Increase/(Decrease) in Short Term Provisions	6,93,02,792.28	-2,86,17,508.90
Increase/(Decrease) in Other Financial Liabilities	1,23,76,978.98	29,96,897.00
Increase/(Decrease) in Other Current Liabilities	5,81,68,969.56	-13,18,81,317.34
(Increase)/Decrease in Trade Receivables	-13,24,10,148.58	21,45,70,321.84
(Increase)/Decrease in Inventories	-19,37,81,637.00	-1,56,76,507.00
(Increase)/Decrease in Short Term Loans and Advances	-40,16,664.30	-51,49,514.35
(Increase)/Decrease in Other Current Assets	-21,19,25,143.08	6,37,62,219.08
(Increase)/Decrease in Deferred Tax Assets	86,06,044.19	17,07,156.07
Cash (used) in/generated from Operations	31,11,66,396.85	15,17,34,705.15
Income Taxes paid	-14,83,31,151.55	-2,90,23,700.45
Net Cash from Operating Activities	16,28,35,245.30	12,27,11,004.70
Cash Flow from Investing Activities		
Purchase of Fixed Assets, including Intangible Assets, CWIP and Capital Advances	-176029319	-1,31,48,329.00
CWIP	-91497484.06	
Investment in Joint Venture		6,47,285.00
Profi/(Loss) from Joint Venture		-
Proceeds from Sale of Fixed Assets	106610354.5	
Bank Balances not considered as Cash and Cash Equivalents	19,07,09,650.00	-3,70,42,771.60
Interest Received	2,04,71,992.94	2,16,34,894.00
Net Cash from Investing Activities	5,02,65,194.34	-2,79,08,921.60
Cash Flow from Financing Activities		
Proceeds from (Repayment of) Long Term Borrowings	-6,08,06,885.88	42,88,55,994.14
Proceeds from (Repayment of) ShortTerm Borrowings	-20,12,74,713.95	-12,51,36,221.19
Dividend(Interim) paid during the year (including Dividend Distribution Tax)		-2,87,88,720.00
Interest Paid	-14,37,99,948.21	-12,16,36,199.87
Net Cash from Financing Activities	-40,58,81,548.04	15,32,94,853.08
Net Increase/(Decrease) in Cash and Cash Equivalents	-19,27,81,108.40	24,80,96,936.18
Cash and Cash Equivalents at the beginning of the year	25,99,51,420.49	1,18,54,483.66
Cash and Cash Equivalents at the end of the year	6,71,70,312.75	25,99,51,420.49

NOTES

CORPORATE INFORMATION

RKEC Projects Limited (“The Company”) is a public limited company, domiciled in India and incorporated under the provisions of the Companies Act, 1956. The equity shares of the Company are listed on the National Stock Exchange (NSE). The Company is primarily engaged in construction activities, specialising in the business of Civil and Defence Construction such as construction of Buildings, Highways, Marine Works and Bridges.

The financial statements were authorized for issue in accordance with the resolution of the Board of Directors on 29-05-2023.

NOTE

1: Significant Accounting Policies

a) Basis of preparation:

i) Compliance with Ind AS:

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, hereinafter referred to as Ind AS.

ii) Historical cost convention:

The Financial Statements have been prepared on a historical cost basis, except for the following:

- a. certain financial assets and liabilities that are measured at fair value;
- b. assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- c. defined benefit plans - plan assets measured at fair value;

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

c) Revenue recognition:

i) Timing of recognition:

Revenue from the works executed is recognised when all the significant risks and rewards of ownership therein are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities of the Company. This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

ii) Measurement of revenue:

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, etc.

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer. Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

The volume discounts are assessed based on anticipated annual purchases.

Interest Income

For all debt instruments measured at amortised cost, interest income is measured using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

d) Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

• Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

• Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Taxable temporary differences arising on the initial recognition of goodwill. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

e) Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

Company as a lessor:

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

f) Property, Plant and Equipment

i) Tangible assets:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation on Tangible Fixed Assets is provided on Straight Line Method on the basis of useful life of assets specified in Part C of Schedule II of the Companies Act, 2013

Based on technical evaluation done by the Chartered Engineer, the management believes that the useful lives as given above, best represent, the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and any changes therein are considered as change in estimate and accounted prospectively.

ii) Intangible assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible Assets having finite useful life are amortised on the straight line method as per following estimated useful life:

Asset category	Estimated useful life
Computer software	3 years

The residual values, useful lives and method of amortisation of intangible assets are reviewed at each financial year end and any changes there in are considered as change in estimate and accounted prospectively.

Intangible assets having indefinite useful life are tested for impairment at least once in an accounting year regardless of indicators of impairment.

iii) Investment Property:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs and are carried at cost less accumulated depreciation and accumulated impairment losses.

iv) Capital WIP:

Expenses incurred during project site mobilisation capitalised and recognised in the books as CWIP and written off over a period of life of the project. During 2021-22 one site work held up for site clearance hence OP CWIP not written off in 2021-22.

g) Impairment of fixed assets

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/ external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

h) Investments and other financial assets:

Classification:

The Company classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss), and
- ii) Those measured at amortised cost.

The classification depends on the business model of the entity for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income.

For investments in debt instruments, it depends on the business model in which the investment is held.

For investments in equity instruments, it depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual terms of the instrument

Transaction Cost

Financial assets are recognised initially at fair value plus/minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement:

After initial recognition, financial assets are measured at:

- i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,
- ii) Amortised cost

Debt instruments:

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

Debt instruments that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in Profit or Loss.

Measured at fair value through Other Comprehensive Income (OCI):

Debt instruments that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI (net of taxes). Interest income measured using the EIR method and impairment losses, if any are recognised in Profit or Loss. On derecognition, cumulative gain/ (loss) previously recognised in OCI is reclassified from the equity to Profit or Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in Profit or Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Profit or Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Profit or Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and lease receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be

Investments in subsidiary companies, associate company and Joint Venture Company:

Investments in subsidiary companies, associate company and Joint Venture Company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and Joint Venture Company, the difference between net disposal proceeds and the carrying amounts are recognised in Profit or Loss.

De-recognition:

A financial asset is de-recognised only when

- i) The Company has transferred the rights to receive cash flows from the financial asset ,or
- ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities & Equity instruments:

i) Classification as debt or equity - Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement - Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement - Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in Profit or Loss.

iv) De-recognition - A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

i) Fair Value Measurement

The Company measures financial instruments, such as Derivatives, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of the principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

External Valuers are involved for valuation of significant assets such as certain items or property, plant and equipment. For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

j) Inventories:

Items of Inventories are valued on the basis given below:

- i. Raw materials, packing materials, stores and spares: at cost determined on First – in – First – Out (FIFO) basis or net realisable value whichever is lower.
- ii. Process stock and finished goods: RKEC shall generally not hold the finished works on hand without billing the same. However, in case such a situation occurs, the finished works are valued at cost or net realisable values whichever is lower.

Cost comprises cost of purchase, costs of conversion and other costs incurred in bringing the inventory to its present location and condition.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company.

k) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

l) Trade receivable:

Trade receivables are initially recognised at fair value of the revenue. Subsequently, trade receivables are stated at cost less provision for impairment, if any.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The Company applies expected credit losses (ECL) model for measurement and recognition of provision / loss allowance on the Trade receivables.

As a practical expedient, the Company uses a provision matrix to measure ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default floating rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in Profit or Loss under the head 'Other expenses'.

m) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

n) Derivatives and hedging activities:

The Company enters into derivative financial instruments to hedge its exposure to movements in interest rates and foreign exchange rates. These are not intended for trading or speculative purposes.

i) Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in Profit or Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets | liabilities in this category are presented as current assets | current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

o) Government Grants:

Grants, in the nature of interest subsidy under the Technology Upgradation Fund Scheme (TUFs), are accounted for when it is reasonably certain that ultimate collection will be made. The interest subsidy is reduced from the interest cost.

p) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income /(expense). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

q) Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

r) Provisions and contingent liabilities:

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

s) Employee benefits:

Short-term employee benefits:

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred. Short-term leave encashment is provided at an undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under Voluntary Retirement Scheme is charged to Statement of Profit and Loss in the year of settlement.

Other long-term employee benefits:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined benefit plan:

RKEC for the time being is managing their Long Term Employee Benefits only as Defined Benefit plans. However, the Accounting policy in respect of Defined Benefit plans had been drawn for proper application in case required in the following lines.

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

t) Earnings per share:

Earnings per share (EPS) are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period. The treasury shares are not considered as outstanding equity shares for computing EPS.

u) Foreign Currency Transactions

Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in Foreign Currency are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

- Exchange differences relating to long term monetary items, arising during the period, in so far as those relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset
- In other cases, such differences are accumulated in the “Foreign Currency Monetary Translation Difference Account” and amortised to the statement of profit and loss over the balance life of the long term monetary item.

All other exchange differences are dealt with in profit or loss.

v) Critical estimates and judgements

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involve a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements. The areas involving critical estimates or judgements are:

- i) Estimation of useful life of tangible assets: Note 2&3
- ii) Estimation of defined benefit obligation: Note 15

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

2 Property , Plant and Equipment as at 31 Mar 2023

Description of Assets	Gross Carrying Value			
	As At	Additions	Deductions	As At
	01 April 2022			31 March 2023
Freehold Land	50,00,000.00	0		50,00,000.00
Plant and Equipment	54,01,48,319.24	16,89,87,000.00	10,66,10,354.46	60,25,24,964.78
Furniture and Fixtures	34,62,655.00	2,55,274.00		37,17,929.00
Vehicles	7,98,06,988.02	47,25,230.00		8,45,32,218.02
Office Equipment	1,22,79,992.85	20,61,815.00		1,43,41,807.85
TOTAL	64,06,97,955.11	17,60,29,319.00	10,66,10,354.46	71,01,16,919.65

Depreciation				Net Carrying Value	
As At	For the Period	Adjustments on Sale Transfer	Total upto 31 Mar 2023	As At	As At
01 April 2022				31 March 2022	31 March 2023
0	0			50,00,000.00	50,00,000.00
79632766.44	3,69,62,347.00		11,65,95,113.44	46,05,15,552.80	48,59,29,851.34
2286759	5,78,456.19		28,65,215.19	11,75,896.00	8,52,713.81
29652983.79	1,00,76,946.00		3,97,29,929.79	5,01,54,004.24	4,48,02,288.24
7779753	20,78,743.00		98,58,496.00	45,00,239.85	44,83,311.85
11,93,52,262.23	4,96,96,492.19	-	16,90,48,754.42	52,13,45,692.88	54,10,68,165.23

An asset namely the Launching girder which was damaged is taken up for reconstruction. The reconstruction cost is covered by insurance. Asset Is reclassified as per Ind AS 105 Non - Current Asset held for Sale under Other Current Assets at Net realizable value and the loss on reclassification is duly provided for.

3 Intangible Assets as at 31 Mar 2023

Description of Assets	Gross Carrying Value			Depreciation					Net Carrying Value	
	As At	Additions	Deductions	As At	As At	For the	Adjustments	Total upto 31	As At	As At
	01 April 2022			31 March 2023	01 April 2022	Period	on Sale	Mar 2023	31 March 2022	31 March 2023
Software	3,12,308		-	3,12,308	2,78,393	31,465		3,09,858	33,915	2,450
	3,12,308	-	-	3,12,308	2,78,393	31,465		3,09,858	33,915	2,450

4	Investments		
	Particulars	As At 31 March 2023	As At 31 March 2022
	Total	-	-
	Interest in Joint Venture-Notes		

5 Deferred Tax Assets

Particulars	As At 31 March 2023	As At 31 March 2022
Balance of DTA/(DTL) brought forward	1,32,51,203.76	1,49,58,360
Depreciation	-85,27,846.00	-20,42,864
Provision for Gratuity	-78,198.19	3,35,708
PF/ESI		-
Net Deferred Tax Asset/(Deferred Tax Liability)	46,45,159.57	1,32,51,204

6 Inventories

(At lower of Cost or Net Realisable Value)

Particulars	As At 31 March 2023	As At 31 March 2022
Raw Materials	38,11,53,759.00	21,63,47,303
Work-In-Progress	54,35,89,831.00	51,46,14,650
Finished Goods		-
Total	92,47,43,590.00	73,09,61,953

7 Trade Receivables		
Particulars	As At 31 March 2023	As At 31 March 2022
More than 3 Yrs	15,60,503.00	29,76,182
More than 1 year and less than 3 years	8,84,55,857.22	7,81,70,892
More than 6 months and less than 1year	13,31,606.78	27,27,22,107
>6 Months	1,51,61,10,060.69	1,12,11,78,698
Total	1,60,74,58,027.69	1,47,50,47,879
Unsecured		
Considered Good	1,60,74,58,028	1,47,50,47,879
Considered Doubtful		-

Quarterly returns or statements of current Assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

8 Cash and Cash Equivalents		
Particulars	As At 31 March 2023	As At 31 March 2022
Cash on Hand	16,83,785.21	11,38,657
Balance with Banks		
(i) In Current Accounts	14,91,546.21	15,30,63,912
(ii) In Deposit Accounts	6,39,94,981.00	10,57,48,851
Cheques, Drafts on Hand		
Total	6,71,70,312.42	25,99,51,420

9 Other Balances With Banks		
Particulars	As At 31 March 2023	As At 31 March 2022
In Earmarked Accounts		
Unclaimed Dividend Accounts	2,03,820.95	2,03,821
Balances/ Deposits held as margin money or security against borrowings, guarantee and other commitments	20,87,02,751.00	39,94,12,401
Total	20,89,06,571.95	39,96,16,222

10 Loans		
Particulars	As At 31 March 2023	As At 31 March 2022
Unsecured and considered good		
Security Deposit	1,98,46,599.65	1,58,29,940
Others		-
Total	1,98,46,599.65	1,58,29,940

11 Other Current Assets		
Particulars	As At 31 March 2023	As At 31 March 2022
Advances to material suppliers	1,85,19,184.07	1,93,38,475
Deposits for enlistment	94,77,839.87	83,69,072
Earnest money and other deposits	1,20,58,356.00	1,09,59,613
VAT Input Credit receivable	55,60,012.00	57,84,869
GST Receivable	22,69,92,781.29	7,69,35,468
Service tax receivable	70,30,500.00	70,30,500
TDS Receivable	2,89,27,653.17	3,28,11,426
Prepaid Expenses	3,34,59,480.60	1,14,00,549
Other advances	29,307.00	-
Asset Held for Sale	4,25,00,000.00	
Total	38,45,55,114.00	17,26,29,971
Others		-

An asset namely the Launching girder which was damaged. Asset Is reclassified as per Ind AS 105 Non - Current Asset held for Sale at Net realizable value .

12 Share Capital		
Particulars	As At 31 March 2023	As At 31 March 2022
Authorised		
2,50,00,000 Equity shares of Rs.10 each	50,00,00,000.00	50,00,00,000
Issued and Subscribed		
2,39,90,600 Equity shares of Rs.10 each	23,99,06,000.00	23,99,06,000
Total	23,99,06,000.00	23,99,06,000

(i) Reconciliation of number of shares and amount outstanding at the beginning and end of the period

Particulars	As At 31 March 2023		As At 31 March 2022	
	No. of Shares	Rupees	No. of Shares	Rupees
Equity shares of Rs.10 each				
At the beginning of the period	2,39,90,600.00	23,99,06,000.00	2,39,90,600.00	23,99,06,000.00
Add: Shares issued				
At the end of the period	2,39,90,600.00	23,99,06,000.00	2,39,90,600.00	23,99,06,000.00

(ii) Shareholders holding more than 5 percent shares in the Company

Name of Shareholders	As At 31 March 2023		As At 31 March 2022
G Radha Krishna	1,76,37,700.00	73.52	1,76,37,700.00

(iii) Shareholding of promoters and percentage of change during the year.

S.no	Promoter Name	No of shares	% of shares	% of change during the year
1	G Radha Krishna	1,76,37,700.00	73.52	0
2	G Parvathi Devi	5,900.00	0.25	0
3	G Naga pushyami	22,100.00	0.09	0
4	G Hima Bundu sree	30,100.00	0.12	0

13 Other Equity

Particulars	As At 31 March 2023	As At 31 March 2022
Securities Premium Account		
Balance as per Balance Sheet	16,37,30,000.00	16,37,30,000

Note: Securities Premium Account is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of Companies Act, 2013.

Surplus in Statement of Profit and Loss		
Balance as per Balance Sheet	95,89,81,737.29	89,61,48,056
Profit/(Loss) for the period	12,30,15,677.99	6,28,33,681
Less: Appropriations		
(i) Impairment Loss		-
(ii) Proposed Dividend- Equity Shares		-
(iii) Corporate Dividend Tax thereon		-
Total	1,24,57,27,415.28	1,12,27,11,737

14 Borrowings -Non Current

Particulars	As at 31-03-2023		As at 31-12-2022		As at 31-03-2022	
	Current Maturities	Non- Current	Current Maturities	Non- Current	Current Maturities	Non- Current
Term Loans (Secured)						
(a) From Banks						
Rupee Loans	2,92,43,546.98	16,32,07,984.81	2,92,19,370.00	153903238	2,92,19,370.00	15,67,49,758.27
(b) From Financial Institutions						
Rupee Loans	2,05,99,462.00	2,12,17,965.59	31,76,221.25	5401671.75	82,46,660.00	60,38,153.21
(C) From Clients	10,42,23,132.80	24,42,00,953.20	12,68,39,613.00	38,05,18,840.00	8,03,28,214.00	32,66,45,878.00
Total	15,40,66,141.78	42,86,26,903.60	15,92,35,204.25	53,98,23,749.75	11,77,94,244.00	48,94,33,789.48

15 Provisions

Particulars	As At 31 March 2023	As At 31 March 2022
Provision for Employee Benefits		
Provision for Gratuity	1,50,43,513.00	1,37,33,464
Total	1,50,43,513.00	1,37,33,464

16 Borrowings - Current

Particulars	As At 31 March 2023	As At 31 March 2022
Working Capital Loans		
Secured		
Cash Credit Accounts, Working Capital Demand Loan	55,92,16,770.00	50,63,15,931
Other than Cash Credit		17,59,00,000
Unsecured		
From Financial Institutions/ Others		-
From Others (Directors)	12,44,20,479.86	20,26,96,033
Total	68,36,37,249.86	88,49,11,964

Additional Information
(i) Security for Term Loans

Nature of Security	As At 31 March 2023	As At 31 March 2022
Security for Working Capital Loans	In Cr	In Cr
(a) Hypothecation of Company's Current Assets and Mortgage of certain immovable properties belonging to the Company/ Guarantor	253.22	201.96
(b) Second Charge created/ to be created on all fixed assets (excluding Land and Building) of the Company	-	
Fixed and Floating charge over the assets of the Company and personal guarantee of the Directors	233.06	195.19
Pledge of certain Immovable Assets	-	
Total	486.28	397.15

17 Trade Payables

Particulars	As At 31 March 2023	As At 31 March 2022
Total Outstanding dues to Micro & Small Enterprises	18,50,514.00	1,55,81,285
Total Outstanding dues to creditors other than Micro & Small Enterprises		
Acceptances	54,93,72,994.63	45,39,53,389
Other than Acceptances	18,93,57,869.40	1,19,14,290
Total	74,05,81,378.03	48,14,48,964

Information as per MSME Act

Particulars		
Principal amount remaining unpaid to any supplier at the end of the accounting period	18,50,514.00	1,55,81,285.00
Interest due thereon remaining unpaid to any supplier at the end of the accounting period		
The amount of interest paid along with the amounts of payment made to the supplier beyond the appointed date		
The amount of interest due and payable for the period		
The amount of interest accrued and remaining unpaid at the end of the accounting period		
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid		
Total	18,50,514.00	1,55,81,285.00

The above information has been determined on the basis of information available with the Company.

***Ageing schedule attached forms part of financials**

18 Other Financial Liabilities		
Particulars	As At 31 March 2023	As At 31 March 2022
Current Maturities of Long term Borrowings	4,98,43,008.98	3,74,66,030
Total	4,98,43,008.98	3,74,66,030

19 Other Current Liabilities		
Particulars	As At 31 March 2023	As At 31 March 2022
Revenue received in Advance	10,42,23,132.80	8,03,28,214
Other Current Liabilities	24,26,48,030.42	20,83,73,980
Total	34,68,71,163.22	28,87,02,194

20 Provisions		
Particulars	As At 31 March 2023	As At 31 March 2022
Provision for Employee Benefits		
Provision for Gratuity	-3,10,869.00	13,10,049
Other Provisions		
Provision for Taxation	7,74,04,192.28	-
Others provisions	2,30,50,596.00	2,95,31,078
Total	10,01,43,919.28	3,08,41,127

Consequent to a survey operations by the Income tax dept in the premises of the company , a provision of Rs 7.40 cr is created towards the estimated tax liability as the same is deemed as fit and proper based on the expert opinion.

21 Revenue from Contracts		
Particulars	As At 31 March 2023	As At 31 March 2022
Sale of Services		
Contract Revenue	2,77,33,64,425.77	2,08,42,66,444
Other Operating Revenue		
Work Receipts on Technical Services	-	22,20,726
Arbitration award received as compensasion from MPA for contract executed prior to GST	9,04,63,479.00	-
Arbitration award received against contract executed in SEZ	12,51,55,011.00	-
Others	1,07,00,000.00	-
Total	2,99,96,82,915.77	2,08,64,87,170

The company got two arbitration awards amounting to Rs.12.06 cr and Rs.16.68 cr against Mumbai and Cochin port Trust . The later was received between the reporting period and the date on which the financial statements are approved by the Board and accordingly , the same is considered as eligible for being taken as income for the FY 2022-23 in compliance of Indian Accounting standard (Ind As) 10 , Events after the Reporting period . In compliance of Notification No: N-14070/14/2016-PPPAU , Dt: Sep 05, 2016 issued by the Government of India 75 % of the award is recognized as Revenue in the books of account since the certainty of the receipt of the amount is established in compliance of Indian Accounting standard (Ind As) 115, Revenue from contracts with customers.

22 Other Income

Particulars	As At 31 March 2023	As At 31 March 2022
Profit on Sale of Assets		-
Miscellaneous Income	1,66,47,389.50	57,603
Share of Profit from Joint Venture		-
Interest recovered on Mobilisation Advance		-
Interest on IT Refund		-
Interest Income		
On Long Term Investments		
Bank Fixed Deposits	2,04,71,992.94	2,16,34,894
Inter Corporate Deposits		-
Interest on Investments		-
Others		-
Total	3,71,19,382.44	2,16,92,497

23 Cost of Materials Consumed

Particulars	As At 31 March 2023	As At 31 March 2022
Construction Materials, Stores and Spares		
Opening Stock	21,63,47,303.00	31,20,58,936
Add: Purchases	1,44,65,55,380.08	90,05,95,294
Less: Closing Stock	38,11,53,759.00	21,63,47,303
Total	1,28,17,48,924.08	99,63,06,927

24 Operational Expenses

Particulars	As At 31 March 2023	As At 31 March 2022
Repairs and Maintenance		
Plant and Machinery, Vehicles	72,76,234.06	61,32,771
Power and Fuel		
Diesel and Petrol Expenses	8,53,54,876.85	4,98,39,097
Electricity Expenses	75,43,548.42	66,67,805
Others		
Project Work Expenses	53,67,73,664.38	41,59,73,827
Hire Charges for Machinery and others	8,59,27,054.10	11,18,30,845
Transport Charges	7,07,66,164.80	3,61,62,286
Technical and Engineering Consultancy Services	94,27,908.00	60,63,811
Testing Charges	66,86,791.05	32,67,847
Labour Cess (Recoveries)	2,47,41,776.79	1,16,44,043
Other Recoveries (By Contractees)	54,51,327.54	1,77,95,642
Loading and Unloading Charges	23,57,360.50	37,17,391
Water Charges	17,04,324.00	4,07,436
Other Project Expenses	20,83,182.04	7,43,082
Total	84,60,94,212.53	67,02,45,882

25 Changes in Inventories of Work-in-Progress

Particulars	As At 31 March 2023	As At 31 March 2022
Opening Stock	51,46,14,650.00	40,32,26,510
Less: Closing Stock	54,35,89,831.00	51,46,14,650
Total	-2,89,75,181.00	-11,13,88,140

26 Employee Benefit Expenses

Particulars	As At 31 March 2023	As At 31 March 2022
Salaries and Wages	15,33,97,014.30	14,48,66,972
Contribution to Provident Funds and Other Funds	92,09,447.00	1,04,27,742
Staff Welfare Expenses	1,87,84,331.99	1,48,21,953
Total	18,13,90,793.29	17,01,16,667

27 Finance Costs

Particulars	As At 31 March 2023	As At 31 March 2022
Interest Expense on		
Term Loans	1,92,45,050.23	4,08,60,274
Working Capital Demand Loans & Cash Credit	4,99,15,045.04	4,08,20,654
Mobilisation Advance	1,69,53,490.50	98,93,646
Others	1,22,74,700.69	10,73,331
Other Borrowing Costs	4,54,11,661.75	2,89,88,296
Total	14,37,99,948.21	12,16,36,200

28 Other Expenses

Particulars	As At 31 March 2023	As At 31 March 2022
Auditor's Fee		
Statutory Audit Fee	6,00,000.00	6,00,000
Tax Audit Fee	1,50,000.00	1,50,000
Other Services	2,50,564.00	2,00,000
Cost Audit	75,000.00	75,000
Internal Audit	4,00,000.00	4,00,000
Secretarial Audit	2,00,000.00	2,00,000
Others		
Bank Charges	1,85,40,075.99	98,61,711
LC & BG Issue Charges	3,84,02,369.60	3,38,06,504
Commission on Bank Guarantees	3,66,31,874.49	2,06,52,184
Rent	1,20,89,067.91	83,99,899
Travelling and Conveyance Expenses	94,45,743.35	53,02,655
Repairs and Maintenance of Computers and others	40,59,306.63	15,91,657
Office Maintenance	1,81,75,826.39	14,53,485
Security Services	8,03,134.00	18,71,153
Rates and Taxes	23,64,211.96	30,30,508
Communication Expenses (Postage and Telephone)	8,76,526.42	7,84,744
Insurance	1,40,04,661.08	63,46,160
Printing and Stationery	17,92,295.67	11,68,595
Professional Charges	1,81,13,345.15	2,40,01,403
CSR Expenses	38,34,544.90	43,14,510
Foreign Exchange Gain/Loss		
Sitting Fees to Directors	4,00,000.00	4,75,000
Project Site Admin Expenses	23,81,938.00	11,48,784
Tender Expenses	2,21,365.00	1,58,947
Donations	5,00,000.00	5,000
Bad Debts Written Off	54,72,318.54	-
Business Promotion Expenses	9,23,350.00	2,36,666
ROC Charges	60,000.00	26,53,999
Interest on Statutory Dues	3,42,08,034.71	14,01,302
Prior Period Expenses	48,24,099.00	
Loss on Asset Damaged	6,41,10,354.00	
Miscellaneous Expenses	14,597.58	5,000
Total	29,39,24,604.37	13,02,94,867

An asset namely the Launching girder which was damaged . Asset Is reclassified as per Ind AS 105 Non - Current Asset held for Sale under Other Current Assets at Net realizable value and the loss on reclassification is duly provided for.

29 Earnings Per Share		
Particulars	As At 31 March 2023	As At 31 March 2022
Face Value of Shares (in Rupees)	10.00	10
Basic and Diluted EPS		
Surplus available to Equity Shareholders (In Rupees)	12,30,15,677.99	6,28,33,681
Weighted Average Number of Shares (In Nos)	2,39,90,600.00	2,39,90,600
Basic EPS	5.13	2.62
Add: Effect of dilutive stock options		
Weighted Average Number of Shares (In Nos)	2,39,90,600.00	2,39,90,600
Diluted EPS	5.13	2.62
Calculation of Weighted Average Number of Shares		
Opening Number of Shares	2,39,90,600.00	2,39,90,600
Issued during the year		
Weighted Average Number of Shares	2,39,90,600.00	2,39,90,600

30. Contingent Liabilities-

Rs in

lacs

Sl.No.	Particulars	31 March 2023	31 March 2022
	Guarantees		
	Collateral given to bankers in respect of Bank Guarantees for the operations carried out by the company	23012.15	12501.00
	Matters by Litigation		
	Disputed Sales tax/Entry tax Liability for which the Company preferred appeal to High Court, Andhra Pradesh , Commercial Taxes 2016	160.38	160.38
	Disputed Service Tax Liability for the period 2004-05 to 2008-09 which the Company preferred appeal to CESTAT, Bangalore	592.04	592.04
	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 workmen's compensation act.	69.99	69.99
	Disputed Income tax liability for which the Company preferred appeal to CIT appeals (AY 2015-16)	59.41	59.41
	Disputed service tax liability for the period 2012-13 to 2015-16, which the Company preferred appeal to CESTAT, Hyderabad	1,874.86	1874.86
	Liability for Capital Commitments pending for execution		
	Some of the parties have filed legal case(s) against the company with legal authorities, Courts/for delay/non payment of dues, due to dispute in execution of works, quality-supply defects/early termination etc. For their dues the company is in the process of negotiation and will win certain cases without any payments due to merits on the company as per management opinion. (Interest not material)	230.87	230.87

Capital Commitment

Sl.No.	Particulars	31 March 2023	31 March 2022
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)		

31. In the opinion of management, the current assets and other non-current assets after necessary provisions/ write offs have a value on realisation in the ordinary course of the business, at least equal to the amount at which they are stated except otherwise stated.
32. The company does not have any unabsorbed depreciation or losses.
33. **Employee Stock Option Plan-** No such schemes were floated during the year
34. **Employee Benefit Plans-**

Defined contribution plans:

Amounts recognised as expenses towards contributions to provident fund, superannuation and other similar funds by the Company including for its subsidiary companies and joint venture companies in India are Rs. 92.09 Lacs (previous year Rs. 1.04 crore) for the year ended 31 March 2023

35. **Segment Information**-There is a common CODM assesses the internal reports of all projects that the company is undertaking and accordingly the resource allocation and the key decisions are being handled. Also, that there is a commonality involved in all the projects that the company is undertaking with respect to the nature of work, technicality involved, expertise etc. In view of the same, no separate reportable segments are identified by the management for the purpose of the reporting in the Financial Statements.
36. **Fair Value Measurement**-The company applied the fair valuation measurements as per Ind AS 113 Fair Value Measurement for all the assets and liabilities where ever applicable. It is further to state that the hierarchy of inputs as provided under Ind AS 113 is duly taken care.

37. Related Party Disclosures

I	Subsidiary Companies	
	CQCE-RKEC JV RKEC NG BHOIR SAUDRA JV	
II	Joint Venture	
	RKEC-RANSS Consortium	
III	Key Management Personnel (KMP)	
	Garapati Radhakrishna Garapati Parvathi Devi G V Ram Mohan	Managing Director Whole Time Director Whoile Time Director
	Relatives of Key Management Personnel	
	G. Nagapushyami G. Himabindu Sree	Daughter of Director Daughter of Director

Transactions with related parties along with disclosure of transactions more than 10%

Rs in lacs

	Transactions	31 March 2023	31 March 2022
I	Long Term Borrowing		
II	Short Term Borrowing	1244.20	2026.96
III	Short Term Loans and Advances		
IV	Non Current Investments		
V	Trade Receivables	5553.09	8146.99
VI	Trade Payables		
VII	Other Current Liabilities		
VIII	Expenditure		

IX	Income		
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Subsidiary Companies and Joint Ventures:

Sl.No.	Name	RELATIONSHIP	NATURE OF TRANSACTION WITH THE ENTITY	VALUE OF CONTRACT(Rs.)	OUTSTANDING RECEIVABLES AS ON 31.03.2023
1	CQCE RKEC JV	Subsidiary Company	Outsourcing of work back to back to RKEC	52,54,54,914.00	55,27,42,241.78
2	RANSS	Joint Venture	Outsourcing of work back to back to RKEC	17,90,830.00	20,01,020.33
3	NG BHOIR	Subsidiary Company	Outsourcing of work back to back to RKEC	3,71,03,739.00	-
	TOTAL :			56,43,49,483.00	55,47,43,262.11

Key Management Personnel (KMP) and Relatives of Key Management Personnel:

Sl.No.	NAME	DESIGNATION/RELATED TO COMPANY	SALARIES	GUARANTEED COMMISSION	RENT	PROFESSIONAL FEE	HIRE CHARGES	TOTAL	LOAN PAYABLE	PAYABLE other than Loan	TOTAL PAYABLES
1	Garapati Radhakrishna	Managing Director		47,27,000	12,00,000			59,27,000	11,41,04,443		11,41,04,443
2	Garapati Parvathi Devi	Whole Time Director		35,00,000				35,00,000	69,25,601	35,00,000	1,04,25,601
3	GV Ram Mohan	Whole Time Director	42,00,000					42,00,000	33,90,435	2,11,788	36,02,223
4	G Naga pushyami	Daughter of		6,00,000		13,20,000	18,00,000	37,20,000		1,76,158	1,76,158
5	G Himabindhu Sree	Daughter of	11,50,000	7,00,000				18,50,000		8,91,423	8,91,423
	TOTAL :		53,50,000	95,27,000	12,00,000	13,20,000	18,00,000	1,91,97,000	12,44,20,479	47,79,369	12,91,99,848

38. As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects

Corporate Social Responsibility (CSR) which details are as follows.

Year	Amount required to be spent	Amount of expenditure incurred	Short fall at the end of the year	Previous year short fall	Reason for short fall	Nature of CSR activity
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2021-2022	61,87,311	9,56,000	52,31,311	0	Unspent amount was allocated to on going project and was Transfer to unspent CSR account	As per activities mentioned in Schedule VII
2022-2023	46,40,688					

39. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.
40. An asset namely the Launching girder which was damaged is taken up for reconstruction. The reconstruction cost is covered by insurance. Asset Is reclassified as per Ind AS 105 Non - Current Asset held for Sale under Other Current Assets at Net realizable value and the loss on reclassification is duly provided for.
41. The company got two arbitration awards amounting to Rs.12.06 cr and Rs.16.68 cr against Mumbai and Cochin port Trust . The later was received between the reporting period and the date on which the financial statements are approved by the Board and accordingly , the same is considered as eligible for being taken as income for the FY 2022-23 in compliance of Indian Accounting standard (Ind As) 10 , Events after the Reporting period . In compliance of Notification No: N-14070/14/2016-PPPAU , Dt: Sep 05, 2016 issued by the Government of India 75 % of the award is recognized as Revenue in the books of account since the certainty of the receipt of the amount is established in compliance of Indian Accounting standard (Ind As) 115, Revenue from contracts with customers.
42. Consequent to a survey operations by the Income tax dept in the premises of the company , a provision of Rs 7.40 cr is created towards the estimated tax liability as the same is deemed as fit and proper based on the expert opinion
43. Ratios.

A	Current Ratio	CA/CL	2.31
B	Debt-Equity Ratio	Long Term Debt / Total Share holders equity	0.28:1

C	Debt service Coverage Ratio	EBITD / Current debt obligation	0.63
D	Return on Equity Ratio	PAT/Share capital	5.15
E	Inventory Turnover Ratio	Net Sales /AVG Inventory	3.63
F	Trade Receivable Turnover Ratio	Net cr sales / Avg Turnover receivable	1.95
G	Trade payable Turnover Ratio	Net Credit purchases / Avg Trade payable	2.40
H	Net capital Turnover Ratio	Total sales/ Share holders Equity	2.04
I	Net profit Ratio	NP / Turnover *100	4.07
J	Return on Capital Employed	EBIT / Capital employed	0.28
K	Return on Investments	Net income / cost of investment *100	113

Consolidated Independent Auditor's Report, 2023

To the Members of **RKEC Projects Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Financial Statements of **RKEC Projects Limited ("the Company")**, which comprise the Balance Sheet as at 31st March 2023, Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 31st March 2023, its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

3. 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 Companies Act, 2013, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
4. As required by Section 143 (3) of the Act, we report that:
 - h) 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.
 - i) 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.
 - j) 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.

- k) 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.
- l) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- m) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in ‘**Annexure B**’.
- n) 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:
 - iv. The Company has disclosed its pending litigations which would impact its financial position in the Financial Statements as on 31st March, 2023.
 - v. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - vi. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SARC & Associates

Chartered Accountants

FRN: 006085N

Place: Visakhapatnam

Date: 29th May 2023

UDIN: 23206704BGTUSX9466

Membership No: 206704



(Akula Chandra Sekhar)

Founder Partner

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Consolidated Ind AS Financial Statements of the Company for the year ended March 31, 2023:

- (i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - (a) (A) the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) the company is maintaining proper records showing full particulars of intangible assets
 - (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year
- (e) No proceedings have been initiated during the year or are pending against the company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

(ii)

- (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and the same has been disclosed below-

Sl No.	Sanction Date	Sanction Amount in Cr		Total	O/s Amount	Security against that	Whether Charge created	Security amount	As per Return s/ Statement	Amount of Discrepancy	Reason of Discrepancy
		Funded	Non-Funded								
1	05-11-2022	53.00	210.00	263.00	52.44	Immovable property & pledge of Lic policies & shares	Yes	199.56		Nil	Nil
2	14-12-2020	13.00	5.00	18.00	12.97	Immovable property	yes	09.47		Nil	Nil
3	05-11-2022	10.00	20.00	30	5.63	Immovable property and Pledge		24.03		Nil	Nil

						of Shares					
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- (iii) The Company has not made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable
- (vii) In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable
- (b) Details of statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned.

Name of the statute	Nature of dues	Amount in Rs.	Period to which the amount relates	Forum where the dispute is pending
Commercial Taxes, 2016	Service tax and Entry Tax Liability	1,60,38,000		High Court, Andhra Pradesh
Finance Act, 1994	Service Tax Liability	5,92,04,000	FY 2004-05 to FY 2008-09	CESTAT, Bangalore
Building and Other Construction Workers Welfare Cess Act, 1996	Levy of Labour Cess	69,99,000	FY 2007-08	Labour Court
Income Tax Act, 1961	Disputed Income Tax Liability	59,41,000	AY 2015-16	CIT (Appeals)

Finance Act, 1994	Service Tax Liability	18,74,86,000	FY 2012-13 to FY 2015-16	CESTAT, Hyderabad
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- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender
- (b) The company was not declared willful defaulter by any bank or financial institution or other lender.
- (c) The term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) Whether No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As per the information and explanation given to us, no whistle-blower complaints, received during the year by the company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Consolidated financial statements as required by the applicable accounting standards.

- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order is not applicable.
- In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (c) As there are no ongoing Projects towards CSR activities and hence reporting under clause (xx)(b) of the Order is not applicable.

For SARC & ASSOCIATES
Chartered Accountants
FRN:006085N

Place: Visakhapatnam

Date: 29th May 2023

(Akula Chandra Sekhar)
Founder Partner
Membership No: 206704

“Annexure B” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of RKEC Projects Limited

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

We have audited the internal financial controls over financial reporting of **RKEC Projects Limited (“the Company”)** as of March 31, 2023 in conjunction with our audit of the Consolidated Ind-AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SARC & ASSOCIATES
Chartered Accountants
FRN: 006085N

Place: Visakhapatnam
Date: 29th May 2023

(AKULA CHANDRA SEKHAR)
Founder Partner
Membership No: 206704

Consolidated Balance Sheet As At 31st March, 2023

Amount in Rupees			
Particulars	Note. No.	Figures as at 31-03-2023	Figures as at 31-03-2022
ASSETS			
Non- Current Assets			
a) Property, Plant and Equipmen	2	54,10,68,165.23	52,13,45,692.88
b) Capital Work-in-Progress		9,19,84,556.06	4,87,072.00
c) Investment Property			
d) Goodwill			
e) Other Intangible Assets	3	2,450.00	33,915.00
f) Intangible Assets under Development			
e) Biological Assets other than Bearer Plants			
h) Financial Assets			
i) Investments	4	-	-
ii) Trade Receivables			
iii) Loans			
iv) Others (to be specified)			
i) Deferred tax Assets	4	46,45,159.57	1,32,51,203.76
j) Other Non- Current Assets			
		63,77,00,330.87	53,51,17,883.65
Current Assets			
a) Inventories	5	1,21,10,16,944.00	74,44,93,184.90
b) Financial Assets			
i) Investments			
ii) Trade Receivables	6	1,64,24,19,193.87	1,47,97,60,985.85
iii) Cash and cash equivalents	7	6,79,09,299.95	26,14,48,107.08
iv) Bank balances other than (ii)	8	20,89,06,571.95	39,96,16,221.95
v) Loans	9	1,98,46,599.65	1,58,29,940.35
vi) Others (to be specified)			
c) Current tax Assets (Net)			
d) Other Current Assets	10	61,54,94,857.00	23,67,84,982.78
		3,76,55,93,466.42	3,13,79,33,422.90
Total Assets		4,40,32,93,799.79	3,67,30,51,308.30

EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	11	23,99,06,000.00	23,99,06,000.00
b) Other Equity	12	1,24,69,17,454.19	1,13,10,67,350.26
		1,48,68,23,454.19	1,37,09,73,350.26
Liabilities			
Non- Current Liabilities			
a) Financial Liabilities			
i) Borrowings	13	42,86,26,903.60	48,94,33,789.48
ii) Trade Payables			
iii) Other Financial Liabilities (other than those specified in item (b) above, to be specified)			
b) Provisions	14	1,50,43,513.00	1,37,33,464.00
c) Deferred tax Liabilities (Net)			
d) Other Non- Current Liabilities			
		44,36,70,416.60	50,31,67,253.48
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	68,36,37,249.86	88,49,11,963.81
ii) Trade Payables	16	76,12,89,356.87	49,85,74,703.34
iii) Other Financial Liabilities (other than those specified in item (C))	17	4,98,43,008.98	3,74,66,030.00
b) Other Current Liabilities	18	87,72,30,464.22	34,71,20,019.19
c) Provisions	19	10,07,99,852.28	3,08,37,990.00
d) Current tax Liabilities (Net)			
		2,47,27,99,932.21	1,79,89,10,706.34
Total Equity and Liabilities		4,40,32,93,800.00	3,67,30,51,308.30

In Terms of our report of even date annexed
for SARC & Associates
Chartered Accountants
FRN : 006085N
Chandra Sekhar Akula
Partner
Membership No. 206704
UDIN: 23206704BGTUSX9466

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

G. Radhakrishna
Managing Director
DIN: 00073080

G.V.Ramamohan
Whole Time Director
DIN: 6602693

Dt:29-05-2023
Visakhapatnam

R. Jaychandran
CFO

Deepika Rathi
Company Secretary

Consolidated Profit And Loss Statement As At 31st March, 2023

Amount in Rupees				
	Particulars	Note. No.	Figures as at 31.03.2023	Figures as at 31.03.2022
I	Revenue From Operations	20	3,00,34,02,987.77	2,10,71,92,543.94
II	Other Income	21	3,89,20,161.44	2,72,17,188.85
III	Total Income (I+II)		3,04,23,23,149.21	2,13,44,09,732.79
IV	Expenses			
	Cost of Materials Consumed	22	1,28,17,48,924.08	99,63,06,927.21
	Operational Expenses	23	84,98,14,284.76	69,53,82,297.22
	Changes in Inventories of Work-in-Progress	24	-2,89,75,181.00	-12,27,68,793.29
	Employee Benefits Expenses	25	18,13,90,793.29	17,01,16,666.80
	Finance Costs	26	14,37,99,948.21	12,39,16,672.79
	Depreciation and Amortisation Expense	2	4,97,27,957.19	3,91,09,882.00
	Other Expenses	27	29,39,37,661.37	13,14,51,309.52
	Total Expenses (IV)		2,77,14,44,387.90	2,03,35,14,962.25
V	Profit/(Loss) before exceptional items and tax (I-IV)		27,08,78,761.31	10,08,94,770.54
VI	Exceptional Items		-	-
VII	Profit/(Loss) before tax (V-VI)		27,08,78,761.31	10,08,94,770.54
VIII	Tax expense			
	(1) Current Tax		6,59,72,180.13	2,45,99,605.69
	(2) Tax Expense for earlier years		7,37,21,506.00	33,98,714.60
	(3) Deferred Tax		86,06,044.19	17,07,156.08
	Total Tax Expense		14,82,99,730.32	2,97,05,476.37
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)		12,25,79,030.99	7,11,89,294.17
X	Profit/(Loss) from discontinued operations		22,55,790.00	
XI	Tax expense of discontinued operations		5,67,737.23	
XII	Profit/(Loss) from discontinued operations (after tax) (X-XI)		16,88,052.77	
XIII	Profit/(Loss) for the period (IX+XII)		12,42,67,083.76	7,11,89,294.17
XVI	Earnings per share (for continuing operations)	28		
	(i) Basic		5.18	2.97
	(ii) Diluted		5.18	2.97

In Terms of our report of even date annexed
for SARC & Associates
Chartered Accountants
FRN : 006085N
Chandra Sekhar Akula
Partner
Membership No. 206704
UDIN: 23206704BGTUSX9466

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

G. Radhakrishna
Managing Director
DIN: 00073080

G.V.Ramamohan
Whole Time Director
DIN: 6602693

Dt:29-05-2023
Visakhapatnam

R. Jaychandran
CFO

Deepika Rathi
Company Secretary

Consolidated Cashflow Statement As At 31st March, 2023

Particulars	Amount in Rupees	
	Figures as at 31-03-2023	Figures as at 31-03-2022
Cash flow from Operating Activities		
Profit before Tax	27,31,34,551.31	10,08,94,770.54
Adjustments for		
Depreciation	4,97,27,957.19	3,91,09,882.00
Loss/(Profit) from Joint Venture		
Loss/(Profit) on Sale of Fixed Assets		0
Interest Expense	14,37,99,948.21	12,39,16,672.79
Interest Income	-2,22,72,771.94	-2,71,59,586.27
Operating Profit before Working Capital change	44,43,89,684.77	23,67,61,739.06
Adjustments for		
Increase/(Decrease) in Trade Payables	26,27,14,653.53	-22,73,93,040.30
Increase/(Decrease) in Long Term Provisions	13,10,049.00	32,43,439.00
Increase/(Decrease) in Short Term Provisions	6,99,61,862.28	-2,87,51,327.97
Increase/(Decrease) in Other Financial Liabilities	1,23,76,978.98	29,96,897.00
Increase/(Decrease) in Other Current Liabilities	52,16,93,469.03	-23,19,20,671.48
(Increase)/Decrease in Trade Receivables	-16,26,58,208.02	-5,19,80,635.20
(Increase)/Decrease in Inventories	-46,65,23,759.10	23,46,27,950.80
(Increase)/Decrease in Short Term Loans and Advances	-40,16,665.30	-51,49,514.35
(Increase)/Decrease in Other Current Assets	-37,87,09,874.22	21,27,40,618.12
(Increase)/Decrease in Deferred Tax Assets	86,06,044.19	17,07,156.07
Cash (used) in/generated from Operations	30,91,44,235.13	14,68,82,610.75
Income Taxes paid	-14,88,67,467.55	-2,97,05,476.37
Net Cash from Operating Activities	16,02,76,767.58	11,71,77,134.38
Cash Flow from Investing Activities		
Purchase of Fixed Assets, including Intangible Assets, CWIP and Capital Advances	-176029319	-1,31,48,329.00
CWIP	-91497484.06	0
Investment in Joint Venture		-
Profit/(Loss) from Joint Venture		-
Proceeds from Sale of Fixed Assets	106610354.5	0
Bank Balances not considered as Cash and Cash Equivalents	19,07,09,650.00	-2,91,89,421.95
Interest Received	2,22,72,771.94	2,71,59,586.27
Net Cash from Investing Activities	5,20,65,973.34	-1,51,78,164.68
Cash Flow from Financing Activities		
Proceeds from (Repayment of) Long Term Borrowings	-6,08,06,885.88	42,88,55,995.33
Proceeds from (Repayment of) Short Term Borrowings	-20,12,74,713.95	-12,51,36,221.19
Dividend (Interim) paid during the year (including Dividend Distribution Tax)		-2,87,88,720.00
Interest Paid	-14,37,99,948.21	-12,39,16,672.79
Net Cash from Financing Activities	-40,58,81,548.04	15,10,14,381.35
Net Increase/(Decrease) in Cash and Cash Equivalents	-19,35,38,807.12	25,30,13,351.05
Cash and Cash Equivalents at the beginning of the year	26,14,48,107.08	84,34,756.02
Cash and Cash Equivalents at the end of the year	6,79,09,299.96	26,14,48,107.08

NOTES

CORPORATE INFORMATION

RKEC Projects Limited (“The Company”) is a public limited company, domiciled in India and incorporated under the provisions of the Companies Act, 1956. The equity shares of the Company are listed on the National Stock Exchange (NSE). The Company is primarily engaged in construction activities, specialising in the business of Civil and Defence Construction such as construction of Buildings, Highways, Marine Works and Bridges.

The financial statements were authorized for issue in accordance with the resolution of the Board of Directors on 29-05-2023.

NOTE 1: Significant Accounting Policies

This Note provides a list of the Significant Accounting Policies adopted by the Company in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Financial Statements are for the Group consisting of the Company and its Joint Venture entities.

a) Basis of preparation:

i) Compliance with Ind AS:

The Consolidated Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, hereinafter referred to as Ind AS.

For all periods up to and including the year ended 31 March 2020, the Company prepared its Consolidated Financial Statements in accordance with Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These Consolidated Financial Statements for the year ended 31 March 2021 are the first the Company has prepared in accordance with Ind AS.

These are the company’s first Consolidated Financial Statements prepared in accordance with Ind AS and Ind AS 101 Firsttime Adoption of Indian Accounting Standards (Ind AS 101) has been applied. The transition has been carried out from Indian GAAP (IGAAP). An explanation of how the transition to Ind AS has affected the reported balance sheet, profit or loss and cash flows of the company is provided in note 30

ii) Historical cost convention:

The Financial Statements have been prepared on a historical cost basis, except for the following:

- a. certain financial assets and liabilities that are measured at fair value;
- b. assets held for sale - measured at lower of carrying amount or fair value less cost to sell;

c. defined benefit plans - plan assets measured at fair value;

b) Principles of consolidation and equity accounting:

i) Subsidiary companies

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group where ever applicable.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interest in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Balance Sheet respectively.

ii) Associate companies

Associate companies are all entities over which the Group has significant influence, but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associate companies are accounted for using the equity method of accounting.

iii) Joint arrangements

Under Ind AS 111 Joint arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Interest in Joint Venture Company is accounted for using the equity method.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise share of the Group in post-acquisition profit and loss of the investee in profit and loss, and share of the Group in Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from associate company and Joint Venture Company are recognised as a reduction in the carrying amount of the investment.

When the Group share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate company and Joint Venture Company are eliminated to the extent of the Group interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting Policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

v) Changes in ownership interest

The Group treats transactions with non-controlling interest that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary companies.

Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company, joint venture company or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss.

If the ownership interest in a joint venture company or an associate company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate.

c) Foreign currency transactions:

i) Functional and presentation currency:

Items included in the Financial Statements of each entity of the Group are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Consolidated Financial Statements are presented in Indian currency (INR), which is also functional and presentation currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income | (expense).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss).

iii) Group companies:

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a. assets and liabilities are translated at the closing rate at the date of that Balance Sheet
- b. income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction), and
- c. all resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit and Loss, as part of the gain | (loss) on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in the normal operating cycle

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

e) Revenue recognition:

i) Timing of recognition:

Revenue from the works executed is recognised when all the significant risks and rewards of ownership therein are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities of the Company. This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

ii) Measurement of revenue:

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, etc.

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer. Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

The volume discounts are assessed based on anticipated annual purchases.

Interest Income

For all debt instruments measured at amortised cost, interest income is measured using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

f) Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

• Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

• Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Taxable temporary differences arising on the initial recognition of goodwill. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

g) Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

Company as a lessor:

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease

h) Property, Plant and Equipment

i) Tangible assets:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation on Tangible Fixed Assets is provided on Straight Line Method on the basis of useful life of assets specified in Part C of Schedule II of the Companies Act, 2013.

Based on technical evaluation done by the Chartered Engineer, the management believes that the useful lives as given above, best represent, the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and any changes there in are considered as change in estimate and accounted prospectively.

ii) Intangible assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible Assets having finite useful life are amortised on the straight line method as per following estimated useful life:

Asset category	Estimated useful life
Computer software	3 years

The residual values, useful lives and method of amortisation of intangible assets are reviewed at each financial year end and any changes there in are considered as change in estimate and accounted prospectively.

Intangible assets having indefinite useful life are tested for impairment at least once in an accounting year regardless of indicators of impairment.

iii) Investment Property:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs and are carried at cost less accumulated depreciation and accumulated impairment losses.

i) Impairment of fixed assets

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/ external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are

discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

j) Investments and other financial assets:

Classification:

The Company classifies its financial assets in the following measurement categories:

- i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss), and
- ii) Those measured at amortised cost.

The classification depends on business model of the entity for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income.

For investments in debt instruments, it depends on the business model in which the investment is held. 

For investments in equity instruments, it depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual terms of the instrument

Transaction Cost

Financial assets are recognised initially at fair value plus/minus , in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement:

After initial recognition, financial assets are measured at:

- i) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,
- ii) Amortised cost

Debt instruments:

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

Debt instruments that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in Profit or Loss.

Measured at fair value through Other Comprehensive Income (OCI):

Debt instruments that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI (net of taxes). Interest income measured using the EIR method and impairment losses, if any are recognised in Profit or Loss. On derecognition, cumulative gain/ (loss) previously recognised in OCI is reclassified from the equity to Profit or Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in Profit or Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in Profit or Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in Profit or Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and lease receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables in note 06.

De-recognition:

A financial asset is de-recognised only when

- i) The Company has transferred the rights to receive cash flows from the financial asset ,or
- ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities & Equity instruments:

i) Classification as debt or equity - Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement - Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement - Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in Profit or Loss.

iv) De-recognition - A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

k) Fair Value Measurement

The Company measures financial instruments, such as Derivatives, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of the principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company. The fair value of asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

External Valuers are involved for valuation of significant assets such as certain items or property, plant and equipment. For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

I) Inventories:

Items of Inventories are valued on the basis given below:

- i. Raw materials, packing materials, stores and spares: at cost determined on First – in – First – Out (FIFO) basis or net realisable value whichever is lower.
- ii. Process stock and finished goods: RKEC shall generally not hold the finished works on hand without billing the same. However, in case such situation occurs, the finished works are valued at cost or net realisable values whichever is lower.

Cost comprises of cost of purchase, costs of conversion and other costs incurred in bringing the inventory to its present location and condition.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company.

m) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

n) Trade receivable:

Trade receivables are initially recognised at fair value of the revenue. Subsequently, trade receivables are stated at cost less provision for impairment, if any.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The Company applies expected credit losses (ECL) model for measurement and recognition of provision / loss allowance on the Trade receivables.

As a practical expedient, the Company uses a provision matrix to measure ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default floating rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in Profit or Loss under the head 'Other expenses'.

o) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

p) Derivatives and hedging activities:

The Company enters into derivative financial instruments to hedge its exposure to movements in interest rates and foreign exchange rates. These are not intended for trading or speculative purposes.

i) Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in Profit or Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets | liabilities in this category are presented as current assets | current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

q) Government Grants:

Grants, in the nature of interest subsidy under the Technology Upgradation Fund Scheme (TUFs), are accounted for when it is reasonably certain that ultimate collection will be made. The interest subsidy is reduced from the interest cost.

r) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income /(expense). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

s) Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

t) Provisions and contingent liabilities:

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

u) Employee benefits:

Short-term employee benefits:

All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations within the Balance Sheet. Termination benefits are recognised as an expense as and when incurred. Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under Voluntary Retirement Scheme is being charged to Statement of Profit and Loss in the year of settlement.

Other long-term employee benefits:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer

settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined benefit plan:

RKEC for the time being is managing their Long Term Employee Benefits only as Defined Benefit plans. However, the Accounting policy in respect of Defined Benefit plans had been drawn for proper application in case required in the following lines.

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

v) Earnings per share:

Earnings per share (EPS) are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period. The treasury shares are not considered as outstanding equity shares for computing EPS.

w) Foreign Currency Transactions

Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in Foreign Currency are reported at the exchange rate prevailing on the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

- Exchange differences relating to long term monetary items, arising during the period, in so far as those relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset
- In other cases, such differences are accumulated in the “Foreign Currency Monetary Translation Difference Account” and amortised to the statement of profit and loss over the balance life of the long term monetary item.

All other exchange differences are dealt with in profit or loss.

x) Critical estimates and judgements

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements. The areas involving critical estimates or judgements are:

- Estimation of useful life of tangible assets: Note 2 &3
- Estimation of defined benefit obligation: Note 15 Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances

29 subsidiary Companies/ Associate Companies/ Joint Venture Companies considered in the Consolidated Financial Statements

Additional Information to the Consolidated Financial Statements

Subsidiary Companies/ Associate Companies/ Joint Venture Companies considered in the Consolidated Financial Statement

S.No.	Name of the Company	Percentage of Holding	Nature of Holding	Country of Incorporation	Ownership Interest	
					31 March 2021	31 March 2020
1	CQCE-RKEC JV	99%	Subsidiary	India	99%	99%
2	RKEC NG Bhoir and Samudra JV	51%	Subsidiary	India	51%	51%
3	RKEC-RANSS Consortium	7.20%	Joint Operation	India	7.20%	7.20%

30 Tables for Contingent Liabilities, Capital Commitments, Contingent Assets and Related Party Disclosures are in the worksheet.

Rs in lacs

Sl.No.	Particulars	31 March 2023	31 March 2022
	Guarantees		
	Collateral given to bankers in respect of Bank Guarantees for the operations carried out by the company	23012.15	12501.00
	Matters by Litigation		
	Disputed Sales tax/Entry tax Liability for which the Company preferred appeal to High Court, Andhra Pradesh, Commercial Taxes 2016	160.38	160.38
	Disputed Service Tax Liability for the period 2004-05 to 2008-09 which the Company preferred appeal to CESTAT, Bangalore	592.04	592.04
	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 workmen's compensation act.	69.99	69.99
	Disputed Income tax liability for which the Company preferred appeal to CIT appeals (AY 2015-16)	59.41	59.41
	Disputed service tax liability for the period 2012-13 to 2015-16, which the Company preferred appeal to CESTAT, Hyderabad	1,874.86	1874.86
	Liability for Capital Commitments pending for execution		
	Some of the parties have filed legal case(s) against the company with legal authorities, Courts/for delay/non payment of dues, due to dispute in execution of works, quality-supply defects/early termination etc. For their dues the company is in the process of negotiation and will win certain cases without any payments due to merits on the company as per management opinion. (Interest not material)	230.87	230.87

Capital Commitment

Sl.No.	Particulars	31 March 2023	31 March 2022
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)		

31 Related Party Disclosures

I	Subsidiary Companies	
	CQCE-RKEC JV RKEC NG BHOIR SAUDRA JV	
II	Joint Venture	
	RKEC-RANSS Consortium	
III	Key Management Personnel (KMP)	
	Garapati Radhakrishna Garapati Parvathi Devi G V Ram Mohan	Managing Director Whole Time Director Whole Time Director
	Relatives of Key Management Personnel	
	G. Nagapushyami G. Himabindu Sree	Daughter of Director Daughter of Director

Transactions with related parties along with disclosure of transactions more than 10% Rs in lacs

	Transactions	31 March 2023	31 March 2022
I	Long Term Borrowing		
II	Short Term Borrowing	1244.20	2026.96
III	Short Term Loans and Advances		
IV	Non Current Investments		
V	Trade Receivables		
VI	Trade Payables		
VII	Other Current		

	Liabilities		
VIII	Expenditure		
IX	Income		

32 In the opinion of management, the current assets and other non-current assets after necessary provisions/write offs have a value on realisation in the ordinary course of the business, at least equal to the amount at which they are stated except otherwise stated.

33 **Employee Stock Option Plan-** No such schemes were floated during the year.

34 **Employee Benefit Plans-**

Defined contribution plans:

Amounts recognised as expenses towards contributions to provident fund, superannuation and other similar funds by the Company including its subsidiary companies and joint venture companies is Rs. 92.09 Lacs (previous year Rs. 1.04 cr) for the year ended 31 March 2023.

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

36 **Fair Value Measurement-** The company applied the fair valuation measurements as per Ind AS 113 Fair Value Measurement for all the assets and liabilities where ever applicable. It is further to state that the hierarchy of inputs as provided under Ind AS 113 is duly taken care.

37 As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects.

Corporate Social Responsibility:

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

Year	Amount required to be spent	Amount of expenditure incurred	Short fall at the end of the year	Previous year short fall	Reason for short fall	Nature of CSR activity
2021-2022	61,87,311	9,56,000	52,31,311	0	Unspent amount was allocated to on going	As per activities mentioned in Schedule VII

					project and was Transfer to unspent CSR account	
2022-2023	46,40,688					

- 38 Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.
- 39 An asset namely the Launching girder which was damaged is taken up for reconstruction. The reconstruction cost is covered by insurance. Asset Is reclassified as per Ind AS 105 Non - Current Asset held for Sale under Other Current Assets at Net realizable value and the loss on reclassification is duly provided for.
- 40 The company got two arbitration awards amounting to Rs.12.06 cr and Rs.16.68 cr against Mumbai and Cochin port Trust . The later was received between the reporting period and the date on which the financial statements are approved by the Board and accordingly , the same is considered as eligible for being taken as income for the FY 2022-23 in compliance of Indian Accounting standard (Ind As) 10 , Events after the Reporting period . In compliance of Notification No: N-14070/14/2016-PPPAU , Dt: Sep 05, 2016 issued by the Government of India 75 % of the award is recognized as Revenue in the books of account since the certainty of the receipt of the amount is established in compliance of Indian Accounting standard (Ind As) 115, Revenue from contracts with customers.
- 41 Consequent to a survey operations by the Income tax dept in the premises of the company , a provision of Rs 7.40 cr is created towards the estimated tax liability as the same is deemed as fit and proper based on the expert opinion
- 42 Ratios.

A	Current Ratio	CA/CL	1.77
B	Debt-Equity Ratio	Long Term Debt / Total Share holders equity	0.28:1
C	Debt service Coverage Ratio	EBITD / Current debt obligation	0.64
D	Return on Equity Ratio	PAT/Share capital	5.18
E	Inventory Turnover Ratio	Net Sales /AVG Inventory	3.09

F	Trade Receivable Turnover Ratio	Net cr sales / Avg Turnover receivable	1.92
G	Trade payable Turnover Ratio	Net Credit purchases / Avg Trade payable	2.31
H	Net capital Turnover Ratio	Total sales/ Share holders Equity	2.05
I	Net profit Ratio	NP / Turnover *100	4.08
J	Return on Capital Employed	EBIT / Capital employed	0.28
K	Return on Investments	Net income / cost of investment *100	113.82

2	Property , Plant and Equipment as at 31 Mar 2023 Rs in lacs										
	Descripti on of Assets	Gross Carrying Value				Depreciation				Net Carrying Value	
		As At	Additio ns	Deductio ns	As At	As At	For the Perio d	Adjustme nts on Sale Transfer	Total upto 31 Mar 2023	As At	As At
		01 April 2022			31 Marc h 2023	01 April 2022				31 Marc h 2022	31 Marc h 2023
	Freehold Land	50.00	-		50.00	-	-	-	-	50.00	50.00
	Plant and Equipme nt	5,401.48	1,689.87	1,066.10	6,025.25	796.33	369.62	-	1,165.95	4,605.16	4,859.30
	Furniture and Fixtures	34.63	2.55		37.18	22.87	5.78	-	28.65	11.76	8.53
	Vehicles	798.07	47.25		845.32	296.53	100.77	-	397.30	501.54	448.02
	Office Equipme nt	122.80	20.62		143.42	77.80	20.79	-	98.58	45.00	44.83
	TOTAL	6,406.98	1,760.29	1,066.10	7,101.17	1,193.52	496.96	-	1,690.49	5,213.46	5,410.68

An asset namely the Launching girder which was damaged is taken up for reconstruction. The reconstruction cost is covered by insurance. Asset Is reclassified as per Ind AS 105 Non - Current Asset held for Sale under Other Current Assets at Net realizable value and the loss on reclassification is duly provided for.

Capital Work - in -progress as at 31 Mar 2023 Rs in lacs				
CWIP	Amount in CWIP for a period of			
	Less than 1 year	1-2 year	2-3 year	Total
Project on progress	919.85	-	-	919.85
Project temporarily suspended	-	-	-	-

3 Intangible Assets as at 31 Mar 2023 Rs in Lacs

Description of Assets	Gross Carrying Value				Depreciation				Net Carrying Value	
	As At	Additions	Deductions	As At	As At	For the Period	Adjustments on	Total upto	As At	As At
	01 April 2022			31 March 2023	01 April 2022			31 Mar 2023	31 March 2022	31 March 2023
Software	3.12	-	-	3.12	2.78	0.31	-	3.10	0.34	0.02
	3.12	-	-	3.12	2.78	0.31	-	3.10	0.34	0.02

4	Deferred Tax Assets		
	Particulars	As At 31 March 2023	As At 31 March 2022
	Balance of DTA/(DTL) brought forward	1,32,51,203.76	1,49,58,359.84
	Depreciation	-85,27,846.00	-20,42,863.99
	Provision for Gratuity	-78,198.19	3,35,707.92
	PF/ESI		
	Net Deferred Tax Asset/(Deferred Tax Liability)	46,45,159.57	1,32,51,203.76

5	Inventories		
	(At lower of Cost or Net Realisable Value)		

	Particulars	As At 31 March 2023	As At 31 March 2022
	Raw Materials	38,11,53,759.00	21,63,47,303.00
	Work-In-Progress	82,98,63,185.00	52,81,45,881.90
	Finished Goods		
	Total	1,21,10,16,944.00	74,44,93,184.90

6	Trade Receivables		
	Particulars	As At 31 March 2023	As At 31 March 2022
	More than 3 Yrs	15,60,503.00	29,76,182.19
	More than 1 year and less than 3 years	5,11,21,422.22	7,81,70,892.00
	More than 6 months and less than 1year	13,31,606.78	27,27,22,107.01
	>6 Months	1,58,84,05,661.87	1,12,58,91,804.65
	Total	1,64,24,19,193.87	1,47,97,60,985.85
	Unsecured		
	Considered Good	1,64,24,19,193.87	1,47,97,60,985.85
	Considered Doubtful		

7	Cash and Cash Equivalents		
	Particulars	As At 31 March 2023	As At 31 March 2022
	Cash on Hand	16,83,785.21	11,38,657.15
	Balance with Banks	-	
	(i) In Current Accounts	22,30,533.74	15,30,63,912.44
	(ii) In Deposit Accounts	6,39,94,981.00	10,72,45,537.49
	Cheques, Drafts on Hand		
	Total	6,79,09,299.95	26,14,48,107.08

8	Other Balances With Banks		
	Particulars	As At 31 March 2023	As At 31 March 2022
	In Earmarked Accounts		
	Unclaimed Dividend Accounts	2,03,820.95	2,03,820.95
	Balances/ Deposits held as margin money or security against borrowings, guarantee and other commitments	20,87,02,751.00	39,94,12,401.00

	Total	20,89,06,571.95	39,96,16,221.95
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9	Loans		
	Particulars	As At 31 March 2023	As At 31 March 2022
	Unsecured and considered good		
	Security Deposit	1,98,46,599.65	1,58,29,940.35
	Total	1,98,46,599.65	1,58,29,940.35

10	Other Current Assets		
	Particulars	As At 31 March 2023	As At 31 March 2022
	Unsecured and considered good		
	Advances other than Capital Advances		
	Advances to material suppliers	1,85,19,184.07	1,93,38,474.90
	Others	-	
	Deposits for enlistment	94,77,839.87	83,69,072.00
	Earnest money and other deposits	1,20,58,356.00	1,09,59,613.00
	VAT Input Credit receivable	55,60,012.00	57,84,869.00
	GST Receivable	45,78,07,083.29	14,09,21,657.18
	Service tax receivable	70,30,500.00	70,30,500.00
	TDS Receivable	2,90,53,094.17	3,29,80,247.73
	Prepaid Expenses	3,34,59,480.60	1,14,00,548.97
	Other advances	29,307.00	
	Asset Held for Sale *	4,25,00,000.00	
	Total	61,54,94,857.00	23,67,84,982.78

An asset namely the Launching girder which was damaged . Asset Is reclassified as per Ind AS 105 Non - Current Asset held for Sale at Net realizable value .

11	Share Capital		
	Particulars	As At 31 March 2023	As At 31 March 2022
	Authorised		
	2,50,00,000 Equity shares of Rs.10 each	50,00,00,000.00	50,00,00,000.00

	Issued and Subscribed		
	2,39,90,600 Equity shares of Rs.10 each	23,99,06,000.00	23,99,06,000.00
	Total	23,99,06,000.00	23,99,06,000.00

12	Other Equity		
	Particulars	As At 31 March 2023	As At 31 March 2022
	Securities Premium Account		
	Balance as per Balance Sheet	16,37,30,000.00	16,37,30,000.00
	Note: Securities Premium Account is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of Companies Act, 2013.		
	Surplus in Statement of Profit and Loss		
	Balance as per Balance Sheet	95,89,15,085.29	89,61,48,056.09
	Profit/(Loss) for the period	12,42,72,368.90	7,11,89,294.17
	Less: Appropriations		
	(i) Impairment Loss		
	(ii) Proposed Dividend- Equity Shares		
	(iii) Corporate Dividend Tax thereon		
	Total	1,24,69,17,454.19	1,13,10,67,350.26

13	Non Current Borrowings				
	Particulars	As At 31 March 2023		As at 31-03-2022	
		Current Maturities	Non- Current	Current Maturities	Non- Current
	Term Loans (Secured)				
	(a) From Banks	292.44	1,632.08	292.1937	1567.497583
	Rupee Loans	-	-	0	0
	(b) From Financial Institutions	205.99	212.18	82.4666	60.3815321
	Rupee Loans	1,042.23	2,442.01	803.28214	3266.45878
	(C) From Clients				

	-			
Total	1,540.66	4,286.27	1,177.94	4,894.34

Additional Information		
(i) Security for Term Loans		
Nature of Security	2022-23	2021-22
Exclusive charge on Plant & Machinery and specific assets financed	10.84	7.18
Pari passu first charge created on the entire fixed assets of the Company	48.61	44.71
Subservient charge on all moveable and current assets of the Company	-	-
Total	59.45	51.89
(ii) Terms of Repayment of Secured Term Loan		
Particulars	Rate of Interest	1-2 Years
Rupee Term Loans From Banks	7%-10.5%	5.84
Rupee Term Loans From Financial Institutions	7%-10.5%	4.10
Total		9.94

14	Provisions		
	Particulars	As At 31 March 2023	As At 31 March 2022
	Provision for Employee Benefits		
	Provision for Gratuity	1,50,43,513.00	1,37,33,464.00
	Total	1,50,43,513.00	1,37,33,464.00

15	Current Borrowings		
	Particulars	As At 31 March 2023	As At 31 March 2022
	Working Capital Loans		

	Secured		
	Cash Credit Accounts, Working Capital Demand Loan	55,92,16,770.00	50,63,15,930.63
	Other than Cash Credit	-	17,59,00,000.00
	Unsecured	-	
	From Financial Institutions/ Others	12,44,20,479.86	
	From Others (Directors)	-	20,26,96,033.18
	Total	68,36,37,249.86	88,49,11,963.81

Additional Information		
(i) Security for Term Loans		
Nature of Security		
Security for Working Capital Loans		
(a) Hypothecation of Company's Current Assets and Mortgage of certain immovable properties belonging to the Company/ Guarantor	253.22	201.96
(b) Second Charge created/ to be created on all fixed assets (excluding Land and Building) of the Company		®
Fixed and Floating charge over the assets of the Company and personal guarantee of the Directors	233.06	195.19
Pledge of certain Immovable Assets		
Total	486.28	397.15

16	Trade Payables		
	Particulars	As At 31 March 2023	As At 31 March 2022
	Total Outstanding dues to Micro & Small Enterprises	18,50,514.00	1,55,81,285.00
	Total Outstanding dues to creditors other than Micro & Small Enterprises	-	
	Acceptances	54,93,72,994.63	47,10,79,128.41
	Other than Acceptances	21,00,65,848.24	1,19,14,289.93
	Total	76,12,89,356.87	49,85,74,703.34

Information as per MSME Act		
Particulars	As At 31 March 2023	As At 31 March 2022
Principal amount remaining unpaid to any supplier at the end of the accounting period	18,50,514.00	1,55,81,285.00
Interest due thereon remaining unpaid to any supplier at the end of the accounting period		
The amount of interest paid along with the amounts of payment made to the supplier beyond the appointed date		
The amount of interest due and payable for the period		
The amount of interest accrued and remaining unpaid at the end of the accounting period		
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid		®
Total	18,50,514.00	1,55,81,285.00

The above information has been determined on the basis of information available with the Company.

Ageing schedule attached forms part of financials.

17	Other Financial Liabilities		
	Particulars	As At 31 March 2023	As At 31 March 2022
	Current Maturities of Long term Borrowings	4,98,43,008.98	3,74,66,030.00
	Total	4,98,43,008.98	3,74,66,030.00

18	Other Current Liabilities		
	Particulars	As At 31 March 2023	As At 31 March 2022
	Revenue received in Advance	10,42,23,132.80	8,03,28,214.00

	Other Current Liabilities	77,30,07,331.42	26,67,91,805.19
	Total	87,72,30,464.22	34,71,20,019.19

19	Provisions		
	Particulars	As At 31 March 2023	As At 31 March 2022
	Provision for Employee Benefits		
	Provision for Gratuity	-3,10,869.00	13,10,049.00
	Other Provisions	-	
	Provision for Taxation *	7,74,09,477.28	-
	Others provisions	2,37,01,244.00	2,95,27,941.00
	Total	10,07,99,852.28	3,08,37,990.00

Consequent to a survey operations by the Income tax dept in the premises of the company , a provision of Rs 7.40 cr is created towards the estimated tax liability as the same is deemed as fit and proper based on the expert opinion.

20	Revenue from Operations		
	Particulars	Year Ended	Year Ended
		As At 31 March 2023	As At 31 March 2022
	Sale of Services		
	Contract Revenue	2,77,70,84,497.77	2,10,49,71,817.94
	Other Operating Revenue	-	
	Work Receipts on Technical Services	-	22,20,726.00
	Arbitration award received as compensasion from MPA for contract executed prior to GST	9,04,63,479.00	
	Arbitration award received against contract executed in SEZ	12,51,55,011.00	
	Others	1,07,00,000.00	
	Total	3,00,34,02,987.77	2,10,71,92,543.94

The company got two arbitration awards amounting to Rs.12.06 cr and Rs.16.68 cr against Mumbai and Cochin port Trust. The later was received between the reporting period and the date on which the financial statements are approved by the Board and accordingly, the same is considered as eligible for being taken as income for the FY 2022-23 in compliance of Indian Accounting standard (Ind As) 10, Events after the Reporting period . In compliance of Notification No: N-14070/14/2016-PPPAU , Dt: Sep 05, 2016 issued by the Government of India 75 % of the award is recgnized as Revenue in the books of account since the certainty of the receipt of the amount is established in compliance of Indian Accounting standard (Ind As) 115, Revenue from contracts with customers.

21	Other Income		
	Particulars	Year Ended	Year Ended
		As At 31 March 2023	As At 31 March 2022
	Profit on Sale of Assets		
	Miscellaneous Income	1,66,47,389.50	57,602.58
	Share of Profit from Joint Venture	-	
	Interest recovered on Mobilisation Advance	-	
	Interest on IT Refund	-	
	Interest Income	-	
	On Long Term Investments	-	
	Bank Fixed Deposits	2,22,72,771.94	2,71,59,586.27
	Inter Corporate Deposits	-	
	Interest on Investments	-	
	Others		
	Total	3,89,20,161.44	2,72,17,188.85



22	Cost of Materials Consumed		
	Particulars	Year Ended	Year Ended
		As At 31 March 2023	As At 31 March 2022
	Construction Materials, Stores and Spares		
	Opening Stock	21,63,47,303.00	31,20,58,936.00
	Add: Purchases	1,44,65,55,380.08	90,05,95,294.21
	Less: Closing Stock	38,11,53,759.00	21,63,47,303.00
	Total	1,28,17,48,924.08	99,63,06,927.21

23	Operational Expenses		
	Particulars	Year Ended	Year Ended
		As At 31 March 2023	As At 31 March 2022
	Repairs and Maintenance		
	Plant and Machinery, Vehicles	72,76,234.06	77,94,661.05
	Power and Fuel	-	
	Diesel and Petrol Expenses	8,53,54,876.85	4,98,39,096.77
	Electricity Expenses	75,43,548.42	66,67,804.53
	Others	-	

	Project Work Expenses	54,04,93,736.61	43,94,41,083.88
	Hire Charges for Machinery and others	8,59,27,054.10	11,18,30,844.88
	Transport Charges	7,07,66,164.80	3,61,62,286.20
	Technical and Engineering Consultancy Services	94,27,908.00	60,63,811.00
	Testing Charges	66,86,791.05	32,67,847.00
	Labour Cess (Recoveries)	2,47,41,776.79	1,16,44,043.00
	Other Recoveries (By Contractees)	54,51,327.54	1,77,95,639.82
	Loading and Unloading Charges	23,57,360.50	37,17,391.00
	Water Charges	17,04,324.00	4,07,436.00
	Other Project Expenses	20,83,182.04	7,50,352.09
	Total	84,98,14,284.76	69,53,82,297.22

24	Changes in Inventories of Work-in-Progress		
	Particulars	Year Ended	Year Ended
		As At 31 March 2023	As At 31 March 2022
	Opening Stock	51,46,14,650.00	59,61,99,544.61
	Less: Closing Stock	54,35,89,831.00	71,89,68,337.90
	Total	-2,89,75,181.00	-12,27,68,793.29

25	Employee Benefit Expenses		
	Particulars	Year Ended	Year Ended
		As At 31 March 2023	As At 31 March 2022
	Salaries and Wages	15,33,97,014.30	14,48,66,972.00
	Contribution to Provident Funds and Other Funds	92,09,447.00	1,04,27,742.00
	Staff Welfare Expenses	1,87,84,331.99	1,48,21,952.80
	Total	18,13,90,793.29	17,01,16,666.80

26	Finance Costs		
	Particulars	Year Ended	Year Ended
		As At 31 March 2023	As At 31 March 2022
	Interest Expense on		
	Term Loans	1,92,45,050.23	4,08,60,273.53
	Working Capital Demand Loans & Cash Credit	4,99,15,045.04	4,08,20,653.62
	Mobilisation Advance	1,69,53,490.50	98,93,646.00
	Others	1,22,74,700.69	10,73,330.53

	Other Borrowing Costs	4,54,11,661.75	3,12,68,769.11
	Less: Interest Received		
	Total	14,37,99,948.21	12,39,16,672.79

27	Other Expenses		
	Particulars	Year Ended	Year Ended
		As At 31 March 2023	As At 31 March 2022
	Auditor's Fee		
	Statutory Audit Fee	6,00,000.00	6,00,000.00
	Tax Audit Fee	1,50,000.00	1,50,000.00
	Other Services	2,50,564.00	2,00,000.00
	Cost Audit	75,000.00	75,000.00
	Internal Audit	4,00,000.00	4,00,000.00
	Secretarial Audit	2,00,000.00	2,00,000.00
	Others	-	
	Bank Charges	1,85,40,075.99	98,61,710.66
	LC & BG Issue Charges	3,84,02,369.60	3,38,06,503.71
	Commission on Bank Guarantees	3,66,31,874.49	2,06,52,184.28
	Rent	1,20,89,067.91	83,99,899.00
	Travelling and Conveyance Expenses	94,45,743.35	53,02,654.99
	Repairs and Maintenance of Computers and others	40,59,306.63	15,91,657.28
	Office Maintenance	1,81,75,826.39	14,53,484.98
	Security Services	8,03,134.00	18,71,153.00
	Rates and Taxes	23,64,211.96	30,30,508.37
	Communication Expenses (Postage and Telephone)	8,76,526.42	7,84,744.02
	Insurance	1,40,04,661.08	63,46,160.25
	Printing and Stationery	17,92,295.67	11,68,594.89
	Professional Charges	1,81,13,345.15	2,40,01,403.00
	CSR Expenses	38,34,544.90	43,14,510.00
	Foreign Exchange Gain/Loss	-	
	Sitting Fees to Directors	4,00,000.00	4,75,000.00
	Project Site Admin Expenses	23,81,938.00	23,04,841.65
	Tender Expenses	2,21,365.00	1,58,946.99
	Donations	5,00,000.00	5,000.00

	Bad Debts Written Off	54,72,318.54	-
	Business Promotion Expenses	9,23,350.00	2,36,666.40
	ROC Charges	60,000.00	26,53,999.00
	Interest on Statutory Dues	3,42,08,034.71	14,01,302.00
	Prior Period Expenses	48,24,099.00	
	Loss on Asset Damaged *	6,41,10,354.00	
	Miscellaneous Expenses	27,654.58	5,385.05
	Total	29,39,37,661.37	13,14,51,309.52

An asset namely the Launching girder which was damaged . Asset Is reclassified as per Ind AS 105 Non - Current Asset held for Sale under Other Current Assets at Net realizable value and the loss on reclassification is duly provided for.

28	Earnings Per Share		
	Particulars	Year Ended	Year Ended
		As At 31 March 2023	As At 31 March 2022
	Face Value of Shares (in Rupees)		
	Basic and Diluted EPS		
	Surplus available to Equity Shareholders (In Rupees)	12,42,67,083.76	7,11,89,294.17
	Weighted Average Number of Shares (In Nos)	2,39,90,600.00	2,39,90,600.00
	Basic EPS	5.18	2.97
	Add: Effect of dilutive stock options		
	Weighted Average Number of Shares (In Nos)	2,39,90,600.00	2,39,90,600.00
	Diluted EPS	5.18	2.97
	Calculation of Weighted Average Number of Shares		
	Opening Number of Shares	2,39,90,600.00	2,39,90,600.00
	Issued during the year		
	Weighted Average Number of Shares	2,39,90,600.00	2,39,90,600.00

29. subsidiary Companies/ Associate Companies/ Joint Venture Companies considered in the Consolidated Financial Statements

Additional Information to the Consolidated financial Statements

Subsidiary Companies/ Associate Companies/ Joint Venture Companies considered in the Consolidated Financial Statement

S.No.	Name of the Company	Percentage of Holding	Nature of Holding	Country of Incorporation	Ownership Interest	
					31 March 2021	31 March 2020
1	CQCE-RKEC JV	99%	Subsidiary	India	99%	99%
2	RKEC NG Bhoir and Samudra JV	51%	Subsidiary	India	51%	51%
3	RKEC-RANSS Consortium	7.20%	Joint Operation	India	7.20%	7.20%

30. Tables for Contingent Liabilities, Capital Commitments, Contingent Assets and

Related Party Disclosures are in the worksheet.

Rs in lacs

Sl.No.	Particulars	31 March 2023	31 March 2022
	Guarantees		
	Collateral given to bankers in respect of Bank Guarantees for the operations carried out by the company	23012.15	12501.00
	Matters by Litigation		
	Disputed Sales tax/Entry tax Liability for which the Company preferred appeal to High Court, Andhra Pradesh, Commercial Taxes 2016	160.38	160.38
	Disputed Service Tax Liability for the period 2004-05 to 2008-09 which the Company preferred appeal to CESTAT, Bangalore	592.04	592.04
	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 workmen's compensation act.	69.99	69.99
	Disputed Income tax liability for which the Company preferred appeal to CIT appeals (AY 2015-16)	59.41	59.41

	Disputed service tax liability for the period 2012-13 to 2015-16, which the Company preferred appeal to CESTAT, Hyderabad	1,874.86	1874.86
	Liability for Capital Commitments pending for execution		
	Some of the parties have filed legal case(s) against the company with legal authorities, Courts/for delay/non payment of dues, due to dispute in execution of works, quality-supply defects/early termination etc. For their dues the company is in the process of negotiation and will win certain cases without any payments due to merits on the company as per management opinion. (Interest not material)	230.87	230.87

Capital Commitment

Sl.No.	Particulars	31 March 2023	31 March 2022
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)		

31. Related Party Disclosures

I	Subsidiary Companies	
	CQCE-RKEC JV RKEC NG BHOIR SAUDRA JV	
II	Joint Venture	
	RKEC-RANSS Consortium	
III	Key Management Personnel (KMP)	

	Garapati Radhakrishna Garapati Parvathi Devi G V Ram Mohan	Managing Director Whole Time Director Whoile Time Director
	Relatives of Key Management Personnel	
	G. Nagapushyami G. Himabindu Sree	Daughter of Director Daughter of Director

Transactions with related parties along with disclosure of transactions more than 10%
Rs in lacs

	Transactions	31 March 2023	31 March 2022
I	Long Term Borrowing		
II	Short Term Borrowing	1244.20	2026.96
III	Short Term Loans and Advances		
IV	Non Current Investments		
V	Trade Receivables		
VI	Trade Payables		
VII	Other Current Liabilities		
VIII	Expenditure		
IX	Income		

32. In the opinion of management, the current assets and other non-current assets after necessary provisions/ write offs have a value on realisation in the ordinary course of the business, at least equal to the amount at which they are stated except otherwise stated.

33. Employee Stock Option Plan- No such schemes were floated during the year.

34. Employee Benefit Plans-
Defined contribution plans:

Amounts recognised as expenses towards contributions to provident fund, superannuation and other similar funds by the Company including its subsidiary companies and joint venture companies is Rs. 92.09 Lacs (previous year Rs. 1.04 cr) for the year ended 31 March 2023.

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

36. Fair Value Measurement- The company applied the fair valuation measurements as per Ind AS 113 Fair Value Measurement for all the assets and liabilities where ever applicable. It is further to state that the hierarchy of inputs as provided under Ind AS 113 is duly taken care.

37. As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects.

Corporate Social Responsibility:

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

Year	Amount required to be spent	Amount of expenditure incurred	Short fall at the end of the year	Previous year short fall	Reason for short fall	Nature of CSR activity
2021-2022	61,87,311	9,56,000	52,31,311	0	Unspent amount was allocated to on going project and was Transfer to unspent CSR	As per activities mentioned in Schedule VII

					account	
2022-2023	46,40,688					

38. Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

39. An asset namely the Launching girder which was damaged is taken up for reconstruction. The reconstruction cost is covered by insurance. Asset is reclassified as per Ind AS 105 Non - Current Asset held for Sale under Other Current Assets at Net realizable value and the loss on reclassification is duly provided for.

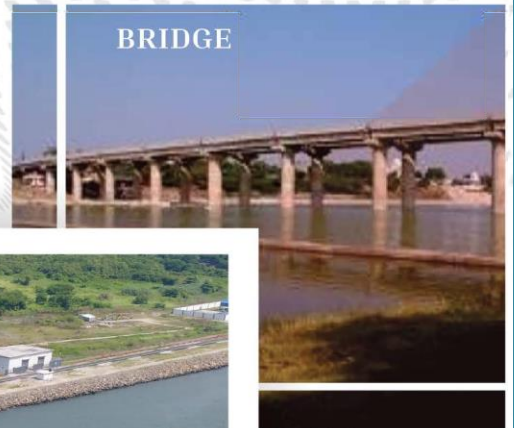
40. The company got two arbitration awards amounting to Rs.12.06 cr and Rs.16.68 cr against Mumbai and Cochin port Trust . The later was received between the reporting period and the date on which the financial statements are approved by the Board and accordingly , the same is considered as eligible for being taken as income for the FY 2022-23 in compliance of Indian Accounting standard (Ind As) 10 , Events after the Reporting period . In compliance of Notification No: N-14070/14/2016-PPPAU , Dt: Sep 05, 2016 issued by the Government of India 75 % of the award is recognized as Revenue in the books of account since the certainty of the receipt of the amount is established in compliance of Indian Accounting standard (Ind As) 115, Revenue from contracts with customers.

41. Consequent to a survey operations by the Income tax dept in the premises of the company , a provision of Rs 7.40 cr is created towards the estimated tax liability as the same is deemed as fit and proper based on the expert opinion

42. Ratios.

A	Current Ratio	CA/CL	1.77
B	Debt-Equity Ratio	Long Term Debt / Total Share holders equity	0.28:1
C	Debt service Coverage Ratio	EBITD / Current debt obligation	0.64
D	Return on Equity Ratio	PAT/Share capital	5.18
E	Inventory Turnover Ratio	Net Sales /AVG Inventory	3.09
F	Trade Receivable Turnover Ratio	Net cr sales / Avg Turnover receivable	1.92
G	Trade payable Turnover Ratio	Net Credit purchases / Avg Trade payable	2.31
H	Net capital Turnover Ratio	Total sales/ Share holders Equity	2.05
I	Net profit Ratio	NP / Turnover *100	4.08
J	Return on Capital Employed	EBIT / Capital employed	0.28
K	Return on Investments	Net income / cost of investment *100	113.82

BRIDGE



MARINE STRUCTURES



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